The urgency of labor law for informal sector workers in the welfare state concept: An evidence in Indonesia

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ABSTRACT

This study aims to re-examine the issues that involve outreach the urgency of labor law for informal sector workers in the concept of the welfare state in Indonesia. The research method used is a descriptive approach to identify the relationship of phenomena, idea, data, or fact that is found objectively. This study found that the rights, dignity, standard of living, and even the working environment of informal sector workers are still neglected by labor law in Indonesia today. The national labor law has not accommodated legal protection, guarantees, and social security, so there is a legal vacuum for informal sector workers. This condition contradicts the philosophy of Pancasila and the constitution, the 1945 Constitution of the Republic of Indonesia. Thus, efforts to develop labor laws are expected to be carried out by the government together with the legislature to make all parties have the same position in the production process for the achievement of the company's progress. will have implications for national economic growth. On the other hand, this effort is expected to create legal harmonization in the field of employment in general and especially for informal sector workers in the welfare state in Indonesia.

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Introduction

Today, we live in an era of risk and instability marked by globalization, new technologies, changing demographics, and the COVID-19 pandemic has transformed the world’s business environment. Globalization, new technologies, demographic changes, and the COVID-19 pandemic are increasingly having an impact on deepening inequality in the workforce in general, and especially for informal sector workers who are vulnerable to poverty issues, unemployment, quality improvement and job opportunities. Marcel van Marrewijk and J. H. Timmers. (2003) in Hamid (2020a) states that the workforce as a human resource has a very strategic role and position because many organizations innovate related to production, distribution, marketing, and management (Levitt, 1983) in the face of fast global market conditions. changing in the era of globalization, free markets (Lund et al., 2019).

In the free market era, Indonesia as a developing country that is dependent on foreign investment is under pressure from foreign investors, including in terms of regulations in the field of employment (Uwiyono,2021), which allows more and more tasks that are traditionally carried out by humans to become automatic, especially in routine tasks, such as administrative work, bookkeeping, basic paralegal work and reporting ((OECD, 2017). Another acceleration of transformation in work is that workers will do more and more tasks. work in close integration with digital technology (Institute for Work & Health, 2021) thereby changing jobs and the workplace (ADB, 2018). Digital technology can accelerate the growth of gig work and microwork (Institute for Work & Health, 2021) so it should not be detrimental to the survival of the company where this will have an impact on the sustainability of the company the company's operations (Hamid, 2022b).
Then, there is a phenomenon of demographic change related to the global population density since the 1920s to 7.7 billion today (Kaneda and Greenbaum, 2020). Furthermore, the COVID-19 pandemic has a negative impact on global social and economic conditions, affecting the lives of millions of people globally such as unemployment and underemployment (Tamin et al., 2021). In dealing with situations like this, employers and workers must be able to adapt in order to survive and if possible grow sustainably. This is a reality that must be faced because life continues and continues as in the field of employment in general, especially workers in the informal sector. According to the Central Bureau of Statistics (Badan Pusat Statistik, 2021a) defines informal sector workers as workers with a person's main employment status which includes self-employment, trying to be assisted by temporary workers, trying to be assisted by permanent workers, laborers/employees, freelance workers in agriculture, freelance workers in non-agriculture and family workers. 

Problems related to the current condition of informal sector workers are that they tend to be increasingly unprofitable and have become an important issue in various countries in the world, and including in Indonesia as a country that adheres to the concept of a welfare state. According to Weil (2009), the problems of working conditions faced by informal sector workers tend to be closely related to the various workplace and social risks, including the following:

i. In terms of job security, it refers to the dangerous nature of the employment relationship and the increased risk of losing your job; and

ii. In terms of income, informal sector workers are vulnerable to receiving wages that are close to (or sometimes below) the statutory minimum and are subject to de facto reductions through being required to work 'off the clock', without being paid overtime as required by law. law or, in extreme cases, simply not being paid for the work done.

A country that applies the concept of a welfare state has public policies that are service, assistance, protection or prevention in social problems (Huda, 2009) which are based on justice in an equitable and balanced manner (Kranenburg and Sabaroeedin, 1989). According to Tisnanta et al. (2017), the concept of a welfare state is an option to build an Indonesian legal state, as stated in the Preamble to the 1945 Constitution of the Republic of Indonesia or Undang Dasar Negara Republik Indonesia Tahun 1945 (UUD NRI 1945). Welfare can only be done by strengthening the role of the state so that the state can create minimum standards for its citizens through the rule of law (Tisnanta et al., 2017) through social policies in public policy. Aravacik (2021), states that social policy is a series of actions taken to ensure social justice and ensure that all levels of society live in peace and harmony to prevent unemployment, improve working conditions, provide minimum wages, provide social security and benefits, and eliminate unemployment, inequality in income distribution.

Public policy in general can be defined as a system of laws, regulatory measures, actions, and funding priorities on certain topics that are officially announced by government entities or their representatives (Kilpatrick, 2000). In general, legal theory can be interpreted as matters relating to legal conceptions, legal principles, schools or ideas in law (Hamid & Hasbullah, 2022a). The conception of labor law generally regulates employers and workers who have a standard employment relationship, but this is an exception regarding informal sector workers (CCOHS, 2022). Magalla (2018) states that the purpose of labor law as an employment law is to enable effective enforcement of employers' and workers' rights which include employment, remuneration, working conditions, trade unions, and industrial relations, social security and disability insurance (Schregle, 2022).

Labor Law Compliance Center (2022), states that the role of labor law as an employment law is very important related to business obligations to employees to maintain employee safety and protection in the work environment, including: (1). Classification of Workers; (2). Child Protection; (3). Wage Protection; (4). Reasonable Hours and Compensation; and (5). Discrimination Prevention. Labor laws are designed to empower and protect workers, and ensure that the employer-employee relationship is monitored, enabling both parties to be held accountable for their actions (The GPS Team in Business, Global Compliance, 2021). According to Magalla (2018), labor law provides specifications of rights, obligations and regulates and informs subjects about how workers behave in accordance with the terms of the contract and how workers can enforce their rights.

Vesko (2006) cited by CCOHS (2022) states that standard work is a situation in which a worker is employed by one employer on a full-time, permanent basis, receives decent wages and benefits, and has access to and effective protection from regulatory agencies. On the other hand, non-standard work is a general term for different work arrangements that deviate from standard work, including temporary work; part-time jobs and vocations; temporary agency work and other multi-stakeholder employment relationships; and covert work and self-employment (ILO, 2022a). According to CCOHS (2022), another interpretation of the broader concept of informal sector worker includes having a circular relationship with precarious work, i.e. someone who is engaged in precarious work.

Based on the various descriptions above, the problems related to the conditions of informal sector workers, namely the existence of various workplace and social risks, and are further exacerbated by factors of technological progress, demographic changes, and the COVID-19 pandemic. This has greatly impacted informal sector workers. so that it tends to increase the number of poverty, unemployment, narrow fields and employment opportunities. These problems further add to the urgency of labor law for informal sector workers in the concept of the welfare state. This is a very important issue to be discussed at the global level in general, and especially in Indonesia as a country that adheres to the concept of a welfare state. Therefore, the urgency of the role of labor law for informal sector workers in the concept of a welfare state is a strategic issue that must be answered by various countries in the world in general, and the Indonesian state in particular.
Thus, the labor law for informal sector workers is a challenge for the government and the legislature for public policy makers with regard to improving legal and social protection and security for people working in the informal sector. Then, other emerging issues in the informal sector are related to efforts to increase the productivity of informal sector activities in the form of working conditions, training and skills development, improving the organization of producers and informal sector workers, developing informal sector workers in accordance with human rights and constitution. Therefore, the premise of this research is related to what and how the urgency of the role of labor law in the field of employment, especially for informal sector workers in the concept of the welfare state in Indonesia. The formulation of the research problem is as follows:

i. How is the potential of informal sector workers globally in general and in Indonesia in particular?

ii. What and How is the concept of the welfare state?

iii. What and How is the urgency of labor law for informal sector workers in the concept of a welfare state in Indonesia?

Furthermore, this research is entitled as follows: “The Urgency of Labor Law for Informal Sector Workers in the Welfare State Concept: Evidence in Indonesia”. This article discusses related to the questions posed in the formulation of research problems which include: (1). Potential of Informal Sector Workers; (2). The Welfare State Concept; and (3). Urgency of Labor Law for Informal Sector Workers in the Welfare State Concept. Then, this article ends with conclusions and suggestions according to the title of this research.

Materials and Methods

This study uses a normative juridical research method, an approach that uses a positivist juridical conception, namely that the law is identical to written norms made by the authorities (Amirudin & Asikin, 2016 :167) in the form of a study of documents or literature that only focuses on labor law that applies in Indonesia. The normative juridical method is a legal research method on secondary data using library data (Soekanto & Mamdji, 1995: 35) which is carried out by researching or studying problems in terms of legal rules (Soejono & Abdurahman, 2003: 28). Then, a descriptive analytical qualitative approach is used to describe the relationship of a particular phenomenon, idea, or phenomenon as well as the data or facts found during the research objectively. Data collection techniques by taking or looking for secondary data from the problems studied through literature studies such as books, journals, theses, articles and others. Data collection is taken from reference sources that are related to the problem to be studied. The research stage is to identify problems and analyze the data and facts found.

Results and Discussions

Potential of Informal Sector Workers Globally and Nationally

Informal sector workers have strategic potential from an economic perspective both globally and nationally, especially in Indonesia. Currently, globally, the number of informal sector workers is a non-standard workforce that has reached >60% of the world's population (ILO, 2019b), and there is a rapid increase in the proportion of informal sector workers (CCOHS, 2022), non-standards that have become a contemporary feature of labor markets around the world (ILO, 2016c). In the aggregate that informal sector workers or non-standard workers have increased over the last few decades in industrialized and developing countries, as their use has become more widespread across economic and occupational sectors (ILO, 2016c),

Based on 2018 World Bank data in WIEGO (2022) and ILO (2020d) in 2018 it is estimated that the number of informal sector workers worldwide is 61% as follows:

<table>
<thead>
<tr>
<th>Countries by Income Level</th>
<th>Total</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>61</td>
<td>80</td>
<td>44</td>
</tr>
<tr>
<td>Developing</td>
<td>90</td>
<td>90</td>
<td>79</td>
</tr>
<tr>
<td>Emerging</td>
<td>67</td>
<td>83</td>
<td>51</td>
</tr>
<tr>
<td>Developed</td>
<td>18</td>
<td>22</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: *2018 World Bank definitions based on country levels of gross income per capita (processed)

Table 1 describes the first global estimate of the size of informal employment in the informal sector published by the World Bank and the ILO in 2018 that 61% of all workers are employed informally, meaning there are 2 billion informal workers worldwide (ILO,2020d). These estimates reveal a clear relationship between low GDP levels and high levels of informal employment in various countries (ILO, 2020d; WIEGO, 2022). According to WIEGO (2022), the world's informal workers are an important fact because in developing countries more than 50 percent to almost 100 percent of workers from poor households are employed informally, while less than half of workers from non-poor households are employed informally.
Meanwhile in Indonesia, the labor structure is dominated by informal sector workers. The Central Statistics Agency as of February 2022 after two years of the emergence of Covid-19, estimates that informal and vulnerable workers are increasing (Wagunu, 2022). Based on data from the Central Bureau of Statistics (Badan Pusat Statistik or BPS) as of February 2021, the number of informal workers in Indonesia dominates compared to formal workers, namely 78.14 million people (59.62 percent) working in informal activities (Badan Pusat Statistik, 2022). Then, Margo Yuwono, Head of the Central Bureau of Statistics in Woldan (2022) stated that as of February 2022, there were 135.6 million workers, and informal sector workers were increasingly dominant in Indonesia, consisting of: (1) The number of formal workers was 54.28 million workers; and (2) The number of informal sector workers is 81.33 million workers, this means that the number of informal sector workers in Indonesia is ~60% as of February 2022, and this figure indicates that the number is increasing along with the increasing number of workers in the informal sector. In 2022 after two years of the emergence of Covid-19, estimates that informal and vulnerable workers are increasing (Hamid et al., 2022).

Referring to BPS data related to the number of informal sector workers in Indonesia as of February 2021 and as of February 2022, this condition becomes a challenge related to the role of law, the urgency of labor law for informal sector workers in the concept of a welfare state adopted by Indonesia as mandated by the foundation. philosophy of Pancasila and the constitution. According to the OECD/International Labor Organization, (2019), informal sector workers are seen from their employment relationship, namely legally or in practice, not subject to national labor laws, income taxes, protection or rights to certain work benefits, among others: advance notice of dismissal, severance pay, annual leave or sick leave, and others.

In Indonesia, informal sector workers are also defined as casual workers classified as casual workers in agriculture and casual workers in non-agriculture (Badan Pusat Statistik, 2022: xv). In detail, the Central Bureau of Statistics defines informal sector workers or casual workers as follows:

1. A casual worker in agriculture is a person who works for another person/employer/institution that is not permanent (more than 1 employer in the last month) in an agricultural business, either in the form of a household business or a non-household business on the basis of remuneration by receiving wages or good remuneration. in the form of money, goods, and both with daily and wholesale payment systems. Agricultural businesses include: food crop farming, plantations, forestry, animal husbandry, fisheries and hunting, including agricultural services.

2. A casual non-agricultural worker is someone who works for another person/employer/institution that is not permanent (more than 1 employer in the last month) in a non-agricultural business by receiving wages or rewards in the form of money or goods, and either with a daily or wholesale payment system. Non-agricultural businesses include businesses in the sectors: mining and quarrying; processing industry; electricity and gas; water supply, waste, waste and recycling management; construction; wholesale and retail trade, repair of cars and motorcycles; transportation and warehousing; accommodation and food and drink providers; information and communication; financial and insurance services; real estate; company services; mandatory government administration, defense, and social security; education services; health services and social activities; and other services (Badan Pusat Statistik, 2022).

According to Article 1 point 33 of Law Number 25 of 1997 concerning Manpower or Undang-Undang Nomor 25 Tahun 1997 tentang Ketenagakerjaan (UU No. 25/1997), the informal sector employment relationship is a working relationship that exists between workers and individuals or several people who carry out joint business that are not legal entities on the basis of mutual cooperation, believe and agree to receive wages and/or rewards or profit sharing (Sari, 2016). Informal sector workers are workers who work in informal sector employment relationships by receiving wages and/or remuneration (Article 1 point 32 of UU No. 25/1997), and informal sector businesses are activities of individuals or families, or several people who carry out joint business to carry out economic activities on the basis of trust and agreement, and not have a legal entity (Article 1 point 31 of UU No. 25/1997).

According to the OECD/International Labor Organization (2019) that the underlying reason for workers working in the informal business sector is as vulnerable workers may be due to: (1) No announcement of jobs or employees; freelance work or short-term work; (2) Work with working hours or wages below the specified threshold (example: for social security contributions); or lack of application of laws and regulations in practice; (3) In the case of self-employed workers and employers, the status of informal employment is determined by the nature of the informal sector of the enterprise. Employers (with wage workers) and self-employed workers (without wage workers) are considered informal if their economic unit is included in the informal sector; and (4) All contributing family workers are classified as having informal employment, regardless of whether they work in formal or informal sector enterprises.

Informal sector workers can be interpreted as the number of occupational status groups of independent workers who have the following characteristics: (1) Do not have a formal job, formal work arrangements, decent working conditions, adequate income, legal security and social security; and (2) They do not have representatives to fight for their rights that are proper and effective as is done by formal workers such as trade union organizations so that they tend to damage the basic rights of workers. The informal sector is one of the economic actors both globally in general, and in Indonesia in particular, which has different characteristics compared to the formal sector. According to Swasono (1987), the differences in characteristics between the formal sector and the informal sector are as follows:
The term modern welfare state first appeared in Britain during World War II. in the 1930s and 1940s, the background was completely different (Sandmo,1998). According to Sandmo (1998), the Soviet Union's socialist economy appeared to be very successful, while Western countries had experienced a traumatic period during the interwar years with mass unemployment and periods of hyperinflation; among economists and politicians alike, the belief that markets are capable of rational allocation of resources is on the decline. At the same time that some developing countries gained independence from colonial rule, there was also widespread agreement that the road to development had to be paved by centralized economic planning (Sandmo,1998). Then, the term the concept of the welfare state has been used much more broadly to describe the social welfare system that has developed since the nineteenth century (Weir, 2001).

Andersen (2001) states that the concept of the welfare state was originally inspired by the theory that industrialization accompanied by urbanization, the emergence of efficient bureaucracies, and demographic aging is a public responsibility so that a public social security program is needed. Wilensky (1975) in Oktem (2020) states that the essence of the welfare state is a minimum standard protected by the government which is guaranteed to every citizen as a political right, not as a charity. In this case, the state is required to have a social security program, including the old-age insurance program, work accident and illness insurance programs, unemployment insurance programs, and some add family benefits (Öktem,2020).

A welfare state is a state that is committed to providing basic economic security to its citizens by protecting them from market risks associated with old age, unemployment, accidents, and disease (Weir,2001) through social policies. According to experts in Aravacik (2018), social policy is a set of policies related to measures taken by the state to protect workers and to ensure welfare in order to
obtain services and income to protect workers. The State of Indonesia is a social welfare state as formulated in the fourth paragraph of the Preamble to UUD NRI 1945 and Chapter XIV of UUD NRI 1945. As a social welfare state, the state is responsible for economic affairs and the welfare of the people. This is the moral ideal of the nation that was created in the formation of this country, as a compass or direction that the Indonesian nation wants to achieve (Dimyati et al., 2021).

According to Ashiddi (2008), in the concept of the welfare state, all policies regarding the national economy must be seen as an inseparable part of the social welfare policy itself. Traditionally, workers have adopted two main strategies to address job insecurity: first, collective action to secure better terms of employment contracts; and second, political action to secure the minimum standards imposed by the state (Vosko, 2006:257). Therefore, to answer various problems related to informal and vulnerable workers, the state must be present as mandated in Pancasila and UUD NRI 1945.

Pancasila as the basis of the state is the source of all sources of law that gave birth to various laws and regulations in Indonesia. This is confirmed in the Decree of the People’s Consultative Assembly of the Republic of Indonesia Number III/MPR/2000 concerning Legal Sources and Ordering Procedures for Legislation or Ketetapan Majelis Permusyawaratan Rakyat Republik Indonesia Nomor III/MPR/2000 Tentang Sumber Hak dan Tata Urutan Peraturan Perundang-Undangan (TAP MPR No. III/MPR/2000). TAP MPR No. III/MPR/2000 Article 1 contains three paragraphs, including:

i. Legal sources are sources that are used as material for the preparation of laws and regulations.

ii. Legal sources consist of written sources of law and unwritten law.

iii. The source of national basic law is Pancasila as written in the Preamble to the 1945 Constitution of the Republic of Indonesia, namely Belief in One God, just and civilized humanity, Indonesian Unity and Democracy led by wisdom in deliberation/representation, and by realizing social justice for all Indonesian people. and the body of the UUD NRI 1945.

According to UUD NRI 1945 Article 27 paragraph (2) that every citizen has the right to work and a life that is worthy of humanity and in accordance with his dignity and human rights as human beings. In this case it can be interpreted that work is the main source of income to meet the needs of life. But ironically, until now there is still a regulatory vacuum and data infrastructure to protect informal and vulnerable workers. According to Wagunu (2022), informal and vulnerable workers are often excluded from various policy instruments due to the absence of data and legal protection.

Based on these various descriptions, the urgency of the role of labor law for informal sector workers in the concept of a welfare state in Indonesia is a very important issue. This has become increasingly strategic, especially in relation to informal workers so that they have the same position in the production process for the achievement of company progress. On the other hand, the role of labor law is to create harmonization of law in the field of employment in the concept of the welfare state

Thus, the Indonesian government is expected to be able to encourage and enhance the role of labor law for informal sector workers in the concept of a welfare state in Indonesia through a series of instruments of legislation, administration, supervision, contract management, fiscal steering mechanisms, benchmarking, public exposure, and others (Tollenaar and Vonk, 2021). According to Tollenaar and Vonk (2021), a series of government regulatory instruments can be used in the context of the concept of the welfare state. Therefore, the government and the House of Representatives of the Republic of Indonesia or Dewan Perwakilan Rakyat Republik Indonesia (DPR RI) or the legislature together to find and improve the employment sector in Indonesia related to the conditions of informal sector workers through regulations as mandated by Pancasila as the foundation of state philosophy (philosofische grondslag), and constitution, UUD NRI 1945. This is very important in order to increase the role of labor law for informal sector workers in the concept of a welfare state in Indonesia and also to promote decent work.

The Urgency of Labor Law for Informal Sector Workers

The existence of labor law in building industrial relations has a main function, namely as a guide and control of the community, especially for the interests of workers and entrepreneurs in order to create legal order/certainty that has benefits and justice. Labor law can be interpreted as a means/tool for legal reform in the field of employment, starting from traditional practice to modern practice, where initially the working relationship between workers and employers was only using words (oral), to an era based on written provisions. This is to ensure legal certainty and order in the renewal process (Article 102, Article 103 in conjunction with Article 116, Article 57, in conjunction with Article 63 of Undang-Undang Nomor 13 Tahun 2003 tentang Ketenagakerjaan (UUK No.13/2003), as well as Article 4 of Law No. 21 of Undang-Undang No. 21 Tahun 2000 tentang Serikat Pekerja/Serikat Buruh (UU No.21/2000).

Currently, the labor structure in Indonesia is dominated by informal sector workers. Informal sector workers in Indonesia are estimated to have reached more than half the total number of active workers. Chen (2012) quoted from the TURC (2020) study in Pratw, et al (2020), divides the informal sector into two broad categories namely, first, self-employment in informal enterprises, and secondly, wage employment (employees of informal enterprises, workers in agriculture, paid domestic workers, home industry workers, homeworkers). According to Tasriah (2022), the characteristics of informal sector activities are as follows: (1). Unregistered and small scale of operation, low level of organization, low level of productivity and income, self-employed workers with no or very few paid permanent employees; and (2). Places of business in the form of small shops, at home, and there is no fixed location.
Referring to statistical data that the number of informal sector workers in Indonesia has reached +/- 60% of the total number of workers in Indonesia as of February 2022. This is a big job for the government so that the large number of informal workers can fulfill their basic rights for welfare through labor law. Therefore, the urgency of the existence of labor laws for informal sector workers in the concept of a welfare state in Indonesia is a must. However, at this time the existence of labor law in Indonesia only regulates formal workers, while workers in the informal sector are still not covered by the applicable labor law. Some of the existing labor laws in Indonesia are as follows:


ii. Law No. 11 of 2020 concerning Law No. 11 of 2020 on Job Creation - Employment Cluster or Undang-Undang No. 11 Tahun 2020 tentang Cipta Kerja klaster ketenagakerjaan (UUCK No. 11/2020). In this case, the Indonesian government has issued a government regulation or peraturan pemerintah (PP) to implement UUK No.13/2003 and UUCK No.11/2020 of labor clusters, including: Government Regulation or PP No. 34 of 2021 concerning the Use of Foreign Workers (PP No. 34/2021); Government Regulation or PP No. 35/2021 concerning Work Agreements for Certain Time, Outsourcing, Working Time and Rest Time, and Termination of Employment (PP No. 35/2021), and Government Regulation or PP No. 36/2021 concerning Wages, and Government Regulation or PP No. 37 of 2021 regarding the Implementation of the Job Loss Guarantee Program (PP No. 37/2021).

iii. Law Number 2 of 2004 concerning Settlement of Industrial Relations Disputes or or Undang-Undang Nomor 2 Tahun 2004 tentang Penyelesaian Perselisihan Hubungan Industrial (UU PPHI No. 2/2004).

iv. Law no. 21/2000 concerning Trade Unions or Undang-Undang No. 21/2000 tentang Serikat Pekerja (UU No.21/2000).

Furthermore, Article 34 paragraph (2) of UUD NRI 1945 states that the state shall develop a social security system for all the people and empower the weak and underprivileged in accordance with human dignity. However, labor law in Indonesia tends to only regulate formal workers. Labor law in Indonesia has not reached informal workers in the concept of the welfare state. This means that there is a regulatory vacuum in Indonesia in the context of labor law for informal sector workers. The various existing regulations only regulate informal workers as table 3 regarding the description related to the labor law review as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Labor Law</th>
<th>Labor Law Regulations Only Reach Formal Sector Workers</th>
<th>Position of workers/laborers in Industrial Relations</th>
<th>Labor Rights &amp; Labor Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>UUK No.13/2003</td>
<td>There is no official definition of informal sector workers, and there are only definitions of workers and employers in general.</td>
<td>The position of formal workers/laborers related to employment relations in UUK No.13/2003 is regulated in Article 1 paragraph (15). Employment relations are the relationship between employers and workers/laborers based on work agreements, which have elements of work, wages, and orders. While related to industrial relations for formal workers, it is regulated in Article 1 paragraph (16), industrial relations are a system of relations formed between actors in the process of producing goods and/or services consisting of elements of entrepreneurs, workers/laborers and the government. based on the values of Pancasila and the 1945 Constitution of the Republic of Indonesia</td>
<td>Labor rights are regulated in: - Article 104 of UUK No.13/2003 regulates related to trade unions and Law Number 21 of 2000 concerning trade unions; - Article 86 UUK No.13/2003 related to Social Security and Occupational Health and Safety (K3). - Article 1 paragraph (1) UUK No.13/2003 related to the rights of formal workers, namely receiving a decent wage; - Article 31 UUK No.13/2003 stipulates that every worker has the same rights and opportunities to choose, get or change jobs and earn a decent income at home or abroad. Meanwhile, related to labor obligations, it is regulated in Article 102 paragraph (2) UUK No.13/2003; The workforce carries out work in accordance with their obligations, maintains order for the sake of continuity of production, distributes aspirations democratically, develops skills</td>
</tr>
</tbody>
</table>
2 UUCK No. 11/2020. In this case, the Indonesian government has issued a government regulation or (PP) to implement UUCK No.13/2003 and UUCK No.11/2020 of labor clusters, including: PP No. 34 of 2021, PP No. 35/2021, No. 36/2021, and PP No. 37/2021. There is no official definition of informal sector workers, and there are only definitions of workers and employers in general. The position of workers/laborers in UUCK No. 11/2020 has many shortcomings and weaknesses that tend to harm formal workers/laborers so that it has the potential to cause new problems in industrial relations between employers and workers. (Hermanto & Purwaningsih, 2021). Thus, UUCK No. 11/2020 was formed and ratified as a labor law, which is considered still far from the wishes of the people who adhere to democratic principles (Hamid, 2021c).

3 Law Number 2 of 2004 concerning Settlement of Industrial Relations Disputes (UU PPHI No.2/2004) There is no official definition of informal sector workers, and there are only definitions of workers and employers in general. The position of workers/laborers related to disputes in industrial relations is regulated in the PPHI Law No. 2/2004. According to PPHI Law No. 2/2004, the definition of industrial relations disputes is a difference of opinion which results in a conflict between the entrepreneur or a combination of employers and workers/laborers or trade unions/labor unions? Then, Article 2 of the PPHI Law No. 2/2004 regulates four types of industrial relations disputes, namely disputes over rights, disputes over interests, disputes over termination of employment, and disputes between trade unions/labor unions in only one company. Then, in Article 150 to Article 172 of the PPHI Law No. 2/2004, it can be found out about everything related to termination of employment (Pemutusan Hubungan Kerja or PHK) and the reasons for doing layoffs. Labor rights can be resolved through negotiations as follows:

(1) Bipartite, bipartite negotiations are negotiations between workers/laborers or trade unions/labor unions and entrepreneurs to settle industrial relations disputes;
(2) Mediation, institutions for resolving disputes over rights, disputes over interests, disputes over termination of employment, and disputes between trade unions/labor unions within one company only through deliberation mediated by one or more neutral mediators;
(3) Conciliation, settlement of disputes of interest, disputes over termination of employment or disputes between trade unions/labor unions in only one company through deliberation mediated by one or more neutral conciliators;
(4) Arbitration, settlement of a dispute of interest, and disputes between trade unions/labor unions in only one company, outside the Industrial Relations Court or Pengadilan Hubungan Industrial (PHI) through a written agreement from the disputing parties to submit dispute resolution to an arbitrator whose decision is binding on the parties. parties and is final; and
(5) Industrial Relations Court. The Industrial Relations Court (PHI) is a special court established within the district court with the authority to
Table Cont’d

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<th>Law No. 21/2000 concerning Trade Unions or Serikat Pekerja (UU No.21/2000)</th>
<th>There is no official definition of informal sector workers. Article 1 of UU No. 21/2000 paragraph 6 reads: &quot;Worker/labor is any person who works by receiving wages or other forms of remuneration.</th>
<th>The position of workers/laborers in Article 28 of UU No.21/2000 is to form and act as members of a federation/confederation of trade unions. According to Article 43 of UU No. 21/2000 that the existence of workers who form trade unions cannot be prevented by employers, the government, or any other party who will force and pressure workers not to form trade unions, they are threatened with imprisonment of at least 1 (one) ) years and a maximum of 5 (five) years, and/or a fine of at least Rp. 100,000,000 (One Hundred Million Rupiah) and a maximum of Rp. 500,000,000 (Five Hundred Million Rupiah).</th>
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**Source:** Labor Law in Indonesia and other sources (processed)

Referring to table 2, it can be seen that the official definition of informal sector workers is not regulated and there are only general definitions of workers and employers in labor law in Indonesia. The definition of worker in labor law in Indonesia is any person who works by receiving wages or other forms of remuneration (Article 1 paragraph 3 UUK No 13/2003). While the definition of an employer is an individual, entrepreneur, legal entity, or other entity that employs workers by paying wages or other forms of remuneration (Article 1 paragraph 4 UUK No 13/2003). Thus, the urgency of labor law for informal sector workers in Indonesia to date.

Based on these various descriptions, it can be interpreted that various labor laws in Indonesia only regulate formal workers. In this case, none of the existing labor laws regulates informal sector workers. In fact, there is no difference between formal and informal workers, because formal workers and informal sector workers are both producing products and services, in the form of goods and services as determined by the employer. Therefore, it is very necessary to have regulations that protect informal sector workers in order to obtain welfare and legal certainty in the concept of a welfare state in order to comply with the principles and objectives of UUK No. 13/2003. Whereas the constitution has guaranteed that everyone has the right to live in prosperity and receive social security that allows his full development as a dignified human being (Article 28 H of the 1945 Constitution of the Republic of Indonesia).

Thus, the urgency of labor law for informal sector workers in the concept of a welfare state in Indonesia is in the form of labor law ideas related to legal protection. Legal protection is a protection given to legal subjects in the form of legal instruments, both preventive and repressive, both written and unwritten (Fitria, 2018). According to Fitria (2018), legal protection is an illustration of the function of law, namely a concept in which the law can provide justice, order, certainty, benefit and peace. order, certainty, benefit and peace.

Therefore, it is hoped that this legal idea can be used as an effort to improve the dignity of workers in general and especially for informal sector workers who in reality have not been covered by labor law in Indonesia, the national labor law.
In this context, the urgency of labor law for informal sector workers in the concept of a welfare state in Indonesia can be described as shown in Figure 1 as follows:

**Figure 1: The Urgency of Labor Law for Informal Sector Workers**

Referring to Figure 1, it can be interpreted that the urgency of labor law for informal sector workers is aimed at increasing the dignity of informal sector workers in accordance with the Universal Declaration of Human Rights (1948), the philosophy of Pancasila and the constitution, the 1945 Constitution of the Republic of Indonesia, which can be done by as follows:

i. **Establishing the same position regarding informal sector workers in the production process for the achievement of company progress.**

If seen or interpreted about the definition of worker/labor in labor law in Indonesia *a contrario*, informal sector workers can be interpreted as anyone who works not for the employer, and receives wages or other forms of remuneration from other parties due to the results of their work. Informal sector workers are self-employed and casual workers in the agricultural and non-agricultural sectors. In general, informal sector workers or casual workers are self-employed/private or family owned businesses, small business scale, often assisted by non-permanent workers or workers who have family or other relationships, and are not regulated through a competitive market mechanism like a company, and vulnerable to various workplace and social risks.

Examples of the activities of informal sector workers or freelancers are as follows: street vendors (*Pedagang Kaki Lima* or PKL), construction workers, fishermen, farmers, household workers, and others. Therefore, the role of labor law plays an important role in making all parties, employers and workers have the same position in the production process for the achievement of company progress in the concept of the welfare state.

Labor law acts as a broad and inclusive legal mechanism to be able to help capture work arrangements in the informal economy sector such as social protection, and create an equal playing field (Sankaran, 2021) and has implications for social order, capable of influencing social change. This view is in line with Fuady (2013: 249) which states that the law is able to influence social change if the law made is in line with the functions of law, namely as a means of social change or a means of community engineering. In this context, it is very necessary to harmonize the law in the field of employment for informal sector workers in the concept of a welfare state in Indonesia. It aims to improve the dignity of workers in the informal sector in accordance with the Universal Declaration of Human Rights (1948), the philosophy of Pancasila and the constitution, the 1945 Constitution of the Republic of Indonesia.

ii. **Harmonization of law in the field of employment, labor law for informal sector workers in the concept of a welfare state in Indonesia**

Manpower, both formal workers and informal sector workers, is one of the important agendas in the national development sector. The urgency of labor law is very important because labor law is a positive law that applies to the people of Indonesia (Kususiyah, 2021). In this context, the urgency of labor law for informal sector workers in the concept of a welfare state can be carried out by harmonizing labor laws in the field of manpower by the government and the legislature.

According to Hauerstein (2019) in Hamid (2022e), legal regulations include laws and regulations made by the legislature in the form of primary legislation and subordinate/secondary regulations issued by the executive, as public regulations that have external effects. According to Sankaran (2021), the challenge of lawmaking for the economy in the informal sector provides a unique opportunity to capture the forms of work and activities currently regulated by traditional labor laws and fall within the loopholes of labor laws.

Therefore, an extraordinary effort is needed that must be made by the government together with the Indonesian House of Representatives to harmonize labor laws against informal sector workers in the concept of a welfare state in Indonesia. The labor law in question is in the form of a labor law which is expected to act as a legal instrument to ensure fair results in dealing with problems
in the field of manpower in Indonesia. On the other hand, efforts to harmonize laws in the field of employment, labor laws for informal sector workers in the concept of a welfare state in Indonesia also need to consider the overall impact, both economic impacts and social impacts so that independence from the law will be faced with the ideal and reality (Rahardjo, 2012:16).

Conclusion

Informal sector workers have strategic potential from an economic perspective both globally and nationally, especially in Indonesia. However, legally it has not been reached proportionally, meaning that there is a vacuum in labor law for informal sector workers in the concept of a welfare state as mandated by the philosophical foundation of Pancasila and the Indonesian constitution. Therefore, President Joko Widodo as Head of State of the Republic of Indonesia who also holds the chairmanship or presidency of the Group of Twenty (G20) as of December 1, 2021 in collaboration with the legislature is expected to be able to answer various problems related to informal sector workers in the concept of the welfare state and encourage worker empowerment, informal sector. Therefore, the urgency that must be immediately carried out by the Indonesian government together with the Indonesian House of Representatives as a legislative institution at this time is to strengthen the role of law through the development of labor laws for informal sector workers in the concept of a welfare state. This is expected to make all parties have the same position. in the production process for the achievement of the company's progress which will have implications for national economic growth. On the other hand, this effort is expected to create legal harmonization in the field of employment in general and especially for informal sector workers in the welfare state in Indonesia.

The urgency of labor law for informal workers in the informal sector in the welfare state in Indonesia is to strengthen the role of labor law in the employment sector so that all parties have the same position in the production process for the achievement of company progress, and create legal harmonization.

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Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to restrictions.

Conflicts of Interest: The authors declare no conflict of interest.

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