

INDONESIA LABOR LAW ENFORCEMENT AND INNOVATION IN INDONESIA

Presented for the
Labor Norms Compliance Improvement Strategy Symposium
through Labor Inspection System
in Indonesia

Jakarta, 4 April 2017

BACKGROUND LABOR INSPECTORATE IN INDONESIA

- ➔ Labor Inspectorate in Indonesia was established since 1948 under the Law No. 23 of 1948 on Labor Inspection.
- ➔ To date, the law still applies in Indonesia along with Law No. 3 of 1951.
- ➔ The Labor Inspection Law was passed one year after the adoption of ILO Convention No. 81 of 1947 concerning Labor Inspection in Industry and Commerce in the 37nd International Labor Conference in Geneva, Switzerland.

DEFINITION OF LABOR INSPECTION

Labor Inspection is a public (state / government) function to **ensure the application of labor law at company / workplace level.**

Its main role adalah untuk meyakinkan pengusaha untuk mematuhi undang-undang di tempat kerja, melalui is to convince employers to comply with the law in the workplace, **through preventive measures, technical advisory, and if necessary law enforcement.**

Maksud dan tujuan utama dilaksanakannya pengawasan ketenagakerjaan adalah untuk mewujudkan The main purpose and objective of implementation of labor inspection is to realize **social welfare and social justice.**

LABOR INSPECTION FRAMEWORK

1. ILO Convention No. 81 of 1947 concerning Labor Inspection in Industry and Commerce (Ratified by Law No. 21 of 2003) UU Law No. 3 of 1951 on the Declaration of the Effectiveness of Labor Inspection throughout Indonesia Law No. 23 of 1948 of the Republic of Indonesia
2. Law no. 1 of 1970 on Occupational Safety
3. Law No. 13 of 2003 on Manpower
4. Presidential Decree No. 21 of 2010 on Labor Inspection
5. Decree of the Minister of Manpower No. 33 of 2016 on Procedures for Labor Inspection

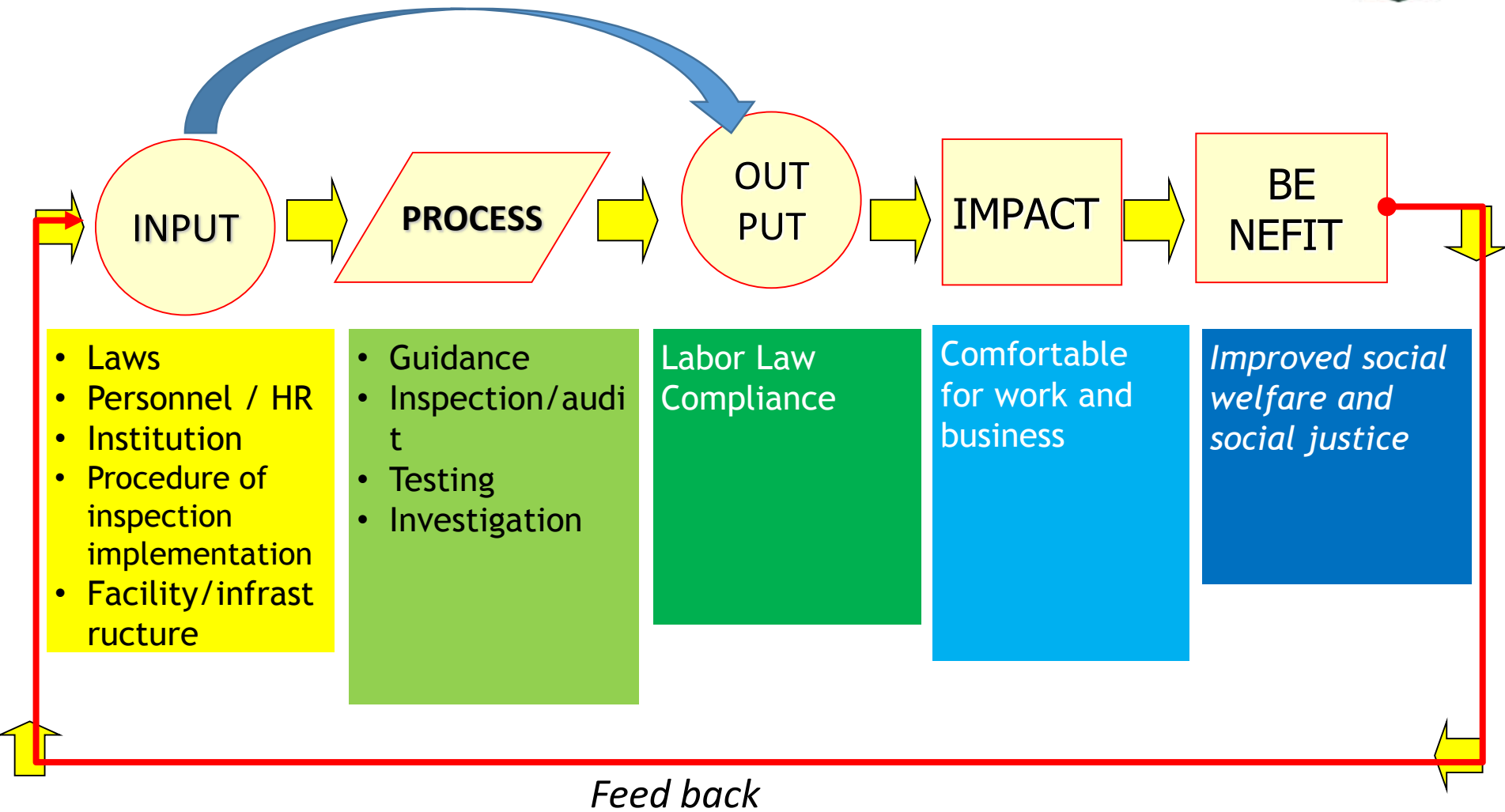
International Labor Standards ratified by Indonesia

- Indonesia is strongly committed to implementing labor inspection in order to ensure the fulfillment of human rights.
- Indonesia has ratified eight ILO core conventions:
 1. ILO Convention No. 29 on Forced Labor
 2. Convention No. 105: Abolition of Forced Labor
 3. ILO Convention No. 87: Freedom of Association and Protection of the Right to Organize
 4. ILO Convention No. 98 on the Fundamental Rights to Organize and Collective Bargaining
 5. ILO Convention No. 100 on Equal Remuneration of Men and Women for Equal Employment
 6. Convention No. 111 on Discrimination in Employment and Occupation
 7. Convention No. 138 on Minimum Age for Admission to Employment
 8. ILO Convention No. 182 on Prohibition and Immediate Action for the Elimination of Worst Forms of Child

LABOR INSPECTION AND LABOR LAW ENFORCEMENT

- A. Duties and responsibilities: To inspect and implement labor law enforcement.
- B. Labor inspectors are to do the following:
 1. To provide guidance for workers, employers and society
 2. Inspection of labor norms
 3. Testing Labor norms and OSH
 4. Employment related criminal investigations
 5. Development of the labor inspection system

Labor Inspection TRACK



Workload Labor Inspectors ratio to Large-Medium-Small Enterprises



Number of Enterprises



249,777
Large



1,801,991
Medium



18,928,427
Micro-Small

Number of labor inspectors



1923

Inspectors

Including:



383

PPNS/civil servant
investigator



984

Functional inspector



37

Electrical specialist



28

Fire specialists



87

Steam Specialists



22

Linger specialists



14

Cnstruction specialists



28

Occupational Health
Specialists



3

Chemical specialists



51

Forklift and crane
specialists

Achievement Labor Inspection



National enterprise in number

20.980.216



Number of inspectors

1.923 orang



Inspected enterprises
quaterly report 2 of 2016

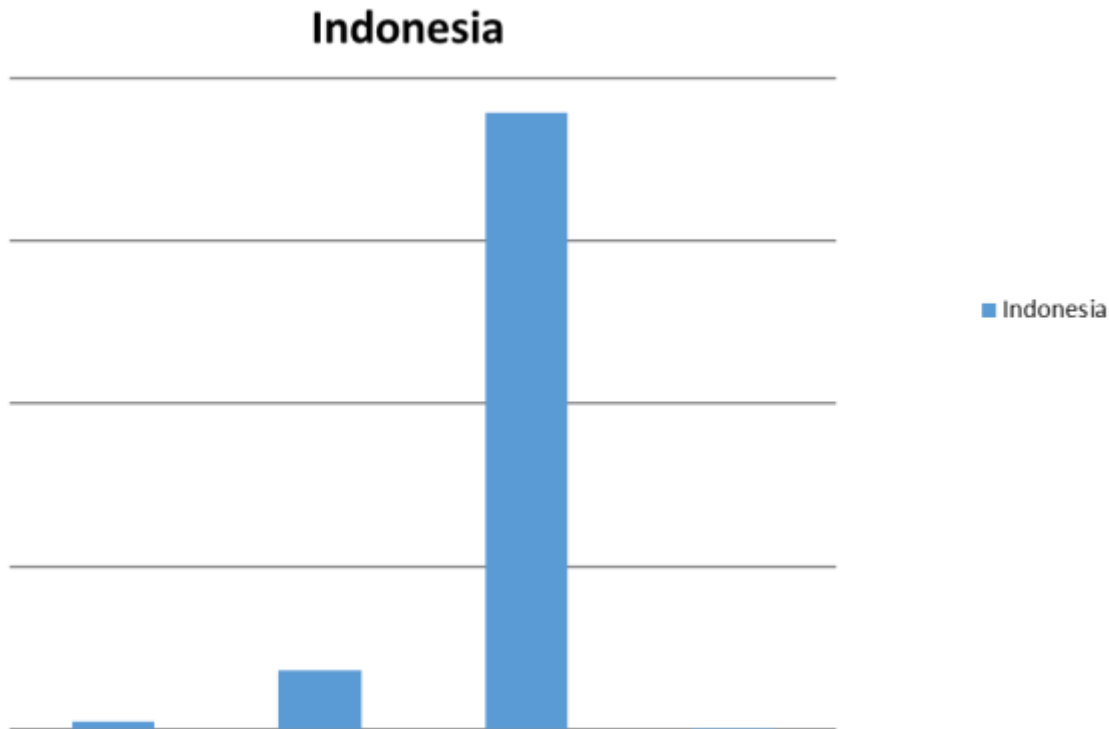
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Ratio of Enterprise to Number of Labor Inspectors



The Gap of Number of Labor Inspectors and Inspection objects is so big so that it requires a new strategy to ensure protection

1 Inspector : 11.228 enterprises

Sumber : Data Pengawas dari P3D Kemdagri dan data perusahaan dari BPS sebagai data pendukung pemetaan



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Labor Norms Violations

NO	Norms	2009	2010	2011	2012	2013	2014	2015	2016
1	Labor related report	2.456	1.870	1.842	4.127	5.501	5.597	4.575	50.241
2	WKWI	1.214	740	612	996	1.715	1.423	789	3.924
3	Foreign Labor	298	285	254	178	172	157	103	431
4	Migrant workers abroad	10.999	3.923	73	71	94	80	17	1.260
5	Minimum Wage	1.838	1.364	889	2.165	2.953	3.254	2277	10.163
6	Overtime Wage	999	782	623	947	1.877	1.607	1043	4.687
7	THR/annual bonus	2.156	370	218	356	711	402	255	1.109
8	Annual Leaves	664	493	433	516	948	859	179	1.493
9	Menstrual Leaves	830	447	142	158	452	345	82	667
10	CBA	1.049	983	1.024	2.091	2.854	2.518	898	6.995
	Total	22.503	11.257	6.100	11.605	17.277	16.242	10.218	80.970

**Need to have
more accurate
and traceable
compliance
data**

(Sumber : Laporan Permenakertrans
09/2005)



OSH norms Violations

NO	Norma	2009	2010	2011	2012	2013	2014	2015	2016
1	P2K3	1.896	1.212	1.295	1.607	1.139	1.621	1.477	4.442
2	Ahli K3	1.518	1.010	309	380	520	625	666	2.007
3	PJK3	479	161	158	104	145	204	92	297
4	Klinik Perusahaan	599	284	204	200	285	382	378	1.139
5	Catering	320	279	218	221	250	267	218	662
6	Pengl. Pestisida	134	91	84	72	81	98	179	612
7	Operator/Teknisi/Petugas	521	459	368	639	1.326	994	1.151	3.743
8	Dokter Perusahaan	321	320	243	203	334	277	188	605
9	Paramedis Perusahaan	281	203	163	153	206	253	394	1.130
10	Dokter PKTK	220	151	142	127	196	192	124	428
11	Rik kesh TK Awal	1.974	2.012	1.550	617	779	797	1.101	3.320
12	Rikkesh TK Berkala	11.522	11.860	12.080	1.451	1.434	1.558	1.296	3.889
13	Rikkesh TK Khusus	156	219	31	156	271	271	328	894
14	Lain-lain		687	418	1.288	1.210	1.119	1.442	6.111
	Jumlah	19.941	18.946	17.263	7.218	8.176	8.658	9.034	29.279

Innovation in the Development of Labor Inspection Systems

- A. Labor Norm Experts (KNK)
- B. Labor Norms Compliance Program (PROKEP) and Labor Compliance Index (IKK)



LABOR DEVELOPMENT AGENDA AND TARGET

Development Agenda

1. Strengthening of Main Factor of Economic Development through Labor Competitiveness Improvement
2. Improving labor climate and creating Harmonious Industrial Relations.
3. To extend the coverage of Social Security.

Development Target

1. Unemployment rate is 4.0 - 5.0 per cent by 2019.
2. Facilitating creation of 10 ten jobs in 5 (five) years.





- One target of Development in Labor 2015 – 2019 is
 - Improved business compliance through applying core labor standards;





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Labor Norms Experts (KNK)

Kepmenakertrans No. 257 Tahun 2014

KNK is a personnel that is expert labor at the workplace trained and guided on labor norms, to help employers control the risk of employment as well as improving corporate compliance in the application of labor norms

KNK FOR SUSTAINABLE BUSSINESS

Improving the quality of labor compliance in 354 companies covering protection
more than 500 thousand workers.

Sektor utama yang mengikuti KNK saat ini adalah industri padat karya seperti garment dan alas kaki yang berorientasi ekspor. The main sectors of KNKs are labor-intensive industries such as garments and footwear export-oriented

Decree of Minister of Manpower and Transmigration of RI, Number. 257 of 2014 on the Guidance of Establishment and Development of Labor Norms Experts



Labor Norms Experts (KNK)

21
Provinces

354
Enterprises

90 % Participants Managers to Directors

by the end 2016

569
KNK MUDA

166
KNK MADYA

133
KNK UTAMA

Number of Labor Norms Experts (KNK)

2014  **21**

2015      **376**

2016       **444**

Concept of Employment Compliance Assessment through self-assessment by the KNK.

Using Labor Compliance Index



Why we need Labor Compliance Assessment ?

Background of Compliance Assessment Program

- 
- 1. Policy Review**
 - 2. Inspectors Workloads**
 - 3. Sustainable Development Goals**

I. Policy Review

It necessitate a means of measurement of the
nine agenda and related strategic planning
on labor protection and enforcement



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Nine Agenda of Working Cabinet

1. **Hadirkan kembali negara untuk melindungi segenap bangsa & berikan rasa aman pada seluruh warga negara**
2. Pemerintah Hadir dlm pembangunan tata kelola pemerintah yang bersih, efektif dan terpercaya.
3. Negara hadir dlm reformasi sistem & penegakan hk yg bebas korupsi, bermartabat & terpercaya.
4. Meningkatkan kualitas hidup manusia Indonesia.
5. Mewujudkan kemandirian ekonomi dengan menggerakkan sektor-sektor strategis ekonomi domestik.
6. Meningkatkan produktivitas rakyat dan daya saing di pasar internasional
7. Melakukan revolusi karakter bangsa melalui kebijakan penataan kembali kurikulum pendidikan nasional
8. Memperteguh kebhinnekaan dan memperkuat restorasi sosial Indonesia

PRO - Compliance

Renstra

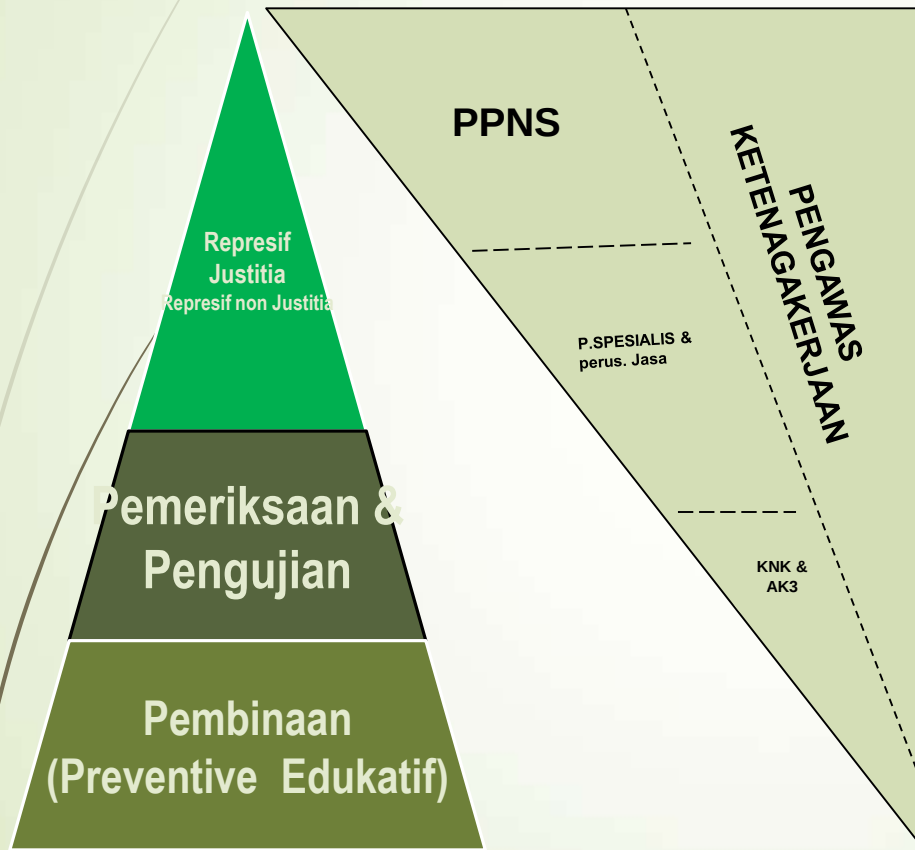
1. Peningkatan kompetensi & produktivitas tenaga kerja untuk memasuki pasar tenaga kerja
2. Peningkatan kualitas pelayanan penempatan & Pemberi tenaga kerja.
3. **Menciptakan hubungan industrial yang harmonis & memperbaiki iklim ketenagakerjaan.**
4. **Peningkatan perlindungan tenaga kerja, menciptakan rasa keadilan dalam dunia usaha & pengembangan Sistem pengawasan ketenagakerjaan**
5. Memperkuat fungsi pendukung (manajemen & was internal serta perencanaan & pengembangan)

Ministry Agenda on Labor

1. Penguatan perencanaan tenaga kerja nasional.
2. **Percepatan peningkatan kompetensi tenaga kerja**
3. **Percepatan sertifikasi profesi**
4. Perluasan kesempatan kerja formal
5. Penguatan wirausaha produktivitas
6. **Penciptaan hubungan industrial yang sehat & produktif**
7. **Penegakan hukum ketenagakerjaan**
8. **peningkatan perlindungan pekerja migran**
9. Pelayanan ketenagakerjaan sederhana, transparan dan akuntabel

II. Inspectors Workloads

Scope and Powers



a. Diperlukan Pengaturan beban kerja Pengawas Ketenagakerjaan. Arrangement of the workload of labor inspectors is needed. Portion of the workloads are delegated more to stakeholders and labor inspectors focus more testing/examining and repressive measures.



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III.Sustainable Development Goal Indicators:

National indicators are required to assess the improvement in adherence to labor norms

Goal 8. Promote Sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

	Global Indicator :	National Indicators :
8.8 protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrant and those in precarious employment	8.8.1 Frequency rates of fatal and non fatal occupational injuries, by sex and migrant status	
	8.8.2 Increase in National compliance of labour rights (Meningkatkan Kepatuhan hak- hak ketenagakerjaan secara nasional). freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national Legislation, by sex and Migrant status.	Proposed indicators : Labor Compliance Index



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Expectation from Pro-compliance Implementation





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Arrangements

- All companies will conduct self assessment, but the implementation is to be done gradually.
- Assessment is done in two phases, **self assessment** by labor norms experts (KNK) and **verification** by labor inspectors.
- Period of assessment January to December
- every first quarter, the government will make **public reporting** by announcing the assessment results in a **Labor Compliance Index**.

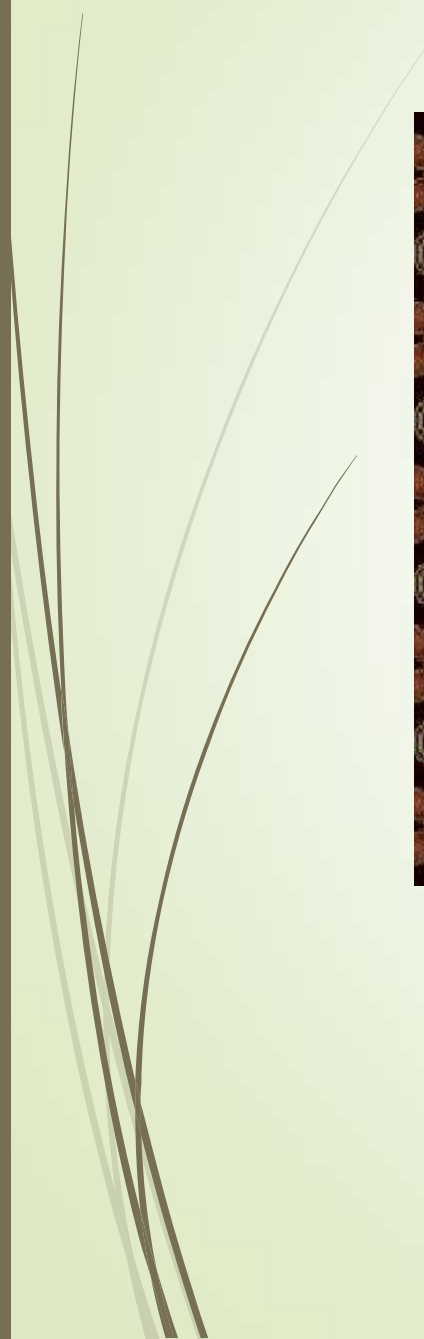


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Penutup

- Pengawasan Ketenagakerjaan akan terus melakukan upaya penegakan hukum ketenagakerjaan melalui upaya preventif edukatif, represif non yustisia dan represif yustisia secara konsisten.
- meningkatkan kolaborasi dengan semua sektor terkait, K/L , pemda dan asosiasi profesi untuk memasyarakatkan budaya kepatuhan norma ketenagakerjaan, sehingga perusahaan merasakan benefit dari kepatuhan yang dijalankan.
- Perlu dukungan, saran dan kritik terhadap konsep Penilaian Kepatuhan Ketenagakerjaan dalam rangka penyempurnaan konsep ini.



**TERIMA
KASIH**

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