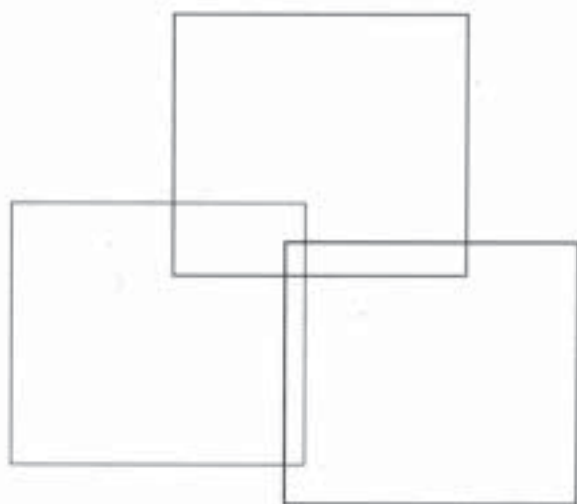


Manual



Mediasi Konsiliasi Arbitrasi

Bahasa Indonesia dan English

PREFACE

The three major labor laws of Indonesia which were enacted under the labor law reform program which started in 1998 are Act No. 21 of 2000 on Trade Unions, Act No. 13 of 2004 on Manpower and Act No. 2 of 2004 on Industrial Relations Disputes Settlement which introduced new system of dispute settlement and the creation of the first industrial relations courts in the country.

One of the principal reasons for its enactment of Act No. 2 of 2004 was the recognition that in the era of industrialization, industrial relations disputes have become more complex as to require the replacement of the outdated laws and the establishment of new institutions and mechanisms that ensure the prompt, appropriate, just and inexpensive settlement of labor cases.

The law gives precedence to bipartite negotiations for the settlement of labor disputes, followed by out of court processes of mediation, conciliation and arbitration and finally the labor court judicial process. It is clear that mediation, conciliation and arbitration constitute an important part of the dispute settlement system and represent the preferred first step for the disputing parties to avail of if bipartite negotiations fail. The success of these out of court processes will not only promote the use of voluntary approaches in dispute settlement but also prevent the labor courts from experiencing the old problems of excessive backlog and undue delays in the resolution of disputes.

A Manual on Mediation, Conciliation and Arbitration is a timely and vital requirement in ensuring the effectiveness of mediators, conciliators and arbitrators appointed in line with the provisions of Act No. 2 of 2004 and in carrying out the mission of the Ministry of Manpower and Transmigration to

promote harmonious, democratic, just and dignified industrial relations in the country. The Manual can mainly serve as a general guide on various aspects of mediation, conciliation and arbitration and used for training purposes so there will be an integrated perception and same implementation in settling the industrial relations dispute in all over Indonesia.

The assistance provided by the ILO Office in Jakarta and the ILO/USA Declaration project to the Directorate of Industrial Relations Dispute Settlement and the Directorate General of Industrial Relations and Workers Social Security of the Ministry in the preparation and publication of this Manual is highly appreciated.

Jakarta, July 2006

Minister of Manpower and Transmigration
Republic Indonesia



Erman Suparno



FOREWORD

Sound, harmonious and stable industrial relations presupposes the existence of an efficient, accessible and fully functioning system for the prevention and orderly settlement of industrial disputes notably through mediation, conciliation and arbitration.

Act No. 2 of 2004 on industrial relations dispute settlement aptly established a new system of dispute settlement comprising of bipartite negotiations as the first step, out of court approaches (mediation, conciliation, and arbitration) as the second step and labor courts as a third and final step. As such, the system is generally in line with international labor standards and the national practice in many countries. The main challenge is in making the system work in the most efficient and effective way possible.

ILO Conventions and Recommendations have stressed the need for a system of dispute settlement and how it should function. They include *Recommendation No. 92 concerning voluntary conciliation and arbitration, 1951*, which provides that a voluntary conciliation machinery should be made available to assist in the prevention and settlement of industrial disputes. Based on *Convention No. 151 concerning labor relations (public service), 1978*, the settlement of disputes arising in connection with the determination of terms and conditions of employment shall be sought through negotiation between the parties or through independent and impartial machinery, such as mediation, conciliation and arbitration, established in such a manner as to ensure the confidence of the parties involved.

Convention No. 154 and Recommendation No. 163 concerning the promotion of collective bargaining, 1951, laid down the principle that bodies and procedures for the settlement of labor disputes should be so conceived as to contribute to the promotion of collective bargaining. It is recommended that measures be taken if necessary, so that the procedures for the settlement of labor disputes assist the parties to find a solution to the dispute themselves.

Mediation, conciliation and arbitration are traditional forms of third-party interventions or assistance in the settlement of disputes. Mediation and conciliation are of a voluntary nature and their function is to support bipartite negotiations. In voluntary arbitration, the parties freely decide to submit to the decision of an arbitrator. They are generally considered as the most preferred modes of dispute settlement. The recruitment of the most qualified persons as well as necessary resources, facilities, training and procedures are essential for their success.

We extend our congratulations to the Ministry of Manpower and Transmigration particularly its Directorate General of Industrial Relations and Workers Social Security and the Directorate of Industrial Relations Dispute settlement for publishing this *“Manual for Mediation, Conciliation and Arbitration”* as a vital too to promote professionalism and the orderly and efficient conduct of mediation, conciliation and arbitration which merits the trust and respect of the parties to a dispute and the public at large. The ILO Office in Jakarta and the ILO/USA Declaration Project feel privileged to be of some technical help and to be associated in its preparation and publication.

Jakarta, July 2006



Alan Boulton
Director ILO Jakarta



Carmelo C. Noriel
Chief Technical Advisor
ILO/USA Declaration Project



ILO/USA Declaration Project in Indonesia
Training on Conciliation and Mediation of Labour Disputes
 8-10 August 2006 - Hyatt Aryaduta Hotel, Jakarta



ILO/USA Declaration Project in Indonesia
Training on Conciliation and Mediation of Labour Disputes
 Batam, 14-16 August 2006



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MINISTRY OF MANPOWER AND TRANSMIGRATION OF
THE REPUBLIC OF INDONESIA
DIRECTOR GENERAL OF INDUSTRIAL RELATIONS AND
SOCIAL SECURITY

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DECISION
DIRECTOR GENERAL OF INDUSTRIAL RELATIONS AND SOCIAL
SECURITY

NUMBER: KEP-96/PHIJSK/2006

CONCERNING

GUIDELINE OF MEDIATOR, CONCILIATOR AND ARBITER
DIRECTOR GENERAL OF INDUSTRIAL RELATIONS AND
SOCIAL SECURITY

- Considering :
- a. That Mediator, Conciliator and Arbiter are the executor of the industrial relations dispute settlement outside the Industrial Relations Court whose role are to realize a harmonious, dynamic, fair, and dignified industrial relations.
 - b. That to improve their roles in the settlement of industrial relations dispute outside the Industrial Relations Court, it is deemed necessary to stipulate the guideline for Mediator, Conciliator, and Arbiter through Decision of the Director General of Industrial Relations and Social Security.
- In view of :
1. Act No.2 of 2004 concerning Industrial Relations Dispute Settlement (State Gazette of the Republic of Indonesia Number 6 and supplement to the State Gazette of the Republic of Indonesia Number 4356);
 2. Decision of the President of the Republic of Indonesia Number 187 of 2004 concerning the Establishment of Indonesia Bersatu Cabinet as amended several times, the latest with the Decision of the President of the Republic of Indonesia Number 20/P of 2005;
 3. Decision of Minister of Manpower and Transmigration of the Republic of Indonesia Number KEP-92/MEN/VI/2004 dated 9 June 2004 concerning the Appointment and Dismissal of Mediator and Its Work Procedure;

4. Regulation of Minister of Manpower and Transmigration of the Republic of Indonesia Number PER.02/MEN/I/2005 dated 13 January 2005 concerning the Procedure for Registration, Examination, Granting and Revocation of Sanction for the Arbiter;
5. Regulation of Minister of Manpower and Transmigration of the Republic of Indonesia Number PER.10/MEN/V/2005 dated 31 May 2005 concerning Appointment and Dismissal of Conciliator and Its Work Procedure.

DECIDING:

- Stipulate** : Decision of the Director General of Industrial Relations and Social Security concerning the Guideline for Mediator, Conciliator, and Arbiter
- FIRST** : Stipulate the Guideline for Mediator, Conciliator, and Arbiter in the Settlement of Industrial Relations Dispute as mentioned in the attachment of this decision.
- SECOND** : Guideline for Mediator, Conciliator, and Arbiter as meant in the FIRST point is a reference for Mediator, Conciliator, and Arbiter in conducting mediation, conciliation, and arbitration.
- THIRD** : This Decision shall be effective as of the date of stipulation and if there is mistake, it shall be corrected properly.

Stipulated in Jakarta
On 28 July 2006

DIRECTOR GENERAL
INDUSTRIAL RELATIONS AND
SOCIAL SECURITY



MUZZNI TAMBUSAI
NIP.1400558574

CHAPTER 1

INTRODUCTION

BACKGROUND

Law No. 2 of 2004 constitutes the primary legal basis for settlement of industrial relations dispute including out of court settlements and through the industrial relations court. Efforts to have out of court settlement is part of the process that must be taken by the disputing parties before bringing their dispute to the industrial relations court. Out of court settlement is encouraged as it derives from amicable deliberations and does not unduly disturb labour relations at the workplace.

Under Law No.2 of 2004, industrial relations disputes are consist of four (4) categories:

- rights dispute,
- interest disputes,
- termination disputes, and
- dispute between trade unions within one company.

Every dispute should at the first stage be dealt with at the bipartite level between the employer and a worker and/or trade union. If bipartite efforts fail, one of the disputing parties may submit the case to the local manpower office together with evidence of the bipartite efforts to settle the case. The bipartite approach is deemed to have failed if:

- One of the parties has invited the other party within thirty (30) days to discuss the problem but the other party does not respond or rejects the invitation;
- Negotiations have been conducted pursuant to an agreed agenda and schedule, but the parties failed to reach agreement on some or all of the issues, even though the negotiation time has been extended.

The institution responsible for manpower affairs, in this case provincial or regent/city manpower office, after reviewing the records of a rights dispute, shall promptly submit the case to a mediator for settlement.

In this case of interest disputes and disputes between trade unions, the manpower office shall encourage the parties to settle the case through arbitration or conciliation. If the parties do not agree to sense arbitration or conciliation within seven (7) days, the manpower office concerned shall refer to the case to a mediator. Similarly in termination disputes, the manpower office shall ask the parties to settle their case first through conciliation. If one of the parties refuses, the manpower office shall automatically submit the case to a mediator.

LEGAL BASIS OF DISPUTE SETTLEMENT SYSTEM

- Law Number 21 of 2000 concerning Trade Unions (State Gazette of the Republic of Indonesia of 2000 Number 121, Supplement to the State Gazette of the Republic of Indonesia number 3989);
- Law Number 13 of 2003 concerning Manpower (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia number 4279);
- Law Number 2 of 2004 concerning Industrial Relations Dispute Settlement (State Gazette of the Republic of Indonesia of 2004 Number 6 and Supplement to the State Gazette of the Republic of Indonesia Number 4356);
- Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia Number: KEP.92/MEN/VI/2004 concerning Appointment and Dismissal of Mediators and Mediation Procedure;
- Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia Number: KEP.10/MEN/V/2005 concerning Appointment and Dismissal of Conciliators and Conciliation Procedure;
- Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia Number: KEP.02/MEN/I/2005 concerning Procedure for Registration, Examination, Granting and Revocation Sanction for Industrial Relations Arbiter.

DEFINITIONS

- Industrial relation mediator hereinafter referred to as mediator is a government officer who meets the requirements of a mediator as determined by the Minister to perform mediation and to provide written recommendations to the disputing parties for the settlement

of right disputes, interest disputes, employment termination disputes, and disputes between trade unions in the same company.

- Industrial relation mediation hereinafter referred to as mediation is the settlement of right dispute, conflicts of interest, employment termination disputes and disputes between employee associations / labour associations in the same company conducted by one or more neutral mediators.
- Industrial relation conciliator hereinafter referred to as conciliator is one who meets requirements as a conciliator as determined by the Minister to perform conciliation and to provide written recommendations to the disputing parties for the settlement of interest disputes, employment termination disputes, and disputes between trade unions in the same company.
- Industrial relation conciliation hereinafter referred to as conciliation is the settlement of interest disputes, employment termination disputes and disputes between trade unions in the same company conducted by one or more neutral conciliators.
- Industrial relation arbitration hereinafter referred to as arbitration is the settlement of interest dispute and dispute between trade unions by an arbiter chosen based on agreement and written request from the disputing parties to settle the dispute through arbitration where the decision is binding and final.
- Industrial relation arbiter hereinafter referred to as arbiter is one who meets the requirements of an arbiter as determined by the Minister and has authority to settle a dispute and render decisions concerning interest disputes and disputes between trade unions in the same company, in accordance with the request of the disputing parties.
- Industrial relation dispute is any difference or conflict between employers and workers or trade unions concerning rights, interest and employment termination and disputes between trade unions in the same company.
- Right dispute is a dispute arising over the non-fulfillment of rights, and differences in the implementation or interpretation of laws and regulations, work agreements, company regulation, or collective labour agreements.
- Interest dispute is a dispute arising in the work relationship involving the drawing up of, and/or changes in the work requirements as stipulated in the working agreement, or company regulations, or the collective labour agreement.

- Employment termination dispute is a dispute arising from the non-convergence of opinion regarding the termination of employment as initiated by one of the parties.
- Dispute between trade unions is dispute between one trade union and another trade union within one company, due to the non-convergence of opinion regarding membership or implementation of rights and obligations of the unions.
- Industrial Relations Court refers to the special court within the District Court which has authority to examine, judge and decides industrial relations disputes.
- Institutions responsible for manpower affairs at the provincial and district level relates to the respective local manpower office.
- Industrial relations dispute settlement institutions consist of mediators, conciliators and arbiters and the Industrial Relations Court within the District Court and at the Supreme Court of the Republic of Indonesia..

PURPOSE OF MANUAL

- To serve as a guideline and technical manual for mediators, conciliators, and arbiters in the performance of their duties.
- To have the same perception in understanding and implementing their respective duties and functions.
- To provide information to the public about the procedure of industrial relations dispute settlement outside the Industrial Relations Court.

SCOPE

The Manual explains the basic position, authorities, tasks and obligations, responsibilities and conduct expected of mediators, conciliators, and arbiters in settling industrial relations disputes.

CHAPTER 2

ADMINISTRATIVE PROCEDURE

BIPARTITE SETTLEMENT

1. The Bipartite settlement process, requires the preparations of the following:
 - Summary of negotiation results;
 - Attendance list;
 - Request of negotiation from one of the parties.
2. If the parties reach settlement a joint agreement shall be registered by the parties with the Industrial Relations Court.
3. If the parties fail to reach settlement, one or both of the parties shall register the dispute to the local institution responsible in the manpower affairs.

INSTITUTION RESPONSIBLE FOR MANPOWER AFFAIRS

1. Registration of the dispute in the Registration Book of Industrial Relations Dispute by the Technical Administration officer.
2. Registration of a dispute without the evidence of bipartite settlement shall be rejected.
3. Head of Office or the appointed official asks the parties to settle the dispute over interest, dispute on termination, or dispute between trade unions within one company through conciliation.
4. Head of Office or the appointed official asks the parties to settle the dispute over interest, or dispute between trade unions within one company through arbitration.

5. If the parties do not agree to avail of conciliation and arbitration within seven (7) days, the Head of Office or the appointed official shall refer the case to a mediator.

MEDIATION

1. Head of office responsible for manpower affairs assigns a mediator to settle the industrial relations dispute;
2. Summon the parties in writing to attend the hearing;
3. Make a joint agreement if the parties reached settlement witnessed by the mediator;
4. Summon witnesses or expert witnesses if necessary;
5. Prepare recommendations if the parties fail to reach settlement;
6. Prepare minutes of the mediation proceedings if one or both of the parties rejects the recommendation;
7. Prepare a report of the result of mediation to be submitted to the Major/ Head of Regent for disputes settled at the Regency/Municipality level, to the Governor for disputes settled at the provincial level, to the Director General of Industrial Relations and Social Security for disputes settled at the central level and copied to the Minister of Manpower and Transmigration.

CONCILIATION

1. Parties make to a written agreement for the selection of a conciliator;
2. Summon the parties in writing to attend the hearing;
3. Make a joint agreement if the parties reached settlement witnessed by the conciliator;
4. Summon witnesses or expert witnesses if necessary;
5. Prepare recommendations if the parties fail to reach settlement;
6. Prepare minutes of mediation proceedings if one or both of the parties rejected the recommendation;
7. Prepare a report of the result of conciliation be submitted to the Major/ Head of Regent for disputes settled at the Regency/Municipality level and to the Minister of Manpower and Transmigration copies to the Director General of Industrial Relations and Social Security.

ARBITRATION

1. Parties make to a written agreement for the appointment of an arbiter either single or panel;
2.
 - a. Prepare arbitration agreement;
 - b. Make agreement with the disputing parties on the appointment of the arbiter;
 - c. Resignation letter as the arbiter.
3. Prepare agreement document if the parties reach agreement witnessed by the arbiter;
4. Summon witnesses or expert witnesses if necessary;
5. Prepare decision;
6. Prepare minutes of arbitration proceedings;
7. Prepare report of the result to be submitted to the Minister of Manpower and Transmigration copy to the Director General of Industrial Relations and Social Security.

CHAPTER 3

DISPUTE SETTLEMENT PROCEDURES

MEDIATION

EXAMINATION OF DOSSIERS

After being assigned to settle a dispute by the Head of Office or selected by the parties, a mediator shall examine within seven (7) days the dispute dossiers consisting of:

- Request letter from one or both parties;
 - Minutes of bipartite negotiations;
 - Power of attorney from the parties;
 - Type of dispute as follows:
1. Interest dispute, for example in relation to the formulation of new working conditions, claim/demand from trade unions on job security, increase of wages/allowances or improvement of working conditions.
 2. Right dispute, such as in relation to workers' rights as provided under the existing laws and regulations as confirmed by a labour inspector, and rights provided under the work agreement, company regulation, and collective labour agreement.
 3. Termination dispute, such as the reason of termination and severance pay pursuant to existing laws and regulations.
 4. Dispute between trade unions within one company, like number of member, membership dues, right to bargain for a CLA, representation in institutions or bodies and obligation to protect and defend the interests of their members.

SUMMONS

- Determine the hearing schedule;
- Send written summons to the disputing parties.

PROCEEDINGS

a. Preparation prior to hearing:

- Understand the problem or the essence of the dispute based on the case dossiers;
- Investigate background of dispute, including internal and external causes of disputes;
- Determine whether disputes have occurred in similar companies and what are the settlement results, basis and forms;
- Prepare the documents and relevant laws and regulations;
- Prepare hearing venue.

b. Conduct of hearing

- Open the hearing;
- Read the power of attorney from the parties, if any.
- Give opportunity to the parties to explain the dispute;
- If necessary, mediator can summon witnesses/expert witnesses;
- Encourage the parties to settle the dispute through to reach consensus;
- If the parties reach settlement, a joint agreement shall be made by the parties as witnessed by the mediator;
- The parties shall register the joint agreement to the Industrial Relations Court;
- If the parties did not reach settlement, the mediator shall encourage the parties to continue to fulfill their obligations;
- If the parties did not reach settlement, mediator shall issue written recommendation at the latest ten (10) working days after the first conciliation hearing;
- After receipt of the recommendation, the parties should respond whether they accept or reject the recommendation within ten (10) working days;
- A joint agreement shall be made if the parties accept the recommendation, and if one of the parties reject or to not give a response, the mediator shall prepare minutes of dispute settlement;

- Minutes of dispute settlement constitutes an attachment in filing legal action through Industrial relations Court by one or both of the parties.

CONCILIATION

EXAMINATION OF DOSSIERS

After receiving an assignment to settle a dispute from the Head of Office or on appointment from the parties, a conciliator shall examine the dispute dossiers within seven (7) days as follows:

- Request letter as agreed by the parties;
 - Minutes of bipartite negotiation;
 - Power of attorney from the parties;
 - Type of dispute as follows:
1. Interest dispute, for example in relation to the formulation of new working conditions, claim/demand from trade unions on job security, increase of wages/allowances or improvement of working conditions.
 2. Termination dispute, for example the reason of termination, severance pay pursuant to the existing laws and regulations.
 3. Dispute between trade unions within one company, for example the member of membership dues, right to bargain for a CLA, representation in institutions, obligation to protect and defend the interests of their members.

SUMMONS

- Determine the hearing schedule;
- Send written summons to the disputing parties.

PROCEEDINGS

- a. Preparation prior to hearing:**
 - Understand the problem or the essence of the dispute based on the case dossiers;
 - Investigate background of dispute, including internal and external causes of disputes;

- Determine whether disputes have occurred in similar companies and what are the settlement results, basis and forms;
- Prepare the documents and relevant laws and regulations;
- Prepare hearing venue.

b. Conduct of hearing

- Open the hearing;
- Read the power of attorney from the parties, if any.
- Give opportunity to the parties to explain the dispute;
- If necessary, conciliator can summon witnesses/expert witnesses;
- Encourage the parties to settle the dispute through negotiations to reach consensus;
- If the parties reach settlement, a joint agreement shall be made by the parties as witnessed by the conciliator;
- The parties shall register the joint agreement to the Industrial Relations Court;
- If the parties did not reach settlement, the conciliator shall encourage the parties to continue to fulfill their obligations;
- If the parties did not reach settlement, conciliator shall issue written recommendation at the latest ten (10) working days after the first conciliation hearing;
- After receipt of the recommendation, the parties should respond whether they accept or reject the recommendation within ten (10) working days;
- A joint agreement shall be made if the parties accept the recommendation, and if one of the parties reject or did not give a response, mediator shall prepare minutes of dispute settlement;
- Minutes of dispute settlement constitutes an attachment for filing legal action through Industrial relations Court by one or both of the parties.

ARBITRATION

EXAMINATION OF DOSSIERS

After receiving the appointment from the disputing parties, an arbiter shall examine the dispute dossiers within three (3) days as follows:

- Minutes of bipartite negotiation;
- Power of attorney from the parties;

- Examine the type of dispute as follows:
- 1. Interest dispute, for example in relation to the formulation of new working conditions, claim/demand from trade unions on job security, increase of wages/allowances or improvement of working conditions.
- 2. Dispute between trade unions within one company, for example the number of member, membership dues, right to bargain for a CLA, representation in institutions, obligation to protect and defend the interests of their members.

SUMMONS

- Determine the hearing schedule;
- Send written summons to the disputing parties.

HEARING

- a. **Preparation prior to hearing:**
 - Understand the problem or the essence of the dispute based on the case dossiers;
 - Investigate background of dispute, including internal and external causes of disputes;
 - Determine whether disputes have occurred in similar companies and what are the settlement results, basis and forms;
 - Prepare the documents and relevant laws and regulations;
 - Prepare hearing venue.
- b. **Conduct of arbitration hearing**
 - Open the hearing;
 - Read the power of attorney from the parties, if any.
 - Give opportunity to the parties to explain the dispute;
 - If necessary, summon witnesses/expert witnesses;
 - Before hearing the explanation from witnesses/expert witnesses, they must take an oath pursuant to their religion;
 - Encourage the parties to settle the dispute through negotiations to reach consensus;
 - If the parties reach settlement, a settlement deed shall be made and signed by the parties and the arbiter of the arbitration tribunal;

- The parties shall register the settlement deed to the Industrial Relations Court;
- If the parties did not reach settlement, the arbiter shall continue the hearing to render a decision;
- The arbiter's decision is final and, if it is not implemented by one of the parties, the other party can file an application for enforcement to the Industrial Relations Court.

CHAPTER 4

LEGITIMACY REVOCATION AND SACTION

MEDIATOR

LEGITIMACY REVOCATION

The dismissal is conducted through the legitimacy revocation by the Minister. The revocation is done because:

- Death;
- Resign;
- Pension;
- Dismiss as a Civil Servant;
- No longer render service to the institution responsible in the manpower affairs;
- Has obtained three (3) times temporary dismissal.

SANCTION

If mediator is unable or neglecting his/her duties, he/she will obtain written warning letter or sanctions as follows:

- Oral warning from immediate supervisor if mediator is negligent or unable to settle a dispute within thirty (30) days;
- Warning letter is given after three (3) times oral warnings from immediate supervisor;
- Temporary dismissal if the mediator receives a third warning letter;
- Temporary dismissal valid within two (2) months by revoking the legitimacy card;

- Before obtaining permanent dismissal, the mediator shall have the right to defend himself/herself within fourteen (14) days after receiving the notification of the third temporary dismissal. The defense shall be made at the following level:
 - to the Head of Regent or Major for mediator at the regency/ municipality level;
 - to the Governor for mediator at the propincial level;
 - to the Director General of Industrial Relations and Social Security for mediator at the Ministry of Manpower and Transmigration.
- Mediator can ask assistance for defense to the Central Council, Regional Council, and Branch Council of the Industrial Relations Mediator Association, in line with the point no.5 above;
- If the defense is accepted, the Minister will notify the Head of Office responsible in the manpower affairs to return the legitimacy card to the concerned mediator;
- If the defence is rejected, the Minister will issue legitimacy revocation to the mediator;
- If the right to defend is not used within fourteen (14) working days, then the Head of Regent/Major, Governor and Director General of Industrial Relations and Social Security propose to the Minister to revoke the legitimacy of the concerned mediator.

CONCILIATOR

LEGITIMACY REVOCATION

The dismissal is conducted through the legitimacy revocation by the Minister. The revocation is done because:

- Death;
- Resign;
- Commit a criminal offense;
- Misuse the position;
- Disclose the confidential information;
- Has obtained three (3) times temporary dismissal.

SANCTION

Before obtaining the temporary legitimacy revocation, the conciliator will obtain written warning. The written warning is given if the conciliator:

- Fail to submit the written recommendation within ten (10) working days in the case the parties did not reach settlement;
- Fail to assist the parties in making a joint agreement within three (3) working days;
- Fail to settle the dispute within thirty (30) working days;
- Fail to fulfill his/her obligation to make report on the industrial relations dispute settlement result to the Minister of Manpower and Transmigration through Director General of Industrial Relations and Social Security;
- If the above mentioned reasons is caused by the negligence of the conciliator, then the Head of Regent/Major can give written warning;
- Temporary dismissal will be given if the conciliator receives a third warning letter within two (2) months;
- Temporary dismissal valid within three (3) months;
- Temporary dismissal is conducted by withdrawal of the legitimacy card from the Minister;
- Minister can delegate the temporary dismissal to the Director General of Industrial Relations and Social Security, Governor, or Head of Regent/Major;
- During the temporary dismissal, the concerned conciliator is prohibited to handle new dispute but must settle the unresolved dispute handled by him/her;
- In case the Minister or Director General of Industrial Relations and Social Security or Governor or Head of Regent/Major give temporary dismissal, it should be announced in the announcement board at the manpower office where the conciliator is registered;
- If the conciliator has received the first temporary dismissal, and he/she commit a negligence again, he/she will receive a second temporary dismissal;
- If the conciliator has received the second temporary dismissal, and he/she commit a negligence again, he/she will receive a third temporary dismissal;
- Before obtaining permanent dismissal, the conciliator shall have the right to defend himself/herself within fourteen (14) days after receiving the notification of the third temporary dismissal. The defense shall be made before the Head of Regent or Major or the appointed official;

- If the conciliator defend himself/herself, the official shall make a minutes of conciliator's defense, accompanied with supporting documents and conveyed to the Minister within thirty (30) days as of the defense by the conciliator;
- If the right to defend is not used within fourteen (14) working days, then the Head of Regent/Major proposes to the Minister to revoke the legitimacy of the concerned conciliator;
- If the defense is accepted, the Minister will notify the Head of Office responsible in the manpower affairs to return the legitimacy card to the concerned conciliator;
- If the defence is rejected, the Minister will issue legitimacy revocation to the conciliator;

ARBITRATION

SANCTION

Written warning

The written warning is given based on the complain from one of both of the parties because the arbiter:

- Fail to settle the dispute within thirty (30) working days or forty-four (44) working days in case of there is an agreement to extension of time, and/or
- Fail to make minutes of examination activity.

Temporary dismissal as the arbiter

Temporary dismissal is given if the arbiter receives a third written warning within two (2) months:

- Temporary dismissal is given by the Minister based on the proposal from Head of Office responsible in the manpower affairs at the provincial or Regency/Municipality level.

Permanent dismissal as the arbiter

- Permanent dismissal is given in case of the arbiter:
 - issue a decision for the third times exceeding his/her power or is against the laws decided by the Supreme Court.
 - Commit criminal offense based on the final court verdict.
 - Misuse the position.
 - Receive a third temporary dismissal.

- Permanent dismissal is given by the Minister based on the proposal from Head of Office responsible in the manpower affairs at the provincial or Regency/Municipality level.
- Before obtaining permanent dismissal, the conciliator shall have the right to defend himself/herself within fourteen (14) days after receiving the notification of the third temporary dismissal.
- The defense is conducted before the team formed and headed by the Director General of Industrial Relations and Social Security.
- If the arbiter defend himself/herself, the Director General of Industrial Relations and Social Security shall make a minutes of arbiter's defense.
- The minutes shall be accompanied with supporting documents and conveyed to the Minister within thirty (30) days as of the defense by the arbiter.
- If the right to defend is not used within fourteen (14) working days, then the Director General of Industrial Relations and Social Security proposes to the Minister to revoke the legitimacy of the concerned arbiter.
- If the defense is accepted, the Minister will revoke the third temporary dismissal.
- If the defence is rejected, the Minister will issue legitimacy revocation to the arbiter.

CHAPTER 5

CLOSING

In the industrial relations dispute settlement, the Mediator, Conciliator or Arbiter shall favor to settle the dispute through the deliberation to each consensus in order to create conducive investment climate and sound, harmonious, dynamic, fair and dignified industrial relations.

For the above purpose, this Guide shall be followed and implemented by all Mediators, Conciliators, or Arbiters in handling the industrial relations dispute settlement in line with the Act No. 2 of 2004.

Jakarta, 28 July 2006

FORMS TO BE USED TN THE
INDUSTRIAL RELATIONS
DISPUTE SETTLEMENT

RISALAH PERUNDINGAN PENYELESAIAN PERSELISIHAN
HUBUNGAN INDUSTRIAL SECARA BIPARTIT

- 1. Nama Perusahaan :
- 2. Alamat Perusahaan :
- 3. Nama Pekerja/Buruh/SP/SB :
- 4. Alamat Pekerja/Buruh/ SP / SB :
- 5. Tanggal dan Tempat Perundingan :

6. Pokok Masalah /Alasan Perselisihan :

7. Pendapat Pekerja/Buruh/SP/SB :

8. Pendapat Pengusaha :

9. Kesimpulan atau Hasil Perundingan :

....., 20.....

Pihak Pengusaha

Pihak Pekerja/Buruh/SP/SB

.....

.....

Form A.1.b : List of Negotiation Attendant

LIST OF
NEGOTIATION ATTENDANT

DAY :
DATE :
PLACE :
SCHEDULE : HEARING I, II, III
AGENDA :

NO	NAME UNION	ADDRESS	EMPLOYER/ WORKER/ TRADE	SIGNATURE	REMARK

REQUEST FOR BIPARTITE NEGOTIATION

Number : To:
Attachment : 1(one) dossier
Subject : *Request for Negotiation*

Dear Sir/Madam,

In conncection with the issue need to be discussed in the bipartite negotiation, we propose to have discussion on:

Day :
Date :
Time :
Place:

- To settle the following issues:
- 1.
 - 2.
 - 3. etc

We thank you for your attention and availability.

Yours truly,
Employer/Worker/Trade Union*)

.....

*) *delete the unnecessary*

JOINT AGREEMENT

Today..... date..... month..... year....., we the undersigned:

- 1. Name :
Position :
Company :
Address :
Hereinafter referred to as First Party (Employer)

- 2. Name :
Position :
Address :
Hereinafter referred to as Second Party (Worker/Trade Union)

Based on Act No.2 of 2004, Article 7 paragraph (1), the First party and the Second Party has conducted bipartite negotiation and reached agreement as follows:

.....
.....
.....

This agreement constitutes a joint agreement and shall be effective as of signed by the parties in the sufficient stamp-duty.
Thus the joint agreement is made without any force from other parties, and shall be implemented in good faith and fully responsible by the parties.

Employer,	Worker/Trade Union
.....	

REGISTRATION APPLICATION OF
INDUSTRIAL RELATIONS DISPUTE SETTLEMENT

Number : (Place) (Date).....
Attachment : One (1) Dossier To.
Subject : Registration Application Head of Manpower Office
Industrial Relations

Dear Sir/Madam,

In conncection with theeffort to settle the industrial relations dispute
between:

- 1. Name of Company :
- 2. Type of Business :
- 3. Address :

with

- 1. Name of Worker/Trade Union :
- 2. Address of Worker/Trade Union :

Issue.....

Therefore, in accordance with Act No.2 of 2004, Article 4 paragraph (1),
we herby request for your assistance to register and help the settlement of
theindustrial relations dispute. Please kindly find the attached minutes of the
bipartite negotiation.

Thank you for your attention.

Yours truly,
Employer/Worker/Trade Union*)

.....

*) delete the unnecessary

Form B.1 : Registration Book of Industrial Relations Dispute

REGISTRATION BOOK OF INDUSTRIAL RELATIONS DISPUTE

No.	Date	Name and Address		Issue	Settlement	Remarks
		Worker/Trade Union	Employer			

OFFERING LETTLER TO SETTLE INDUSTRIAL RELATIONS
DISPUTE OUTSIDE THE INDUSTRIAL RELATIONS COURT

LETTER HEAD OF THE INSTITUTION RESPONSIBLE
FOR THE MANPOWER AFFAIRS

Number : (Place) (Date).....
Attachment : To.
Subject : Registration Application 1. Mr/Ms./Mrs..(Employer)
2. Mr/Ms./Mrs.....
(Worker/Trade union)

Referring to the registration application received on
Considering that the registration application of the industrial relations
dispute has not fulfill the requirements under Article 4 paragraph (2) of the
Act No.2 of 2004 because there is no evidence of the bipartite negotiation/
Minutes of Meeting, we hereby invite you to come on:

Day :
Date :
Time :
Venue :
To meet with : Mr./Ms./Mrs

Thank you for your attention and cooperation.

Head of Manpower Office

.....

OFFERING LETTLER TO SETTLE INDUSTRIAL RELATIONS
DISPUTE OUTSIDE THE INDUSTRIAL RELATIONS COURT

LETTER HEAD OF THE INSTITUTION RESPONSIBLE
FOR THE MANPOWER AFFAIRS

Number : (Place) (Date).....
Attachment : To.
Subject : Registration Application 1. Mr/Ms./Mrs..(Employer)
2. Mr/Ms./Mrs.....
(Worker/Trade union)

Referring to the registration application received on.....
Pursuant to Article 4 paragraph (2) of the Act No.2 of 2004, we offer to
you to choose the settlement of industrial relations dispute through conciliation
or arbitration.

For the above matter, we invite you to come on:

Day :
Date :
Time :
Venue :
To meet with : Mr./Ms./Mrs

Thank you for your attention and cooperation.

Head of Manpower Office

.....

NOTIFICATION LETTLER TO SETTLE
INDUSTRIAL RELATIONS DISPUTE OUTSIDE
THE INDUSTRIAL RELATIONS COURT

LETTER HEAD OF THE INSTITUTION RESPONSIBLE
FOR THE MANPOWER AFFAIRS

Number : (Place) (Date).....
Attachment : To.
Subject : Registration Application 1. Mr/Ms./Mrs..(Employer)
2. Mr/Ms./Mrs.....
(Worker/Trade union)

Referring to our letter No.....dated..... regarding offer to settle industrial relations dispute outside the court through Conciliator or Arbiter, and you did not determine any option or did not respond within seven (7) working days pursuant to Article 4 paragraph 94) of the Act No.2 of 2004. Accordingly, the settlement of the industrial relations dispute will be handled by the Mediator.

Thus for your information and implementation.

Head of Manpower Office

.....

LETTER HEAD OF THE INSTITUTION
RESPONSIBLE FOR THE MANPOWER AFFAIRS

ASSIGNMENT ORDER

No.

- Considering : In line with the industrial relations dispute settlement mechanism outside the Industrial Relations Court, it is deemed necessary to appoint industrial relations mediator.
- Basis : 1. Act No.2 of 2004 concerning Industrial Relations Dispute Settlement.
2. Minister of Manpower and Transmigration Decree No.KEP/92/MEN/VI/2004 concerning Appointment and Dismissal of Mediator and Mediation Work Procedure.
3. Minister of Manpower and Transmigration Decree No.KEP..../MEN/200.. concerning Appointment of Mediator at the Office/Institution Responsible for the Manpower Affairs at the level of Regency/Municipality, Propincial, Central.

ORDER

- To Name :
Identity No. :
Echelon/Rank :
Position : Mediator
- For 1. Settling industrial relations disputes between PT.....with Mr./Ms./Mrs..... (Worker/Trade Union)
2. Implementing within thirty (30) working days as of the appointment
3. Reporting the result of the settlement to Head of Regent/Major/Governor/Minister of Manpower and Transmigration c.q Director General of Industrial Relations and Social Security

Thus this Assignment Order is issued to be implemented properly and fully responsible.

Issued in:

Date:.....

Head of Manpower Office

.....

LETTER HEAD OF THE INSTITUTION RESPONSIBLE
FOR THE MANPOWER AFFAIRS

Number : (Place) (Date).....
Attachment : To.
Subject : Summon I/II/III 1. Mr/Ms./Mrs..(Employer)
2. Mr/Ms./Mrs.....
(Worker/Trade union)

Referring to your request to settle industrial relations dispute dated.....in line with Article 10 of the Act No.2 of 2004 jo. Minister of Manpower and Transmigration Decree No.KEP.92/MEN/VI/2004 Article 14 paragraph (2), we hereby invite you to come on:

Day :
Date :
Time :
Venue :
To meet with : Mr./Ms./Mrs

Each party is required to be punctual and bring any necessary documents for the settlement process.

Thank you for your attention.

Head of Manpower Office

.....

JOINT AGREEMENT

Today..... date..... month..... year....., we the undersigned:

1. Name :
Position :
Company :
Address :
Hereinafter referred to as First Party (Employer)

2. Name :
Position :
Address :
Hereinafter referred to as Second Party (Worker/Trade Union)

Based on Act No.2 of 2004, Article 13 paragraph (1), the First party and the Second Party has reached settlement of the industrial relations dispute through mediation as follows:
.....

This agreement constitutes a joint agreement and shall be effective as of signed by the parties in the sufficient stamp-duty.

Thus the joint agreement is made without any force from other parties, and shall be implemented in good faith and fully responsible by the parties.

Employer, Worker/Trade Union

.....

Witnessed by:
Mediator
Identity No.

.....

LETTER HEAD OF THE INSTITUTION RESPONSIBLE
FOR THE MANPOWER AFFAIRS

Number : (Place) (Date).....
Attachment : To.
Subject : Summon of witness/ 1. Mr/Ms./Mrs..(Employer)
expert witness 2. Mr/Ms./Mrs.....
(Worker/Trade union)

In connection with the request for industrial relations dispute settlement between PT.....(Employer) and Mr./Ms./Mrs.....(Worker/trade Union), pursuant to Article 21 of the Act No.2 of 2004, we hereby invite you to be a witness/expert witness in the conciliation hearing on:

Day :
Date :
Time :
Venue :

For the above purpose, you are required to be punctual and bring any necessary documents for the settlement process.

Thank you for your attention.

Mediator

.....
Identity No.

LETTER HEAD OF THE INSTITUTION RESPONSIBLE
FOR THE MANPOWER AFFAIRS

Number	:	.....	(Place) (Date).....
Attachment	:		To.
Subject	:	Recommendation	1. Mr/Ms./Mrs..(Employer)
			2. Mr/Ms./Mrs.....
			(Worker/Trade union)

Due to the settlement of industrial relations dispute settlement through mediation did not reach agreement, accordingly pursuant to Article 13 paragraph (2) of the Act No.2 of 2004, Mediator issued recommendation.

As considerations, mediator heard the following explanation from the relevant parties:

- A. Explanation from Workers / Trade Union:
 - 1.
 - 2.
- B. Explanation from Employer:
 - 1.
 - 2.
- C. Explanation from Witness/Expert Witness (if deemed necessary)
 - 1.
 - 2.
- D. Legal Consideration and conclusion from Mediator:
 - 1.
 - 2.

Based on the explanation mentioned above, the mediator propose:

RECOMMENDATION :

- 1.
- 2.
- 3.
- 4. Both parties shall submit responses to the above recommendations not later than ten (10) working days after date of receipt of this letter.

Thus for your information.

Acknowledged by

Mediator

.....
Manpower office

.....

MINUTES OF INDUSTRIAL RELATIONS DISPUTE
SETTLEMENT BY MEDIATOR

1.	Name of the Company	:	.....
2.	Type of Business	:	.....
3.	Address of the Company	:	.....
4.	Name of the Worker/trade union	:	.....
5.	Address of the Worker/trade union	:	.....
6.	Place and Date of the Negotiation	:	.....

7.	Problem/Reason of Dispute	:	
----	---------------------------	---	-------

8.	Opinion of the worker/trade union	:	
----	-----------------------------------	---	-------

9.	Opinion of the employer	:	
----	-------------------------	---	-------

10.	Conclusion or Negotiation Result	:	
-----	----------------------------------	---	-------

Thank you for your attention.

....., 20....

Mediator

.....

LETTER HEAD OF THE INSTITUTION RESPONSIBLE
FOR THE MANPOWER AFFAIRS

Number : (Place) (Date).....
Attachment : To.
Subject : Report of Mediation Mr/Ms./Mrs. *)
Result

In connection with the industrial relations dispute settlment through mediation, we hereby report as follows:

- 1. Date of receipt of the written claim :
- 2. Name of the worker/trade union :
- 3. Address of the worker/trade union :
- 4. Latest wages :
- 5. Working period :
- 6. Name of company :
- 7. Address of the company :
- 8. Type of business :
- 9. Time of Mediation Settlement :
- 10. Issues :
- 11. Opinion of the worker/trade union :
- 12. Opinion of the employer :
- 13. Opinion of the witness/expert witness :
- 14. Settlement effort :

Thank you for your attention.

Mediator

.....

*) Report shall be addressed to:
Head of regent/Major for settlement at the regency/Municipality level, and
Minister of Manpower and Transmigration cq. Director General of Industrial Relations and
Social Security.

LETTER HEAD OF THE INSTITUTION RESPONSIBLE
FOR THE MANPOWER AFFAIRS

Today..... date....., we the undersigned:

1.

Name

Position

Company

Address

:

:

:

:

(employer)
2.

Name

Position

Address

:

:

:

(Worker/Trade Union)

Pursuant to letter from the institution responsible for the manpower affairs No.....dated..... regarding offering to settle the industrial relations dispute through Conciliator or Arbiter, we herby agree to choose the settlement of the dispute through Conciliator in line with Article 17 of the Act No.2 of 2004.

Thus for your information.

Employer,

.....

Worker/Trade Union

.....

LETTER HEAD OF CONCILIATOR

Number : (Place) (Date).....
Attachment : To.
Subject : Summon I/II/III 1. Mr/Ms./Mrs..(Employer)
2. Mr/Ms./Mrs.....
(Worker/Trade union)

Referring to the agreement of the parties concerning the request to settle industrial relations dispute that we received onin line with Act No.2 of 2004 jo. Minister of Manpower and Transmigration Decree No.KEP-10/MEN/VI/2005 Article 7, we hereby invite you to come on:

Day :
Date :
Time :
Venue :

Each party is required to be punctual and bring any necessary documents for the settlement process.

Thank you for your attention.

Conciliator

.....

CC.:
1. Head of Institution responsible for manpower affairs
2. Archieve.

JOINT AGREEMENT

Today..... date..... month..... year....., we the undersigned:

- 1. Name :
Position :
Company :
Address :
Hereinafter referred to as First Party (Employer)

- 2. Name :
Position :
Address :
Hereinafter referred to as Second Party (Worker/Trade Union)

Based on Act No.2 of 2004, Article 12 paragraph (1), the First party and the Second Party has reached settlement of the industrial relations dispute through conciliation as follows:

.....

This agreement constitutes a joint agreement and shall be effective as of signed by the parties in the sufficient stamp-duty.

Thus the joint agreement is made without any force from other parties, and shall be implemented in good faith and fully responsible by the parties.

Employer, Worker/Trade Union

.....

Witnessed by:
Mediator
Identity No.

.....

LETTER HEAD OF CONCILIATOR

Number : (Place) (Date).....
Attachment : To.
Subject : Summon of witness/ 1. Mr/Ms./Mrs..(Employer)
expert witness 2. Mr/Ms./Mrs.....
(Worker/Trade union)

In connection with the request for industrial relations dispute settlement between PT.....(Employer) and Mr./Ms./Mrs.....(Worker/trade Union), pursuant to Article 21 of the Act No.2 of 2004, we hereby invite you to be a witness/expert witness in the conciliation hearing on:

Day :
Date :
Time :
Venue :

For the above purpose, you are required to be punctual and bring any necessary documents for the settlement process.

Thank you for your attention.

Conciliator

.....

LETTER HEAD OF CONCILIATOR

Number : (Place) (Date).....
Attachment : To.
Subject : Recommendation 1. Mr/Ms./Mrs..(Employer)
2. Mr/Ms./Mrs....
(Worker/Trade union)

Due to the settlement of industrial relations dispute settlement through mediation did not reach agreement, accordingly pursuant to Article 23 paragraph (2) of the Act No.2 of 2004, Conciliator issued recommendation.

As considerations, conciliator heard the following explanation from the relevant parties:

- E. Explanation from Workers / Trade Union:
- 1.
 - 2.
- F. Explanation from Employer:
- 1.
 - 2.
- G. Explanation from Witness/Expert Witness (if deemed necessary)
- 1.
 - 2.
- H. Legal Consideration and conclusion from Conciliator:
- 1.
 - 2.

Based on the explanation mentioned above, the mediator propose:

RECOMMENDATION :

- 1.
- 2.
- 3.
- 4. Both parties shall submit responses to the above recommendations not later than ten (10) working days after date of receipt of this letter.

Thus for your information.

Konsiliator

.....

MINUTES OF INDUSTRIAL RELATIONS DISPUTE
SETTLEMENT BY CONCILIATOR

1.	Name of the Company	:	.....
2.	Type of Business	:	.....
3.	Address of the Company	:	.....
4.	Name of the Worker/trade union	:	.....
5.	Address of the Worker/trade union	:	.....
6.	Place and Date of the Negotiation	:	.....

7.	Problem/Reason of Dispute	:	
----	---------------------------	---	-------

8.	Opinion of the worker/trade union	:	
----	-----------------------------------	---	-------

9.	Opinion of the employer	:	
----	-------------------------	---	-------

10.	Conclusion or Negotiation Result	:	
-----	----------------------------------	---	-------

....., 20....

Conciliator

.....

Form D.7 : Report of Conciliator Result

LETTER HEAD OF CONCILIATOR

Number	:	.....	(Place) (Date).....
Attachment	:		To.
Subject	:	Report of Mediation Result	Mr/Ms./Mrs. *)

In connection with the industrial relations dispute settlment through conciliation, we hereby report as follows:

- | | | | |
|-----|---------------------------------------|---|-------|
| 1. | Date of receipt of the written claim | : | ..... |
| 2. | Name of the worker/trade union | : | ..... |
| 3. | Address of the worker/trade union | : | ..... |
| 4. | Latest wages | : | ..... |
| 5. | Working period | : | ..... |
| 6. | Name of company | : | ..... |
| 7. | Address of the company | : | ..... |
| 8. | Type of business | : | ..... |
| 9. | Time of Mediation Settlement | : | ..... |
| 10. | Issues | : | ..... |
| 11. | Opinion of the worker/trade union | : | ..... |
| 12. | Opinion of the employer | : | ..... |
| 13. | Opinion of the witness/expert witness | : | ..... |
| 14. | Settlement effort | : | ..... |

Thank you for your attention.

Conciliator

.....

*) Report shall be addressed to:
Head of regent/Major for settlement at the regency/Municipality level, and
Minister of Manpower and Transmigration cq. Director General of Industrial Relations and
Social Security.

LETTER HEAD OF ARBITER

Today..... date....., we the undersigned:

1.

Name

Position

Company

Address

:

(employer)
2.

Name

Position

Address

:

(Worker/Trade Union)

Pursuant to letter from the institution responsible for the manpower affairs No.....dated..... regarding offering to settle the industrial relations dispute through Conciliator or Arbiter, we herby agree to choose the settlement of the dispute through Arbiterin line with Article 29 of the Act No.2 of 2004.

Thus for your information.

Employer,

.....

Worker/Trade Union

.....

ARBITRATION AGREEMENT

The undersigned :

- 1. Employer :
- Full Name :
- Address/Domicile :

Hereinafter referred to as First Party.

- 1. Employer :
- Full Name :
- Address/Domicile :

Hereinafter referred to as Second Party.

Today.....dated.....in.....the First party and the Secand Party agree to submit the dispute to the Arbitration for examination and decision with the following issues:

- a.
- b.
- c.
- d.
- etc.

- The number of arbiter (s) shall be single/odd number;
- The parties subject and will implement the arbiter’s decision.

Thus this agreement is made and signed by the parties in a sufficient stamp-duty without any force from other party.

(Place) (date).....

First Party:.....

Second Party:.....

AGREEMENT OF ARBITER'S APPOINTMENT

- The undersigned :
- I. 1. Name (arbiter) :
Legitimasy No. :
Address :
2. Name (arbiter) :
Legitimasy No. :
Address :
3. Name (arbiter) :
Legitimasy No. :
Address :

Hereinafter referred to as First Party

- II. The disputing parties :
1. Employer :
Full Name :
Address/Domicile :
2. Trade Union :
Full Name :
Address/Domicile :

Hereinafter referred to as Second Party.

Today.....dated.....in.....First Party and Second Party make an agreement to submit the dispute to the First Party for settlement and decision as follows:

1. That the disputing issues are:
a.....
b.....
c.....
etc.
2. That the fee and honorarium of the arbiter is in the amount of;
3. That the parties subject and will implement the arbiter's decision;
4. That the Arbiter affirms thathe/she is not exceeding his/her authority in settling the disputes;
5. That the Arbiter has no family relation, blood relation or marriage relation until second degree with one of the disputing parties.

Thus this agreement is made and signed by the parties in a sufficient stamp-duty without any force from other party.

(Place) (date).....

First Party:..... Second Party:.....

ARBITER RESIGNATION LETTER

Number : To.
Attachment : 1. (Employer)
Subject : Notification on 2. (Worker/Trade Union).....
Resignation as Arbiter In

The undersigned :

Name (arbiter) :
Legitimasy No. :
Address :

In relation to the arbiter appointment lettter No.....dated.....issued
by the parties to settle dispute on.....because
of.....I submit my resignation as arbiter from the relevant case.
Thus my resignation letter for your information and consideration.

Cincerely Yours,

.....
Arbiter

SUBSTITUTE ARBITER APPOINTMENT LETTER

The undersigned :

1. Employer :
Full Name :
Address/Domicile :
Hereinafter referred to as First Party

1. Trade Union :
Full Name :
Address/Domicile :
Hereinafter referred to as Second Party

Today.....date.....in....., First Party and Second Party agree to dismiss arbiter:

Name :
Legitimasy No. :
Address :

That has been resigned in hadling the dispute between First Party and Second Party.
First party and Second party agree to replace the resigned arbiter and appoint the substitute
arbiter as follow:

Name :
Legitimasy No. :
Address :

To continue the dispute settlement with the issues as follows:

- a.
- b.
- c.
- d. etc.

Thus the substitute arbiter appointment is made without force from any other party.

(Place) (date).....

First Party:..... Second Party:.....

SUBSTITUTE ARBITER STATEMENT

The undersigned :

Name (Arbiter) :
Legitimasy No. :
Address :

1. Based on the appoinment from the disputing parties :

a. Employer :
Full Name :
Address/Domicile :

With

b. Trade Union :
Full Name :
Address/Domicile :

The minutes of settlement is attached.

That appoint me as the substitute arbiter, hereby I : **Accept/Reject**
such appointment.

2. As substitute arbiter, I accept the result archieved by the previous arbiter
and we are willing to continue the dispute settlement as requested by
the parties.

Thus the statement of substitute arbiter is made without force from any
other party.

(Place), (date)

Substitute Arbiter

.....

SETTLEMENT DEED

Today..... date..... month..... year....., we the undersigned:

- 1. Name :
Position :
Company :
Address :
Hereinafter referred to as First Party (Employer)

- 2. Name :
Position :
Address :
Hereinafter referred to as Second Party (Worker/Trade Union)

Based on Act No.2 of 2004, Article 12 paragraph (1), the First party and the Second Party has reached settlement of the industrial relations dispute through arbitration as follows:

.....

This agreement constitutes a joint agreement and shall be effective as of signed by the parties in the sufficient stamp-duty.

Thus the joint agreement is made without any force from other parties, and shall be implemented in good faith and fully responsible by the parties.

Employer, Worker/Trade Union

.....

Witnessed by:
Arbiter

.....

LETTER HEAD OF ARBITER

Number : (Place) (Date).....
Attachment : To.
Subject : Summon of witness/ 1. Mr/Ms./Mrs..(Employer)
expert witness 2. Mr/Ms./Mrs.....
(Worker/Trade union)

In connection with the request for industrial relations dispute settlement between PT.....(Employer) and Mr./Ms./Mrs.....(Worker/trade Union), pursuant to Article 21 of the Act No.2 of 2004, we hereby invite you to be a witness/expert witness in the arbitration hearing on:

Day :
Date :
Time :
Venue :

For the above purpose, you are required to be punctual and bring any necessary documents for the settlement process.

Thank you for your attention.

Arbiter

.....

ARBITRATION AWARD

No/Arbiter/..../200.....

FOR JUSTICE BASED ON THE ONE ALMIGHTY GOD

1. Single Arbiter/Board of Arbiters examined and judged the case at the forst and final level has given the following award in the dispute between:

[Full Name]

Domicile at in this matter represented by:

[Full Name] address at

hereinafter called as APPLICANT.

againts

[Full Name]

Domicile at in this matter represented by:

[Full Name] address at

hereinafter called as DEFENDER.

2. With regard to the matter contained in the agreement submitted by the disputing parties, the Single Arbiter/Board of Arbiters has read the relevant documents, heard the information from the disputing parties, and examined the evidences and other relevant documents:

After reading

After reading

After reading

etc. pursuant to the number of the relevant evidences.

After hearing the information from both parties, bipartite negotiation has been attempted to settle the dispute but no success.

After hearing the information from both parties, Finally both parties agree to settle the case through Single Arbiter/Board of Arbiters in final and binding based on law, justice and obedience.

3. With regard to the minutes of claim ans response, both parties has explained the dispute to be settled by the Single Arbiter/Board of Arbiters pursuant to the type of dispute: interest dispute or dispute among trade unions in the same company, or termination dispute.

4. The legal consideration of the arbitration award:

a. Legal Basis

- Concidering

- Concidering, etc.

b. Document/evidence submitted by the parties:

- Concidering

- Concidering, etc.

- c. Principles of Fairness and Obedience:
 - Concidering
 - Concidering, etc.
5. Decision:

DECIDING

- a. To approve the claim of Applicant for the whole or partly or to reject the claim of Applicant for the whole or partly.
 - b. To reject the grounds of Defender and reprimand the Defender to or to accept the ground of defender and reprimand the claimant to
 - c. To order the Applicant/Defender to implement the decision within 30 days after the decision is issued.
 - d. To punish the Applicant/Defender to pay the dispute fee.
 - e. To declare the decision of Single Arbiter/Board of Arbitration is final and binding for the parties.
 - f. To order the secretary of the hearing of the Single Arbiter/Board of Arbiters as the proxy of the arbiter to register the copy of arbitration decision to the Registrar of Industrial Relation Court at the District Court where the arbiter give its decision.
6. Place and Date of the Decision
Decided and read in on dated year
7. Effective date of the decision
This decision shall be effective on year
8. Signature of Single Arbiter/Board of Arbiters
Thus this decision is decided and read in on dated year by Single Arbiter/Board of Arbitration named..... and the secterary of the hearing of single Arbiter/Board of Arbitration attended by the applicant and by the defender.

Single Arbiter

Board of Arbiters

(signed with sufficient stamp duty)

Name

Name signature

Name signature

Name signature

LETTER HEAD OF ARBITER

Number	:	(Place), (date).....
Attachment	:	To,
Subject	:	<u>Report of Arbitration</u> Mr./Ms./Mrs. *)

In connection with the industrial relations dispute settlement through Arbitration, we hereby report as follows :

- | | | |
|---|---|-------|
| 1. Date of receipt of the written claim | : | ..... |
| 2. Name of the worker/trade union | : | ..... |
| 3. Address of the worker/trade union | : | ..... |
| 4. Latest wages | : | ..... |
| 5. Working period | : | ..... |
| 6. Name of Company | : | ..... |
| 7. Address of the Company | : | ..... |
| 8. Type of business | : | ..... |
| 9. Time of Mediation Settlement | : | ..... |
| 10. Issues | : | ..... |
| 11. Opinion of the worker/trade union | : | ..... |
| 12. Opinion of the employer | : | ..... |
| 13. Opinion of the witness/expert witness | : | ..... |
| 14. Settlement effort | : | ..... |

Thank you for your attention.

Arbiter

.....

SUPPLEMENTAL GUIDELINES

AGREEMENTS AND AWARD

The results of mediation/conciliation can be of two forms:

- **Success** in assisting the disputing parties to reach an agreement as reflected in a Joint Agreement; or
- **Failure** of the disputing parties to reach an agreement. In this case the mediator makes the summary report of the proceedings which one of the disputing parties can use in bringing the case to the Industrial Relations Court.

JOINT AGREEMENT

The Joint Agreement should be made within three (3) days after the disputing parties reach an agreement in the following case:

- When the disputing parties carry out bipartite negotiation in accordance with the mediator's/conciliator's recommendations at the first mediation/conciliation hearing; or
- When the disputing parties carry out a series of negotiations with the assistance of a mediator/conciliator; or
- When the disputing parties accept the mediator's/conciliator's recommendations.

As can be seen in the example in form C.3 of the Joint Agreement, the contents include:

- Names of those representing the employer;
- Names of those representing the worker/workers union;
- Disputed issues;
- Results of negotiations or agreements reached.

MINUTES OF PROCEEDINGS

The mediator/conciliator should prepare the minute of each mediation/conciliation meeting or session, as a requirement as well as document to be submitted to the Industrial Relations Court, if no agreement is reached. As can be seen in the Form C.6, the minutes should among others contain:

- Full name and address of the parties;
- Date and place of mediation/conciliation;
- Issues or reasons for the dispute;

- Position of the parties;
- Mediator's observation;
- Conclusions or results of mediation/conciliation; and
- Proof of settlement.

ARBITRATION AWARD

The arbiter conducts hearings, for the presentations of the disputing parties including witnesses, documents and evidence. Based on hearing, the arbiter make and determine the award in accordance with the applicable rules of law, agreements, customs, justice and taking into consideration the public interest. The nature and form of the Award follow:

- The arbitration award is entitled:
IN THE NAME OF JUSTICE BASED ON THE ONE SUPREME GOD
- Contents of the award are among others:
 - ❖ Full name and address of arbiter or panel of arbiters;
 - ❖ Full name and address of parties;
 - ❖ Essence of agreement of the parties in the selection of the arbiter;
 - ❖ Summary of demand, response and clarification from the disputing parties;
 - ❖ Considerations or basis of decisions;
 - ❖ Contents of award;
 - ❖ Effective date of award;
 - ❖ Place and date of award;
 - ❖ Signature of arbiter or panel of arbiters.
- The arbitration award has a binding legal force on the parties and constitutes a final and permanent award.
- The arbitration award is registered in the Industrial Relations Court at the local District Court.
- If one of the parties does not execute or comply with the arbitration award, the prejudiced party may apply for execution to the Industrial Relations Court at the local District Court.
- One of the parties may apply for cancellation of the award to the Supreme Court within 30 days of the arbiter's award, on the following grounds:
 - ❖ Letter or document submitted for examination is not valid anymore or acknowledged to be false;

- ❖ Documents which are determinant in nature has been hidden on purpose by the other party;
- ❖ Award was based on opponent's fraudulent actions;
- ❖ Award given exceeds arbiter's authority;
- ❖ Award violates applicable rules of law.
- Based on the evidence, the Supreme Court may approve the application for cancellation of the arbitration award within 30 days of the receipt of the application.
- Industrial relations disputes decided through arbitration, may not be filed with the Industrial Relations Court.

CONCEPT AND PRINCIPLES OF MEDIATION AND CONCILIATION

BACKGROUND

1. This Manual reflects the a universal concept of mediation and conciliation as , adopted with the conditions in Indonesia. This Manual has been prepared to promote the orderly settlement of industrial disputes through voluntary means, with a minimum of work stoppages and other forms of disruption of production, as well as to improve the performance of government conciliators and mediators.
2. In many countries, the law prescribes that industrial disputes must be submitted to conciliation and mediation, but usually it does not specify how conciliation and mediation should be carried out. This Manual is an attempt to fill that gap by suggesting forms of behaviour, approaches and attitudes that will enable the conciliators and mediators to carry out their functions more effectively and successfully.
3. The aim is to make mediation more accessible and effective as contemplated in existing laws and regulations such as Act No. 2 of 2004 concerning Industrial Relations Dispute Settlement which introduced a system of dispute settlement that is “simple, quick, fair and inexpensive” to the parties.

CONCEPTS

1. For the purpose of this Manual, mediation and conciliation are regarded as equivalent terms referring to essentially the same kind of third-party intervention in promoting the voluntary settlement of disputes.

2. In some countries, a distinction is made in that conciliation would be limited to encouraging the parties to discuss their differences and to helping them develop their own proposed solutions. Mediation, on the other hand, would imply a stronger form of intervention, and a mediator would be permitted to offer the parties proposals for settlement.
3. Mediation has been referred to as a process of peace-making. It has certainly been used since time immemorial to settle disputes and adjust differences between private persons. In the field of industrial relations, this method of settling disputes has been most frequently and intensively used and has achieved its highest degree of development and refinement.

DEFINITIONS

1. Mediation may be described as the practice by which the services of a neutral third party are used in a dispute as a means of helping the disputing parties to reduce the extent of their differences and to arrive at an amicable settlement or agreed solution. It is a process of rational and orderly discussion of differences between the parties to a dispute under the guidance of a conciliator.
2. Mediation aims to bring about the speedy settlement of disputes without resort to strikes or lockouts and to hasten the termination of stoppages when these have occurred. Although the steps that a mediator may take to bring about an amicable settlement may vary from country to country or from case to case, the main function of a mediator is constant which is to assist the parties towards a mutually acceptable compromise or solution through the powers of reasoning and persuasion.

CONCEPTUAL GOALS

1. The conceptual goals of mediation follow:
 - *Mediation is a "process of assisted negotiations".* It is a way to facilitate dialogue, and the principle role of a mediator is to facilitate the process of negotiations.
 - *Mediation process involves mutual obligations.* In essence, entering into the mediation process obligates the parties to provide a fair and neutral problem-solving environment in which issues can be addressed. The mediator must provide a conscious and sincere effort in assisting the parties in an impartial manner to settle issues. The parties are obligated both the process and to make a good faith effort in settling the issues. Reminding the parties of those obligations can be an effective tool

when situations become difficult and contentious.

- *Conflict management versus resolution.* There is a difference between conflict management and resolution. Managing conflict means constructing a settlement in which people can live, but does not address the fundamental cause of the conflict. Resolution refers to a process whereby the root cause of the conflict is addressed in such a way that it will not surface again.

Usually, the choice of conflict management versus resolution is one which rests with the parties. Mediation can be a tool that works in either approach; however, rather than try and force a particular approach on the parties, the mediator should try and recognize the type of situation and take the process only as far as the parties are comfortable in going.

- Some of the advantages of mediated settlements are the following:
 - ❖ Parties are generally more satisfied.
 - ❖ There are generally more creative solutions.
 - ❖ Parties generally feel better toward one another.
 - ❖ Parties retain more control over the resolution of the dispute.
 - ❖ Interests of the parties are better served.
2. As important as knowing how to mediate is, it is equally important to know when it is appropriate to use mediation. Some guidelines are when:
- Relationships are strained but must continue.
 - Miscommunication is apparent and a skilled neutral would facilitate clear communications.
 - The presence of a third party neutral would change the dynamics.
 - The parties show a willingness to settle or reevaluate their positions.
 - There is time to reach a mediated settlement.

MEDIATION AND COLLECTIVE BARGAINING

1. The practice of mediation in industrial disputes has developed mainly in connection with disputes arising from the failure of collective bargaining, i.e., the negotiations between the parties with a view to the conclusion of a collective agreement. Mediation has thus been described as an extension of collective bargaining with third-party assistance, or simply as “assisted collective bargaining”.
2. The voluntary settlement which is the aim of mediation is nothing more or less than the parties reaching an agreement, which is as much a collective bargaining agreement as one resulting from unaided, direct negotiations between the parties.

MEDIATION BY AN INDIVIDUAL OR BY A BOARD

1. A mediator generally refers to a neutral third party assisting in the voluntary settlement of disputes. In many countries, the third party is very often a government official functioning as a mediator in an individual capacity. It has indeed been often pointed out that mediation is essentially a one-man job.
2. In a large number of countries, mediation is mainly carried out by permanent officials functioning as individual mediators. These officials are three of main kinds:
 - ❖ Those who devote all their working time to mediation and probably other industrial relations duties, and are officially designated as mediators or as conciliation or industrial relations officers;
 - ❖ Officials who perform mediation or conciliation on a part-time basis and as one of their normal day-to-day functions; and
 - ❖ Officials at the highest executive or administrative levels who intervene in disputes on an *ad hoc* basis.
3. Mediation may also be undertaken by a body consisting of several members, various called a board, a council or a committee of and simply referred to in this Manual as a mediation or conciliation board. It can consist of an independent chairperson together with employers' and workers' members and it is the board as a whole which is usually given the task of promoting the settlement of a dispute referred to it. The procedure of a board can be more formal than that followed by an individual mediator and the two procedures can also differ in other respects.

SELECTION OF MEDIATORS

1. Mediation and conciliation are now generally provided by governments but may also be instituted under private arrangements, which are encouraged by the government as in a number of countries. Even with the development of government mediation and conciliation services, it is still possible in various countries for the parties to a dispute to agree to use a private mediator or conciliator.
2. As regards conciliation under government auspices, the International Labour Conference adopted in 1951 a Recommendation (No.92) concerning voluntary conciliation and arbitration. It provides, in particular, that "voluntary conciliation machinery, appropriate to national conditions, should be made available to assist in the prevention and settlement of disputes between employers and workers" and that "the procedure should

be free of charge and expeditions”.

3. Mediation under government auspices is generally governed by legislation concerning industrial relations or industrial disputes.

VOLUNTARY AND COMPULSORY MEDIATION

1. Although the aim of mediation is to reach an amicable settlement between the parties, in a number of countries, mediation arranged by the government has certain compulsory features: the procedure may be made compulsory by provisions requiring the parties' attendance at mediation proceedings or empowering the mediator authority to compel their attendance at such proceedings, as well as by the prohibition of strikes and lockouts without prior resort to mediation.
2. In countries where mediation is on an entirely voluntary basis, mediation may be offered to the parties if they have not requested it, but they are left entirely free accept or to not accept the invitation. According to this concept, if the parties do not wish to accept the proffered mediation service, it will be useless to compel to go through with the procedure. On the other hand, there will be no difficulty if the parties have faith and confidence in competence and fairness of the government mediators and if this condition is met, they will willingly seek or welcome their assistance.

PREVENTIVE MEDIATION

1. To assist employers and trade unions in achieving their mutual goals, mediators should be able to guide the parties through an assessment of the quality and development of their relationship and to identify areas which need improvement.
2. Problems often encountered include lowered employee morale, decreased productivity, excessive number of grievances or unfair labour practice complaints or poor communication between union leadership and management. After analyzing the relationship and discussions with the parties, the mediator recommends appropriate training in skills and processes which will assist in addressing the particular problem.
3. Preventive mediation activities include training in wide variety of specific organizations change processes, individual and group problem-solving and decision-making skills. Mediators can help management and union in focusing on common grounds to achieve win-win outcomes such as profits and jobs.

INTEREST-BASED NEGOTIATIONS

1. The interest-based model of mediation attempts to minimize the use of power in negotiation and base the negotiation on identifying mutually beneficial solutions. The model is based on interests instead of positions.
2. People in a dispute often get caught in a cycle of declaring positions and making arguments. The parties engage in negotiation without real consideration as to what is the driving or motivating force underneath those positions or demands.
3. Any solutions that are found are based on power and compromise. The outcome may leave on one side feeling that they won while the other thinks they've lost. Over time, "losers" may become resentful or discontented, and some times agreements unravel.
4. Mediations typically attempts to move the parties from this adversarial approach to an interest-based framework, where the needs and interests of each side are incorporated into settling the dispute. Often, the role of the mediator becomes in part, that of helping the parties determine what is important to them and why. Those items that are important are called items.
5. The shift from positions to interests is designed to delve deeper into the reasons that the dispute is occurring. Understanding a position in understanding what a party feels/believes/wants. Understanding an interest is determining why something is important.
6. Assumptions of interest-based negotiation:
 - Effective communication enhances relationships.
 - Parties receive benefits from the negotiations
 - Each party should help the other benefit from the negotiation.
 - Open discussion expands mutual interests and options.
 - Standards can replace power in negotiating an outcome.
 - Anger is defuses when people understand each other's motivations.
7. Principles of interest-based negotiation:
 - Focus on issues, not personalities.
 - Focus on interests, not positions.
 - Create options to satisfy both mutual and separate interests.
 - Evaluate options according to standards, not power.

GOVERNMENT MEDIATION SERVICE

1. Conciliation or mediation is generally provided by the government through an administrative unit, which may have one of a variety of names. The size of the unit varies from country to country. In many countries, it also performs other related functions in the field of industrial relations. This development has taken place not only in industrially advanced countries with relatively long experience of industrial relations but also in an increasing number of developing countries.
2. In most countries, the government mediation or conciliation service is part of the ministry department of labour. In some countries, the mediation and conciliation authority is an autonomous organ, either completely independent of the ministry of labour, or linked it for administrative or budgetary purposes only.

ETHICAL CONSIDERATIONS

1. The essential personal qualifications of a mediator shall include honesty, integrity, impartiality and a general competence in the field of intervention. A mediator must demonstrate ability to exercise these personal qualities faithfully and with good judgment in dealing with the parties.
2. A mediator should decline appointment, withdraw, or request technical assistance when the issues raised for consideration are deemed to be beyond his or her competence.
3. A mediator must uphold the dignity and integrity of the office and endeavour to provide effective service to the parties; cooperate in the training of new mediators; and must not advertise or solicit mediation assignments.
4. It is a basic professional responsibility of a mediator to plan his or her work schedule so that present and future commitments will be fulfilled in a timely manner. A mediator should cooperate with the parties in avoiding delays.
5. A conflict of interest is a dealing or relationship that might create an impression of possible bias. The mediator has the responsibility to disclose all actual and potential conflicts that are reasonably known to the mediator and could reasonably be seen as raising a question about impartiality.
6. If all the parties agree to mediate after being informed of conflicts, the mediator may proceed with the mediation. If however the conflict of interest casts serious doubts on the integrity of the process, the mediator must avoid the appearance of conflict of interest, both during and after the mediation.

7. The reasonable expectation of the parties with regard to confidentiality shall be met by the mediator. The parties' expectations of confidentiality depend on the circumstances of the mediation and any agreement they may make. A mediator shall not disclose any matter that a party expects to be confidential unless given permission by all parties or unless required by law or other public policy.

INDUSTRIAL DISPUTES

1. In general, the government mediator would be competent to intervene in disputes between employers and workers, which come under the legal definition of "industrial disputes" (or "labour disputes" or "trade dispute", as the case may be). In dealing with a particular dispute, however, a mediator's approach has to adjust to the nature of the issues involved; the nature of the issues will in particular affect the extent to which the dispute is amenable to compromise solutions.
2. Under the most common practice, a distinction is made between two main types of disputes relating to terms of employment. They are:
 - a. Disputes that arise out of deadlocks in the negotiations for a collective agreement, subsequently simply referred to in this Guide as "*interest disputes*" (or "conflict of interest" or "economic disputes"); and
 - b. The disputes that arise from day-to-day workers' grievances and complaints and in the interpretation and application of collective agreements and of law, subsequently referred to as "*rights disputes*" (or "conflict of rights" or "legal disputes" or "grievance disputes").
3. In addition, as in a number of countries, special provisions apply to two other types of disputes relating to organizational rights, namely:
 - a. Those arising from acts or interference with the exercise of the right to organize, or acts commonly known as "*unfair labour practices*", and
 - b. Disputes over the right of trade unions to represent a particular class or category of workers for purposes of collective bargaining, simply referred to as "*recognition disputes*".

Interest disputes

In general, interest disputes relate to the establishment of new terms and conditions of employment for the general body of workers concerned. In most cases, the disputes originate from trade union demands of proposals for job security, wages increases, fringe benefits, or other improvements in the terms and conditions of employment. These demands or proposals are normally made with a view to the conclusion of a collective agreement, and a dispute arises

when the parties fail in their negotiations to reach an agreement. The mediation of this type of disputes is itself a part of the collective bargaining process, being an extension or a continuation of the negotiations between the parties, with the assistance of the mediator.

Rights disputes

1. Rights disputes generally involve individual workers only, or a group of workers in the same situation. They usually arise from day-to-day relations such as a protest by the worker or workers against an act of management. One of the most common grounds or causes of grievances is the dismissal of a worker, which the worker or the union considers to be unjustified. Rights disputes are generally based on an alleged violation of an existing right, or an alleged unfair treatment by the management, as judged by certain rules.
2. In contrast to interest disputes, there is some more or less definite standard for settling a rights disputes – the relevant provision of the collective agreement, employment contract, work rules or law, or custom or usage. It invariably requires an ascertainment and appreciation of the facts and, where the dispute is based on a contractual or conventional right, a determination of the intentions of the parties to the agreement that is involved, at the time when the agreement was concluded.

Unfair labour practices

The most common types of unfair labour practices are attempts by the management to discriminate against workers for being trade union members or for trade union activity. In most cases the objects of such discriminatory treatment are trade union officials or representatives employed in the undertaking, and trade unionists who have actively participated in a strike. These practices are also known in some countries as “trade union victimization”. In the absence of any procedure for dealing with such cases, they will be subject to the normal procedures for settling disputes. This is generally the case when it involves dismissal from employment. The usual demand is for the reinstatement of the dismissed worker.

Recognition disputes

1. This type of dispute arises when the management or an employers’ organization refuses to recognize a trade union for purposes of collective bargaining. In many countries, a special procedure has been established

for settling this type of disputes. In some cases, mediators may have to intervene, at least on an informal basis, in a dispute of this kind, especially when it is likely to lead to a strike.

2. In many cases, the management's refusal to recognize a union is on the ground that the union is not sufficiently representative, or that there are several unions making conflicting claims to recognition. In this case, the resolution of the issue may depend on the existence or non-existence of rules for determining the representative capacity of trade unions for the purpose of collective bargaining. Such rules need not necessarily be laid down by law. They may be conventional or derived from prevailing practices.

MEDIATION AND ARBITRATION

1. An arbitrator has the power to determine a dispute through a decision or award. The arbitrator may aim to make an award, which is considered to be mutually acceptable to the parties but none the less, the judgment of the arbitrator is substituted for that of the parties with regard to the terms on which the dispute should be settled.
2. It is not the function of a mediator on the other hand, to substitute his or her judgment for that of the parties with regard to the desirable terms of settlement. Possible lines of solution may be suggested or terms of settlement proposed if such a course is in accordance with national practice, but it is always for the parties to accept those suggestions or proposals. The mediator cannot impose the terms of settlement upon them.
3. The mediator's chances of bringing about amicable settlements are greatly affected by the possibility that a dispute will be referred to compulsory arbitration or labour court, either automatically or almost as a practical certainty, in the event of failure of mediation.
4. With regards to interest disputes, mediation is the principal means or may under normal conditions be the only available method of settlement. The importance given to mediation is often reflected in the relatively high official status of government mediators in many countries, which gives them a useful measure of moral authority and personal prestige. In such countries, the pressure upon the parties to reach a settlement by mediation is the same as in direct negotiations between them.
5. In principle, in case of disagreement, the parties are free to resort to a trial of strength, the results of which will determine the final terms of settlement. However, there is a strong inducement for the parties to explore fully every possibility of settlement in order to avoid strike or lockout, which may be very costly, and somewhat uncertain in its outcome.

6. Where compulsory arbitration or a labour court is available, the task of the mediator becomes more difficult. It is not only that there is not the aforementioned inducement on the parties to reach a settlement, the ultimate recourse to arbitration or a labour court may actually tend to produce an opposite result. Either side may think that it can obtain more favorable terms under an arbitration award or court decision, and is tempted to avoid settlement by conciliation so that the dispute will be brought to arbitration on the court.
7. The temptation becomes greater if the mediator can be brought before arbitration or the court to testify on what has transpired in the conciliation proceedings. During mediation, this possibility can inhibit the parties from making counter-proposals, which, if made known to the arbitrator by the judge, can affect the terms of the award or decision on the case. In the absence of a real spirit of give-and-take between the parties, mediation tends to become a mere formality, a step on the way to arbitration or the labour court.

MEDIATOR'S QUALIFICATION

A basic aspect of the work of a mediator is the personal relationship with the parties to disputes. In order to be effective, the mediator must have their trust and confidence. To be able to gain such trust and confidence and to be effective, a mediator must possess certain personal qualities and qualifications.

Personal qualities

1. Some of the characteristics essential to the work of a mediator are primarily a matter of attitude, which a mediator should develop.
2. Independence and impartiality are the two attributes, which every mediator should possess regardless of other qualifications. To appear independent and impartial is no less important than actually to be so. A mediator must be above suspicion.
3. Mediations in certain cases can be an arduous task. A conciliator should then be physically and psychologically fit for the rigours of the task. The nature of his work requires the mediator to have the ability to get along well with people. He must, to a certain extent, be a specialist in human relations – relations between the parties when they come face to face and the mediator's own relations with them. The mediator must be honest, tactful, self-confident, even-tempered and patient.

Professional qualifications

1. A mediator should also possess certain professional qualifications. The mediator should be seen as a repository of knowledge and experience. The parties must be able to look at the mediator with high regard for professional competence.
2. A mediator should be fully familiar with the law and registration concerning the industrial relations and the settlement of industrial disputes in the country. The mediator must be familiar with the practical side of the country's industrial relations system, e.g. the development and structure of trade unions and employers' organizations, the prevailing methods of collective bargaining, negotiating procedures and practices, the operation of agreed negotiating bodies set up by the parties, and the main causes and patterns of disputes.
3. On negotiations or disputes at the plant level, a mediator needs to be familiar with the conduct of labour relations within individual undertaking including knowledge of personal management, the functioning of trade unions and the role of shop stewards or local trade union representatives and any other system of workers' representation, grievance and disciplinary procedures and joint consultation machinery.

MEDIATION TRAINING

1. Mediation is as much an art as it is a science; consequently there are a number of ways to teach it. Although some fundamental skills can be taught, the process of mastering mediation can only take place with live parties in real conflict or dispute. Because of the dynamic qualities of mediation, it quickly becomes apparent that the process is responsive to the specific situations and adaptable to the needs of the people involved.
2. Key considerations of mediator training include the following:
 - a. Much of mediation is common sense. The training will help you recognize what mediation practices you are currently using, discover inherent abilities and use mediation in all aspects of your life.
 - b. Learn the skills, the approaches in successfully mediating disputes. In addition to your natural mediation skills, training modules can introduce a separate skill while building on its predecessor to help you develop a range of abilities.
 - c. There is no prescribed or 'right way' to conduct mediation. Mediators are like carpenters in that they use the same essential tools and skills, but apply them in unique ways as fits the individual's talent and the situation.

- d. Mediation is simply one type of Alternative Dispute Resolution or ADR. The purpose of training is to equip you with the tools of mediation. Mastering mediation means developing your personal approach.
- e. Training will not make you a mediator. The processes and skills can be taught, but the ability to use these tools requires practice and experience.
- f. Mediators are neutral, not neutered. Mediators have biases like everyone else. However, mediators need to recognize their own biases. They must work to minimize the effect of their biases or remove themselves from the case.

MEDIATOR'S PREPARATIONS

1. In handling a dispute, the mediator's preparations may cover the following:
 - Pre-dispute readiness;
 - Desirability of information services;
 - Background information required;
 - ❖ on employers and trade unions;
 - ❖ on agreements and existing terms and conditions of employment;
 - ❖ on past negotiations and disputes between the parties.
2. Specific case preparation:
 - Case folder;
 - Information to be collected;
 - on the background and facts of the dispute;
 - on the issues;
 - on personalities.

TYPE OF MEETINGS AND ARRANGEMENTS

1. There are normally two types of meeting which a mediator may hold with the parties: joint conferences attended by both parties and separate meetings with only one party. In certain circumstances, the mediator may resort to meetings of a third type - private meeting with the minimum number of participants. Each type of meeting possesses certain characteristics and relative advantages and disadvantages.
2. Joint conferences should normally be held on premises that can be regarded as neutral ground. This can best be insured by arranging for them to take place at the offices of the mediation service and that should be the normal

practice. This will help ensure that the proceedings are being conducted in a fair and impartial manner and give the impression that they are not improperly influenced by either party.

3. In cases involving experienced negotiators, however, there can be more flexibility. Sometimes it may be convenient and useful to hold joint meetings on the premises of an employer, or of an employers' association or trade union, or occasionally at a hotel. If the parties to the dispute agree among themselves on some meeting place, freely and without any suggestion of duress, the mediator should not object.
4. As a general rule, separate meetings with the parties should be held in the mediator's office. Having regard to the convenience of the parties and his own work schedule, the mediator should also be prepared in appropriate circumstances to meet the parties at their respective offices.

MEDIATION TECHNIQUES

1. The emphasis generally placed on experience as the only effective way of acquiring a sufficient mastery of mediation techniques suggests that mediation has some characteristics of an art – the art of listening, the art of asking questions, the art of timing, and above all, the art of persuasion. There are those who view mediation as an art because a case is always a fresh challenge to employ and devise techniques suitable to its circumstances, and because no two mediators will approach a dispute in exactly the same way.
2. As experience is gained, mediators will develop their own individual techniques. At the beginning, any previous training undertaken will have an influence together with advice received from the most experienced colleagues. But while a mediator may benefit and learn from the experience of others, the techniques will essentially depend on the mediator's temperament and outlook.
3. The mediator is a multi-faced individual and the mediator's role comprises a variety of sub-roles. In exceptional cases, it may suffice for the mediator to rely only or chiefly on one or two sub-roles; but in most cases the mediator will be using more of them, in combination.
4. The main roles of a mediator would include the following:
 - An advocate of the process;
 - Demonstrates empathy for the parties;
 - Remains neutral on the issues and positions;
 - Poses positives and negatives for outcomes and clarification of issues.

5. The many sides of sub-roles of a mediator may consist of any of the following:
 - discussion leader;
 - alternative target or safety valve;
 - communication link;
 - prover;
 - source of information and ideas;
 - sounding board;
 - protector;
 - fail-safe device;
 - stimulator;
 - sympathizer;
 - assessor or adviser;
 - advocate;
 - face-saver;
 - coach or trainer.

STRIKE AND LOCKOUT SITUATIONS

1. In dealing with a strike or a lockout situation, a mediator will have to be guided by the law, regulations and any administrative instructions or directives on the matter. The mediator's concern is to decide on a course of action that will facilitate the orderly conduct of the dispute and its settlement.
2. In **ongoing strikes and lockouts**, the conciliator can do much in keeping open the line of communication between the parties until the parties come to an agreement to resume negotiations under the guidance of the mediator. The mediator may frequently check with the representatives of the parties with a view to arranging a joint meeting as early as possible.
3. When negotiations are resumed, the mediator can try to arrange a return-to-work agreement pending resolution of the issues in dispute. Quite often this will turn out to be a case of mediation within mediation, since it involves agreeing on the conditions under which work will be resumed.
4. A mediator faces another type of situation in dealing with an unofficial or wildcat strike, i.e. one that takes place without the official authorization or support of the trade union concerned. They occur frequently over grievance issues, and sometimes they are spontaneous protests by a group of workers against a management decision.

5. As a matter of broad principle, in cases of wildcat strikes, a mediator should not respond to a request for intervention from unofficial strike leaders since it may not only antagonize the employer concerned but also diminish trade union discipline and authority and the status of trade union officials. This does not mean that the mediator is precluded from taking action, but the mediator should approach the responsible trade union officials with a view to their taking the necessary steps to persuade the workers to return to work and prosecute their claims through the established or agreed procedures.
6. In the case of threatened strikes and lockouts, the fact that the threat exists such as when notice of such impending action is given, should not affect the attitude of impartiality of the mediator, although one aspect of the mediator's role in such a situation is to advise the parties on the observance of any legal requirements for staging a strike or lockout.
7. The mediator is expected to hold meetings with the parties. If the strikes or lockout deadline is still sometime ahead, there is often little readiness on the part of the parties to make any move. As the strike or lockout deadline draws nearer, the pressure upon the parties intensifies and more realistic attitudes begin to develop. It is sometimes inevitable that each side will tend to wait until the last moment to see whether the other side's resolve will break first, and as a result the negotiations will tend to be conducted in a tense and dramatic atmosphere.
8. If a work stoppage is inevitable, the mediator can help the parties to agree on arrangements for the orderly shutdown of operations and for the maintenance of essential safety services while the strike is in progress. The purpose of such arrangements is to make ensure the immediate resumption of production on the dispute has been settled.

CONCLUSION

When a mediator's efforts to settle a dispute come to an end, he must take certain action to wind up his handling of the case. In particular, the mediator will participate, to a varying extent, in the drafting of any agreement reached; write a final report on his intervention and efforts; and assist the parties, and in some cases the authorities, in initiating further proceedings if mediation has not been fully successful.

SELECTION OF MEDIATORS, CONCILIATORS AND ARBITRATORS

INTRODUCTION

A harmonious, dynamic and just industrial relations needs to be implemented in an optimal way in accordance with Pancasila honorable values and the Indonesian cultural values. In the era of industrialization, the issue of industrial relations dispute is increasing and become more complex so that it is necessary to have quick, appropriate, just and inexpensive mechanism/procedure of dispute settlement.

According to Article 136 paragraph (2) of Act No. 13 of 2003 on Manpower, it is declared that Industrial Relations Dispute Settlement shall be governed by the Act No.2 of 2004 concerning Industrial Relations Dispute Settlement.

With the enforcement of Act No.2 of 2004, the settlement is made either outside the Court and through the Court. Settlement of industrial relations dispute outside of court is through bipartite negotiations, mediation, conciliation, or arbitration.

Settlement of dispute out of Court is intended to give freedom to the parties to choose the approach on institution they want, which will ensure speedy the settlement that will not disturb the process of production and will not increase the number of cases at the Court level.

Industrial relations dispute settlement through the judicial institution referred to as the Industrial Relations Court. Before bringing disputes to the Industrial Relations Court, efforts should first be made to settle through bipartite negotiation. If the dispute is cannot be settled by bipartite mechanism, the parties may submit a request to the Office responsible for local manpower, in this case the Manpower Office for mediation, conciliation, or abiteration as the case may be.

Act No.2 of 2004 provides the duties, functions and role of the Manpower Office as an office responsible for industrial relations dispute settlement, are to record the dispute submitted by the parties, to examine the completeness of the dispute settlement documents received, to offer to the parties conciliation, arbitration or mediation services. Besides this, the Manpower Office supervises the performance of the conciliators, the arbiters and the mediators registered in its work area. The Manpower Office at the provinces and regencies/cities therefore occupy a strategic place in the process of industrial relations dispute settlement outside the Court.

PURPOSE

This manual aim to assist officers at the manpower offices in ensuring uniformity and consistency in the selection of Mediators, Conciliators and Arbiters.

REGISTRATION OF DISPUTE

The mechanism, procedure of recording and choice of settlement through arbitration, and conciliation is not provided in details by the Act. In order to effectively implement the Act, it is necessary to clarify the procedure for the registration of disputes the manpower office as follow:

a. Appointment of a Registrar

Appointed and assigned Civil Servants having adequate knowledge and skill as Industrial Dispute Registrar within the structural organozation of the industrial relations dipute settlement. The qualifications of a registrar are as follows:

- Minimum D3 Education
- Minimum 2 years experienced in the field of industrial relations dispute settlement.

b. Procedure of Registration

The Registrar first examines the completeness of the complaint case dossier. Consisting of application letter for industrial dispute settlement, minutes of negotiation, request for negotiation from one party to another which has been ignored within the time limit of 30 working days.

- If the complaint dossier is not complete, the Registrar return the dossier within 7 working days will to the party concerned for completion.
- If the complaint dossier is complete, then it will be registered in the book of complaints, numbered and on receipt is issued to the complaining party.
- The Registrar submits the industrial relations dispute complaint to the concerned officer under the structural organization of the industrial relations dispute settlement.

c. Choice of Modes of Settlement

The steps to be taken by the Structural Officer of the industrial relations dispute settlement in providing a choice of the modes of settlement are as follows:

- Calling the disputing parties;
- Explaining about the type of dispute and alternatives of settlement:
Dispute on rights, by a mediator;
Dispute on interests, by a conciliator, arbiter or mediator;
Termination of employment dispute, by a conciliator or a mediator;
Inter Workers Union dispute, by a conciliator, an arbiter or a mediator.
- Suggest mode of settlement to the parties base on the type of dispute;
- The parties may choose a conciliator or an arbiter registered with local manpower office;
- In case the parties choose to settle the dispute through a conciliator, then both parties should make an agreement to appoint one conciliator or more at odd numbers, using the prescribed form;
- In case the parties choose to settle the dispute through an Arbiter, both parties should make an agreement to appoint one Arbiter or more with odd numbers (board of arbiters), according to the existing mechanism and prescribed form;
- If within 7 days the parties do not reach an agreement in having a conciliator (for disputes of interest, termination of employment and inter-workers union dispute), then settlement of dispute will be referred to a mediator for settlement.

SUPERVISION

a. Mediators

Matters to be observed in the supervision of mediators:

- A Mediator should be assigned to settle registered disputes only;
- Show steps to be taken by a mediator in the settlement of a dispute;
- Monitor and follow the progress of the settlement process;
- Propose sanction on mediator who is unable to settle a dispute within 30 days without any valid reason in accordance with Kep.92/MEN/2004;
- Submit a proposal to dismiss the mediator.

The proposal to dismiss a Mediator to be submitted to the Manpower Office, shall be based on a recommendation from the executive board of the Indonesian mediator association.

b. Conciliators

Matters that need to be considered in the supervision of conciliators:

- Compile list of conciliators in the area;
- Monitor and follow the progress of dispute settlement process;
- Propose sanction on conciliator to the Regent/Mayor in accordance with the Minister's Regulation No. 10/MEN/V/2005;
- Propose dismissal of conciliator to the Minister through the Regent/Mayor.

c. Arbiters

Matters that need to be considered in the supervision of Arbiters:

- Compile list of arbiters in the area;
- Monitor and follow the progress of dispute settlement process;
- Propose sanction on arbiter to the Governor/Regent/Mayor in accordance with the Minister's Regulation No.Per. 02/MEN/I/2005.
- Propose dismissal of arbiter to the Minister through the Governor/Regent/Mayor.

QUALIFICATIONS OF MEDIATORS, CONCILIATORS AND ARBITRATORS

MEDIATOR

Qualifications

In order to become a mediator, one must be:

- A Civil Servant at the office responsible for manpower affairs;
- Believe and faith in God Almighty;
- An Indonesian Citizen;
- Physically healthy based on a doctor's certification;
- Mastering labor law;
- Full of integrity, honestly, just and of good behavior and reputation;
- At least having bachelor degree and as certified from the Minister of Manpower and Transmigration of the Republic of Indonesia.

Legitimacy

The legal status of a mediator is determined by the Minister of Manpower and Transmigration of the Republic of Indonesia. The Mediator's legitimacy is in the form of a Decree to Appoint a Mediator and Identification Card as a mediator which indicates the work area of the mediator. In obtaining legitimacy, a prospective mediator should:

- Have attended and passed the technical education and training in industrial relations and working requirements as proven by a certificate issued by the Ministry of Manpower and Transmigration;
- Have worked in the field of Industrial Relations for at least 1 (one) year, after passing the industrial relations technical education and training and working requirements.

Procedure to Obtain Legitimacy

The procedure for obtaining legitimacy of mediator is as follows:

- The office nominates a prospective mediator;
- The Director General of Industrial Relations proposes the prospective mediator to the Ministry of Manpower And Transmigration of the Republic

of Indonesia;

- The Governor proposes the prospective mediator to the Provincial Office of Manpower;
- The Regent/Mayor proposes the prospective mediator to the Regency/Town Office of Manpower;
- Documents for obtaining legitimacy:
 - ❖ Copy of Strata One (S1) Diploma;
 - ❖ Copy of latest letter of appointment;
 - ❖ Copy of Letter of Assignment or Placement at industrial relations work unit;
 - ❖ Copy of industrial relations technical education certificate and working requirements;
 - ❖ Certification of good health by a doctor;
 - ❖ 2 (two) each of latest color photograph 3 x 4 cm;
 - ❖ Evaluation of civil servant's performance for the last 2 (two) years.

Special Mediator

- A Special Mediator is a mediator whose appointment does not follow the mediator requirements mentioned above;
- A Special Mediator is appointed under certain circumstances such as government mediators are not available or if industrial relations disputes need to be settled as quickly as possible, government mediator are unable to settle them;
- A Special Mediator is directly assigned to the Head of manpower office;
- Legitimacy shall be given through the proposal of the Head the local district;
- Special legitimacy is valid only as long as the person concerned is Holding the position as the Head of manpower office at local Regency/City and or shall end at the time at the office concerned a mediator has been recruited based on the result of the Technical Education and Training and after an apprenticeship for 1 (one) year.

Industrial Relations and Working Requirements Education and Training

- The Regional Head may submit a proposal for industrial relations and working requirements technical education and training to the Minister of

Manpower and Transmigration through the Civil Servants Education and Training Board of the Ministry of Manpower and Transmigration or through the Ministry of Manpower and Transmigration Head of Education and Training Center.

- Based on urgent needs, the Region may hold Industrial Relations and Working Requirements Education and Training in their respective areas under respective regional budgets in cooperation with the Ministry of Manpower and Transmigration Education and Training Board/Ministry of Manpower and Transmigration Head of Education and Training Center.

CONCILIATOR

Examination/Selection Committee

- The examination/selection is carried out by a Committee established by the Minister of Manpower and Transmigration of the Republic of Indonesia;
- The Committee in doing its job coordinates with the Provincial office of manpower which serves as a regional committee;
- The regional Committee is appointed by the head of the provincial office of manpower;
- The Committee at the central level comprises:
 - ❖ Central administration selection committee: 3 (three persons);
 - ❖ Person in charge of preparing test questions and correction at Central level: 3 (three) persons;
 - ❖ Examination supervisor at Central level: 3 (three) persons;
 - ❖ Examination supervisor from central to the region: 2(two) persons.
- The Regional Committee comprises:
 - ❖ Regional administration selection team: 3 (three) persons;
 - ❖ Regional examination supervisor: 3 (three) persons
- The tasks and Responsibilities of the Regional Committee:
 - ❖ Notifying to Regency/City manpower offices and the public of the acceptance of Conciliator;
 - ❖ Receiving and acting on the applications and registration of prospective Conciliators;
 - ❖ Carrying out administration in the selection of prospective conciliators;
 - ❖ Refusing and returning dossier which do not meet the requirements;
 - ❖ Determining the place and time of examination;
 - ❖ Holding and supervising the examination together with the Central

Committee;

- ❖ Submitting application and examination document to the Central Committee.
- The tasks and Responsibilities of the Central Committee:
 - ❖ Prepare test questions;
 - ❖ Hold and supervise the examination together with the Regional Committee;
 - ❖ Receive application and examination dossier from the Regional Committee;
 - ❖ Correct examination papers and determine grades of participants;
 - ❖ Submit names of successful applicants to the Minister for appointment as Conciliator.

Qualifications

The Conciliator qualifications included the following:

- Has faith and believe in God Almighty;
- Indonesian Citizen;
- At least 45 years;
- Minimum education University Graduate - Strata One (S1);
- Physically healthy based on a doctor's certification;
- Has integrity, honest, just and of good conduct and reputation;
- Has at least 5 years experience in industrial relation;
- Mastering labour laws;
- Is not a Civil Servant, Member of the Army or the National Police;
- Passed the training program conducted by the Government.

The 5 year experience in industrial relations mentioned in point 7 above includes activities carried out in relation to the following:

- Industrial Relations Dispute Settlement;
- Proxy of Industrial Relations Dispute Settlement;
- Official of Workers Union or organizer of Entrepreneurs organization;
- Legal Consultant in Industrial Relations;
- Human Resources Manager in Company;
- Professor, Instructor and Researcher in industrial relations;
- Member of P4D/P4P or Registrar of P4D/P4P;
- Resource person or speaker in seminars, workshops, symposiums etc. in industrial relations.

Registration

- Every applicant/candidate should submit handwritten application addressed to the Minister of Power and Transmigration through the Regent/Mayor/Head of local office of manpower.
- The application shall be made in 3 copies consisting of:
 - ❖ Statement of not having the status of a civil servant, a member of the Army/Police;
 - ❖ Curriculum vitae of the prospective Conciliator;
 - ❖ 2 (two) copies of legalized Strata One (S1) diploma;
 - ❖ Certificate of good health from doctor;
 - ❖ Certificate of good conduct issued by the Police;
 - ❖ 4 each of latest passport photo 3 x 4 cm;
 - ❖ Certificate proving having 5 year experience in industrial relations issued by the office handling manpower in Regency/city.
- Time, place of registration and place of examination:
 - ❖ Time and place of registration of prospective facilitators will be determined by the committee;
 - ❖ Time and place of examination will be determined and announced by the committee.

Call to Applicants

- Applicants who meet the requirements are called in writing to take the examination;
- To ensure attendance, the call to applicants may also be announced in the mass media or other available media;
- The call or announcement should be included the time and place of examination and other necessary information.

Examination/Selection

Administration

- Each application letter received is examined according to stipulated requirements in these guidelines by the official/committee appointed;
- Application letters not meeting the requirements will be returned at the time of registration;

- Application letters meeting the requirements are arranged and registered in an orderly manner to facilitate further process;
- Participants who register and meet the requirements are given examination numbers directly and the place of examination.

Written Examination

- Examination is in writing;
- The time and place of examination will be determined and announced in due time;
- Written examination is held for 1 (one) day, and the schedule of respective Provinces will be circulated;
- Examination contents:
 - ❖ Labor law;
 - ❖ Industrial relations and its components;
 - ❖ Industrial relations dispute settlement outside and within the Industrial Relations Court;
 - ❖ Working requirements, working condition, wage and manpower social security, negotiation technique.

Examination Results

Examination results will be done as follows:

- Examination by the Central Committee;
- Examination answers sheet are checked by correctors 1 and 2;
- In case there are differences in evaluation, then the participant's grade is the total number of grades given by correctors 1 and 2 divided by 2;
- The correctors list and submit the table of grades to the Committee;
- Result based on the sequence of examination results rank.

Announcement of Result

- The Central Committee announces the result (whether success or fail of participants) through the Provincial, Regency/City Manpower Offices, to pass on to participants.
- Successful participants will be contacted further by the Central Committee.

Appointments

- Successful participants who meet the requirements will be contacted further according to the procedure of appointment of Industrial Relations Conciliator by the Minister of Manpower and Transmigration of the Republic of Indonesia.
- The Letter of appointment as Conciliator will be sent to those concerned with copies to the Governor/Regent/Mayor and to the Head of local office of manpower;

ARBITRATOR

Registration:

- Every eligible applicant/candidate should submit handwritten application to the Minister of Manpower and Transmigration through the Regent/Mayor/Head of local office of manpower;
- The application letter shall be made in 3 copies consist of:
 - ❖ Statement that applicant is not a civil servant, member of the Army/ the Police;
 - ❖ Applicant's resume;
 - ❖ Two copies of legalized Strata One (S1) diploma;
 - ❖ Certification of health from doctor;
 - ❖ Certificate of good conduct issued by the Police;
 - ❖ Copy of valid ID card;
 - ❖ 4 each of latest color passport photo 3 x 4 cm;
 - ❖ Certification of having experience in industrial relations.
- Time, place and the holding of examination:
 - ❖ Time and place of registration of prospective arbiters are determined by the committee.
 - ❖ Time and place of examination will also be determined and announced by the committee.

Examination/Selection

- Administration of examination/selection
- Every application letter is carefully examined whether fulfill the

requirements stipulated in the announcement in accordance with the guidelines.

- The examination of the application letters is done by the appointed officer/committee.
- Application letter which do not fullfil stipulated requirements will be returned to applicants together with the reason and are not included in further processing.
- Application letters which meet the requirements are arranged and registered in an orderly manner to facilitate further processing.

Examination Subjects

- Labor laws
- Industrial relations and the facilities.
- Industrial relations dispute settlement in as well as out of court.
- Working requirements, working condition, wage and manpower social security.
- Negotiation technique and session chairing.
- Civil law procedure.

Examination/Selection Committee

- Arbiter selection is carried out by a committee established by the Minister of Manpower and Transmigration.
- The Committee coordinates with the Governor/Regent/Mayor and Head of local office of manpower which serves as the regional executive Committee.
- The regional committee is appointed by the Governor/Regent/Mayor/Head of local office of manpower.
- The Central Committee comprises at least:
 - ❖ Chairman cum member;
 - ❖ Secretary cum member;
 - ❖ Member.
- The regional committee comprises:
 - ❖ Chairman cum member;
 - ❖ Secretary cum member;
 - ❖ Member.

Tasks and responsibilities of the Regional Committee

- Receive registration from prospective industrial relations arbiters;
- Carry out administration selection of applicants dossiers;
- Refuse and return dossiers which do not meet the requirements and to accept complete applications;
- Determine the time of examination;
- Hold the examination together with the Central Committee;
- Submit application and examination dossiers to the central Committee.

Task and responsibilities of the Central Committee

- Prepare the examination subject;
- Hold the examination together with the Regional Committee;
- Receive application and examination dossiers from the Regional Committee;
- Examine and determine examination result;
- Submit nomination of candidates to the Minister for consideration in appointing an arbiter.

Call to Applicants

- Applicants who meet the requirements will be called to attend selection examination;
- In order to ensure attendance, besides calling applicants in writing, the call may also be made by direct notification or announcement in the mass media or other available means of communication;
- The call or announcement of the call will include the time and place of examination and other necessary information.

Conduct of Examination

- The time of examination in the region will be determined by the Central Committee as conveyed to the Regional Committees, followed by the examination subjects and central officers to be sent to the region.
- Examination is in writing.
- Examination answer sheets will be checked by at least 2 people.

- In case of differences in the evaluation, the grades of the examination participants are the total number of the grades given by the examination correctors divided by two.
- Examination correctors will list and submit the table of grades to the Central Committee based on examination results.

Announcement of Result

- The Central Committee will submit the examination results to the Regional Committee for announcement to participants.
- Successful participants will be reported to the Director General of Industrial Relations for further processing to the Minister of Manpower and Transmigration.

Appointment

- Successful participants who meet the requirements will be contacted further according to the procedure for appointment as Industrial Relations Arbiter by the Minister of Manpower and Transmigration.
- The Letter of appointment as arbiter will be sent to the person concerned.