



## Legal Protection for Outsourced Workers in Wages in Companies in Indonesia

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**Abstract** - Because there are no clear standards governing the compensation of outsourced workers in Indonesian companies, legal protection for their earnings is required (Empty Norms). Three significant legal issues are brought up by the lack of specific laws governing the wages of outsourced workers: (1) the legal foundation for regulating the wages of these workers; (2) the nature of the legal protections afforded to their wages; and (3) the legal development of the wage model for outsourced workers in Indonesian businesses. The normative legal research method is used in this work. The preamble of the Republic of Indonesia's 1945 Constitution, which highlights the state's authority over responsibility to ensure the welfare of all individuals. Regarding the type of legal protection, companies in Indonesia are obligated to adhere to rules and regulations governing workers' wages, including the Provincial Minimum Wage (UMP). In case of disputes between the transferred employee and the outsourcing business, both non-litigation and litigation-based preventive and representative legal protection can be provided. The aim of legal construction in formulating the wage model for outsourced workers in Indonesian companies is to provide legal protection and address the issue of empty norms. This is particularly relevant in light of Article 88, which does not explicitly regulate the wages of outsourced labor. Addressing these gaps is crucial for ensuring fair treatment and adequate protection for outsourced workers in Indonesian companies.

**Keywords:** Empty Norms, Indonesian Companies, Legal Protection, Outsourced Workers, Wage Regulations

### I. INTRODUCTION

From a philosophical perspective, the role of the state is to safeguard each and every one of its citizens' rights and welfare, aiming to enhance the overall quality of life and promote well-being. This is achieved through initiatives that ensure access to employment and education, which are essential for personal and societal development. Embedded within this principle is the notion that the state has a constitutional duty to uphold justice and fairness for its citizens, including in the realm of employment.

In the context of the 1945 Constitution of the Republic of Indonesia, this obligation extends not only to ensuring fair treatment in the hiring process but also to the system of compensation for both local and foreign workers employed by Indonesian businesses. The principles of fairness and equity enshrined in the constitution demand that all individuals, regardless of their nationality, are treated justly and receive appropriate compensation for their work. Therefore, the provisions regarding fairness in employment practices apply equally to the pay system, emphasizing the importance of upholding these principles in all aspects of labor relations.

The Republic of Indonesia's 1945 Constitution, specifically Article 28 paragraphs (1) and (2), governs the rights of workers to recognition, guarantees, protection, and legal certainty.:

1. "Equal treatment before the law, recognition, guarantees, protection, and fair legal certainty are all rights that everyone has."
2. Everyone is entitled to employment, just compensation, and suitable treatment in the workplace.

The Republic of Indonesia's 1945 Constitution states in Article 27 paragraph (2) that "Every Indonesian citizen has the right to work and a life worthy of humanity," indicating the importance of workers to the nation's growth. The concept of human rights was firmly and explicitly acknowledged for its existence in the development of the Indonesian nation during the reform period in the Second Amendment of the 1945 Constitution of the Republic of Indonesia, Article 28 D, paragraph (2): "Every person has the right or is entitled to work and receive compensation as well as fair and decent treatment in work relationships."

This suggests that one of the human rights that needs to be respected in its implementation is the freedom to labor. Being employed is one of the main ways that work contributes to a person's meaning in life because it allows them to provide for their family. As a result, companies are not allowed to deny employees their human right to work. The 1945 Constitution of the Republic of Indonesia states a citizen's constitutional right to decent work for humanity. This indicates that the state or government is in charge of creating laws and regulations, often known as legislative and administrative policies. This laid the groundwork for the development of the Law of the Republic of Indonesia Number 13 of 2003 concerning Employment, which would become Indonesia's main legislation pertaining to labor protection.

Abdul Hakim outlines three essential considerations that companies should take into account when determining employee salaries. Firstly, there are technical factors to consider, which extend beyond mere calculation and payment of wages. This includes the intricate process of determining appropriate wage levels based on various factors such as job roles, skills, and market standards. Secondly, the economic aspect plays a crucial role, focusing on both macro and microeconomic conditions. Factors such as inflation rates, industry trends, and the overall economic health of the country can significantly impact salary decisions. It's important for companies to align their compensation strategies with prevailing economic conditions to remain competitive and sustainable.

Lastly, the legal aspect of salary determination cannot be overlooked. This involves adhering to relevant labor laws, regulations, and guidelines set forth by authorities. Companies must ensure compliance with wage requirements, proper computation, and timely payment of salaries, while also considering legal ramifications in case of disputes or non-compliance (Khakim, 2003). This normative provision clarifies the right to labor as a human right (HAM) more clearly in the constitution. When the right to work is upheld, normative rights for workers—such as pay, safety and security features, and their future—are realized and put into effect. Theoretically, exercising the freedom to work primarily focuses on getting into the workforce without facing discrimination because the basis of religion, ethnicity, and other factors. As a result, in addition to providing space for the actualization of a decent existence in the workplace, the state is required to provide facilities for transparency and availability of employment prospects (Shalihah, 2017).

For workers, a fair salary is a fundamental entitlement. In Indonesia, there are labour systems that use third-party services and have a different compensation structure. The compensation structure used by the outsourcing organisation for its employees. to fulfil national objectives by paying outsourcing employees before the outsourcing business bills the businesses that utilise its services. Creating commercial alliances is one of the goals of putting in place an outsourcing system, which prevents one company from controlling labour activity. It is envisaged that over time, this activity will be able to reduce the labor activity concentration in urban regions, leading to a more equitable distribution of labour activities throughout the regions (Priambada & Maharta, 2008).

In addition to the government, society, employees, and business owners, the outsourcing system's implementation has advantages. Outsourcing offers advantages to the government, such as promoting and encouraging small-business and cooperative ventures, supporting the

growth of the nation's economy, and relieving local and district governments of the task of maintaining public order and providing public utilities like water, electricity, and transportation.

The outsourcing system benefits both the community and the workers. For example, labour activation in the regions will promote social infrastructure development, work culture, discipline, and increased economic capabilities; it will also prevent urbanisation and reduce unemployment; and it will enhance corporate culture in the community. The outsourcing system offers businesses a number of advantages, such as sharpening their focus, leveraging elite skills, sharing risks, gaining ownership of resources that can be put to better use, generating new revenue, cutting and managing operating expenses, and acquiring resources that are not their own.

Given the issue that a large number of outsourced workers in Indonesia earn wages below the minimum wage (UMP) and constitutional concerns about the failure of outsourcing to ensure public welfare, the author aims to investigate the legal safeguard for their employees' pay in businesses. This is the background for the research which focuses on "Legal Protection for Outsourced Workers in Wages in Companies in Indonesia."

The problem of this research has been presented in the form of the following question;

1. How does the Indonesian constitution view the role of outsourcing in the context of public welfare, and how does this philosophical basis affect the wage arrangements for outsourced workers?
2. Given the wage gap experienced by outsourced workers, what legal protection mechanisms are in place to guarantee their wages within Indonesian companies?

How does the existing legal framework address the specific wage model for outsourced workers in Indonesian companies, and how can practical challenges in its implementation be overcome?

## **II. METHOD**

A particular kind of normative legal research methodology is used in this work. Normative legal study analyzes the law from the inside out with an emphasis on legal norms. The type of research problem will determine whether normative legal research may employ a combination of various methods in its approach. In this particular study, a blend of legal, conceptual, case-historical, and comparative approaches is utilized. Various legal documents serve as sources for gathering legal materials, including primary, secondary, and tertiary sources. Primary sources such as books and journals, along with secondary sources like laws, norms, agreements, and regulations, are utilized in this research. These sources provide a comprehensive foundation for analyzing legal issues and constructing arguments.

The methodology employed in gathering legal materials for this study involves both primary and secondary research. Primary research involves the direct examination of legal literature, including books and journals, to gather insights and perspectives. Secondary research involves the examination of established legal documents such as laws, norms, agreements, and regulations to understand the legal framework and its application. Furthermore, the analysis of the gathered legal materials will involve both descriptive and legal construction analyses. Descriptive analysis aims to provide a clear understanding of the legal content and context, while legal construction analysis delves into the interpretation and application of legal principles within the specific context of the study. Through these analytical approaches, The purpose of this study is to provide a thorough analysis of the legal problems being looked into.

## **III. RESULT AND DISCUSSION**

### **Philosophical Foundations of Wage Plans for Contractual Employees**

One of the key components of production is labour. When looking at things from the supply side, nearly every nation exhibits trends that get worse every year, therefore in order to absorb labour, measures that can boost output growth are required. The legalisation of outsourcing practices in practically every nation is one significant employment policy. Actually, outsourcing began to be used more than 20 years ago (Mol, 2007). Unlike contract employees who are paid and work in the same location, outsourcing is a distinct work relationship. It differs from contract employees, as usual, in the wage system, namely in the salary provider and the site

of employment. The absence of clear legislation regulating the salary criteria that outsourced workers should get often results in a disadvantage for them in practice. Employing organisations typically only collaborate with businesses that employ outsourcing services; however, these businesses often disregard the rights of the workers they outsource.

The concept of outsourcing originated philosophically in 1776, when global economic philosopher Adam Smith proposed that a corporation would function more effectively and efficiently if one of its business units outsourced its work to another organisation with expertise in the production process. In 1973, Coase expanded on Smith's concept by stating that a corporation should only organise an item's production process if its production costs are less than its market price.

In addition, the business faced international competition in the 1970s and 1980s and struggled because of a lack of planning brought on by an oversized management structure. Consequently, there is a rise in all business risks, including job concerns. This is the initial phase of the business world's adoption of outsourcing ideas. Many large organisations are developing new strategies by focusing on their core business, identifying important processes, and determining what can be outsourced or labor-intensive so that the company can save expenses associated with manufacturing in order to improve flexibility and innovation (Husni, 2016).

Due to its financial effectiveness, outsourcing systems is thought to be a more profitable strategy for entrepreneurs. Another benefit is that workers do not make many demands when it comes to labour relations difficulties. The introduction of contract work and outsourcing makes employees reconsider joining a labour union. Using an outsourced system has several benefits for businesses, such as improved focus, quicker business adaption, and increased financial flexibility. Since the contract labour system was used on plantations as a means of foreign colonisation of Indonesia during the Dutch colonial era, outsourcing is not a recent development in Indonesia. Plantation owners put in place a contract labour system with the help of the Dutch colonial government via the Poenale Sanctions. a workplace that is indifferent to its employees' fates. Workers are seen as a group of people who can be treated cruelly and unfairly rather than as human beings.

Before examining the usage of outsourcing in Indonesia, it is necessary to consider its legal aspects. As of right now, rules concerning outsourcing make reference to the Law of the Republic of Indonesia Number 13 of 2003 governing Employment. The law doesn't define the term "outsourcing" (Damanik, 2006). It is made clear, therefore, that a work agreement is formed between an employer and employees in accordance with the terms of Article 64 of Law Number 13 of 2003 of the Republic of Indonesia about Employment. This law permits the business to use an individual work contracting arrangement to delegate a portion of its work to another business. written. For this reason, an outsourcing agreement and a job contracting arrangement are comparable.

The Article 88 of Law No. 13 of 2003 of the Republic of Indonesia about Employment specifies pay regulations:

1. " Every laborer or worker is entitled to be paid enough to support humanity with a reasonable standard of living."
2. In order to achieve the income goals outlined in paragraph (1) and enable humanity to live in a dignified manner, the government implements wage policies that safeguard labourers.
3. Pay rules that safeguard labourers and employees as stated in paragraph (2) comprise:
  - a. The minimum wage
  - b. Paying overtime;
  - c. Making up for missed work;
  - d. Making up for missed work due to indulging in non-work activities;
  - e. Making up for missing work due to exercising the right to take time off;
  - f. The manner in which wages are paid;
  - g. Penalties and wage deductions
  - h. Wage-related factors
  - i. Equitable pay scale and structure
  - j. Severance pay compensation;

- k. Wages used in income tax computation
4. The minimum wage is decided by the government and is detailed in paragraph (3) of the text a by considering economic growth and productivity in addition to the requirements for a reasonable standard of living."

Wages for outsourced workers are not yet regulated, although they are in Article 88 of Undang-Undang (UU) Nomor 6 Tahun 2023 Tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 2 Tahun 2022 Tentang Cipta Kerja Menjadi Undang-Undang, 2023; Law of the Republic of Indonesia, Number 6 of 2023 concerning Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation.

### **Forms of Legal Protection for Outsourced Workers' Wages in Indonesian Companies**

The notions of justice will be used to analyse the defence of outsourced employees under the law in terms of justice principles. As per Aristotle's "Nichomachean ethics" in Hernoko (2021) fairness is the primary virtue, meaning that it entails doing good. "Justice consists in equals and unequally, in proportion to their inequality," according to Aristotle. Translation: The concepts of justice are as follows: treating everyone fairly and administering justice in proportion to inequality.

Aristotle distinguished two types of justice. First, distributive justice refers to the kind of justice that is decided by the legislature and that is based on the idea of proportional equality. It comprises the distribution of rights, benefits, and goodness for all members of society. Second, corrective justice, which is the application of justice to ensure, oversee, and preserve this distribution from unlawful attacks. In theory, the judge controls the corrective function of justice, which restores the status quo by giving the offending victim's property back or restoring lost property.

Regarding the legal protection of outsourced workers, Aristotle separated justice into distributive justice and corrective justice. These two categories of Two types of legal protection are available to outsourced workers: repressive and preventative protection.

1. Distributive justice includes legal protections that are preventive for workers who are outsourced. Therefore, by means of its statutory requirements and the ability to be mentioned in agreements, preventive legal protection for outsourced workers must be articulated in a way that is consistent with the principles of justice.
2. The theory/type of corrective justice, which holds that justice for outsourced workers can also be accommodated in court decisions that resolve labour relations disputes between outsourced workers and the outsourcing company (employee), is highly relevant to the repressive legal protection of outsourced workers. and/or employment firm.

#### **1) Preventive Legal Protection**

The following are proactive measures to shield outsourced workers from the law:

- a. A legal entity is required for outsourcing businesses, including those that perform work contracts and those that offer labour or worker services, as per the provisions of Articles 65 and 66 The Republic of Indonesia Law Number 13 of 2003 pertaining to Employment.
- b. Work agreements between companies that use the work, workers who are outsourced, and outsourcing companies must be in writing and registered with the Department of Manpower and Transmigration, the authorised agency, in compliance with the provisions of Articles 64, 65, and 66 paragraph (1) and (2), respectively, of the Law - Law Number 13 of 2003 of the Republic of Indonesia regarding Employment.
- c. A written It is necessary to have an employment agreement outlining the working relationship between the outsourcing worker and the outsourcing entrepreneur. The agreement may be in the form of a PKWTT or PKWT if it complies with Article 59 of Law of the Republic of Indonesia Number 13 of 2003 concerning Employment.
- d. In line with Article 66 paragraph (3) Article Law Number 13 of 2003 of the Republic of Indonesia pertaining to Employment, outsourcing companies must obtain an operational permit from the district/city employment agency according to the address of the outsourcing company in question.

- e. In compliance with employers are prohibited from using outsourced workers from outsourcing companies to carry out primary activities or activities that are directly related to the production process, with the exception of supporting service activities or activities that are unrelated to the production process, under the provisions of Article 66 paragraph (1) of the Law of the Republic of Indonesia Number 13 of 2003 concerning Employment.
- f. The written work agreement that is signed by the employee, the employer using the work, and the outsourcing provider must include the following information: 1) Type of work; 2) Work connections; 3) Verification that the outsourcing business will take on contract workers.
- g. Businesses that use work that can be delegated to outsourcing companies must comply with the regulations outlined in Law of the Republic of Indonesia Number 13 of 2003 regulating Employment, Article 65, Paragraph 2. According to the rules outlined in Article 4 of the Republic of Indonesia's Decree of the Minister of Manpower and Transmigration Number Kep.101/MEN/VI/2004 (Undang-Undang (UU) Nomor 13 Tahun 2003 Tentang Ketenagakerjaan, 2003), this is appropriate.
- h. According to the provisions of Articles 65 paragraph (4) and 66 According to paragraph (2) d of Law of the Republic of Indonesia Number 13 of 2003 concerning Employment, at least the same laws and regulations apply to the job protection and working conditions for outsourced workers at work-using enterprises.
- i. The outsourcing business is in charge of handling labour disputes, protecting wages and welfare, and working conditions.

## **2) Repressive Legal Protection**

### **Resolution of labor-related conflicts outside of the Justice court**

- a. Bipartite Negotiations. Labour relations problems shall be settled by bipartite talks as mandated by Law Number 2 of 2004 respecting Settlement of Labour Relations, by consideration and agreement problems, Article 3 paragraph (1).
- b. Conciliation. Three categories of labour relations problems fall under the purview of conciliation: conflicts involving interest, conflicts involving termination of employment, and conflicts involving workers or labour unions inside a single organisation. A conciliator, or conciliators, are those who meet the minister's designated conciliator standards in order to mediate disputes through conciliation.
- c. Arbitrage. Arbitration covers two categories of labour relations disputes: conflicts between labour unions and employees, as well as conflicts between labour unions within the same organisation as well as other labour unions. Arbitrators manage arbitration-based conflict settlement. They might be one or more individuals selected by the disputing parties from a list provided by the ministry.
- d. Mediation arbitration Mediation settlement covers four types of labour relations disputes: rights-related, interest-related, termination-related, and disputes between labour unions and employees of the same company. To mediate disputes through mediation, government employees in the relevant sector who meet the minister's requirements for mediators are known as mediators.

### **Dispute resolution in labour relations through the courts of Justice**

- a. Dispute resolution through a judge. Lawsuits pertaining to labour relations disputes are filed with the Labour Relations Court of the District Court, which has jurisdiction over the worker's or laborer's place of employment. A worker or labourer may file a lawsuit related to termination of employment, but only within one (1) year of receiving notice from the employer of their decision.
- b. Dispute resolution through the Cassation Judge. The Chairman of the Supreme Court appoints two Ad-Hoc Judges and one Supreme Judge to the Panel of Cassation Judges, which is charged with reviewing and deciding issues involving labor relations disputes at the Supreme Court. The rules and regulations that are relevant to the situation are followed while requesting a cassation and when the Cassation Judge is handling rights disputes and job termination issues. In the case that rights conflicts or disagreements over job

termination are settled at the Supreme Court, no later than 30 (thirty) working days from the date of receipt of the cassation request.

The Law of the Republic of Indonesia Number 13 of 2003 concerning Employment, Law of the Republic of Indonesia Number 6 of 2023 concerning Amendments to Government Regulations amending Law Number 2 of 2022 on Job Creation into Law, Government Rule Number 35 of 2021 on Work Termination, Outsourcing, Rest and Work Hours, and Specific Time Work Agreements are all examples of laws that regulate wages and can be used as a basis for providing protection for outsourced workers in Indonesian companies. These laws collectively constitute Preventive Legal Protection.

There are two ways to put Repressive Legal Protection into Practice: Litigation settlement and non-litigation settlement. Non-litigation settlement through mediation is governed by the Law of the Republic of Indonesia The Regulation of the Supreme Court of the Republic of Indonesia Number 1 of 2016 concerning Mediation Procedures in Court, negotiation, and conciliation, as well as Number 30 of 1999 covering Arbitration and Alternative Dispute Resolution. Bipartite, Tripartite, and Labour Relations Settlement (PHI) may be used to settle legal disputes in the interim, as per the provisions of Law of the Republic of Indonesia Number 2 of 2004 Governing Settlement of Labour Relations Disputes (P. P. Indonesia, 1999; M. A. Indonesia, 2016; P. R. Indonesia, 2004).

### **Legal Construction of Wage Models for Outsourced Workers in Companies in Indonesia**

To ensure that Pancasila labor relations are implemented smoothly and that there is a balance between the parties, pay regulations can be adjusted to meet the demands of both employers and employees. A good income is one that meets the needs of the worker and his family for subsistence. This has a significant positive influence on the worker's and family's quality of life and welfare. In a roundabout way, a respectable wage is one that is not less than the minimum wage.

Employers are prohibited from paying salaries below the minimum wage, as confirmed by Government Regulation Number 36 of 2021 about salaries, which specifies that the minimum wage is the lowest in the form of basic wages and set allowances or earnings without allowances. The minimum pay is due to workers who have been with the company for less than a year. However, it is currently included in Republic of Indonesia Number 51 of 2023 concerning Amendments to Government Regulation Number 36 of 2021 concerning Wages for Workers with Less than One (one) Year of Service. This is due to the fact that employees who meet the requirements for the position may be paid more than the minimum wage.

The Wages Council's role in determining wage variables is further emphasized in By considering the employment rate and average or median earnings, Government Regulation of the Republic of Indonesia Number 51 of 2023 concerning Amendments to Government Regulation Number 36 of 2021 concerning earnings in Article 26 paragraph (7) is made. Thus, in determining wage policy, the pay council's role is to evaluate worker fairness in a wage-work relationship that is appropriate (Peraturan Pemerintah (PP) Nomor 36 Tahun 2021 Tentang Pengupahan, 2021).

In this instance, Chapter IV of Employment in Article 88G will gain an additional article with the In lieu of Law Number 2 of 2022 concerning Job Creation, Law of the Republic of Indonesia Number 6 of 2023 concerning the Stipulation of Government Regulations is enacted:

- (1) An indefinite time work agreement (also known as PKWTT) or a fixed time work agreement (also known as PKWT) is the basis of the working relationship between the workers/laborers engaged and the outsourcing firm.
- (2) The Work Agreement for a Certain Time (PKWT) or the Work Agreement for a Certain Time (PKWTT) referred to in Paragraph (1) require written consent.
- (3) The outsourcing company bears responsibility for the protection of labourers in accordance with laws and regulations, as well as the welfare and wages of the workers.
- (4) Regulations for the protection of workers/laborers, wages, and welfare as stated in paragraph (3) are contained in work agreements, corporate regulations, or collective work agreements.
- (5) The accord mentioned in paragraph (4) includes a minimum of:

- a. Complete names and addresses of the involved parties involved
  - b. The agreement's goals and objectives
  - c. The status of workers and labourers
  - d. The type and job desk of work agreed upon
  - e. Wages for workers and labourers
  - f. The worker/laborers area
  - g. Each party's rights and obligations (outsourcing company and company/employer receiving workers)
  - h. The workers' and labourers' authority to take legal action
  - i. The agreement's duration
  - j. Its termination
  - k. Dispute resolution
  - l. Laws used and deadlines for resolving disputes
- (6) For workers/laborers employed under a certain outsourcing businesses are entitled to payment under a time work agreement (PKWT) or an indefinite time work agreement (PKWTT) honorarium;
- (7) The value of the institutional fee or the proportion of worker/laborer earnings determines how much honorarium the outsourcing business gets.
- (8) If an employee is employed under a work agreement with a set duration (PKWT) or one with an arbitrary duration (PKWTT), their institutional fee value cannot be less than the provincial minimum wage or more than one-third of their wages;
- (9) The percentage value of worker/laborer wages does not fall below the provincial minimum wage nor does it exceed 25% (twenty-five percent) of worker/laborer wages that are employed;
- (10) The Agreement, as mentioned in Paragraph (5) Letter G, Must State the Institutional Fee Value or the Percentage Value of Workers'/Labourers' Wages.

The Indonesian corporations' model for worker wage schemes that are outsourced:

- 1) A wage system model in which the outsourcing company receives an institutional charge from work consumers.
- 2) A wage system model wherein the outsourcing firm takes a percentage cut from the wages of its workers; the work agreement specifies the percentage of wage cutbacks.

The following criteria are used to determine the outsourced worker wage system model: economics, fairness, accountability, and legal certainty.

- 1) Accountability the Republic of Indonesia Law Number 13 of 2003 concerning Manpower, Article 88 paragraph (3) letter an, governs the worker wage system and states that the minimum wage is the wage policy that protects workers/laborers and that it applies to all workers.
- 2) Legal certainty the Republic of Indonesia's 1945 Constitution, Article 33, paragraph 4, which contains the principles of togetherness, efficiency, justice, sustainability, and insight, will be realized by regulating the outsourcing worker wage system model. ecology, self-reliance, and preserving the harmony between national economic unity and progress.

#### **IV. CONCLUSION**

After the above-mentioned discussion, the following conclusion can be made:

- 1) The employment law's intellectual foundation for compensation for outsourced labor. Prior to World War II, Indonesia's employment market operated under the Kingdom system, in which employees were treated as the Kingdom's servants and were paid little for their labor. Indonesia started using Dutch plantation workers as the basis for its outsourcing system. Regulations concerning outsourcing refer to Republic of Indonesia Law Number 13 of 2003 governing Employment. There is no definition of "outsourcing" under the law. It is made clear, therefore, that a work agreement is formed between an employer and employees in accordance with the terms of Article 64 of Law Number 13 of 2003 of the Republic of Indonesia about Employment. This law permits the business to use an



individual work contracting arrangement to delegate a portion of its work to another business. written. As a result, an outsourcing agreement and a job contracting arrangement are comparable. Articles 65 and 66 of Law Number 13 of 2003 of the Republic of Indonesia governing Employment.

- 2) Legal safeguards for the pay of contract laborers in Indonesian businesses. The notion of legal certainty is used to evaluate the legal safeguards for employees who are outsourced, considering both preventive and corrective actions. Article 88 of Law of the Republic of Indonesia Number 13 of 2003 concerning Employment, which states that workers have the right to a salary that satisfies a reasonable living for mankind, defines legal certainty in outsourcing salaries as one sort of preventive protection. In the sense that the money earned by employees as a result of their labor can fairly provide for their families' basic requirements, which include, but are not limited to, clothing, food, shelter, education, health, leisure, and security until old age. The Republic of Indonesia Law Number 6 of 2023, which amends Article 88 to stipulate government regulations in lieu of Law Number 2 of 2022 concerning job creation, stipulates that the central government sets wage policies in an attempt to fulfill the rights of laborers to a decent living.
- 3) A legal reconstruction model based on statutory theory and justice theory that determines salaries for workers who are outsourced to Indonesian corporations. Two wage models that are intended to offer justice for both employers and employees are included in the wage reconstruction model for outsourced labor. A framework that provides legal protection for the earnings of outsourcing workers by allowing percentage deductions from their pay and institutional fees. With the wage reconstruction model for data transfer workers, the wage council, in consultation with the relevant government, the firm, and academic experts, determines the percentage of workers' earnings that are cut from the user company to the outsourced company.

Drawing on the explanation of the aforementioned conclusions, the following recommendations might be put forth:

- 1) As employment grows in Indonesia, workers' rights to a fair wage system are essential to achieving worker welfare. When it is evident that permanent employees and external workers have different pay structures, either as employees with a fixed-term work agreement (PKWT) or as employees with an extended-term work agreement (PKWTT). Although the law does not yet regulate wages, special regulations governing special wages for power workers must be in place. The outsourcing work system has been ratified and stated Law Number 13 of 2003 of the Republic of Indonesia about Employment and Law Number 6 of 2023 of the Republic of Indonesia about the Determination of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law.
- 2) In order to safeguard outsourced workers at Indonesian companies, the work agreement must explicitly outline the worker's status, the nature and job desk of the agreed-upon work, the worker's compensation, and the worker's workspace to prevent disputes between the company receiving the work, the outsourcing company, and the outsourced workers.

As a result of the existence of a fee institution in compliance with the collective The wage system for outsourcing workers in Indonesian companies is based on a percentage of income as stated in the work agreement between the employer and the outsourcing company. This is in addition to a legal reconstruction model for wages for workers in outsourcing companies. It is hoped that the planning council and wage council will collaborate with work user companies, outsourcing companies, and outsourced workers to offer advice, oversight, and evaluation in order to ensure that outsourced workers receive wage rights that are in line with eligibility requirements and do not fall below the Provincial Minimum Wage.

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