



Analysis of the Demographic Bonus Law on Improving Company Employment Relations

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Abstract - Every country has a different population. Residents are all people who live in the territory of a country for six months or more and stay temporarily or permanently for different purposes. Population is very important to support the activities of a country, including to improve the performance of the area where the population lives. The existence of the population is also very important in carrying out a company's performance activities, especially in the implementation of labor relations... At the time of the Demographic Bonus, the age of the productive population dominates compared to the age of the unproductive population. The Demographic Bonus, also known as the "demographic dividend," refers to a period of economic growth that can occur when a country's working-age population (15-64 years old) is larger than the dependent population (children and the elderly). This demographic structure creates a window of opportunity for accelerated economic development because there are fewer dependents to support, allowing for greater investment in education, healthcare, and infrastructure. This research aims to analyze and examine Indonesia's readiness to face the demographic bonus as well as Indonesia's strategy to become a developed country through the momentum of the Demographic Bonus. Based on current data and conditions, Indonesia still needs to prepare everything including strategies that support its progress and avoid everything that brings Indonesia closer to its decline, especially during the Demographic Bonus momentum.

Keywords: Demographic Bonus, Population, Company, Indonesia's Progress, Great Opportunity

I. INTRODUCTION

The development and progress of a nation will be supported by the performance capabilities of the population as citizens who live temporarily and or permanently in order to increase the progress of the country and support the development of the nation and state in order to achieve its goals. In reality, not all countries have the expected population, some countries still have a population shortage that will support the sustainability of a country.

Each country has its own golden age, one of which is the Demographic Bonus. In Indonesia, the demographic bonus is currently unfolding, with a significant portion of the population in the working-age bracket. This presents both opportunities and challenges for the country's development. To capitalize on this dividend, Indonesia must invest in education and skills development to ensure its workforce meets the demands of the modern economy. Additionally, policies promoting employment creation and entrepreneurship are essential to absorb the increasing number of young people entering the job market. Demographic bonus can be said to be a golden period because at the time of the Demographic Bonus, the age of the population in a country is dominated by people of productive age. (Achmad Nur Sutikno, 2020). The concept and understanding is that if the productive age is more dominant than the

non-productive age, then the economic circulation in a country will experience a surplus because the population is dominated by people who earn income and are considered capable of covering the needs of the unproductive population. This is called the dependency ratio. When there is a demographic bonus, a country's dependency ratio is below 50%. (Zulham & Basyiran, 2015). According to the dependency ratio calculation, Indonesia will experience a Demographic Bonus period in 2035-2045. (Jati, 2015). In these years, the population in Indonesia is dominated by people of productive age so that the burden of bearing the inequality of the dependency ratio will be easier than in other years.

Thus, the demographic bonus can be a great opportunity for the progress of a country because it can increase economic growth compared to other years. There are many ways that the United Nation (A.S., 1977). Through the United Nations Development Programme (UNDP) in the 2016 Human Development Report agenda classifies developed countries through the Human Development Index (HDI), which is a measure of average achievement in key dimensions of human development based on age and health, knowledge, and having a decent standard of living. (Sindhu P, 2016). One indicator of a developed country is seen from its per capita income. In calculating per capita income, all elements of society are calculated including the dependency ratio. During the Demographic Bonus period, Indonesia should be able to increase its economic growth in order to achieve a goal of becoming a developed country.

However, it should be noted that in addition to being a great opportunity for Indonesia's progress, the Demographic Bonus can also be a great threat that results in Indonesia's decline. This is because at the time of the Demographic Bonus, Indonesia was not ready for what should be prepared to face this period so that the opportunity or great opportunity to become a developed country was not successfully obtained. And to experience such a period again takes a long time. The preparation and maturity of the demographic bonus must be supported by all parties including the readiness of the nation and state and the company's cooperation in improving performance in good relations within the company in order to achieve the country's goals. In this regard, one of the main indicators of a developed country is its economic sector. So that in order to realize economic development and growth, good policies are needed and in accordance with what is needed by the nation and state. (Ramdhani, 2016).

In discussing the economy, the main actors are the workers themselves. On the other hand, employers need workers who are skilled and competent in their fields. So the Local Workforce (TKL) must improve their abilities or competencies to face the boisterous and high economic competition during the Demographic Bonus period. If workers are not ready for it, Indonesia's chances of approaching the abyss of decline will be even greater because job opportunities will be filled by more competent foreign workers (TKA) so that the opportunity to become a developed country is not obtained and used to the fullest. (Martias, 2022). Related to the demographic bonus, laws and regulations must also be prepared to support the readiness of smoothness in facing the demographic bonus that will occur in the year and the 2045 Golden Indonesia Vision based on data from BPS. Preparations also need to be made in other fields so that smooth progress towards a golden Indonesia can be achieved.

As a basic reference to the research, there are the following problem formulations:

1. How is Indonesia's readiness to face the Demographic Bonus period?
2. How does the Demographic Bonus impact on the company's labor relations?
3. What is Indonesia's strategy to become a developed country through the great opportunity of Demographic Bonus?

II. METHOD

This research uses the Normative Juridical research method where law is conceptualized as norms, rules, or principles. The Normative Juridical method employed in the research involved a systematic analysis of relevant laws and regulations pertaining to labor relations and employment in Indonesia. (Roestamy et al., 2020). In this research method, In the research, transparency and accuracy in data collection were ensured through the utilization of multiple reliable sources and rigorous verification methods. The laws and regulations referred to in this study are the 1945 Constitution of the Republic of Indonesia Law Number 6 of 2023 concerning the Stipulation of Government Regulations in Lieu of Law Number 2 of 2022

concerning Job Creation into Law, and Law Number 13 of 2003 concerning Manpower, some of which are still in force and other laws and regulations relevant to the discussion in this study.

III. RESULT AND DISCUSSION

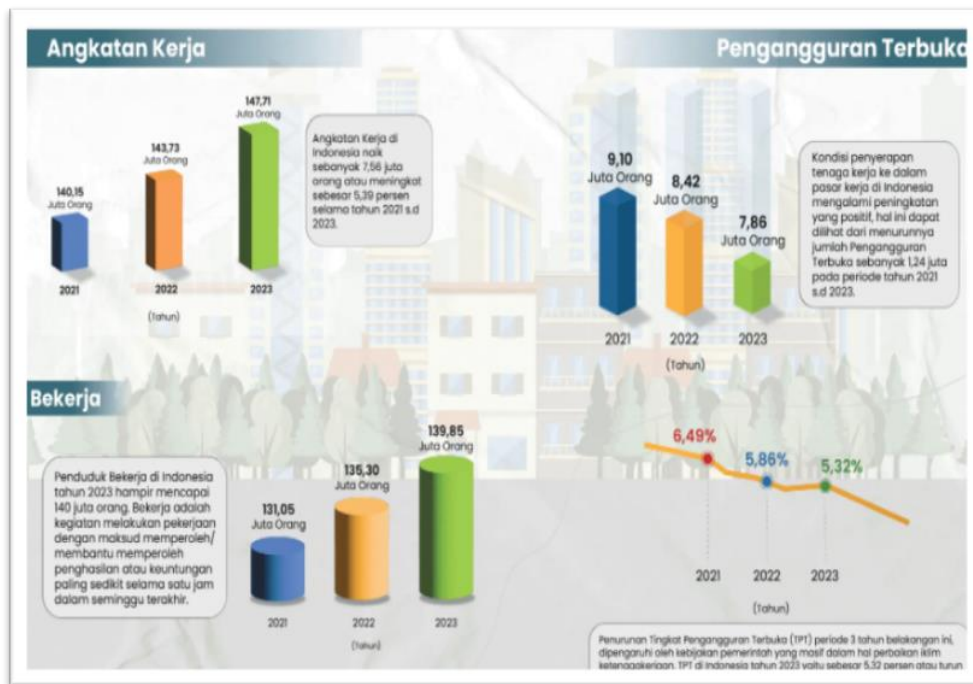
A. Indonesia’s Readiness to Face The Demographic Bonus

Demographic bonus is a condition in a country where the number of productive age is more dominant than the non-productive age which results in the dependency ratio being below 50% so it is considered to have a positive impact on the welfare and development of the country. (Achmad Nur Sutikno, 2020). However, the Demographic Bonus will not produce benefits if the forming instruments are not well prepared.

In the Demographic Bonus, the role of productive age is very important because they are the main characters. Meanwhile, if viewed from the indicators, the main character in realizing a developed country is the workers or workforce because they represent the condition of a country based on per capita income. The rapid pace of business during the Demographic Bonus period must go hand in hand with the stability of the Indonesian state. (Binsar Jon Vic S, 2023).

Meanwhile, the population of productive age is certainly there, but the productive age that works in the sense of having income is not necessarily there. So the task of the state is how to make the productive age population to have a job or income to sustain the progress of Indonesia, especially during the demographic bonus because this is a momentum.

Regarding this, there is a condition of employment in Indonesia based on official data from the Indonesian Ministry of Manpower which is interpreted in a picture as follows:



Picture 1
Employment Conditions in Indonesia in 2021-2023

The figure above shows that in the period 2021 to 2023 the number of labor force in Indonesia increased by 7.56 million people or around 5.39 percent. This indicates that the availability of labor supply in Indonesia is increasing. Based on its activities, the labor force includes the working population and open unemployment. In 2023, the working population reached 140 million people. This number increased by around 8.8 million people or around 6.71 percent in the period 2021 to 2023. Open unemployment includes people who are not working and are looking for work, or preparing a new business, or feel it is impossible to get a job (hopeless), or have been accepted for work but have not started working. In accordance with this definition, the number of open unemployment in Indonesia continues to decline by

1.24 million people from 2021 to 2023. Likewise, the Open Unemployment Rate (TPT), fell by around 1.17 percent over the same period (KEMNAKER, 2021). With the declining unemployment rate in Indonesia as mentioned above, it shows that the synchronization between employment and labor is getting more balanced. However, this condition still needs to be improved and increased again in order to obtain a condition where the number of unemployment in Indonesia is at a very low level.

Furthermore, what needs to be discussed is about what and how much and the sufficiency of the needs of the labor force as a figure in the progress of Indonesia. Article 27 paragraph (2) of the 1945 Constitution of the Republic of Indonesia states that “every citizen has the right to a job and a livelihood worthy of humanity”. Then the regulation is mentioned again in Article 88 paragraph (1) of Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law that “Every Worker / Laborer has the right to a livelihood worthy of humanity”.

Therefore, the state regulates and determines the welfare of its citizens through the Decent Living Needs (KHL) which is the standard of need for a worker/laborer in this case is Human Resources to be able to live a physically decent life in one month because in Article 88 paragraph (2) that the Central Government has the right to determine the wage policy, namely through determining the Decent Living Needs every year. This means that the income or wages of workers must be above the KHL value so that their lives become prosperous and their needs for clothing, food and shelter are fulfilled. (Suhartini, 2020).

So what needs to be considered is the welfare of the workers themselves. The welfare of workers in Indonesia is assessed by the extent to which what they need and what they get. So this view can be seen from the comparison of the average KHL with the average Minimum Wage or Wages received by workers. Then there is data taken from the Central Bureau of Statistics as follows:

NO	YEAR	AVERAGE of KHL (Statistik, 2022a)	AVERAGE of WAGES (Statistik, 2022b)	DESCRIPTION
1	2019	2 144 563	2 913 897	Fulfilled
2	2020	2 301 440	2 756 345	Fulfilled
3	2021	2 805 594	2 736 463	Not Fulfilled

Source : Data of Central Statistics Agency Period 2019-2021

Table 1.
Comparison data of average khl with labor wages in 2019-2021

From the data above, it can be seen that the need for a decent living in Indonesia is not stable to be said to be fulfilled because it still fluctuates up and down. This needs to be considered again by the government in setting wage policies for workers because their welfare is very influential in terms of where this country will go in the future. If the welfare of workers is fulfilled, they will also make Indonesia prosperous in facing the Demographic Bonus.

The gap between KHL and the wages earned will make it difficult for workers to get welfare. This is because even though it is included in the minimum wage component, the decent living component is determined within a five-year period. (Suhartini et al., 2019).

Therefore, the government through its authority in making policies should be able to establish policies that favor workers. After all, they are the main figures in Indonesia's economic progress.

B. The Impact of the Demographic Bonus on Company Employment Relations

Demographic Bonus can have a considerable impact, especially on the labor sector. In this regard, there are consequences on labor relations in the company. During the Demographic

Bonus, there is a surge in the population with productive age to work which dominates compared to the non-productive population (Jati, 2015).

From these phenomena and conditions, and supported by the previous discussion, it is necessary to balance the 2 (two) elements, namely the readiness of the Productive Age Population to work and also the availability of sufficient employment opportunities.

1. Readiness of the Productive-Age Population

The productive-age population that dominates the population in Indonesia during the Demographic Bonus must be a population that is ready to work. This means that Indonesia's human resources must be of high quality (Mardhiyah et al., 2021). This is because if the Human Resources owned by Indonesia are not qualified, the competition is not only domestic, but also with Human Resources from abroad. Increasing the expertise of HR achievements and abilities will support the performance of companies and governments towards the state's goals of certainty justice and welfare will be realized;

2. Availability of Job Opportunities

Demographic Bonus is certain to occur, but the availability of jobs is not necessarily there when the momentum occurs. The unavailability of jobs is due to the absence of companies that open jobs and also as a result of the loss of competition of Indonesian Human Resources with Human Resources from abroad. (Tobing, 2015). Of the two factors mentioned above, there needs to be a balance between the two. To be able to make the Demographic Bonus useful for Indonesia, it cannot only be limited to having an abundant Productive Age Population, but must be accompanied by the quality they have so that they are ready to work and compete even with Human Resources from outside countries. Then it cannot be if Indonesia only has jobs but is dominated by foreign workers because it will not affect the calculation of the country's per capita income which calculates the income of every Indonesian citizen (Sindhu P, 2016).

However, this is a dilemma for the state and also employers or companies. On the other hand, entrepreneurs want their companies to advance and develop, even if they have to use foreign workers because the most important thing is the progress and success of their companies. But on the other hand, the state wants progress, one of the factors determining the progress of a country is its per capita income. (Masniadi, 2012). If the human resources in Indonesia are not qualified, then the surge in the productive age population during the demographic bonus momentum will only create a surge in the number of unemployed in Indonesia. so it is very necessary to improve the quality of human resources in Indonesia.

C. Indonesia's Strategy to Become a Developed Country Through Great Opportunities for Demographic Bonus

Responding to the current employment conditions in Indonesia where there are quite good developments, namely by decreasing the unemployment rate based on data from the Indonesian Ministry of Manpower, these conditions must continue to be improved until they reach a condition where workers in Indonesia have jobs or income. Especially during the Demographic Bonus, it is necessary to strive as much as possible so that the goals and ideals are achieved which leads to the progress and rapid growth of the Indonesian economy.

In realizing the ideals and goals as intended, appropriate efforts and strategies are needed. There are important things that need to be considered, namely as follows:

1. Quality of Human Resources

In this increasingly sophisticated era, it indirectly requires Human Resources in Indonesia to be better at keeping up with the times to make it a quality Human Resource. (Falikhah, 2017). This needs to be done because in this modern era the jobs available are dominated by jobs related to technology. After all of that is mastered, Human Resources in Indonesia will achieve readiness in facing the Demographic Bonus.

The readiness of human resources in Indonesia needs to be reviewed from their welfare and quality about the extent of their welfare for what they have earned from their work and also their quality to bring Indonesia to a rapid and prosperous economic condition in the Demographic Bonus period of 2030-2040.

Qualified Human Resources can be classified as follows:

- 1) Educated Human Resources, which is a workforce that requires education to ensure its quality in the world of work. Examples include teachers, lecturers, doctors, and others.
- 2) Trained Human Resources, namely workers who in practice require training or are accustomed and proficient in what they do in the world of work. For example, drivers, mechanics/technicians, etc (Widiansyah, 2017).

Ideally, human resources in Indonesia can be considered as qualified resources by becoming one of the categories of educated or trained human resources. Optimally, Human Resources in Indonesia can be educated and trained. If the quality of human resources in Indonesia is still low and not educated or trained, Indonesian human resources will never be ready to face reality and what abilities are needed in the world of work. However, if the quality is good and ready to face the world of work with at least the criteria, namely being educated or trained, the potential for Indonesia's success in realizing a demographic bonus that is beneficial for the welfare of the nation and state will be easier to achieve.

On the other hand, employers need workers who are skilled and competent in their fields. Therefore, local workers must improve their abilities or competencies to face the hectic and high economic competition during the Demographic Bonus period. If workers are not ready for this, Indonesia's chances of approaching the abyss of decline will be even greater because job opportunities will be filled by more competent foreign workers. (Suhartini et al., 2023).

Thus, this factor can be both a potential and a threat for Indonesia in realizing a demographic bonus that is beneficial for welfare, depending on how far it can be achieved.

2. Job Availability

When qualified human resources or labor are available, what is needed next is employment as a gathering place for these qualified human resources to carry out the maximum economic turnover and have a good impact on the welfare of the Indonesian nation and state. Because by working, the demographic bonus can be utilized properly. (Tobing, 2015).

Quality human resources must be balanced with the availability of jobs. If there are jobs in Indonesia, but there are no skilled and competent workers in the field, there is a possibility that the job will be taken over by foreigners or the job will never exist in Indonesia. If jobs in Indonesia are taken over or controlled by foreigners, their income will not be counted to enter the dependency ratio in Indonesia, which is an important factor for the demographic bonus to create economic prosperity for Indonesia. The two factors above must be balanced. However, the availability of jobs is not the main thing compared to the availability of quality human resources or labor. Because when there are no jobs, qualified Human Resources are able to create jobs so that qualified Human Resources are the main factor in the demographic bonus.

A clear example that can be seen today is the Youtube application. When almost everyone is entertained by the spectacle on Youtube, qualified human resources in this case are genius and creative, they will become actors or figures behind these videos, namely as content creators. With that they will get income and open up jobs for the crew and creative team to support the development of their channel. This can prove that in everything there is potential that can be developed and become useful. Thus it can be understood that the positive and negative impacts of the demographic bonus that will occur must be prepared by all parties well so that if there are obstacles that will occur, they can be overcome easily.

IV. CONCLUSION

Based on the discussion that has been done, there are the following conclusions:

1. Indonesia's readiness to face the Demographic Bonus period must be done carefully starting from laws and regulations, the ability and readiness of human resources to support success which must be strengthened with good abilities and skills to support the continuity of performance to support the development of the Nation and State. Reviewing Indonesia's current labor conditions, starting from the comparison between the average Decent Living

Needs (KHL in Indonesian) and the average wages earned by workers in Indonesia in the latest data still shows volatility, where not every year KHL is fulfilled. This is very necessary to pay attention to in order to guarantee and fulfill the decent living needs of workers as the main figure in Indonesia's progress, especially during the Demographic Bonus. Then in response to the declining unemployment rate in Indonesia, this is a good achievement but still needs to be improved so that the unemployment rate in Indonesia becomes very small, even non-existent. This is none other than to reduce the dependency ratio in order to create a demographic bonus that has a good impact and brings Indonesia into a developed country.

2. The impact of the Demographic Bonus on company employment relations. Labor relations in companies are greatly affected by the demographic bonus. Where at that time there was a surge in the productive age population in Indonesia. This has a very good impact on the company if the productive age population has good quality. But if not, with a large number of productive age population will only result in an increase in the number of unemployed as well. So the productive age population must become qualified Human Resources so that they are ready to compete even with Human Resources from outside countries because job competition is not only in the domestic scope.
3. Indonesia's strategy to become a developed country through the great opportunity of the Demographic Bonus that paying attention to Indonesia's preparation strategy in dealing with the Demographic Bonus, the most important thing is the need for preparation to continue to improve the ability of human resources to have the title of educated or trained human resources and legislation policies to guarantee legal certainty and legal protection of all parties in overcoming the demographic bonus. It is intended that human resources in Indonesia are ready to compete even with human resources or foreign workers. When human resources are ready, it needs to be accompanied by the openness of employment opportunities in Indonesia in order to realize Indonesia's progress, especially during the Demographic Bonus which is a great opportunity to risk Indonesia's progress.

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