ABSTRACT

U.S. outsourcing arrangement does not formally exist in Law 13/2003 on employment, the interpretation of the provisions of Article 64-66 jo. Article 59 of Law 13/2003, jo. Decision of the Constitutional Court No. Jo. 27/PUU-IX/2011 has become a "social conflict." Hence devising a regulatory mechanism for the practice of outsourcing is urgent to resolve the current labor problems in Indonesia. Using normative legal research methods, this paper finds that the absence of a precise definition of outsourcing leads to two different formulations of the notion contrary to the elements of a work contract. Article 1 of Law No. 15 defines a typical work relationship as a relationship between employers and workers/laborers under a labor agreement that complies with the cumulative elements of work, wage and order. Inconsistency between this definition and the legal effects of outsourcing impacts the already weak position of workers, which may be argued to be a modern form of slavery, in the outsourcing relationship. This paper recommends that reforms in outsourcing should address ambiguities in the identification of legal persons and the formulation of their rights and obligations in order to clarify the who shall be legally responsible for the protection and implementation of workers’ rights in an outsourcing arrangement.

Keywords: legal protection, outsourcing

A. Introduction

Labor conditions in Indonesia closely related to the job market. In the last report published by PBS that year 2010 population census, the population of Indonesia is 237,641,326 people¹. And based on the results of the Census as of 2010 on the map will continue to increase the population of both men and women up to the year 2035, namely of 305652.40 inhabitants. The Central Bureau of statistics (BPS) mentions the number of labor force Indonesia by February 2017 as much 131.55 million. That number climbed 6.11 million compared to August 2016 and up 3.03 percent or 3.88 million compared to February 2016. According to the head of the Central Bureau of statistics, the population of Suhariyanto workers in Indonesia in February 2017 as much as 124.54 million, up 6.13 million compared to last semester, and increased 3.89 million compared to March 2017.²

Socially economical position of workers is not free, the terms of employment determined entrepreneurs.³ This situation requires the intervention of the Government. Protection for the rights of workers are sourced in article 27 paragraph (1) and (2); Article 28 D paragraph (1) and (2) of the constitution of the ’1945. The constitutional protection against worker should be embodied in regulation legislation.

The principle of equality before the law as one of the characteristics of State law, have not yet felt by workers. Inequality guarantees legal protection be the reason prosecution in May day. The demands May day year 2012, is "eliminate outsourcing labor: Publish

¹  http://sp2010.bps.go.id/index.php/site/index, akses terakhir tanggal 13 Mei 2017
³ Joseph. E Stiglitz, Making Globalization Work (Menyiiasati Globalisasi Menuju Dunia Yang Lebih Adil), (Jakarta: Mizan, 2007), hal. 6
Government regulations or ministerial regulation prohibiting the outsourcing the revoke permission; labor organizers throughout outsourcing workforce .

This Assertion is a reaffirmation of the demands May Day year 2011, i.e. "the capitalist-imperialism of which work system outsourcing". Outsourcing has eliminated the guarantee is deemed to continue to work (job security). Outsourcing has changed the fate of workers in Indonesia and is considered a modern slavery, so it must be remove.

Polemic outsourcing – minimum wage, continues. For the employer, the small and medium capitalization, minimum wage is considered highly incriminating. Is there any necessity of the use of the system in-house manufacturing in Indonesia? Legalization of outsourcing as a form of working relationship directed on flexible working system. The relationship works the bias/blur.

The existence of Article 64-66 of ACT 13/2003 jo. The decision of the Minister of manpower and transmigration Number KEP. 100/MEN/VI/2004, about PKWT jo. The decision of the Minister of manpower and transmigration No. KEP-101/MEN/VI/2004 on The Licensing Provider workers/Labourers jo. The decision of the Minister of manpower and transmigration No. KEP. 220/MEN/X/2004 on terms of surrender of a portion of the execution of the work to other companies, in practice it turns out has created a social conflict.

Reconstruction outsourcing is an urgent need to resolve social conflict. Reform is the change drastically for improvement (field of social, political, or religious) in a society or country.

B. Discussion

Reconstruction outsourcing in this paper is focused on the study of substance and procedure. The study of substance relating to the subject matter of the law and the legal object. The study about the procedure is technically or mechanism is supposed to do.

1. outsourcing as a subject of law

Goal setting outsourcing is to provide legal protection for the parties who are conducting a working relationship with the system outsourcing. Legal protection has the meaning as "protection by using legal means or protection afforded by the law, dedicated to the protection of certain interests, namely by way of making interests that need to be protected into a legal right ".

They provide legal protection for workers given the existence of a relationship between workers with employers, which makes the worker as a weak and marginalized parties in employment relationships . The law was created as a guide and the anticipation of a circumstance which would result in harm to others. In labor law, there are two different sides of his interests, namely employers and workers. The State should create legal rules that embody equal rights between workers and employers. 

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7 Agusmidah, Dilematika Hakum Ketenagakerjaan Tinjauan Politik Hakum, (Medan: Sofmedia, 2011), hal. 359
8 Agusmidah, Dinamika Hakum Ketenagakerjaan Indonesia, (Medan, USU Press, 2010), hal. 50
9 http://www.artikata.com/arti-347280-reformasi.html, akses terakhir tanggal 10 Mei 2017
10 Iman Sjahputra Tunggal, Pokok-Pokok Hukum Ketenagakerjaan, (Jakarta: Harvarindo, ,2009), hal. 357
11 Harjono, Konstitusi Sebagai Rumah Bangsa, (Jakarta: Penerbit Sekretariat Jenderal dan Kepaniteraan Mahkamah Konstitusi, 2008), hal. 270
12 Asri Wijayanti, Hak Berserikat Buruh di Indonesia, Disertasi, PPS Universitas Airlangga, 2011, hal. 18

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Rawls argues that inequality in the field of the social economy must be arranged in such a way that the weakest is the most disadvantaged party and everyone is given the same opportunity.\textsuperscript{13} It should be understood as equality rights position and not in the sense of commonality of results that can be obtained by everybody.\textsuperscript{14} Workers who are in a weak position needs to get assurance that balanced with employers. According to the principle of inequality, the underdog has to get a higher chance.\textsuperscript{15} the subject was a supporter of legal rights and obligations.

In the legal relationship between the subjects of law to have rights and obligations of mutual war behind. The legal relationships that occur in outsourcing is a working relationship. Article 1 number 15 Law No. 13/2003 of Employment (Law No. 13/2003) to formulate a working relationship as ties between entrepreneurs with workers/labourers work agreement which has elements of employment, wages and the command. This provision limits the legal subjects in the working relationship is just another businessman employer "no" as in the formulation of article 1 point 14 Law No. 13/2003. Due to the laws of two different notions of formulation of the subjects of law in employment relationships are the workers who work on other than employers (article 1 point 5 of ACT No. 13/2003) legally, are not considered to have committed working relationship, so it's not protected by LAW 13/2003.\textsuperscript{16}

The inconsistency of article 1 point 15 jo. Article 1 of ACT No. 14 figures 13/2003, effect on the position of workers over power in employment relationships. This provision became the basis for the formulation of article 65 paragraph (3) of law No. 13/2003 jo. Article 3 paragraph (2) of the company, namely 220/2004 Kepmenaker recipients should work-body of law, unless: a. the company job contractors engaged in the procurement of goods; b. the company contractors work that moves in the field of maintenance and repair as well as consultancy services that in carrying out the work of employing workers/laborers less than 10 (ten) people. The purpose of required legal entity is irrelevant, given any businessmen keep may be subject to liability when commits an offence, not waiting for businessmen-shaped body of law. Doing the job is not the monopoly of a chartering company (bedrijf) who have been incorporated into the law, but the right of every trade. This restriction will result in trade (especially small and medium enterprises) disenfranchised besides can also turn off the partnership program or community social development program of a company with the social environment surrounding that is already running.\textsuperscript{17}

There is fuzziness of meaning about who regarded legally as an entrepreneur, the subject of law in employment relationships outsourcing. Who should be responsible for the implementation of the rights of workers. Based on the provisions of article 64-66 of ACT No. 13/2003, there are three subjects of law in the system of labor outsourcing, i.e. workers/labourers, a provider of services workers/workers and companies who give jobs. There are three interpretations with regard to the legal relationship arising from the existence of agreements over power. The first interpretation, the working relationship between the worker/laborer with a provider of services workers/labor, based on the formulation of article 65 paragraph (6) of ACT No. 13/2003, namely the working relationship in the performance of work referred to in subsection (1) set forth in a written agreement between the company and workers/labor employed.

This provision will not cause social conflict if indeed based on agreement of chartering jobs. The commands work is a provider of a service of chartering of the working is

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\textsuperscript{14} Agus Yudha Hernoko, Hukum Perjanjian, Asas Personailtas dalam Kontrak Komersial, (Yogyakarta: LaksBang Mediatama, 2008), hal. 46-47
\textsuperscript{15} Aloysius Uwiyono, Hak Mogok Di Indonesia, Disertasi, (Progarm Pasca Sarjana, Fakultas Hukum Universitas Indonesia, 2001), hal. 18
\textsuperscript{16} Law Review Volume XII No. 1 - Juli 2017
\textsuperscript{17} Asri Wijayanti, Menggugat Konsep Hubungan Kerja, (Bandung: Labak Agung, 2011), hal. 115
\end{flushleft}
an agreement that the Union parties, namely jobber, tying yourself to complete a work for the other side, i.e., the giver of the task, with prices that have workers/ labour is not the giver of corporate jobs. Understanding Covenants is determined (Pasl 1601 b B. W.) Chartering jobs contains two legal relationships, namely legal relationship between giver and receiver job with the work of the legal relationship between the receivers work with workers who work wholesale. Parties tied in a legal relationship with the employer is the recipient of the work. Recipients work perform work in accordance with orders from the giver of work. In this legal relationship there is no legal relationship between the employer by the workers, so that the giver of work cannot give orders to the workers. Apparently the concept of this working relationship less noticed by the shaper 13/2003 ACT given the employer can provide direct or indirect command (article 65 paragraph (2) letter b of ACT 13/2003).

The purpose of the formulation of norm it is to shed some light on how to carry out the work to conform with the standards established by the company dividend to work (article 6 paragraph (1) letter b Kepmenaker 220/2004). Should be in a working relationship based on the agreement of chartering jobs, work the coming command comes not from the giver of work, rather than the recipient of the job because he was in charge of the implementation of the agreement. Recipient of the pekerjaanlah reserves the right to give orders.

The second interpretation, the working relationship between the worker/labour jobs with corporate givers. This interpretation is based on the formulation of article 65 paragraph (2) b jo. Article 1 of ACT No. 15 number 13/2003. The work can be turned over to another company referred to in subsection (1), should be qualified as follows: a. ....; b. done with orders directly or indirectly from the work. This provision is intended to shed some light on how to carry out the work to conform with the standards established by the company dividend to work.

Reflected the existence of pragmatic thinking with regard to the granting of work orders, that is, from the angle of how it does it. Whether the command is carried out directly or indirectly. The command is one of the elements of the working relationship, in addition to jobs and wages (article 15 of law No. 1 number. 13/2003). The command must be meant as a responsibility in providing order. Who is ordered to do the job, as a good employer must guarantee the rights of workers which he ruled. The law in this regard does not see if the order was made directly or indirectly. The party commands work are those who enjoy the results of the work. On the basis of this idea, the subjects of law in employment relationships outsourcing more precisely between workers with corporate givers work not between workers with a provider of services workers. The third interpretation relates to the ruling of the Constitutional Court No. 27/PUU-IX/2011, which decided the Article 66 paragraph (2) letter b of ACT No. 13/2003 is conflicting with conditional constitution 1945 (conditionally unconstitutional). This ruling led to the transition of liability law subjects in the concept of working relationships.

The existence of the obligation of transfer of rights protection of workers/laborers who work the object persists despite the turnover of the company that carries out the job most wholesale from other companies or providers of services workers/labourers. There are two considerations informing the legal verdict, the existence of the agreement between workers with companies who carry out work is not the shape of PKWT and the application of the principle of the transfer Act transfer of protection for workers/ Labour (Transfer of Undertaking Protection of Employment/FIRST) which is based on the thought of nondiskriminasi in receipt of benefit and fair welfare for workers. Unfortunately the ruling of the Constitutional Court No. 27/PUU-IX/2011, follow up with Ministerial Circular letter Number b. PHIJSK/31/2012 about outsourcing agreements and Working time (PKWT). Circular letter is not a rule of law. Circular letter addressed to institutional Depnakertrans intern, is not intended for the general public. Circulars nature not binding because only an
appeal, may be exercised or not exercised there is no sanctions. Circulars are not included in that hierarchy rules Indonesia legislation. So circular letter does not have the force of law. Related to this tepatlah the demands of the Mayday 2012 i.e. "publish Government regulations or ministerial regulation prohibiting the outsourcing of labor". The charge seems to be the verdict of the Constitutional Court No. 27/PUU-IX/2011, about the first cause polemics. With the FIRST of these if there is a condition where the contract cooperation corporate outsourcing runs out, but the work performed is still there, then the workers of outsourcing which concerned should not join up, so that when it happens the turn of companies outsourcing then the workers switched relations works to the new company. 18

Imaginary facts often occurs the service provider company name engineering workforce do work closely with the employer company. Workers who work on the same person but take shelter in company service providers the same workforce. Surely this cannot be generalized. This is certainly has removed legal protection of entrepreneurs/employers.

2. The object of the legal outsourcing

Outsourcing comes from the word out source which means to procure-(as some goods or services needed by a business or organization) under contract with an outside supplier 19 (to get goods or services It takes a business or organization that contracts with outside suppliers to base). Outsourcing is delegation of daily management and operations of a business process to outside parties (company service provider outsourcing).

Through delegation, then the management is no longer done by the company, but rather delegated to service companies outsourcing, 20 over the power derived from the study of Economics-management, in addition to BPR (Business process reengineering), TQM (Total Quality Management), JIT (Just In Time) 21, PDCA (Plan, Do, Check, Act) 22 and fishbone diagram 23 in kaizen. 24 Is the solution over the magnitude of the cost of production when made in in-house manufacturing. The goal of efficiency in order to produce a quality product and minimize risk with quantity. Four reasons to be able to do outsourcing are:

a) "to much specialized work (if done with a better engine technology will be cheaper costs of production);

b) Insufficient capacity (if there is less ability for example happen overload);

c) The supplier is cheaper (needed some work that is semi finished product);

d) To excel in key activities " (separated from secondary activities). 25

In General, the outsourcing it is a system of work to produce goods or services that are carried out by employer by way of diverting a portion of her work to other employers. There are no restrictions as to who and to whom outsourcing can be done. Thus there are no restrictions regarding the type of work that can be transferred to another party. Provided that, after an analysis of the management will be able to provide good profit improvement of quality as well as quantity. Implementation of outsourcing is already going on in the world, for example the use of legal experts the origin of India in the United States, 26 the meaning of outsourcing in economics is the outsourcing of jobs. The work may take the form of

18 http://manpoweract.wordpress.com/2012/05/13/makin-pusing-dengan-outourcing-
22 http://www.skymark.com/resources/leaders/ishikawa.asp, akses terakhir tanggal 20 April 2017
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production of goods or services. In contrast to the provisions of article 64 of ACT 13/2003 which divides over power in two forms, namely outsourcing jobs and outsourcing workers. The company can submit a partial execution of the work to other companies through the Treaty of chartering of the work or the provision of services workers/labourers who made in writing.

This provision is vague, meaning uncertainty. The word "some" meaning relatively. There was no official explanation about the meaning of the provisions of article it is. The word "partial" meaning some nifty little or otherwise mostly. For example, in a company there are 10 sets of production flow. When associated with the provision of article 64, then the meaning most can mean "one in ten" or "nine out of ten".

Limitations of "supporting activities" very broadly, meaning that such activity is an activity that supports and smoothen the implementation of the work in accordance with the company's work flow for the giver of work. Not impede the production process directly means that the activity is an additional activity when not done by the company dividend to jobs, job execution process continue to run as usual.

If the conditions are not met then the by-law status of the working relationship into working relationships between workers with employer firms (article 65 paragraph 8), the form PKWTT/PKWT (article 65/9 of the ACT 13/2003). The terms PKWT (article 65/7 Article 59 jo 13/2003 ACT), namely: for certain jobs which, according to the type and nature of activities or the work is to be completed within a specified time, namely:

a) the work once completed or temporary nature;

b) the work is estimated to be complete in the not too long and the longest of three (3) years;

c) the work is seasonal (depending on the season or the weather, to fulfill orders or target ... ... can not be updated (Chapter 4, 5 7 Kepmenaker 100/2004); or

d) work related to new products, new activities, or additional products that are still in the experiment or exploitation (beyond the usual work done the company (article 59/1 of the ACT 13/2003 jo. Article 9 Kepmenaker 100/2004)

e) can not be held to a fixed job. (Article 59/2 of the ACT 13/2003)

f) period of 2 years can be extended 1 year (article 59/3-4 of the ACT 13/2003), 7 days earlier advised sec writing to workers (article 59/5 of the ACT 13/2003)

g) renewal may be made after 30 days of the expiry of the PKWT a maximum of 2 years (article 59/6 of the ACT 13/2003)

h) other conditions based Kepmen (article 59/8 of the ACT 13/2003) 27

Notions related to the activities of the principal or ancillary in the production process is relative. Principal activities in a given production process gives rise to a dual interpretation. Principal activities can be narrow or broad meaning. In the narrow sense which is the principal activity of a production process is strategic thinking which is the intellectual property of the company. 28 In a broader sense the staple activities is a set of production process starting from the raw material to supply the product. Who has the right to determine the principal activities/main from a production process is a person who creates a work that is an employer/employers, not others (government/worker). It takes 8 stage to determine what kind of job can do what can be done in outsourcing (not in-house manufacturing), that describe your own situation, what can I outsource and what not?, which sub-contrarctors?, ask


28 Chandra Suwondo, Outsourcing Implementasi di Indonesia, ruh keuntungan-keuntungan strategik, taktikal dan transformasional untuk perusahaan anda dengan penerapan outsourcing, (PT Elex Media Komputindo- Gramedia: Jakarta, 2004), hal. 120

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for quotations?, the the final decision to manufacture or to outsource?, chose your sub-contractors, in action and assessment 29.

Unfortunately both the ACT of 13/2003 or MK just looking over the resources associated with this form of agreement (PKWT/PKWTT) is not a substance of outsourcing destinations. Undermines the kind of work that can be done through PKWT with "the job nature while supporting time jobs" is not appropriate. Limitation agreement specified time should be associated with time. The Division of time is seconds, minutes, hours, days, months and years. Why is the definition of "reasonable time" but the sense is not a specific time but this type of work. The formulation of article 59 of ACT 13/2003 were strongly inconsistent on the meaning of the legal concept.

3. The procedure of setting the outsourcing

Errors of thought contained in the formulation of the substance of the arrangement outsourcing resulting in kaburnya mechanism of legal protection when there is a violation of rights. Following the ruling of the Constitutional Court No. 27/PUU-IX/2011 has yet to be guaranteed social conflict about the outsourcing will be completed. One result of the double interpretation of the meaning of outsourcing is not possible workers outsourcing to work back in the company, if the user has been on LAYOFF because of relations that works with corporate services provider manpower. Outsourcing should be meant only as outsourcing of jobs.

Who has the right to determine which parts of the production process that are the main activities/principal and ancillary activities are merely subjects of the law which creates the job that is employer/employers. The limitations of the form of agreement over power in PKWT is a violation of the principle of freedom of contracts. Should the substance should be governed by clause includes the existence of the liability of the employer towards workers (plaintiff’s responsibility as a good employer). The rights of workers who are covered by a minimum standard in the workplace (core convention) obtained workers with absolute, without reduction in engineering. The obligation of the State is to create mechanisms that support provided the workers over power through legislation. It takes the courage of the judge who will examine the case of outsourcing with disconnected according to the meaning of the theory of outsourcing which is different with the formulation of the rule of law if it does not fit with the theory law and philosophy of law.

C. Conclusion

That everyone has equal rights before the law(equality before the law) "*mutualisme symbiosis*" on workers and employers. All policies and mechanisms the rules of law of countries that have the authority him. In the system of employment outsourcing, workers should be formulated as the people who work on employer (not the businessmen who incorporated the law only). The object of the legal outsourcing is simply not work labor/workers. Principal activities must be meant strategic thinking. Not associated with a specific time. Forever workers is as a subject of law cannot be the object of the law. Outsourcing of workers is a form of modern slavery. Must be eliminated. The exact mechanism for the conducting of outsourcing is the employer free to do with anyone to divert a portion of his work to others and in the form of a real agreement, as long as the fixed guarantee all the rights of workers under law 13/2003. An employer has the full authority to determine the type of work which will be done on outsourcing rather than in-house manufacturing.

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