

Juridical Implications and Welfare In Fixed-Time Work Agreements

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ABSTRACT

This study examines the juridical implications of the Fixed-Time Work Agreement (PKWT) on the welfare of workers in Indonesia. The regulations regulated in Law Number 13 of 2003 concerning Manpower show that there is an imbalance in legal protection between PKWT workers and workers with Indefinite Time Work Agreements (PKWTT). In many cases, PKWT causes job uncertainty, low sense of security, and lack of access to basic workers' rights. This study uses a normative approach with a qualitative analysis of regulations and their implementation. The main findings show that the implementation of PKWT has not fully met the principles of justice and welfare, so it is necessary to revise regulations and policies to protect workers.

Keywords: fixed-time work agreements, worker welfare, legal protection.

Introduction

The Fixed-Time Work Agreement (PKWT) is regulated in Law Number 13 of 2003 concerning Manpower as a form of employment relationship between workers and employers. PKWT is designed for jobs that are temporary, seasonal, or work with a predetermined duration. In the context of labor law, PKWT provides flexibility to employers in meeting the needs of non-permanent workers. However, in practice, the implementation of PKWT often causes problems, especially related to the protection of workers' rights. Many workers with PKWT status do not get the same rights as PKWTT workers, such as social security, wage increases, and union protection.

Inequality in the treatment of PKWT workers creates uncertainty and injustice in employment relations. PKWT workers often lose a sense of security at work due to the limited duration of the contract and the high risk of termination. This uncertainty not only impacts their economic well-being, but also significantly affects social and psychological stability. This problem indicates the need to re-evaluate the regulations governing PKWT and its implementation. Thus, this study aims to analyze the juridical implications of PKWT on the welfare of workers in Indonesia, identify gaps in the application of the law, and provide recommendations for regulatory improvement. This research has three main objectives. First, to analyze the juridical implications of the implementation of PKWT on the rights and obligations of workers. Second, to identify the influence of PKWT on workers' welfare from a legal, economic, and social perspective. Third, to provide policy recommendations aimed at improving the legal protection of PKWT workers in Indonesia.

The hypothesis proposed in this study is that the implementation of PKWT in Indonesia is not fully in accordance with the principles of justice and worker welfare mandated by laws and regulations. This has a negative impact on workers, including job uncertainty, lack of legal protection, and limited access to basic rights.

This research provides an academic contribution in the form of an in-depth analysis of the juridical aspects of PKWT and its influence on workers' welfare. Practically, the results of this study can be a reference for policymakers in formulating fairer and more protection-oriented regulations. In addition, this research is also expected to increase awareness among legal practitioners, trade unions, and labor organizations about the importance of advocacy for the welfare of PKWT workers. This study uses an approach to the relationship between legal protection, the implementation of PKWT, and worker welfare. Legal protection theory

is used to analyze existing regulations, while social welfare theory helps measure the impact of the implementation of PKWT on worker conditions. This framework combines juridical and social aspects to understand the causal relationship between labor policy and worker welfare.

The theoretical foundations in this study include the theory of legal protection, the theory of social welfare, and the basic principles in labor law. The theory of legal protection highlights the role of law as an instrument to protect workers' rights and ensure fairness in employment relations (Friedman, 2001). Meanwhile, the theory of social welfare emphasizes that the welfare of workers is not only determined by economic aspects, but also involves social and psychological factors (Sen, 1999). A literature review identifies that PKWT is often abused by employers to avoid obligations to workers, such as social security and severance pay. Law Number 13 of 2003 regulates PKWT for certain work with a limited duration, but implementation in the field is often not in accordance with these provisions. The Constitutional Court's decision No. 27/PUU-IX/2011 is one of the important precedents in strengthening the protection for PKWT workers, although its effectiveness is still questionable.

Methods Research

This study uses a normative legal approach with qualitative juridical analysis. Data was collected through literature studies, including primary legal documents (laws, ministerial regulations, court decisions) and secondary literature (academic journals, textbooks). Data analysis was carried out by comparing existing regulations with implementation in the field, to identify gaps between legal theory and practice.

Result and Discussion

Fixed-term employment agreements (FTEAs) in Indonesia have significant juridical and welfare implications, especially in labor market dynamics and worker protection. The legal framework that regulates PKWT is mostly covered by Law Number 13 of 2003 concerning Manpower and strengthened by Government Regulation Number 35 of 2021. This regulation aims to provide clarity and fairness in employment relations; however, many parties criticize that the regulation is more in favor of employers than the protection of workers' rights, especially in terms of job security and welfare (Shalihah et al., 2022; Rizka, 2023).

One of the main issues in PKWT is the lack of job guarantees provided. Workers with PKWT status often face vulnerable working conditions, which has a negative impact on their welfare. Research shows that the duration of contracts that are extended many times without permanent guarantees leaves workers in legal and economic uncertainty (Shalihah et al., 2022). This uncertainty becomes even more critical during times of economic crisis, as seen during the COVID-19 pandemic, where workers with fixed-time contracts are more vulnerable to termination than permanent workers. The textile and garment sector is a clear example of this phenomenon, with a high rate of layoffs among PKWT workers (Shalihah et al., 2022). This creates duality in the labor market, where PKWT workers are in a weaker segment than permanent workers, thus triggering inequality and decreasing overall job stability (Auer & Danzer, 2015; Marica, 2018).

In addition, although theoretically PKWT is often considered a stepping stone to permanent employment, the reality is that often workers are trapped in temporary contract cycles without a clear path to job stability (Baboš, 2014; Marica, 2018). In Indonesia, the labor market dominated by high turnover rates and a large proportion of workers in temporary roles is further aggravating the situation. The lack of transition from temporary to permanent employment hinders workers in developing their human capital and increasing future

employment opportunities (Fernández-Kranz & Rodríguez-Planas, 2017; Cappellari et al., 2012).

In terms of legal protection, although the legal framework has provided the basis for protecting PKWT workers, its implementation is often ineffective. One of the main issues is the unilateral termination of employment by employers, which often does not provide an outlet for employees to demand justice (Syahiruddin, 2023). The existing legal protections are also considered less able to prevent PKWT workers from exploitation and unfair treatment, especially in terms of discriminatory treatment compared to permanent workers (Rosalind, 2023).

The results of this study reinforce the argument that PKWT, while designed to provide flexibility in the labor market, is often a tool that benefits employers more than workers. Current regulations have not been able to achieve a balance between the flexibility of employers and the protection of workers' rights. In addition, the duality of the labor market caused by the status of PKWT exacerbates economic and social uncertainty for workers. Therefore, continuous reforms in the legal framework and implementation mechanisms are urgently needed to ensure adequate legal protection and the welfare of PKWT workers in Indonesia.

Although PKWT provides flexibility for employers in dealing with labor market dynamics, the inequality between workers' rights and employers' profits needs serious attention. Job insecurity, legal uncertainty, and discriminatory treatment are the main problems that hinder the welfare of PKWT workers. Therefore, real efforts are needed to strengthen regulations, increase supervision, and provide better access to the transition path from temporary to permanent work. With this reform, it is hoped that a fairer and more harmonious working relationship will be created in Indonesia.

Conclusion

Fixed-time work agreements (PKWT) in Indonesia show significant juridical and welfare implications for workers. Existing regulations, although they provide a legal basis, have not been able to optimally protect workers' rights. PKWT workers often face job uncertainty, discriminatory treatment, and lack of access to social security and the right to unionize. This uncertainty is exacerbated by low law enforcement and oversight of regulatory implementation. Therefore, a more inclusive approach is needed to ensure a balance between labor market flexibility and the protection of workers' rights.

Suggestion And Recommendation

The government needs to increase supervision of the implementation of PKWT by strengthening labor supervision institutions and reforming regulations that provide clearer limits regarding contract duration and protection of workers' rights. Educating workers about their rights in labor relations is also very important, along with the involvement of trade unions in advocacy and settlement of industrial disputes. In addition, the government must encourage employers to provide transition paths from temporary to permanent jobs as part of sustainable workforce development, so as to create fairer and more harmonious industrial relations.

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