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THE COMPARISON OF OUTSOURCING SYSTEM ARRANGEMENTS BETWEEN INDONESIA AND SINGAPORE

Kurniawati Linna*, Doctoral candidate
Budiono Abdul Rachmad, Professor
Permadi Iwan, Dr. Associate Professor
Safa'at Rachmat, Professor

Faculty of Law, University of Brawijaya, Malang, Indonesia

*E-mail: linnakurniawati009@gmail.com

ABSTRACT

In Indonesia, the system of outsourcing work is not a recent development. Contract labor has really been used in numerous plantations on the islands of Java and Sumatra since the Dutch colonial era to execute this system. When the New Order administration was in power, outsourcing was implemented by offering rewards for making it easier for businesses operating in unionized areas to obtain business licenses (export processing zones). Many nations have long used a variety of models to practice the working relationship with outsourcing. In contrast, it is practically quite similar to Indonesia's employment relationship practice of the charter. Unquestionably, this kind of work practice is now required. Singapore is a developed nation in Asia, particularly Southeast Asia, with effective labor laws. Singapore's judicial system treats its residents with a decent amount of impartiality and fairness. The Singapore Employment Act, the Immigration Act, and the Labor Guidelines are only a few of the laws that regulate foreign employees in all ways. Only the Philippines and Indonesia in Asia have severe limitations on the use of contracting and outsourcing. The research's methodology is normative juridical, with the philosophical, comparative, and historical manner of approaching law. In order to execute outsourcing procedures without causing controversy, especially if it is harmful to workers/labor, there are a number of conditions that must be met. This is true for both Singapore and Indonesia. Improving the quality of the workforce, tough law enforcement against infractions, ensuring easy access to the labor market, and providing social protection mechanisms for workers/laborers who are not absorbed in the labor market must all be done in conjunction with the practice of outsourcing. Additionally, it's crucial to consider the bargaining position between groups of companies and labor unions, especially when negotiations take place at the corporate level.

KEY WORDS

Comparative law, outsourcing system, job creation act.

Any activity involving labor, including those who can work before, during, or after the workday to produce goods or services for their own needs or the needs of the community, is referred to as employment or labor. Workers or laborers are people who have the abilities necessary to complete the task at hand and who do so for compensation. Employees and workers receive payment from the business owner as payment for the work that has been completed. With the creation of labor law, the law should, in theory, strike a balance between the interests of the employer and the worker, where this is reliant on the socioeconomic circumstances of the worker employed by the employer. Giving workers and employees equal protection is just one aspect of how employment relations are incorporated into public law.¹

It is not a recent trend in Indonesian work relations for jobs to be outsourced. Since the Dutch colonial era, contract labor has been utilized in a number of plantations on the islands of Java and Sumatra to carry out this system.² By providing incentives to companies

¹ Ida Farida et al., "Outsourcing Policy in Indonesia," *American Research Journal of Humanities & Social Science (ARJHSS)* 3, no. 10 (2020): 26–31.

² Farida et al.



operating in unionized districts, the New Order administration put into place the outsourcing system of working relationships and made it simpler for them to get licensing (export processing zones).³ Through the Ministry of Trade of the Republic of Indonesia, the government issued Decree No. 264/KP/1989 on Post Work of Processing Companies in Bonded Zones at that time. The Republic of Indonesian Minister of Trade's Decree No. 135/KP/VI/1993 on the Importation and Exportation of Goods from and Toward the Bonded Zone later acknowledged this. This policy is meant to carry out government programs that focused on export-oriented industries as well as to assist the business community in achieving the export market's goal, which at that time was seeing a boom in orders.⁴

Outsourcing has advanced, especially since it became legal under Law Number 13 of 2003 Concerning Manpower, which has now been changed by the Law on Job Creation or Law Number 11 of 2020 Concerning Job Creation, and has grown in popularity among companies of all sizes, not just those focused on exports.⁵ There are only two types of written work agreements that can be utilized to implement an outsourced working relationship: job chartering or service providers for workers or laborers. In this case, outsourcing the employment system involves including a subcontractor (contractor) company in the working relationship between the employee and the corporation. Through a business contract, namely in the form of work chartering activities that have been mutually agreed upon by the parties, the parent company assigns work authority to other enterprises. This form of outsourcing chartering.⁶

Working partnerships utilizing outsourcing techniques have been practiced in numerous countries under various patterns for a long time. According to the context, the word "outsourcing" is also used differently, for example, when referring to overseas labor, subcontracting, responsibility transfer, and business process outsourcing (BPO).⁷ In contrast, the employment relationship practice of the charter in Indonesia is nearly same. Undoubtedly, this type of working procedure is presently necessary. Depending on the national legislation, the laws governing the work relationship under the outsourcing system differ substantially.⁸ The majority of the member states of the European Union allow temporary agency workers and almost all of them have regulations that ban the delegation of certain industries to other companies that regulate the employment connection of the outsourcing system (restriction sectors). Additionally, license requirements and the rate of authority that are strictly regulated by a particular institution apply to third-party firms that provide services in the European Union as a result of the practice of outsourcing employment contacts. For instance, in Germany, each business providing employment services is required to apply for a license and follow stringent testing and inspection guidelines for a period of three years. Additionally, if user companies prefer to outsource in countries where there is agreement between the opinions of employers, labour unions, and the legislature, such as Germany, Belgium, Sweden, and Spain, they must engage with unions beforehand (hire agency workers).⁹

The two branches of the legal system are the Continental European Legal System, also known as Civil Law, and the English Legal System, also known as Common Law. Indonesia and Singapore both have two (two) separate legal systems. The difference is brought about by the fact that Indonesia is governed by the hegemony of the Dutch state power whereas

³ Suyoko Suyoko and Mohammad Ghufon Az, "Tinjauan Yuridis Terhadap Sistem Alih Daya (Outsourcing) Pada Pekerja Di Indonesia," *Jurnal Cakrawala Hukum* 12, no. 1 (2021): 99–109.

⁴ Nawawi Nawawi, "Polemik Hubungan Kerja Sistem Outsourcing," *Masyarakat Indonesia* 39, no. 1 (2013): 149616.

⁵ Anak Agung Prabhaputra, I Nyoman Putu Budiarta, and I Putu Gde Seputra, "Sistem Outsourcing Dalam Hubungan Industrial Di Indonesia (Outsourcing System In Industrial Relation In Indonesia)," *Jurnal Analogi Hukum* 1, no. 1 (2019): 22–27.

⁶ Dalinama Telaumbanua, *Hukum Ketenagakerjaan* (Deeepublish, 2019).

⁷ Nur Putri Hidayah, "Comparative Study of Legal Protection for Migrant Workers in Participation of Social Security Programs in Indonesia and Singapore," *Jurnal Ilmiah Hukum* 28, no. 1 (2020): 47–59.

⁸ Prabhaputra, Budiarta, and Seputra, "Sistem Outsourcing Dalam Hubungan Industrial Di Indonesia (Outsourcing System In Industrial Relation In Indonesia)."

⁹ Nawawi, "Polemik Hubungan Kerja Sistem Outsourcing."



Singapore is based on the hegemony of the British state power. As a result, it also affects the legal systems of Singapore and Indonesia.¹⁰

Singapore, a developed country in Asia, particularly Southeast Asia, has some of the best labor laws. Singapore's legal system, according to the Indonesian Ministry of Foreign Affairs, is mostly impartial and fair to its citizens. However, Singapore and Indonesia do not currently have a formal bilateral employment agreement. All work-related legislation that regulate BMI are covered under the following regulations:

- Singapore's employment of foreign labor is governed under the Employment of Foreign Manpower Act of 1990, a statute;
- The Immigration Act, which also outlines the rules for entering and exiting the nation, governs immigration in Singapore;
- Policies are in place to safeguard domestic workers in Singapore, according to the Ministry of Manpower. According to regulations, employers are required to treat domestic helpers fairly, have written employment contracts, pay for insurance and medical expenses, provide them ample rest, pay monthly taxes, and pay agreed-upon remuneration.¹¹

Only the Philippines and Indonesia strictly forbid outsourcing and contracting. Since 2002, laws in the Philippines have controlled contracts and subcontracts, prohibiting the use of the contract system for labor-only contracting. Under certain conditions, such as the inclusion of a labor contract guarantee that addresses welfare, freedom of association, tenure protections, and occupational health and safety standards, subcontracting work to other enterprises is allowed in the Philippines. Given that outsourcing is a widespread practice around the globe, it seems sense that a number of conditions must be satisfied before it can be put into reality without causing controversy, especially when it comes to concerns that affect workers or laborers. Raising workforce standards, vigorously enforcing laws against infractions, ensuring easy access to the labor market (a flexible labor market), and providing social safety mechanisms for workers who are not incorporated into the labor market are all necessary to adhere to the practice of outsourcing. Additionally, it is critical for employers' groups and labor unions to align their positions while bargaining at the corporate level.¹²

Given that Indonesia continues to suffer with high rates of unemployment and poverty, it is reasonable that the government has very strict regulations regarding the outsourcing of labor relations. In this circumstance, it is essential that state institutions take an active role in defending the rights and safety of employees. The unlimited liberalization of outsourcing practices is thought to have deteriorated the situation of Indonesia's labor market, which is oversupplied, dominated by workers with low levels of education, and where the majority are employed in the informal sector.¹³ The majority of Indonesian employees are also not protected by employment social security. But it's also important to avoid laws that are excessively onerous since they would obstruct economic activity, especially investment inflows, which would reduce the likelihood of job creation. In this situation, it becomes important to consider how the rules controlling the outsourcing system in Singapore and Indonesia compare.¹⁴

METHODS OF RESEARCH

This type of study is normative juridical in nature, which means it is carried out by reviewing and analyzing the text of the pertinent legislation. The four approaches included in this study plan are the Statute Approach, Conceptual Approach, Historical Approach, and Comparative Approach.¹⁵ Both primary and secondary sources of legal information were

¹⁰ Agus Suprayogi et al., *Perbedaan Hukum Perburuhan Di Negara Dengan Sistem Hukum Civil Law and Common Law Studi Kasus Singapura and Indonesia* (Esa Unggul University, 2016).

¹¹ Suprayogi et al.

¹² Catherine Tay Swee Kian, "Recent Developments in Labour Laws in Singapore," *Business Law Review* 30, no. 2 (2009).

¹³ Kian.

¹⁴ Iftida Yasar, *Menjadi Karyawan Outsourcing* (Gramedia Pustaka Utama, 2013).

¹⁵ Peter Mahmud Marzuki, "Penelitian Hukum," *Jakarta: Kencana Prenada Media* 55 (2005).



used in this study, i.e., primary and secondary sources. First, statutory rules, official records or minutes used to draft laws and regulations, as well as court decisions, are the primary sources of authoritative legal information. Second, all writings on the law that are not official papers are considered secondary sources of legal information. Examples include textbooks, legal dictionaries, and legal periodicals. These sources also comprise printed works that use digital media to reference legal research materials. The following procedures are carried out as part of the process of obtaining primary and secondary legal resources:¹⁶ First, systematize legislation pertaining to labor law, particularly with regard to the legal issues under investigation. Systematizing these laws and rules attempts to research and simultaneously construct a list of laws governing the supply of worker services and legal protections. Sort the laws and regulations governing the provision of labor services. To make it simpler to analyze and assess whether the provision of worker services is acceptable, this classification is made using a hierarchical technique. In the third step, analysis is done, specifically study of the laws and regulations governing the contracting of worker services, including analysis of the legal basis and other components relating to legal issues, as well as analysis of various pertinent examples used as factual support. Activities are being carried out at this time to answer the legal questions posed by this research.

RESULTS AND DISCUSSION

Arrangement of Outsourcing System in Indonesia and Comparison of Outsourcing System between Indonesia and Singapore. Concern and serious attention are measures of protection in Indonesia for workers and employees who have a right to expect fair treatment. Every employer, whether a company or organization, must consider how to maintain and enhance wellbeing. This is accomplished through general labor social security, which is founded on the ideas of reciprocal cooperation, kinfolk, and teamwork as defined in the heart and spirit of Pancasila and the 1945 Constitution. While taking into account the growth of the business sector and businessmen's interests, worker protection aims to ensure the wellbeing of workers and their families. Additionally, it tries to protect workers' fundamental rights, equality, and lack of any form of discrimination in their treatment. the laws governing worker protection Law No. 13 of 2003 Concerning Manpower, together with Law No. 11 of 2020 concerning Job Creation and Implementing Regulations of Legislation in the Field of Manpower.¹⁷

Employers hire outsourced workers or laborers to produce or carry out a company's job through a labor provider/employee company, yet the current system of outsourcing is abused by employers. This suggests that there are two types of firms involved: those that specifically pick, train, and hire people to produce specific items or services for the benefit of other businesses, and those that must outsource their labor requirements. As a result, the second company solely interacts with its employees via the agency that provides them with employment.¹⁸ The employer company, the outsourcing partner company, and the labor that is outsourced typically make up the outsourcing system. In reality, outsourcing causes workers to lose more money. One factor contributing to this loss is the absence of a working relationship between the company's employers and the outsourced workers. The fundamental rights of outsourced workers and labor are not respected due to the lack of a work agreement and system pressure contact between it the employer and the employee in the context of a working relationship.¹⁹ This serves as the foundation for discrimination against the rights of outsourced employees, including the right to develop one's professional potential, interests, talents, and abilities, as well as the fundamental rights to social security, occupational health, and safety, the right of every employee to a decent wage, the

¹⁶ S H I Jonaedi Efendi, S H Johnny Ibrahim, and M M Se, *Metode Penelitian Hukum: Normatif and Empiris* (Prenada Media, 2018).

¹⁷ Della Arrilia, "Pengaruh Sistem Hukum Common Law Terhadap Kontrak Bisnis Modern Di Indonesia," *JISIP (Jurnal Ilmu Sosial and Pendidikan)* 5, no. 3 (2021).

¹⁸ Telaumbanua, *Hukum Ketenagakerjaan*.

¹⁹ Asep Ahmad Saefuloh, "Kebijakan Outsourcing Di Indonesia: Perkembangan and Permasalahan," *Jurnal Ekonomi & Kebijakan Publik* 2, no. 1 (2011): 337-69.



fundamental rights to vacation, leave, and rest, as well as the right to have work hours limited. Basic liberties include the ability to form a union, the right to strike, particular liberties in relation to the topic of women's work hours, and the right to be shielded from unfair dismissal. the freedom to choose one's working hours, to be eligible for social benefits, to take time off, to be paid, and to be shielded against layoffs.²⁰

The mandate for the protection of laborers is found in the preamble of the 1945 Constitution, namely in paragraph (4), which declares that the state's objective is to protect all people and bring prosperity to all Indonesians. The ideals in the Preamble to the 1945 Constitution are further highlighted in Article 27 paragraph (2), which states that every citizen has the right to labor and a good life for mankind. While this is going on, the 1945 Constitution's Article 28 D, Paragraph 2 states that everyone has the right to work and to get fair pay and treatment in the workplace. Articles 27 and 28D of the 1945 Constitution stipulate that everyone has the right to employment, a high level of living, and fair and proper treatment in working relations. In order to carry out the purpose of these articles, it is important to establish appropriate personnel rules as a critical element of national development.²¹

The Constitutional Court has also suggested two outsourcing implementation options in an effort to protect the rights of workers and employees: Applying a written undefined duration labor agreement to outsourcing is the first approach (PKWTT).²² This paradigm has existed ever since the Job Creation Act repealed Article 65, Paragraph 7 of the Manpower Act, which optionally controlled employment. The second method uses the Transmit of Undertaking Protection of Employment (TUPE) principle to transfer worker or laborer protection measures, and it is relevant to organizations that outsource.²³

Judicial review is predicated on the legal arguments put forth by the Constitutional Court. Outsourcing unavoidably has two negative effects on workers and employees. First, no regulations exist that outline the assurance of employment relationships for workers or laborers, which means that if the employer (user) decides to stop exporting work and switch to outsourcing instead, the worker or laborer will unavoidably lose their job. If the position is still open and the employment relationship is still in existence, the worker/labourer is invited to continue the work contract with the new company; however, the past time of service is not taken into consideration. The return of profits starting at the smallest amount is the same.²⁴

Outsourcing System Arrangement in Singapore. The Employment Act of Singapore defines workers as those who conduct manual labor. :²⁵

- Any person who uses their hands to labor, whether they are skilled or not, including domestic assistance and keeper of safes; any person who uses mechanically propelled vehicles to carry people for hire or profit;
- Any person employed to keep an eye on employees as they perform manual labor. The criterion that manual labor make up more than half of all working hours within a pay period must be met for this to apply; else All employees paid on a piece rate at the employer's facilities are covered by the First Schedule of the Employment Act, including cleaners, laborers, assemblers, machine operators, metal and mechanical workers, train, bus, lorry, and van drivers, railway and bus inspectors, and any other employees.

The Employment Act of Singapore applies to all employees in managerial or executive roles making a base monthly wage of more than \$4,500 as well as all seafarers, domestic helpers, and anyone hired by a statutory board or the government.²⁶

²⁰ Arrilia, "Pengaruh Sistem Hukum Common Law Terhadap Kontrak Bisnis Modern Di Indonesia."

²¹ Farida et al., "Outsourcing Policy in Indonesia."

²² K M Erwin Masyhuri, "Perlindungan Hukum Pekerja Alih Daya (Outsourcing) Berdasarkan Perjanjian Kerja Waktu Tertentu and Perjanjian Kerja Waktu Tidak Tertentudi Pt. Iss Facility Service" (Universitas Pembangunan Nasional Veteran Jakarta, 2016).

²³ Suprayogi et al., *Perbedaan Hukum Perburuhan Di Negara Dengan Sistem Hukum Civil Law and Common Law Studi Kasus Singapura and Indonesia.*

²⁴ Sigit Riyanto et al., "Kertas Kebijakan: Catatan Kritis Terhadap UU No 11 Tahun 2020 Tentang Cipta Kerja," *Sell Journal* 5, no. 1 (2020): 1.

²⁵ Michael Chua and R Theyvendran, *The Singapore Employment Act and Guide (Aequitas Management Consultants, 1986).*



The exceptions underline the fact that every employee who is employed by an employer pursuant to a service contract is protected by the Singapore Employment Act, including managers or executives whose basic monthly income is not greater than \$4,500, seafarers, domestic workers, and anyone employed by a member of the council or the government.²⁷ Part IV of the Law states that managers and executives are not subject to this Law. It is asserted that the terms "managers" and "executives" refer to personnel with executive or supervisory responsibility. These duties include having the authority to decide—or being in a position to decide—on issues like hiring, correcting, and firing employees, assessing performance and rewarding employees, taking part in the development of the enterprise's strategies and policies, and managing and operating the business. Managers and executives are defined as those individuals who hold advanced degrees, possess specific knowledge and skills, and have access to the same networks of colleagues as managers and executives. Professionals like lawyers, accountants, dentists, and surgeons, whose nature and duties are comparable to those of general executives.²⁸

The rights that full-time employees have in relation to holidays, working hours, and other employment terms are outlined in Section IV of the Act. This portion, however, only applies to other employees and workers whose monthly basic salary does not exceed \$4,500. (other than laborers) covered by this Act whose base monthly compensation is not more than \$2,500 (basic salary including overtime, annual bonuses, additional wages, payment of productivity incentives, reimbursement for special fees and any allowances).²⁹

This law also safeguards the rights of part-time workers, including the payment of wages to part-timers, the prohibition on working past 50% of the regular workday without receiving overtime pay from the employer, the right to paid vacation days, and the right to paid annual leave based on length of employment.³⁰ The rights to paid sick leave are the same as those of full-time employees; only the wages are based on the amount of hours worked. Part-time employees do not have the same privileges that full-time employees possess.³¹

Employees must receive at least one day of rest every week from their employers. This obligation does not, however, apply to part-timers who wish to work on holidays or to business owners or employers who make such requests in accordance with the Act's provisions. Each employee is entitled to one full day of unpaid rest each week, as determined by the employer from time to time, per Section 36 (1) of the Employment Act of Singapore.

Based on Section 37(2), (3), and (3A) of Employment Act Singapore employees who choose to work for an employer on a day meant for rest will be compensated for that time:

- If the workday lasts longer than the employee's typical working hours, the following options are available: a. a payment at the base rate of pay for half a day's worth of work;
- Sum equal to the basic rate of pay for one day's worth of work; or
- If the workday lasts longer than the employee's typical working hours: payment equal to one day's worth of labour at the minimum wage; and for each hour or fraction of an hour that the length of the task exceeds his regular daily hours of labor, an amount of at least 1.5 times his hourly basic rate of pay must be paid;
- When a company requests that an employee work on a rest day, they must compensate them for that time; if the task is completed in a period of time that is no longer than half of his usual working hours, an amount equal to one day's worth of work at the base rate of pay.

²⁶ Ian Kessler, Jackie Coyle-Shapiro, and John Purcell, "Outsourcing and the Employee Perspective," *Human Resource Management Journal* 9, no. 2 (1999): 5.

²⁷ Chua and Theyvendran, *The Singapore Employment Act and Guide*.

²⁸ Tan Chwee-Huat, "Employee Relations in Singapore-current Issues and Problems," *Employee Relations*, 1996.

²⁹ Kessler, Coyle-Shapiro, and Purcell, "Outsourcing and the Employee Perspective."

³⁰ Jean Lee and Tan Hwee Hoon, "Part-time Employment—Future Trends in Singapore," *Asia Pacific Journal of Human Resources* 31, no. 1 (1993): 71–81.

³¹ Shirlena Huang and Brenda S A Yeoh, "The Difference Gender Makes: State Policy and Contract Migrant Workers in Singapore," *Asian and Pacific Migration Journal* 12, no. 1–2 (2003): 75–97.



Recognize overtime pay³² available to employees who work overtime at the employer's request; part-time workers are not qualified for these benefits:

- More than 8 hours in a day, or more than 9 hours in a day, unless otherwise specified in paragraphs (ii) and (iii) of the proviso to subsection (1), or in any circumstance mentioned in those paragraphs;
- More than 44 hours in a week, for more than 48 hours in a week, or for more than 88 hours in any continuous period of two weeks, unless otherwise specified in paragraph (iv) of the proviso to subsection (1)(1);
- Employees must be paid for such extra work at a rate that is at least 1.5 times their hourly basic rate of pay, regardless of the method used to compute his rate of pay.

Full-time employees who work on holidays are entitled to the rights set forth in this article, while part-time employees are not. Any employee who would otherwise be entitled to a public holiday under that clause may be ordered to work on that holiday by his employer. In such a circumstance, in addition to the gross rate of pay for that day and to the traveling allowance, if applicable, for one day, he will be paid an additional day's salary at the basic rate of pay for one day's work.³³

A comparable full-time employee is required to work 8 hours per day, 44 hours per week, and is entitled to 10 days of paid annual leave, while a part-time employee is only required to work 4 hours per day, 5 days per week. The right to annual leave is not applicable to part-time employees.³⁴

Comparison of Outsourcing System in Indonesia with Singapore. The Employment Act Singapore and Singapore's employment laws clearly define who is and is not subject to this act. This regulation states that managers or executives whose basic monthly remuneration is more than S\$4,500 are exempt from the statute (four thousand five hundred Singapore dollars). Additionally exempt from this Act are domestic assistants, seafarers, and anyone employed by council or government officials.³⁵

A comparison between Law No. 13 of 2003 concerning Work (UUK) and the Employment Act Singapore is made because several sections of the relevant Employment Act Singapore serve as a guide for recreating the presence of an employment relationship and legal protection as stipulated in the UUK. Identifying legal issues, professions covered by the Singapore Employment Act, and part-time employment are a few examples. Based on this, the authors compare and contrast the U.K. and Singapore's Employment Act.³⁶

In Article 1 Point 3 of the UUK, the term "worker/labor" is defined as "any person who works in exchange for pay or other sorts of recompense." The Indonesian law does not specify which specific workers are covered by its provisions; it only defines "worker." If such is the goal, Indonesian law protects all workers across all classifications and industries, in contrast to the Singapore Employment Act, which distinguishes between those who are hired through contracts or agreements, such as employees and the government.³⁷ For the purposes of this Act or any of its provisions, any worker, officer, or government employee who falls under a category, class, or description of those officers or workers that the President has proclaimed to be employees is regarded as an employee. Employees do not, however, include:³⁸

- Any seafarer;
- Domestic worker;
- Manager, or executive, subject to subsection (2);

³² Huang and Yeoh, "The Difference Gender Makes: State Policy and Contract Migrant Workers in Singapore."

³³ Lee and Hoon, "Part-time Employment—Future Trends in Singapore."

³⁴ Shanyuan Foo, "Singapore-Public Policy," *Global Policy Brief* 3 (2009): 1–15.

³⁵ Meera Rajah, "From Third World to First*: A Case Study of Labor Laws in a Changing Singapore," *Labor Law Journal* 70, no. 1 (2019): 42–63.

³⁶ Willy Farianto, *Pola Hubungan Hukum Pemberi Kerja and Pekerja: Hubungan Kerja Kemitraan and Keagenan* (Sinar Grafika, 2021).

³⁷ Rajah, "From Third World to First*: A Case Study of Labor Laws in a Changing Singapore."

³⁸ Audrey Chia and Angeline Lim, "Singapore: Equality, Harmony and Fair Employment," in *International Handbook on Diversity Management at Work* (Edward Elgar Publishing, 2010).



- Any member of any other class of people the Minister may, from time to time, by publication in the Gazette, declare not to be employees for the purposes of this Act. The following categories of workers are defined by the Employment Act of Singapore:³⁹
- Everyone performs manual labor, whether they are skilled workers or not, including apprentices and artisans, but not servants and helpers;
- Any person who, other than an administrative officer, drives or maintains a motorized vehicle used for on- or off-road passenger transportation;
- Anyone hired to supervise other workers while they perform manual labor, provided that the hours spent performing manual labor make up more than half of the total number of hours worked;
- Every person listed in Attachment One of the Employment Act, including janitors, laborers, machine operators, assembly line employees, metal and mechanical workers, and train, bus, and train supervisors;
- Anyone who performs services for them at their place of business and is compensated on a piece-rate basis.

Seafarers, domestic workers, and personnel in executive or managerial roles are among the classes of people who are not covered by the Singapore Employment Act's exemptions from worker classification. An entrepreneur is defined as someone who engages in any of the following activities, according to Article 1 Number 5 of the UUK:⁴⁰

- Person, partnership, or other legal entity in charge of a privately held company;
- People, partnerships, or other legal entities that oversee businesses that are not their own;
- Individuals, partnerships, or other legal entities based in Indonesia represent the companies in letters a and b that are located outside of Indonesia.

Although "any person who employs another person under a contract or service" is how the Employment Act of Singapore defines an employee, this definition also:⁴¹

- Following entities are considered to be employers for the purposes of this Act: 1. the Government;
- Any statutory authority;
- Employer's duly authorized agent or manager; and
- Person who owns, operates, or is currently in charge of managing the occupation, business, trade, or other activity in which the employee is engaged.

In accordance with Indonesian law, a working relationship is created when an employer and employee sign an employment contract. The work agreement must cover labor, wages, and orders. Furthermore, the law separates employment contracts into two groups: fixed-term contracts and indefinite-term contracts. There are two sorts of job relationships: full-time and part-time, in accordance with Singapore's Employment Act.⁴² According to Chapter VIA, Article 66 B of the Employment Act of Singapore, part-time employment regulations are in place to protect workers who work fewer than 35 hours each week. In addition to the two employment ties listed above, the Employment Act Singapore also recognizes the relationship between employees and employers, but it does not offer legal protection for this relationship. Domestic workers are not regarded as employees, per Part 1 Art. 2 (1) of the Employment Act of Singapore.⁴³

The following table contrasts Singapore's Employment Act and Law No. 11 of 2020 Concerning Job Creation with outsourcing agreements.⁴⁴

³⁹ Foo, "Singapore-Public Policy."

⁴⁰ Foo.

⁴¹ Foo.

⁴² Yen Her ONG, "Labour," in *The United States-Singapore Free Trade Agreement: Highlights and Insights* (World Scientific, 2004), 135–42.

⁴³ Lee and Hoon, "Part-time Employment—Future Trends in Singapore."

⁴⁴ Chua and Theyvendran, *The Singapore Employment Act and Guide*.



Table 1 – Protecting PKWTT Workers' Rights after the Job Creation Act and Under the Manpower Law

n/n	Topic	Law Number 11 of 2020 about Job Creation	Employment Act of Singapore
1.	Definition of employee	Anyone who works for salary or other forms of compensation is considered to be an employee or laborer.	Workers are people who conduct manual labor, including those who fall under one of the following categories, according to the Employment Act of Singapore: Any person, skilled or unskilled, engaged in manual labor, including sailors and domestic workers; - Any person, other than office staff, involved in the operation or maintenance of mechanically propelled vehicles used for passenger transportation for hire or commercial purposes; - Any person involved in both manual labor and workman supervision. The requirement that manual labor must make up more than 50% of all working hours within a pay period, however, limits this.
2.	Coverage of protected workers	All employees should be protected by this statute, with the exception of board members who are protected by the Limited Liability Company Act.	The term "worker" as used in this law means any manager or executive receiving a basic monthly pay of more than \$4,500, as well as any seafarer, domestic servant, or employee of a statutory board or the government. The Employment Act of Singapore applies to all employees covered by service agreements with employers, with the following specified exceptions: Seafarers, domestic helpers, managers whose base monthly remuneration does not exceed \$4,500, and anyone working for a board member or the government. Managers and executives are professionals with advanced degrees, comparable skills, and working arrangements to those of managers and executives. Lawyers, accountants, dentists, and doctors are examples of professionals whose nature and job requirements are similar to those of general executives. The Work Act of Singapore's Chapter 91, Section 66B categorizes full-time employment links into part-time employment arrangements (part time). Laws governing part-time employment offer security to workers who put in fewer than 35 hours a week.
3	Working Relationships	An employment relationship is one where a business owner and a worker have a work agreement in place that includes elements like work, pay, and orders. Article 1 Number 15 of Law No. 13 of 2003 Concerning Manpower applies here. The employment connection is established by the employment contract signed by the employer and the employee/laborer. The Job Creation Act governs contracts that are made for a specific amount of time or for an indefinite period of time. Work agreement arrangements are outlined in Government Regulation of the Republic of Indonesia Number 35 of 2021 concerning Work Agreements for Certain Time, Outsourcing, Working Time and Rest Time, and Termination of Employment.	The Work Act of Singapore's Chapter 91, Section 66B categorizes full-time employment links into part-time employment arrangements (part time). Laws governing part-time employment offer security to workers who put in fewer than 35 hours a week.
4	Worker's Rights	(1) The right to a decent standard of living belongs to every worker or laborer. One of the attempts made by the central government to actualize workers' and laborers' rights to a reasonable standard of living is the establishment of a wage policy. (2) The pay policy mentioned in clause (2) consists of: More information is provided on the following topics: Using wages as the basis for calculating or paying other rights and obligations is covered by the following clauses: a. minimum wage; b. wage structure and scale; c. overtime pay; d. wages do not report for work or do not perform their duties for specific reasons; e. form and method of payment of wages; f. things that can be calculated with wages; and g. using wages as the basis for payment of other rights and obligations. Additional guidelines for pay practices are contained in Government Regulation of the Republic of Indonesia Number 36 of 2021 concerning Wages.	The rights of full-time employees are safeguarded by Part IV of the Act with regard to paid time off, working hours, and other employment-related matters, however it only applies to those employees (other than laborers) who get a base wage of less than \$4,500 per month. Only a base salary of \$2,500 per month is paid to this law (basic salary includes overtime, annual bonuses, additional wages, productivity incentive payments, reimbursement for special expenses and any allowances). In accordance with the length of their employment, part-time employees are also entitled to pay, paid vacation days, and paid annual leave, which is another entitlement protected by the law. If part-time employees work more than half of the regular workday, the employer is required to pay overtime. equal rights to paid time off for illness When it comes to full-time workers, the amount paid is solely based on the number of hours performed. The privileges listed below are some instances of full-time employees that do not extend to part-time workers: 2. Employers must give workers at least one day of rest each week as part of a full week of relaxation. This rule does not, however, apply to part-timers who desire to work on holidays or to business owners or employers who make requests for part-timers to work on holidays as required by law. (1) As determined by the employer from time to time, each employee is entitled to one full day of unpaid rest each week. (2) An employee will be compensated for any time they choose to work for an employer on a day that has been set aside as a rest day. If the period of work does not surpass half of his typical hours of work, a sum at the basic rate of pay for a day's worth of labor; if the period of work exceeds his normal hours of work for a day; or, if the period of work does not exceed half of his normal hours of work. I. a sum equivalent to his basic hourly rate of pay for a full day's worth of labor; and II. a sum equal to at least 1.5 times that amount for each hour or fraction of an hour that the work period exceeds his usual daily working hours. 3. If an employee agrees to work on a rest day at the employer's request, they are paid for that day's labor in the following amounts: 1. Acknowledge overtime compensation; 2. Amount paid for one day's worth of work at the base rate of pay. The following are the rights to overtime pay for full-time employees; part-time employees do not have access to these rights. (4) Paragraph 38 (4) If an employee works more than eight hours per day at the employer's request, excluding the situations described in paragraphs (ii) and (iii) of the proviso to subsection (1), or more than nine hours in any situation described in those paragraphs, or more than forty-four hours per week, excluding the situations described in paragraph (iv) of the proviso to subsection (1), or more than forty-eight hours in any one week, or more than eighty-eight hours in 3. With relation to part-time workers' holiday shifts. Part-time workers are not covered by the rights described in this article if they work on holidays but full-time workers are. the 88 (4) and (5) An employee may be obliged to work on a public holiday to which he would otherwise be entitled, in addition to the guidelines in subsection (1). In such a circumstance, he shall be entitled to receive, in addition to the gross rate of pay for that day, an additional day's salary at the basic rate of pay for one day's work and, if allowed for under the terms of his employment contract, a one-day travel allowance. No employee shall, as a result of this paragraph, receive a double housing or food allowance (4). 4. According to Article 43, paragraph 7, part-time employees are not entitled to annual leave: A comparable full-time worker is required to put in 8 hours per day and 44 hours per week and is granted 10 paid vacation days. A part-time worker simply needs to put in 4 hours a day, five days a week.
5	Legal Protection	Women, children, and those with disabilities are all routinely protected. Worker protection is governed by Article 86 of Law Number 13 of 2003 Concerning Manpower, specifically Paragraph (1). Every worker or laborer is entitled to protection for three things, according to this law: occupational health and safety; morals and decency; and c. treatment commensurate with human dignity and religious values. (2) Initiatives for workplace safety and health are implemented to guarantee worker/laborer safety and maximize job productivity. The protection described in clauses (1) and (2) is implemented in accordance with the laws and regulations in effect as of clause (3). The requirements of Article 86 of the Manpower Act, which regulates the protection of workers' rights, are not changed and are not repealed, thus they continue to be in force.	Protection in general includes safeguarding young and child laborers. Women are also safeguarded when it comes to maternity leave. Compared to full-time employees, who put in 44 hours a week, part-time employees work fewer than 35 hours weekly. If the aforementioned working hours are exceeded, the employer must pay overtime wages. If a part-time employee stays after their usual shifts, they are entitled to pay, which may include the following: Basic hourly rate pay for any extra hours or portions of hours worked by the same full-time employee; and 1.5 times the basic hourly rate for any extra hours or portions of hours worked by the same full-time employee.



CONCLUSION

The Constitutional Court's decision, which in this case applies two types of outsourcing implementation in an effort to maintain the rights of workers/laborers, is adhered to by the Indonesian outsourcing system. The first idea is to incorporate outsourcing into a specific irregular time work agreement (written PKWTT). This paradigm has existed ever since the Job Creation Act repealed Article 65, Paragraph 7 of the Manpower Act, which optionally controlled employment. The second model operates by transferring labor protections in accordance with the TUPE (Transfer of Undertaking Protection of Employment) principle, which is advantageous to the company outsourcing the work. Singapore's labor regulations are outlined in the Employment of Foreign Manpower Act of 1990, the Immigration Act, and the Employment Guidelines. The Work Act Singapore is likened to Law No. 13 of 2003 respecting Manpower (UUK) because it contains many of the provisions that are used to reestablish the presence of a work connection and the protections provided by the UUK. The Employment Act of Singapore, for instance, governs legal matters, protected labor, part-time work schedules, worker rights, protection, employment relations, and employment relations.

The Employment Act is the name of the labor law in Singapore, a country that adheres to common law (1968). Indonesia, which adheres to Civil Law, must implement the regulations established in Singapore. It is essential to establish an outsourcing system in Singapore since the country provides better legal protection for workers' fundamental rights, such as the rights of full-time employees to paid holidays, flexible schedules, and other working conditions. However, this approach is only applicable to employees whose monthly salary is below the minimum wage. This law also protects part-time workers' rights, such as the payment of wages, the prohibition on working past the halfway point of the ordinary workday, and the necessity that employers pay overtime if this prohibition is broken. The rights described in this article apply to full-time employees who work on holidays, however part-time employees who work on holidays are not entitled to these rights or the right to annual leave. Government engagement in employment/labor law is required to protect workers whose jobs are precarious because it is not an impartial and autonomous sort of legislation.

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