

The Concept of Legal Protection of Outsourced Workers to Realize Worker Welfare

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Abstract

Welfare is the main goal of the Indonesian nation, which was stated by the founders of the Republic of Indonesia, on August 17, 1945, the founder of the country aimed to advance the welfare of his people. But in practice, outsourced workers/laborers are always placed in a weak and unfavorable position. This research aims to find a concept of protection for outsourced workers/laborers in order to realize welfare for workers. In this study, two legal issues were raised: 1) Legal Protection of Workers/Outsourced Workers in Employment Agreements after the enactment of Law Number 6/2023; 2) The concept of legal protection of outsourced workers/laborers in order to realize welfare. The formulation of the above problem is analyzed using the normative legal research method. After the analysis, the following research findings were obtained: 1) After the issuance of Law Number 6/2023, the legality of outsourcing practices in Indonesia is actually given a wider space such as its application to various types of work up to the PKWT period. However, the effectiveness of this protection is highly dependent on the quality and accuracy of the issuance of implementing regulations and the government's supervisory capacity; 2) Regulations such as Law Number 6 of 2023 and Government Regulation Number 35 of 2021 have tried to provide a legal framework to regulate outsourcing practices, especially through the regulation of the term of Fixed-Time Work Agreements (PKWT) and the obligation to provide compensation.

1. Introduction

The practice of outsourcing in contemporary labor relations is developing as an instrument of corporate efficiency amid intensifying market competition and labor flexibility pressures in the global economy. However, this economic rationality is inseparable from the juridical, social, and institutional consequences in the form of increasing job uncertainty, wage disparity, and fragmentation of legal responsibilities between user companies and labor providers. This fragmented pattern of employment relationships structurally puts outsourced workers in a vulnerable position because formal employment relationships are not always directly proportional to factual employment relationships in the workplace. As a result, the fulfillment of workers' normative rights, which include welfare guarantees, job protection, certainty of employment status, and access to dispute resolution mechanisms, often relies on contractual constructions that limit the scope for legal protection. In this context, outsourcing practices are not only a matter of labor management, but also an issue of protecting the constitutional rights of workers in the modern labor system.

In Indonesia, welfare refers to the notion of social welfare development, which is a series of planned and institutionalized activities aiming at raising the standard and quality of human

existence.¹ Welfare is the main goal of the Indonesian nation, which was stated by the founders of the Republic of Indonesia, on August 17, 1945, the founder of the country aimed to advance the welfare of his people. This statement is reflected in the Preamble to the 1945 Constitution (hereinafter referred to as the 1945 Constitution of the Republic of Indonesia) paragraph IV, which is formulated: "The State protects the entire nation and all of Indonesia's bloodshed and to promote the general welfare, educate the life of the nation, and participate in implementing a world order based on independence, lasting peace and social justice".

Then in the context of Welfare is the main goal of the Indonesian nation, which was stated by the founders of the Republic of Indonesia, on August 17, 1945, the founder of the state aimed to advance the welfare of his people. This statement is reflected in the Preamble to the 1945 Constitution (hereinafter referred to as the 1945 Constitution of the Republic of Indonesia) paragraph IV, which is formulated: "The State protects the entire nation and all of Indonesia's bloodshed and to promote the general welfare, educate the life of the nation, and participate in implementing a world order based on independence, lasting peace and social justice".

The sentence "advancing public welfare" is then a mandate for the government to be realized in the life of the nation and state. The sentence increases "general welfare", which is none other than the welfare of all the people of the Unitary State of the Republic of Indonesia. The mandate of the Preamble to the 1945 Constitution of the Republic of Indonesia, after making amendments to the 1945 Constitution of the Republic of Indonesia, is further described in Article 27 paragraph (2) of the 1945 Constitution of the Republic of Indonesia, which is formulated: "Every citizen has the right to work and a decent livelihood for humanity". Furthermore, in Article 28D paragraph (2), it is formulated: "Everyone has the right to work and receive fair and decent remuneration and treatment in employment relations". Then in Article 28H paragraph (3) which states, that "Everyone has the right to social security that allows the development of himself as a whole human being.", also in Article 34 paragraph (2) of the 1945 Constitution states that, "The State develops a social security system for all people and empowers the weak and incapable people in accordance with human dignity." According to that Articles, means that every citizen has the right to work and a life that is worthy of humanity and in accordance with his dignity and human rights as human beings.²

The provisions of Article 27 paragraph (2) of the 1945 Constitution of the Republic of Indonesia are the constitutional basis for the birth and recognition of the right of every citizen to obtain a decent job and livelihood for themselves and their families. Meanwhile, Article 28D of the 1945 Constitution of the Republic of Indonesia, is the constitutional basis for everyone to get a job and rewards and fair treatment in the "employment relationship".

To realize the mandate of the 1945 Constitution of the Republic of Indonesia, the government has established several laws and regulations in the field of employment, ranging from laws to regulations for their implementation. Regulations concerning labor are currently governed in Law Number 13 of 2003, constituting a variety of matters ranging from

¹ Rian Saputra and Silaas Oghenemaro Emovwodo, "Indonesia as Legal Welfare State: The Policy of Indonesian National Economic Law," *Journal of Human Rights, Culture and Legal System* 2, no. 1 (2022), <https://doi.org/10.53955/jhcls.v2i1.21>.

² Adnan Hamid et al., "The Urgency of Labor Law for Informal Sector Workers in the Welfare State Concept: An Evidence in Indonesia," *International Journal of Research in Business and Social Science* (2147-4478) 11, no. 6 (2022), <https://doi.org/10.20525/ijrbs.v11i6.2036>.

fundamentals, principles, objectives, labor planning, information, rights, and liabilities of workers/labor or business owners, work placement, restrictions, to administrative and criminal sanctions, and more.³ Improving the welfare of workers allows them to live decently as humans should.⁴

Article 1 number 2 of Law Number 13 of 2003 concerning Manpower, hereinafter referred to as Law Number 13/2003, provides the meaning related to Manpower that, "Labor is every person who is able to do work to produce goods and/or services both to meet their own needs and the community". Labor (Human Resources) is an aspect that affects all economic developments in the world, especially in Indonesia. Workers/laborers have a very important role in national development, because workers/laborers are actors and subjects of development, as well as goals or objects of national development that will determine the survival of the Indonesian nation. Therefore, workers/laborers are expected to be able to carry out their functions well through the provision of equal employment opportunities. Workers must also obtain protection for their rights in carrying out their work, providing welfare guarantees, health, safety and all aspects of employment.

Employment issues remain unresolved and continue to draw widespread attention.⁵ At this time, the outsourcing system is a step that many entrepreneurs take to focus on handling work that is the *core business*. Meanwhile, supporting work for the company is handed over to other parties through service provider companies. This activity process is known as *outsourcing*.⁶ Through this system, companies can save expenses in financing Human Resources (HR) working in the company in question. By increasing the focus on its main business, the company will also be able to further improve its core competence or main competition.⁷

In its database, *the outsourcing* program has several objectives, including the following:⁸

- 1) Develop business partnerships to prevent one company from controlling upstream to downstream industrial activities. With this partnership, it is hoped that it can prosper people's lives, especially in urban areas;
- 2) Creating education and technology transfer in the field of industry and factory management. In the future, it is hoped that it can reduce the concentration of industrial activities in urban areas and evenly throughout Indonesia.

³ Nur Putri Hidayah et al., "The Implementation of Labor Development Principles According to Job Creation Law as a Reason to Protect Wages Rights," *Bestuur* 9, no. 1 (2021), <https://doi.org/10.20961/bestuur.v9i1.49252>.

⁴ Ratu Alam Sekar Arum and Fifiana Wisnaeni, "Legal Protection of Workers' Rights to Holidays from The Perspective of Labor Law in Indonesia," *International Journal of Social Science and Human Research* 08, no. 08 (2025), <https://doi.org/10.47191/ijsshr/v8-i8-50>.

⁵ Arpangi and Tajuddin Sanni, "The State's Injustice: Failing to Protect Fixed-Term Workers' Rights," *Journal of Human Rights, Culture and Legal System* 5, no. 1 (2025), <https://doi.org/10.53955/jhcls.v5i1.531>.

⁶ Sehat Damanik, *Outsourcing Dan Perjanjian Kerja* (DSS Publishing, 2006).

⁷ Richradus Eko Indrajit and Richardus Djokopranoto, *Strategi Manajemen Pembelian Dan Supply Chain* (Grasindo, 2005).

⁸ Taufika Hidayati et al., "Analisa Yuridis Pengawasan Manajerial Pekerja Outsourcing Setelah Berlaku Undang-Undang Cipta Kerja," *Jurnal Ilmiah "Advokasi"* 10, no. 2 (2022), <https://doi.org/10.36987/jiad.v10i2.3078>.

The Indonesian Government has implemented several labor laws reforms to improve the economic competitiveness, encourage job creation, and improve the welfare of the Indonesian workforce.⁹ The use of the outsourcing system in Indonesia is regulated in Article 64 and Article 66 of Law Number 6 of 2023 concerning the Stipulation of Government Regulations in Lieu of Law Number 2 of 2022 concerning Job Creation into Law Number 6/2023, hereinafter referred to as Law Number 6/2023, and Articles 18, 19, and 20 of Government Regulation Number 35 of 2021 concerning Fixed-Time Work Agreements, Outsourcing, Working Time and Rest Time, and Termination of Employment are hereinafter referred to as Government Regulation Number 35/2021. Article 64 paragraph (1) of Law Number 6/2023 states that, "The Company may hand over part of the implementation of the work to another Company through an outsourcing agreement made in writing". This is in line with Article 56 paragraph (1) of Law Number 6/2023 which states that, "Employment Agreements are made for a certain time or for an indefinite time". When starting the employment relationship between an outsourced worker/worker and the company, a work agreement must first be made between the worker and the employer, to find out the clarity of the status of the work, the rights and obligations of each party. Basically, PKWT is made on the basis of a period of time or completion of a certain work. What is meant on the basis of a period of time is the type of work that can be expected to be completed, work that is seasonal or work related to new products, new activities or additional products that are still in the experiment. While what is meant by certain jobs is work that is once completed or work that is temporary in nature. So, in essence, PKWT cannot be applied to jobs that are permanent in nature. However, in practice, there are still companies that use PKWT for permanent jobs such as cashiers and others where these jobs are continuous. Referring to the Constitutional Court Decision Number 168/PUU-XXI/2023 which emphasizes that outsourcing is only allowed for non-core work such as cleaning services, security, catering and drivers.

In Government Regulation Number 35/2021, it is also stipulated that PKWT can be made with a maximum period of 5 (five) years and if the work has not been completed, it can be extended for a maximum of 5 (five) years. However, this is not the case in the field. There are still companies that contract PKWT with a period of one year, then there is a gap of 30 (thirty) days. Next, the worker will be called back to sign the first contract. Thus, each contract will be considered as the first contract. This is certainly very detrimental to the workers, even though the PKWT is made with a written agreement.

The Constitutional Court Decision No. 27/PUU-IX/2011, does not abolish the outsourcing system. This decision only provides an affirmation related to the existence of several criteria that must be met in the implementation of the outsourcing system. Meanwhile, for those who carry out employment relationships based on PKWTT, they are required to provide severance pay to workers/laborers who have lost their employment, in addition to that a probationary period can be enforced. Meanwhile, those who carry out employment relationships based on PKWT, must meet the criteria, namely:

⁹ Arinto Nugroho et al., "The Impact of Labor Law Reform on Indonesian Workers: A Comparative Study After the Job Creation Law," *Lex Scientia Law Review* 8, no. 1 (2024), <https://doi.org/10.15294/LSLR.V8I1.14064>.

1. The employment agreement between the employer company and the outsourcing company must contain the conditions for the transfer of the protection of workers/laborers' rights, as well as between the outsourcing company and its workers;
2. In the event of a replacement of the outsourcing company, the employment contract will continue with the new company;
3. The service period that has been passed in the old company must still be considered existing and taken into account by the new company;
4. There should be no difference in rights between permanent workers in the employer company and outsourced workers/laborers in the same job.

Legal protection of workers is intended to guarantee the basic rights of workers/laborers and ensure equal opportunities and treatment without discrimination on any basis to realize the welfare of workers and their families while still paying attention to the development of the progress of the business world. Outsourcing must be viewed in the long term, starting from the career development of workers/laborers, efficiency in the field of employment, organization, benefits and others. The company can focus on its main competencies in business, so that it can compete in the market, where the company's internal matters that *are* supporting are transferred to other parties who are more professional.

The practice of outsourcing is also increasingly prevalent today, but the rights of workers/laborers are simply ignored by companies that use outsourcing services. Based on data from the Central Statistics Agency in 2023, around 34% of the total formal workforce in Indonesia works in contract and outsourcing systems. This number is up from previous years, indicating the growing dependence on this system. However, based on a survey conducted by the Institute for Employment Research, more than 62% of outsourced workers admitted that they were dissatisfied with their working conditions, especially in terms of wages, job security, and access to social security. In fact, 15% of outsourced workers experience cases of termination without proper compensation.¹⁰ Often their rights are tricked into being trimmed in order to provide more profits to the company, either from the provider company or the company that needs the services of outsourced workers.¹¹ One of the strategic reasons for the outsourcing system is to use existing personnel for more effective and efficient activities by bringing producers or companies closer to the market or consumers.¹² In carrying out the outsourcing system, the companies that use outsourcing services will collaborate with an outsourcing company, which in the legal relationship will be manifested in a cooperation agreement that will contain, among other things, the term of the agreement and what fields will be a form of worker cooperation. If this is a violation committed by the worker/laborer, then in this case there is no authority from the worker/laborer service user company to carry out a dispute resolution because the worker/labor service user company and the outsourced

¹⁰ Rizka Khanzanita, "Dibalik Efisiensi: Menelisik Masalah Outsourcing Di Indonesia," <https://Rechtsvinding.Bphn.Go.Id>, November 13, 2025. Accessed on 20 February 2026

¹¹ L. M. L. Hanun, "Pemanfaatan Perjanjian Kerja Sebagai Perlindungan Terhadap Pekerja Outsourcing," *Media Hukum Indonesia (MHI)* 2, no. 2 (2024).

¹² Suyoko Suyoko and Mohammad Ghufon AZ, "Tinjauan Yuridis Terhadap Sistem Alih Daya (Outsourcing) Pada Pekerja Di Indonesia," *Jurnal Cakrawala Hukum* 12, no. 1 (2021), <https://doi.org/10.26905/idjch.v12i1.5780>.

workers legally do not have a working relationship, so the person authorized to resolve the dispute is the worker/labor service provider company, Even though the regulations that are violated are the regulations of companies that use workers' services.

The reality is that outsourcing practices will not only have an impact on low commitment, motivation and loyalty of workers to a company and as well as a decrease in the level of work productivity, but also cause a level of industrial relations disputes that can lead to actions for strikes and demonstrations. This condition arises due to various problems involving outsourced workers/laborers such as, for example, the absence of clear regulations regarding the salary standards that should be accepted, unclear promotions, no career development and other compensation that he may get if his status is a permanent worker. There are still many cases of outsourced workers who work for a long period of time, but without getting overtime wages or any benefits. The right to receive wages is also recognized as the right to welfare, as stated in Article 38, paragraph 4 of Law Number 39 of 1999 concerning Human Rights, which states that every person, male and female, who perform work commensurate with their human dignity has the right to fair wages commensurate with his or her achievements and can ensure the continuation of his or her family life.¹³ In addition, workers/laborers are easily dismissed before the employment contract expires.

Unfortunately, outsourced workers/laborers cannot sue their rights through the trade union because they are not permanent workers in the company where they work. Referring to previous research, this study has differences and novelties when compared to the following research: Muh. Alfian Sangaji and Lalu Hadi Adha in their research entitled "Review of the Jurisdiction of Outsourced Workers After the Enactment of Government Regulation Number 35 of 2021", stated that before the enactment of Government Regulation Number 35 of 2021, the type of work that can be handed over to a worker/labor service provider company must be a supporting activity or activity that is not directly related to the production process, while after the enactment of the PP, Outsourcing is no longer limited to only supporting work.¹⁴ Then, Lidia Febrianti, Thamrin Sambah, and Puti Mayang Seruni in their article entitled "Comparison of Outsourcing of the Manpower Law with the 2023 Job Creation Law", mentioned that the 2023 Job Creation Law brings several changes in the concept of outsourcing compared to what was previously regulated, for example, there is no longer a term "employment outsourcing agreement" or "worker service provision agreement" but what exists is only "outsourcing". The flexibility offered by the 2023 Job Creation Law makes employers more free to reduce workers which can have an impact on workers' rights.¹⁵

Furthermore, Andika Dwi Yuliardii and Imam Budi Santoso, in their research entitled "The Responsibility of Outsourcing Companies for Labor Protection in Various Aspects

¹³ Abdul Kadir Jaelani et al., "Legal Protection of Employee Wage Rights in Bankrupt Companies: Evidence from China," *Legality: Jurnal Ilmiah Hukum* 31, no. 2 (2023), <https://doi.org/10.22219/ljih.v31i2.25874>.

¹⁴ Muhammad Alfian Sangaji and Lalu Hadi Adha, "Tinjauan Yuridis Pekerja Alih Daya (Outsourcing) Setelah Berlakunya Peraturan Pemerintah Nomor 35 Tahun 2021," *Private Law* 3, no. 1 (2023), <https://doi.org/10.29303/prlw.v3i1.2151>.

¹⁵ Lidia Febrianti et al., "Komparasi Alih Daya Undang-Undang Ketenagakerjaan Dengan Undang-Undang Cipta Kerja Tahun 2023," *JURNAL USM LAW REVIEW* 6, no. 3 (2023), <https://doi.org/10.26623/julr.v6i3.7965>.

According to Indonesian Positive Law", in their conclusion explained that the sanctions provisions regarding outsourcing issues are not so complete, this can affect and complicate the application of sanctions against outsourcing companies.¹⁶ Meanwhile, this writing focuses on the protection obtained by outsourced workers/laborers after Law Number 6/2023 was enacted and the concept of protection in order to realize welfare for workers. So, based on the description of the background, the formulation of the problem in this study can be drawn, namely: 1) How is the Legal Protection of Workers/Outsourced Workers in Employment Agreements after the enactment of Law Number 6/2023?; 2) What is the concept of legal protection of outsourced workers/laborers in order to realize welfare?

2. Methods

This research is normative legal research to answer legal issues and find legal rules, so that new arguments or concepts are obtained in resolving existing legal issues.¹⁷ The problem approaches used in this study are the Statute Approach and the Conceptual Approach.¹⁸

3. Results and Discussion

3.1. Legal Protection of Outsourced Workers/Laborers in Employment Agreements After the Enactment of Law Number 6/2023

Workers right are basic principles in labour law that ensure that workers have protection and guarantees of fair and decent working conditions.¹⁹ Protecting employees' rights through the legal system and employment disputes are becoming increasingly significant global concerns.²⁰ The government has an obligation to provide protection to workers in realizing welfare, and improving the welfare of workers and their families.²¹ Based on the preamble to the 1945 Constitution in paragraph IV, it is clearly stated that the purpose of the establishment of the state of the Republic of Indonesia is "to protect the entire Indonesian nation and all Indonesian bloodshed and to promote public welfare, educate the life of the nation, and participate in implementing a world order based on independence, lasting peace and social justice". Regarding the welfare of its people, the state of the Republic of Indonesia is in the body of the 1945 Constitution of the Republic of Indonesia, namely Article 27 paragraph (2) and Article 28D paragraph (2). Article 27 paragraph (2) of the 1945 Constitution of the Republic of Indonesia, states that: "Every citizen has the right to work and livelihood that is suitable for humanity". Furthermore, Article 28D paragraph (2) of the 1945 Constitution of the Republic of Indonesia, states that: "Everyone has the right to work and receive fair and decent

¹⁶ Andika Dwi Yuliardi and Imam Budi Santoso, "Tanggung Jawab Perusahaan Outsourcing Terhadap Perlindungan Tenaga Kerja Dalam Berbagai Aspek Menurut Hukum Positif Indonesia," *GolRev: Gorontalo Law Review* 5, no. 1 (2022), <https://doi.org/10.32662/golrev.v5i1.1820>.

¹⁷ Peter Mahmud Marzuki, *Penelitian Hukum (Revisi)* (Kencana Prenada Media Group, 2005).

¹⁸ Peter Mahmud Marzuki, *Penelitian Hukum* (Kencana Prenada Media Group, 2016).

¹⁹ Hari Triasmono et al., "Legal Reforms for Preventing Employer Abuse: Crafting a Socially Just Employment Law Framework," *Journal of Law and Legal Reform* 5, no. 3 (2024), <https://doi.org/10.15294/jllr.v5i3.4321>.

²⁰ Mamasiddikov Muzaffarkhon Musakhonovich et al., "The Protection of Labor Rights on the Court System," *Journal of Human Rights, Culture and Legal System* 4, no. 3 (2024), <https://doi.org/10.53955/jhcls.v4i1.115>.

²¹ Budi Santoso and Markoni Markoni, "Perlindungan Hukum Bagi Pekerja Dalam Perusahaan Alih Daya Ditinjau Dari Undang-Undang Cipta Kerja," *Jurnal Multidisiplin Indonesia* 1, no. 1 (2022), <https://doi.org/10.58344/jmi.v1i1.1>.

remuneration and treatment in employment relations". Based on these provisions, it can be said that the 1945 Constitution of the Republic of Indonesia is in favor of the interests and welfare of all people, including workers/laborers.

The purpose of labor law is to achieve or implement social justice in the field of labor and to protect work against the unlimited power of employers, for example who make or create regulations that force employers not to act arbitrarily against workers as weak parties.²² The enactment of Law Number 6/2023 brings significant changes in employment regulations, especially regarding outsourcing practices. This law in principle maintains the regulation that allows outsourcing of all types of work, both supporting and core, as previously regulated in the Job Creation Law. This marks a shift from the provisions in the Employment Law before the change, which limited outsourcing to only supporting work.²³

The idea of outsourcing first arose around 1970s-1980s when many companies experienced global competition in the business world.²⁴ The practice of outsourcing has become a significant aspect of the Indonesia workforce. Companies view outsourcing as a solution for achieve cos efficiency and flexibility in HR management.²⁵ The articles in Law No. 6 of 2023 mandate the government to set clearer limits through implementing regulations, so that there is legal certainty regarding the types of work that can be outsourced. This provision is expected to prevent outsourcing abuse practices that have the potential to harm workers, as well as provide a reference for employer companies and labor service providers in drafting contracts. One of the important strengthenings in Law No. 6 of 2023 is the requirement that labor provider companies are in the form of legal entities and have an operational license from the Minister of Manpower. This regulation emphasizes the legal responsibilities of service providers, including the obligation to fully fulfill workers' rights, both as stipulated in the employment agreement and laws and regulations. In addition, employment relationships based on Fixed-Time Work Agreements (PKWT) must contain a Transfer of Undertaking Protection of Employment (TUPE) clause, which ensures the sustainability of workers' rights when there is a change of service provider.²⁶

Law Number 13/2003 became the main legal foothold in regulating employment relations through the outsourcing system in Indonesia.²⁷ Provisions regarding the wholesale of work and the provision of workers/laborer services are specifically regulated in Articles 64

²² Muhammad Fitra Hardinata et al., "Perlindungan Hukum Pekerja Terhadap Pekerja Di Indonesia," *JURNAL HUKUM, POLITIK DAN ILMU SOSIAL* 3, no. 1 (2023), <https://doi.org/10.55606/jhpis.v3i1.3200>.

²³ Fitriana, "Menimbang Arah Kebijakan Penghapusan Outsourcing," *Hukumonline.Com*, 2025. Accessed on 7 August 2025

²⁴ Kukuh Pambudi, "Quo Vadis Indonesian Labor Act: How Far the Protection for Labors?," *Journal of Law and Legal Reform* 2, no. 4 (2021), <https://doi.org/10.15294/jllr.v2i4.48762>.

²⁵ Arpangi et al., "Outsourcing and Labour Justice in Indonesia: Integrating Contemporary Islamic Legal Principles With The National Regulatory Framework," *MILRev: Metro Islamic Law Review* 4, no. 2 (2025), <https://doi.org/10.32332/milrev.v4i2.11157>.

²⁶ Serikat Pekerja Nasional, "Aturan Outsourcing: Lindungi Hak Pekerja Atau Ketidakpastian Usaha?," *Spn.or.Id*, 2024. Accessed on 7 August 2025.

²⁷ Al Fath et al., "Tinjauan Yuridis Atas Kebijakan Outsourcing Di Indonesia Dan Implikasinya Terhadap Kesejahteraan Pekerja (Juridical Review of Outsourcing Policy in Indonesia and Implications for Worker Welfare)," *Jurnal Hukum Statuta* 3, no. 3 (2024), <https://doi.org/https://doi.org/10.35586/jhs.v3i2.9027>.

to 66. The regulation was drafted to ensure that the outsourcing mechanism is implemented fairly and provides proper protection for the workers involved. However, the implementation of this provision in the field still faces various obstacles.

Law Number 6/2023 stipulates that companies can hand over part of the implementation of work to other companies through outsourcing agreements or the provision of workers/laborer services made in writing. The outsourced work must be separate from the company's main activities, carried out by direct or indirect orders, and be a supporting activity. This provision aims to ensure that only non-core jobs are allowed to be outsourced, keeping the company accountable for its primary work.²⁸ Outsourced workers must be guaranteed their rights in accordance with laws and regulations, including wages, social security, and employment protection. This provision was made to protect the basic rights of outsourced workers so that there is no discrimination against permanent workers. However, in reality, many outsourced workers receive unfair treatment and lower wages.

Article 66 paragraph (2) of Law Number 6/2023 which emphasizes that the protection of workers, wages and welfare, working conditions, and disputes that arise are carried out at least in accordance with the provisions of laws and regulations and are the responsibility of outsourced companies.²⁹ Thus, although practically outsourced workers work for companies that use worker services, in principle the protection remains the responsibility of the outsourced company. Therefore, every outsourced worker certainly not only receives protection from the company that provides worker services, but also receives protection from the company where the worker works.³⁰

In fact, the regulation regarding Workers/Outsourced Workers is not regulated completely and comprehensively regarding the provisions. In Law Number 13/2003, Outsourcing is regulated in Articles 64-66, but later by Law Number 6/2023 Article 65 was deleted. In fact, Article 65 is an article that requires companies that use *outsourced* labor to ensure that worker service providers have operational permits and meet the requirements set by the government.³¹ In addition, based on Law Number 13/2003, jobs that can be handed over through the outsourcing scheme are only limited to non-core business jobs. However, these restrictions by Law No. 6/2023 have been abolished, which means that outsourcing can be applied to all types of work, including those directly related to core production processes. This certainly causes new problems because there are no clear restrictions on the jobs that are outsourced whether they are core jobs or supporting jobs.

²⁸ Hidayati et al., "Analisa Yuridis Pengawasan Manajerial Pekerja Outsourcing Setelah Berlaku Undang-Undang Cipta Kerja."

²⁹ Sela Nopela Milinum, "Problematika Fleksibilitas Outsourcing (Alih Daya) Pasca Undang-Undang Nomor 11 Tahun 2020 Tentang Cipta Kerja Klaster Ketenagakerjaan (Problems Of Outsourcing Flexibility After Law Number 11 Of 2020 On Job Creation Of Employment Cluster)," *Jurnal Hukum Lex Generalis* 3, no. 5 (2022), <https://doi.org/10.56370/jhlg.v3i5.119>.

³⁰ Ahmad Zairudin, "Rekontruksi Penyelesaian Sengketa Hubungan Industrial Dalam Hukum Ketenagakerjaan," *Legal Studies Journal* 2, no. 1 (2022), <https://doi.org/10.33650/laj.v2i1.3469>.

³¹ Ellida Nuriya et al., "Optimalisasi Pengawasan Sistem Outsourcing Sebagai Upaya Menunjang Perlindungan Tenaga Kerja Di Indonesia," *Notarius* 13, no. 1 (2020), <https://doi.org/10.14710/nts.v13i1.30883>.

The main problem in the implementation of outsourcing policies in Indonesia is the lack of effective supervision and strict law enforcement. Many outsourced workers are still working in unsuitable conditions and are not getting their full rights. The main purpose of employment supervision is to ensure compliance with applicable laws and regulations. Ideally, the supervision of the outsourcing system can be judged by whether the outsourcing provisions are fulfilled or not. This is because the outsourcing system is a "Special" system because the working relationship is between the workforce and the outsourcing service provider.

In terms of outsourcing worker issues, the aforementioned human rights violations can be found in two sectors. They are wage discrimination against outsourcing workers, as well as a lack of job security, health benefits, vacation time, and worker exploitation.³² The government needs to strengthen supervision and law enforcement to ensure that existing provisions are properly implemented. This is important to protect the welfare of outsourced workers and ensure that they are treated fairly. Based on the International Labour Organization (ILO) Labour Administration and Inspection Programme, there are three types of inspections that can be conducted within the framework of labour supervision, namely:³³

1. There is an initial examination that includes aspects of work norms, occupational health and safety norms.
2. Periodic examinations are at least once a year whose examination is generally similar to what was done in the first examination.
3. Special examination where this examination is carried out if there is a condition, such as a complaint.

Furthermore, to ensure a fair and effective outsourcing policy, there needs to be cooperation between governments, companies, and trade unions. The government should be active in supervising and enforcing the law, while companies should comply with existing provisions and treat outsourced workers fairly. Unions also play an important role in fighting for workers' rights and ensuring that workers' voices are heard. Thus, it is hoped that the outsourcing policy can run well and provide benefits for all parties involved.

3.2. The Concept of Legal Protection of Outsourced Workers/Laborers in the Context of Realizing Welfare

The main thing of a welfare state is that there is a strong effort from the state to ensure the welfare of its people. The welfare guarantee is realized in the protection of "The risk of unemployment, accident, illness, old age, and death of the breadwinner must be covered largely through welfare provisions of the state."³⁴ Regarding the existence of outsourced workers, the law in Indonesia is still not optimal in protecting and bringing outsourced workers to a prosperous standard of living. In fact, if referring to the constitution that holds the principle of welfare, the labor law in Indonesia should be more comprehensive and better

³² Saru Arifin, "Human Rights And Business: Human Rights Violations In The Outsourcing Industry In Modern Business Indonesia," *Journal of Indonesian Legal Studies* 6, no. 1 (2021), <https://doi.org/10.15294/jils.v6i1.45841>.

³³ Organisasi Perburuhan Internasional, *Pengawasan Ketenagakerjaan: Apa Dan Bagaimana* (2012).

³⁴ Gianfranco Poggi, *The Development of the Modern State "Sociological Introduction"* (Stanford University Press, 1992).

guarantee the rights of workers, especially outsourced workers. Until now, it is not uncommon to find discrimination and exploitation of outsourced workers.

Before talking about the concept of legal protection for outsourcing workers, it is first necessary to know the concept of legal protection and the welfare law state as part of this research. Philipus M. Hadjon said that legal protection is the protection of dignity and dignity, as well as the recognition of human rights owned by legal subjects based on the legal provisions of arbitrariness.³⁵ Hadjon categorizes legal protection into 2 (two) forms, namely preventive legal protection and repressive legal protection. Preventive legal protection aims to avoid disputes by directing the government to be careful in making decisions based on discretion. Meanwhile, repressive legal protection focuses on resolving disputes that have occurred, including through judicial mechanisms. In the context of the protection of officials, especially outsourced workers, the protection cannot only be repressive after the case occurs, but also preventive protection is needed. One form of preventive protection that can be applied is through supervision of the implementation of outsourcing rules in the work environment. Starting from procedures, employment contracts, to the rights received by each worker need to be the attention of the Manpower Office. If, the supervision is carried out correctly and regularly, the possibility of fulfilling welfare for the workforce can be achieved.

The main characteristic of a welfare state is the emergence of the state's obligation to realize general welfare for its citizens. The term welfare state refers to the role of the state in providing various social services such as education, health, housing, assistance for the poor and other social security. According to Black's Law Dictionary, Welfare State a nation in which the government undertakes various social insurance programs, such as unemployment compensation, old age pensions, family allowances, food stamps, and aid to the blind or deaf – also termed welfare regulatory state.³⁶ Ebenstein in his book revealed that the welfare state includes at least three fundamental aspects, namely a minimum standard of living, economic stability and progress and the widest possible employment opportunities.³⁷ In order to achieve welfare for outsourced workers, the state must be present in ensuring social security as mandated by the 1945 Constitution of the Republic of Indonesia. Not only that, preventive measures to prevent arbitrary actions against PKWT workers must also be a concern. According to the Communication Forum of the Indonesian Outsourcing Association, it is estimated that the number of outsourced workers will exceed 3 million people in 2020. This means that there are still many companies that choose to hire outsourced workers instead of designating them as permanent workers.

The regulations governing outsourcing practices currently still have many loopholes that are detrimental to outsourced workers. For example, the Provisions regarding the term of the Fixed-Time Work Agreement (PKWT) in Government Regulation Number 35 of 2021 stipulate that PKWT based on a certain period of time may only last for a maximum of five

³⁵ Hukumonline, "Teori-Teori Perlindungan Hukum Menurut Para Ahli," Hukumonline.Com, September 30, 2022. Accessed on 26 February 2026

³⁶ B. A. Garner, *Black's Law Dictionary*, Black's Law Dictionary (Thomson Reuters, 2006).

³⁷ W. Ebenstein, *Great Political Thinkers: Plato to the Present* (Rinehart, 1956).

years, including an extension period.³⁸ In addition, PKWT can also be formed based on the completion of certain work, where the duration of the contract depends on the completion of the work. Although this regulation aims to provide legal certainty for workers and employers, in practice there are various problems that arise related to the implementation of these provisions. One of the main problems is the potential for abuse by companies by taking advantage of the five-year maximum threshold gap to avoid the appointment of workers to permanent status, which can ultimately create uncertainty and vulnerability for workers.

In addition, PKWT which is based on the completion of certain work is often unclear, thus opening up wide interpretation opportunities that have the potential to extend the working period without clarity of inherent rights. This poses a dilemma because workers who have factually worked for a long period of time but remain in contract status, risk losing basic rights such as severance pay and social protection equivalent to permanent workers.³⁹ In addition, the extension of PKWT that is allowed must be based on mutual agreement between workers and employers, but economic pressure and inequality in bargaining positions often make it difficult for workers to refuse contract extensions, thus creating a precarious and sustainable form of work without certainty of the future. This condition shows that although Government Regulation No. 35 of 2021 has formally set a limit on the duration of PKWT, implementation in the field still faces serious obstacles related to the fulfillment of the rights and protection of outsourcing workers, thus demanding stricter supervision and more detailed implementing regulations to close the gap in these abuses.

The regulatory issues that govern outsourcing practices are very complex. As a country with a welfare-oriented constitution, the law in Indonesia has not succeeded in protecting and bringing the lives of workers to a prosperous level. And a worse fate is experienced by outsourced workers. Because after all, workers with PKWTT have more advantages than workers with PKWT ranging from labor agreement issues, wage systems, to other rights guarantees. Therefore, the reform of outsourcing regulations must be comprehensive and include the pre-employment, during employment, and post-employment periods.

a. Legal Protection of Outsourced Workers in Employment Agreements

In terms of agreements in the field of civil law, Indonesia adheres to the principle of freedom of contract contained in Article 1338 paragraph (1) of the Civil Code. The essence of this principle is that anyone can basically make a contract (agreement) that contains anything as long as it does not contradict the law, morality and public order.

The principle of freedom of contract as stated in Article 1338 paragraph (1) of the Civil Code, of course, still pays attention to the provisions of Article 1320 of the Civil Code regarding the conditions for the validity of the agreement, Article 1335 of the Civil Code. and Article 1337 of the Civil Code, in addition to Article 52 of the Labour Law.⁴⁰ However, in the employment sector, especially those related to the labor outsourcing system, the agreement is expressed in the type of agreement based on the term and content of the agreement.

³⁸ Erizka Permatasari, "Aturan Perpanjangan Dan Pembaruan PKWT Pasca UU Cipta Kerja," *Hukumonline.Com*, January 6, 2022. Accessed on 7 August 2025.

³⁹ Arya Bagiastra, "PP No. 35 Tahun 2021, Begini Penjelasan Dan Implementasinya," *Aryabagiastra.Com*, May 2, 2024. Accessed on 7 August 2025.

⁴⁰ Abdul Khakim, *Dasar-Dasar Hukum Ketenagakerjaan Indonesia*, Revisi (Citra Aditya Bakti, 2020).

First, the PKWT. PKWT, is a work agreement between a worker/laborer and an employer that is only made for certain jobs that according to the type and nature or activity of the work will be completed in a certain time. This definition is based on the provisions of Article 1601 a paragraph of the Civil Code: "An employment agreement is an agreement in which one party as a laborer or worker binds himself to be under his orders/work for the other party as an employer by earning wages for a certain time".

Second, an Indefinite PKWTT is a work agreement between a worker/laborer and an employer, where the specified period is not determined, either in an agreement, law, custom, or occurs legally due to the employer's violation of the applicable laws and regulations. Legal basis: Article 57 paragraph (2) of Law Number 13/2003, Article 1603 q paragraph (1) of the Civil Code; "A fixed-time work agreement that is made in writing contrary to the provisions as intended in paragraph (1) is declared as an indefinite time work agreement".

The two types of agreements, which have relevance to the existence of outsourced workers/laborers, are of course the PKWT type. In line with that, Payaman Simanjuntak argued that PKWT is a work agreement between workers/laborers and employers to carry out work that is expected to be completed in a certain relatively short time whose maximum period is a total of 5 years along with its extension.

PKWT is a conditional agreement, which (among other things) is required to be written and made in Indonesian. If it is not made in writing and not made in Indonesian, it is declared (considered) as PKWTT. PKWT cannot (cannot) be required to have a probation period, and if there is/is a probationary period (clause) in the agreement in the PKWT, then the clause is considered as never existed (null and void). Thus, if the employment relationship (in PKWT) is terminated for the reason of the probationary period, the employer is considered to have terminated the employment relationship before the end of the employment agreement. Therefore, employers can be sanctioned to pay compensation to workers/laborers equal to the worker's wages until the expiration of the employment agreement period.

PKWT cannot be held for permanent work, but PKWT can only be made for certain jobs that according to the type and nature or activity of the work will be completed within a certain time. The following is Article 59 paragraph (1) of Law Number 6/2023:

- a. Work that is once completed or that is temporary in nature;
- b. Work that is expected to be completed in a not too long time;
- c. Seasonal jobs;
- d. Work related to new products, new activities, or additional products that are still in the process of experimentation or exploration; or
- e. Work whose type and nature or activity is irregular.

PKWT which is based on a work package that is completed once or work that is temporary, as well as work whose completion (time) is estimated in a not too long time, is PKWT which is based on the completion of certain work. In PKWT, which is based on the completion of certain work, it is made only for a maximum of 5 years and its extension, and in the agreement must include the limitations (packages) of the work in question until the extent to which it is declared completed.

If the certain agreed work can be completed earlier than agreed, then PKWT ends or is terminated for the sake of the law. In other words, the agreement ends on its own at the time

of completion of the work. PKWT for seasonal work, is a job that in its implementation depends on a certain season or weather that can only be done for one type of work in a certain season. Likewise, work that must be done to meet certain orders or targets is categorized as seasonal work. However, it can only be done for workers/laborers who do additional work.

Furthermore, PKWT for seasonal work cannot be updated. Likewise, PKWT for works related to new products, new activities or additional products that are still in the experimental or exploratory period cannot be updated. If some of the requirements of PKWT such as renewal, renewal of types and specifications are not heeded, then the employment relationship will change to an employment relationship according to PKWTT. If there is a change in the employment relationship to PKWTT, it means that the worker is entitled to severance pay, service award money, and reimbursement money. Then since when is the working period calculated? If what is violated is the type and nature of the work, then the working period is calculated from the occurrence of the employment relationship. If what is violated is a provision regarding the extension or renewal period, then the working period is calculated from the time there is a violation regarding that period.

PKWT ends at the end of the period specified in the clause of the employment agreement. If one of the parties terminates the employment relationship before the end of the time or before the specific work package specified in the employment agreement is completed, or the termination of the employment relationship is not due to the death of the worker/laborer, and not because of the expiration of the employment agreement (PKWT) based on the decision of the court/PHI institution, or not due to certain circumstances, then the party who terminates the employment relationship is obliged to pay the worker/laborer's wages until the expiration deadline Term of the Employment Agreement.

b. Legal Protection of Pre-Employment Outsourced Workers

The vulnerable situation experienced by outsourced workers has occurred since they have not yet entered the working day. Explicitly, employment agreements in outsourcing practices have the potential to harm outsourced workers. The first employment agreement is a work agreement between a provider company (outsourcing) and a company that uses workers' services/laborers.

This inter-company agreement must at least contain an affirmation of the type of work that will be done by the outsourced worker (core or supporting work), the delegation of worker responsibilities to the service provider company, and the willingness of the service provider company to accommodate workers from the previous service provider company for the type of work that is continuous and ongoing in the service user company.

The second employment agreement is an agreement between outsourced workers and worker service providers. For this agreement, the government has also issued regulations that are expected to protect the rights of outsourced workers, such as provisions that must include welfare protection guarantees, transfer of work responsibilities, wages, and the settlement of disputes that may occur. The provisions of the employment agreement have indeed been regulated in the Employment Law. However, in practice, the work agreements made often violate the rules and result in losses on the part of outsourced workers.

In the agreement between the provider company and the company that uses workers/labor services, outsourced workers are of course not involved at all. The possibility

of the urgency of the involvement of outsourced workers in the agreement between the two companies is replaced by an agreement that they make themselves with the provider company/laborer. However, these agreements are also often not based on the principle of freedom of contract and often violate the rules. In many cases, the superior company and still insists on efficiency in production costs, has made an agreement that remains to be signed by outsourced workers.

On the other hand, the imposition of sanctions for each violation of the employment agreement is not effective. There are several possibilities. Starting from outsourced workers who are not legally literate, outsourced workers who are helpless in front of the company that recruits them, to the lack of labor related complaint services. Therefore, in the pre-employment phase, supervision and regulations that regulate the work agreements of outsourced workers, especially in the implementation of sanctions, must be tightened again.

In the perspective of van Dunne's agreement theory, the non-involvement of outsourced workers is felt to be inappropriate. Because according to this theory, the involvement of the parties in the employment contract, in this case the outsourced worker should start from the beginning before the execution of the contract. According to van Dunne's theory of agreement, at the time before the performance of the contract or at the time of making the contract, the worker must be aware of his contractual rights and obligations.⁴¹ Because a contract is basically an agreement between the contractors related to the work to be done along with their rights and obligations.

As is known, a contract or agreement is a form of internal legal protection for the parties who enter into it. In conjunction with the outsourcing system, the involvement of outsourced workers in the creation of contracts is of paramount importance. Because with the involvement of workers in making contracts, workers can discuss and propose that their normative rights be included in the contract as an effort to protect themselves as a form of internal legal protection.

In the perspective of Article 1320 of the Criminal Code, which requires that the contract must meet the four essential elements, consisting of the agreement of the parties, the competence of the parties, the existence of the object of the agreement, and the object of the agreement that is not prohibited by law, it can be said that the outsourcing agreement does not meet the standard elements of the agreement as required in Article 1320 of the Criminal Code. In such a case, of course, the legality or validity of the outsourcing contract can be questioned, or the possibility of experiencing legal defects that are detrimental to outsourced workers. Ideally, in the creation of an outsourcing system contract, the workers who will carry out the work, from the beginning must be involved in an agreement regarding the content of the contract, especially related to the rights and obligations of each party.

c. Legal Protection When Working Outsourced Workers

Basically, labor law in Indonesia provides strict provisions related to the safety of all workers. In Indonesia, every type of business must have an occupational safety and health system that is integrated into the company's management system. The company is also obliged to provide the necessary instructions, training and supervision to ensure the occupational

⁴¹ Salim H.S, *Hukum Kontrak: Teori Dan Teknik Penyusunan Kontrak*, II (Sinar Grafika, 2004).

safety and health of its workers as stated in Article 87 paragraph (1) of Law Number 13/2003. Even so, the risk of work still cannot be eliminated. The possibility of a work accident still lurks in the workers' ears. However, the definition of "at work" protection is broader, which includes the productive period of a worker, both in and outside the work environment. Therefore, social security for workers/laborers needs to receive more attention.

The implementation of social security is a mandate of the 1945 Constitution of the Republic of Indonesia. This is stated in Article 28H paragraph (3), which stipulates that everyone is entitled to social security that allows his or her full development as a dignified human being. Furthermore, Article 14 paragraph (1) of Law Number 40 of 2004 concerning the national social security system states that the government gradually registers recipients of contribution assistance as participants to the social security organizing agency. Then in Article 17 paragraph (4) of Law Number 40 of 2004, it is emphasized that social security program contributions for the poor and people who cannot afford to be paid by the Government.

In the context of the implementation of the National Social Security System, there is now Law Number 24 of 2011 concerning the Social Security Administration Agency (BPJS). There are two types of BPJS, namely BPJS Kesehatan and BPJS Employment. BPJS Kesehatan organizes a health insurance program. Meanwhile, BPJS Employment organizes work accident insurance programs, old-age insurance, pension insurance, and death insurance.

From the perspective of treaty theory, the execution of this outsourcing contract is not in accordance with Van Dunne's contract theory. This is because outsourced workers in the implementation of contracts do not get their normative rights, such as health insurance, pension insurance, old age insurance, and work accident insurance. These normative rights should be accepted by outsourced workers. Because outsourced workers are also no different from indefinite time workers, outsourced workers also do work that is usually done by workers in general. Indeed, it must be admitted that outsourced workers have a limited working period, only for a certain period of time, and this is what distinguishes them from workers in PKWTT.

d. Legal Protection of Outsourced Workers

Retirement refers to the period when a worker has entered an unproductive period either due to retirement or old age. In Indonesian law, the two are not the same. The implementation of national social security itself provides pension guarantee and old-age security services. In Government Regulation of the Republic of Indonesia Number 45 of 2015 concerning the Implementation of the Pension Security Program, it is stated:

Paragraph (1)

Pension Insurance is a social security that aims to maintain a decent standard of living for participants and/or their heirs by providing income after the participant enters retirement age, experiences permanent total disability, or dies.

Paragraph (3)

Pension Benefit is a sum of money paid each month to participants who enter retirement age, experience permanent total disability, or to heirs of deceased participants.

Paragraph (4)

Participants of the Pension Insurance Program, hereinafter referred to as Participants, are registered workers who have paid contributions.

Paragraph (10)

Pension Beneficiaries are participants or heirs of participants who are entitled to receive pension benefits.

Participants in the Pension Insurance program are workers who work for companies or individuals. Employees registered by the employer must be at most 1 (one) month old before entering retirement age. In Law Number 13 of 2003 concerning Manpower Article 154c, it is stated that the provisions regarding the retirement age limit are stipulated in Employment Agreements (PK), Company Regulations (PP) or Collective Labor Agreements (PKB) or Laws and Regulations related to retirement.

For Old Age Insurance, the provisions have been regulated in Government Regulation Number 46 of 2016 concerning the Implementation of Old Age Programs. According to the PP, old-age security is a cash benefit that is paid at once when the participant enters retirement age, dies, or experiences permanent total disability. In other words, JHT is a long-term program that is given periodically before the participant enters retirement which can be accepted to the participant's widow/widower, child or legal heirs if the participant dies. The goal of JHT is to ensure that each participant receives a lump sum of cash when entering retirement in the future. Or if the participant has a permanent total disability or death caused by something related to his work or not.

The amount of benefits that participants will receive is determined based on the accumulated amount of all contributions that have been deposited plus the results of its development. You don't have to wait for retirement or a certain moment, JHT benefit payments can be given partially up to a certain extent after membership reaches a minimum of 10 years. JHT can also be given when the participant stops working and does not resume it. Those referred to as participants here are those who routinely pay dues according to the amount of wages or income they report as the basis for calculating dues. The amount of JHT Contribution is 5.7 percent of the amount of wages reported with details of 3.7 percent borne by the employer and the rest borne by the worker. Meanwhile, for those who do not receive wages or are not workers, it will be based on a nominal amount that is set periodically.

Legal protection in retirement is important so that workers can maintain a decent standard of living for their families and/or heirs by providing income after the participant enters retirement age or experiences a disability. Regarding this post-employment legal protection, outsourced workers are the most vulnerable group. In other words, the legal protection of post-contract outsourcing workers is very weak, there is almost no legal protection. Because after the end of the contract period, outsourced workers do not get any rights, such as severance pay, pension rights, death insurance, and so on.

e. Full Employment Guarantee for Outsourced Workers

If observed, pre-employment, working period, and post-employment protection, all have been summarized in the BPJS Employment program. In line with the principles of humanity, benefits, and social justice for all Indonesian people, the BPJS Law sets the goal, which is to realize the implementation of the provision of guarantees for the fulfillment of

basic living needs that are proper for participants and/or their family members in line with Article 3 of Law Number 24 of 2011 concerning the Social Security Administration Agency.⁴²

BPJS Ketenagakerjaan membership itself is not based on employment status, but on the scale of the company where it works. Workers who work in medium-sized companies must participate in 4 BPJS Employment programs which include Work Accident Insurance (JKK), Old Age Insurance (JHT), Death Insurance (JKM) and Pension Insurance (JP). Workers who work in small-scale companies will be included in 3 programs including JKK, JHT, and JKM. And for workers in micro companies, they will get JKK and death services.

If identified and classified, freelancers are indeed the most vulnerable group compared to other groups of workers with contract status and permanent workers. Freelancers, in comparison with contract and permanent status workers, do not get the same number of work facilities as the other two work statuses. It would be logical if, for example, freelancers get a full guarantee of BPJS Employment as mandated by the Law on Social Security.

4. Conclusions

After the issuance of Law Number 6/2023, the legality of outsourcing practices in Indonesia is actually given a wider space, such as its application to various types of work up to the PKWT period. However, the effectiveness of this protection is highly dependent on the quality and accuracy of the issuance of implementing regulations, the government's supervisory capacity, and the strengthening of mechanisms for fulfilling workers' rights in the field. In addition, problems arising from the provisions of the PKWT term, such as the potential for abuse of contract extensions that exceed the deadline and the unclear definition of certain jobs, demand stricter supervision and improvement of technical regulations. Therefore, the synergy between legislation, implementation policies, and the active role of stakeholders, including trade unions, is essential to ensure social protection and legal certainty for outsourced workers in Indonesia.

Legal protection for outsourced workers is a crucial aspect in efforts to realize labor welfare in accordance with the principles of the welfare state that mandates protection against occupational risks and social security. Regulations such as Law Number 6 of 2023 and Government Regulation Number 35 of 2021 have tried to provide a legal framework to regulate outsourcing practices, especially through the regulation of the term of Fixed-Time Work Agreements (PKWT) and the obligation to provide compensation. However, in its implementation, there are still various challenges, such as the abuse of contract limits, unclear worker status, and limited social protection which leads to the vulnerability of outsourced workers. Therefore, protection for outsourced workers/laborers must cover all phases of employment relations starting from pre-employment, during work to post-employment in order to create adequate legal certainty and social security.

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⁴² Andika Wijaya, *Hukum Jaminan Sosial Indonesia* (Jakarta: Sinar Grafika, 2018).

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