Law of Industrial Pancasila and Industrial Peace Relations Assessed According to Indonesian National Development

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Abstract - Material and formal Pancasila Industrial Relations Law (hereinafter referred to as PIRL) plays a role in creating industrial peace or PIRL is a tool of social engineering or a tool of social control to create industrial peace. So, the purpose of this article is to analyze how industrial relations and industrial peace are examined through the concept of Indonesia's national development. The conclusion in this article is that the role of PIRL in creating industrial peace, is as a tool of social engineering, which provides a basis for the possibility of using PIRL to make changes in thinking, life attitudes and changes in mental attitude of all parties in industrial relations (employers, workers/laborers, the government/herinafter referred to as all parties) efforts to create industrial peace. While the role of PIRL as a tool of social control so that differences in interests and needs of all parties in an effort to realize industrial peace simultaneously can be achieved well and balanced, not mutually harmful but instead support or support one another.

Keywords - Industrial Relations, Pancasila, and Industrial Peace.

1. Introduction

Industrial peace is the creation of peace of work and business in an industrial relationship, namely dynamic conditions in work relations (industrial relations: writers) in a company where there are 3 (three) important elements: (i). Guaranteed and exercised rights and obligations, (ii). If a dispute arises, it can be resolved internally, by deliberation or bipartite, both for the types of industrial relations disputes, in the form of: rights disputes, termination of employment disputes, interest disputes, and disputes between trade unions in one company. (iii). Strike and company closure (lock out) do not need to be used to impose will, because all types of disputes that occur can be resolved properly internally, by deliberation or on a bipartite basis [1].

Three important elements in industrial relations, are the main requirements for creating industrial peace, dynamic and fair in accordance with Pancasila values, to realize these three elements. It is necessary to build working conditions that are in line with the principles. The principle of Indonesia's national development paradigm in all fields, especially in the field of populist economic systems based on Pancasila democracy in the context of overcoming poverty through the creation and expansion of employment, increasing income and purchasing power of the Indonesian people [2].

Pancasila Industrial Law (PIRL) has a role in building working conditions that are working norms as well as terms of employment as the main conditions for the realization of industrial peace including efforts to overcome vulnerable problems that can hamper towards the realization of industrial peace as one of the supporting developments of a populist economic system as described above.
2. Discussions

2.1 Industrial Peace And Indonesia National Development

Creating Industrial Peace in an industrial relationship is the essence of the development of working conditions both in terms of work norms and terms of employment, whose implementation must involve all parties based on Pancasila democracy with the principle of togetherness, fair efficiency, sustainability, environmentally sound (political, social, economic, cultural, religious), independence, and maintaining a balance between productivity or company profits with the welfare of workers/laborers and their families [3].

The principles of industrial peace in accordance with the principles of the development of the Indonesian society as stated in the 1945 Constitution (UUD 1945), which regulate that “Indonesia's national development must be carried out by involving all Indonesian people” economic democracy with the principle of togetherness, equitable efficiency, sustainability, environmental insight, independence, and by maintaining a balance of progress and national economic unity (Vide Article 33 paragraph (4) of the 1945 Constitution). The implementation of national development must involve the entire community, also mandated by Law Number 25 of 2004 concerning the National Development Planning System (UUSPPN), which states that National Development is carried out based on democracy with the principles of togetherness that is fair, sustainable, environmentally sound, and self-reliant by maintaining balance bro, progress and national unity (Vide Article 2 paragraph (1) UUSPPN) [4].

The meaning of the principle of togetherness in industrial peace must be seen in a broader scope, namely the government and workers must be aware of fulfilling working conditions both in the form of work norms (labor legislation) between companies located in a district or city [5], province or even national, have unequal funding and power capabilities. For this reason there is a need for shared awareness of all parties (employers, workers/government, government/subsequently referred to by all parties) regarding the inequality of the ability of funds and power, the shared awareness is needed in realizing industrial peace in a working condition that is appropriate to the level of the ability of funds and power of each company, meaning: (i), maybe a group of companies has the funds and power to meet working conditions both for workers’ rights which are work norms (labor legislation) and those that are terms of employment; (ii), maybe other companies have funds and resources just to fulfill the rights of workers only are working norms (labor legislation) and have not been able to fulfill the rights of workers that are the terms of the employment; (iii) even a group of companies only have funds and power to fulfill workers rights under work norms (labor legislation) [6].

The principle of togetherness here, which places the responsibility of working conditions as the main requirement for the creation of industrial peace in accordance with the level of ability of the funds and power of each company, is not only the responsibility of the company, but it is the joint responsibility of the government and all workers/laborers in each company. The need to implement a partnership system in an effort to realize industrial peace, what is meant by the partnership system here, is the relationship between employers and workers/laborers not only as supervisors and subordinates, but as “partners”, namely partners in the production process, partners in the company's profits and losses [7].

The partnership system is a network in industrial peace that uses labor law or material and formal industrial relations so that there is synchronization and harmony of all parties in an effort to realize industrial peace. The harmony can be distinguished in structural synchronization (alignment) between industrial relations law enforcement agencies, namely institutions responsible for labor, the Industrial Relations Court (PHI) and the Supreme Court (MA). Substantial synchronization alignment is vertical and horizontal in positive law labor or industrial relations. An example of vertical harmony, is the harmony between Law No. 13 of 2003 concerning Labor (UUK) and the regulations under it in an effort to realize industrial peace [8]. And cultural synchronization is harmony in living the views, attitudes and philosophy that thoroughly underlie the road or industrial peace is realized through a partnership system or in an effort to realize the ultimate goal of industrial peace, namely “welfare of all the parties”.

The material law is a rule of law that regulates the content of relations between humans or which determines what actions or behaviors are required/prohibited/allowed, including legal consequences and legal threats for violators. The material legal rules relating to labor law or industrial relations law are the rules of labor law or industrial relations law that regulate the contents of the relations of all parties or that determine what actions or behavior is required/prohibited/allowed, including legal consequences and threats- legal threat to violators [9]. Examples of material law on labor or industrial relations are the Labor Law.
The rules of formal law, namely the rule of law governing the procedures that must be taken in maintaining/enforcing material legal rules, especially (if there is a dispute/legal case) in an effort to settle disputes with the help of Judges/court [10]. Formal legal rules in employment or industrial relations, namely labor law or industrial relations which regulate the procedures that must be taken in maintaining/enforcing material legal principles of labor or industrial relations, especially (if industrial relations disputes occur) in efforts to resolve industrial relations disputes with the help of Judges/Industrial Relations Courts. Examples of formal legal rules in employment or industrial relations are Law No. 2 of 2004 concerning the Settlement of Industrial Relations Disputes (UUPHI).

The meaning of the togetherness principle in working conditions in realizing the final goal of industrial peace, as described above, is in line with the meaning of the principle of togetherness in national economic development as regulated in Article 33 paragraph (4) of the 1945 Constitution stating that: “The meaning of the principle of togetherness in national economic development must be seen in a wider scope. The community must realize that the government has limited funds and the power to carry out economic development because development itself is very complex, so it is hoped that it can create mutual contents between the government and the society for the success of national development. The principle of togetherness contained in Article 33 paragraph (4) of the 1945 Constitution basically places the responsibility of national development not only on the shoulders of the government, but also within the community as well”.

The definition of working conditions is the level of labor conditions seen from the regulation of rights and obligations between workers or employers and employers or company leaders. Working conditions can be divided into 2 (two) outlines which are work norms (labor legislation) and work conditions (terms of employment). Labor norms, are arrangements for rights and obligations for workers/employers, company leaders as stipulated in legislation, the arrangement is imperative that must be implemented, it is obligatory or binding on all companies, and it is macro minimal. Macro in the sense of binding all companies without exception both place, size, type of business, nature of the legal entity, etc., at a minimum in the sense that in practice things that are regulated can be carried out better or greater depending on the ability and willingness of the company individually [11].

Examples of work norms are employers are prohibited from paying wages to workers lower than the district/city minimum wage (Vide Article 90 paragraph (1) Law Number 13 of 2003 concerning Labor Law). For example Regency wage amount Cianjur Based on West Java Governor's Decree Number: 561/Kep.1065-Yanbangsos/2017 Concerning City Regency Minimum Wages in West Java Province in 2018, amounting to Rp2,162,366.91 (Two Million One Hundred and Sixty Two Thousand Three Hundred Sixty Six Ninety One Rupiahs). Meaning that all companies in the region of Cianjur Regency are prohibited from paying workers lower than Rp2,162,366.91 (Two Million One Hundred Sixty Two Thousand Three Hundreds Six Ninety One Rupiahs), entrepreneurs who paying the wages of workers under Rp2,162,366.91 (Two Million One Hundred and Sixty Two Thousand Three Hundred Sixty Ninety One Rupiah) subject to the shortest imprisonment sanction 1 (one) year and no later than 4 (four) years or a fine of at least Rp100,000,000.00 (one hundred million rupiahs) and at most Rp400,000,000.00 (four hundred million rupiahs) (Vide Article 185 paragraph (1) the Labour Law).

Criminal sanctions as described above can be avoided, namely by reason of not being able, an entrepreneur located in Cianjur Regency can submit a suspension request to the Governor of Provision of West Java to pay the minimum wage as explained above. If the application is granted, then the businessman located in Cianjur Regency can pay wages to workers laborers under Rp2,162,366.91 (Two Million Hundred and Sixty Two Thousand Three Hundreds Sixty Nine Rupiahs) (Vide Article 90 paragraph (2) Labour Law) and for procedures to suspend minimum wages regulated in the Decree of the Minister of Manpower and Transmigration No. KEP-231/MEN/2003 of 2003 concerning Procedures for Suspending Minimum Wage Implementation, among others, regulates: (i) Entrepreneurs who are unable to pay according to the minimum wage can submit a request for suspension of the minimum wage to the Governor of West Java through the Agency responsible for employment in West Java Province no later than 10 days before the date of entry into force of the minimum wage; (ii) The application is the result of a written agreement between the employer and the worker or a trade union that is registered in the agency responsible for manpower in Cianjur Regency; iii). The company's financial statements consisting of the balance sheet, loss or profit calculation along with explanations for the last 2 (two) years the minimum wage applies.
Terms of employment are arrangements for the rights and obligations of workers/employers and business leaders regarding various aspects of employment that have not or are not regulated by labor legislation (work norms or various welfare facilities that actually have not yet become workers’ rights). This arrangement is micro conditional. Micro in the sense regulated only for certain companies individually [12]. Conditional in terms of the regulation in accordance with the conditions and capabilities of the company concerned, the form of terms of employment are: Work Agreement (PK), Company Regulation (PP) and Collective Labor Agreement (PKB). Examples of terms of employment in companies that provide production bonuses to their workers in the event that production reaches the target set by the company, while other companies do not enforce it.

The purpose of Pancasila industrial relations is to create Industrial Peace for the welfare of all parties in an effort to overcome poverty, creation, expansion of employment, increase in income and purchasing power of the people [13]. This is in line with the national development objectives contained in the 1945 Constitution which are basically the goals of a welfare state, the objectives of Pancasila industrial relations as described above, in line with the objectives of national economic development in the Reformation era today, namely: “Building a populist economic system in the context of poverty alleviation, job creation, development of social security systems, empowerment of small, medium enterprises and cooperatives. This is in line with the national development contained in the 1945 Constitution which is basically with the aim of a welfare state.

The meaning of creating industrial peace is an effort that is consciously planned to achieve or improve sustainably to realize industrial peace based on a partnership pattern, that is, entrepreneurs with workers/laborers are, as: partners in the production process, partners in the company’s profits and losses. The direction of industrial peace, is the welfare of all parties, industrial peace is expected to manifest and integrate all aspects in the process of producing goods and services. The aspect in question, are: Humans, Machines. Material (raw material), Method, Money, Market and Environment (political, economic, social, cultural and religious). The meaning of industrial relations development is in line with the meaning of national development delivered by Sondang Siagaan, namely: “Development is a conscious and planned effort to achieve growth and change, the direction of development is modernity, which encompasses the life of the nation and state, which can manifest itself in the fields of politics, economics, socio-culture, defense and security”.

Industrial peace is not only pursuing prosperity progress in the economic field but in harmony and balance between prosperity progress in economic aspects with progress in aspects: political, social, cultural and religious, so that industrial peace is evenly distributed in all aspects and can bring prosperity to all parties. This is in line with the opinion of Sanson [14], who stated that development is not only pursuing outward progress but harmony and balance.

The industrial peace process has at least 3 (three) objectives, namely:

1. Increased availability and expansion of the distribution of various basic living goods, such as food, clothing, shelter, health and security protection;
2. Increasing the standard of living of workers/laborers, which is not only in the form of increased welfare, but also the addition of employment opportunities, improving the quality of education of workers and their families, and increasing attention to the cultural and humanitarian values of workers and employers, all of which is not only to improve material well-being, but to foster self-esteem for all parties;
3. Expansion of the economic and social choices of all parties, namely by freeing and relying on all parties from the entanglement of servitude and dependence not only on other nation-state people, but also on every power that has the potential to undermine the human values of all parties.

The industrial peace process with 3 (three) objectives as described above, in accordance with the opinions of Chandrawulan [15] who argues that the development process in all development must have at least 3 (three) objectives:

1. Increased availability and expansion of distribution of various basic necessities, such as food, clothing, shelter, health, and security protection;
2. Increasing living standards, which are not only in the form of increased income, but also the addition of employment, improving the quality of education, as well as increasing attention to cultural and humanitarian values, all of which are not only to improve material well-being, but also to foster self-esteem of the person and nation concerned;
3. Expansion of economic and social choices, for every individual and nation as a whole,
namely by freeing them from the entanglement of slavery and dependence, not only towards other people or nations, but also from every power that has the potential to undermine human values.

The economic aspect in industrial peace is the most important thing to do first (priority), because it is very well correlated with efforts to achieve prosperity for all parties, meaning that stability in the development of economic prosperity of all parties will have a positive impact on aspects (political, social, culture, religion) in an industrial peace and most importantly, so that the problems that are prone to realizing industrial peace will be easy to deal with to resolve them.

Prioritizing development in the economic aspects of industrial peace as described above, in line with the opinions of scholars from various disciplines, concludes that economic development is the most important thing to do because it is closely related to efforts to achieve prosperity. When viewed in terms of national resilience, stability in the economic field will have a positive impact on other areas of life and the challenges that occur will be easily faced to including the challenge of realizing 3 (three) objectives of the development process in all development as presented by Chandrawulan above.

Vulnerable problems in the effort to realize industrial peace can be caused by (i) factors in the labor force conditions in general; (ii) factors from business circles and (iii) factors from among government officials:

1. The problem is prone to realizing industrial peace because of the factors of the labor force in general:
   a. The level of education of workers/laborers is relatively low so that they are easily influenced without rational reasons;
   b. For workers who are relatively high educated, for example high school (Strata one: writer) feels they do not have a good future, it is evident that after working for quite a long time the conditions do not progress significantly, even the type of work carried out often does not require a level the education;
   c. There is a spirit of togetherness/solidarity of workers/laborers that is too high because they feel they have the same fate;
   d. There is a feeling of high socio-economic disparity between the leadership level and workers/laborers in general in the company;
   e. Increasing the needs of workers/laborers as a result of the progress and demands of public consumption in general;
   f. The increasing awareness of workers/laborers in demanding their rights (work norms: the author), even demands also occur on various welfare facilities that are actually not yet the rights of workers/laborers (work conditions: author);
   g. International influences that raise the issue of human rights which are part of freedom of association and the spirit of democracy. This triggers many demands regarding welfare improvement in the field of working conditions, especially those in terms of employment by workers/laborers to businessman/company leader.

2. Problems prone to industrial peace are caused by factors from the business community:
   a. Various normative rights/work norms (labor legislation) are not given by employers (given but less than normative rights/labor legislation), thus triggering dissatisfaction;
   b. There are still many entrepreneurs who do not properly treat labor legislation or are not properly implemented;
   c. The temporary welfare program for workers/laborers is considered a cost burden (production costs);
   d. Treating workers/laborers as mere production tools and lacking respect for them as human beings with all their dignity.

3. The problem of vulnerability in industrial peace is caused by factors from among government officials:
   a. Often unable to perform tasks objectively, and even in solving problems often take sides;
   b. Lack of deep understanding of various laws and regulations, especially understanding of the background of the philosophy of the issuance of legislation;
   c. Lack of ability to explain various principles of industrial relations in general and labor legislation in particular;
   d. Weak and inconsistent law enforcement.
The process, direction, goals, including overcoming the problem of vulnerability in industrial peace as described above. The essence lies in the development of ways of thinking and attitudes and the need to change the mental attitude of all parties. Namely from the way of thinking and attitude, mental attitude that prioritizes the interests of each party to the way of thinking and attitude, mental attitude togetherness, openness, justice and partnership as described above, because in practice creating industrial peace always contains vulnerable factors as described above. This is in accordance with the opinion of Suwarto [16], mentioning that the nature of national development lies in the development of ways of thinking and attitudes, the need to change the mental attitude of all Indonesian people to anticipate national development, because national development always contains new things. New things referred to as described above, are limited fund and the power of the government to realize the welfare of all the people of Indonesia which is the duty of the Indonesian state as stated in paragraph IV (four) of the Opening of the 1945 Constitution (UUD 1945).

2.2 Law of Industrial Pancasila Relationships (PIRL) and Industrial Peace

Implementation of the process, direction, objectives including overcoming the problem of creating industrial peace or changing ways of thinking and attitudes and changing mental attitudes of all parties (cultural synchronization), the role of PIRL both based on the rules and material and formal law (hereinafter referred to as PIRL), which is meant by the role of PIRL, is PIRL as: a tool of social engineering, as a tool of social control.

The role of PIRL in an effort to realize industrial peace as a tool of social engineering provides the basis for the possibility of using PIRL to make changes in the way of thinking, living attitudes and changes in the mental attitude of all parties according to the objectives of labor law or industrial relations law. Namely according to Manan [17], the purposes of labor law (industrial relations law: author), are: (i) To achieve/implement social justice in the field of employment, (ii) To protect the workforce against the unlimited power of the employer. According to Article 4 of the Law on Manpower Development, the objective is: (i) Empower and use labor optimally and humanely; (ii) Realizing equal employment opportunities and the supply of labor that are appropriate to national and regional development needs; (iii) Give protection to workers in realizing prosperity; (iv) Improving the welfare of workers and their families. Because Indonesia adheres to economic democracy as stated in the Fifth Pancasila which is then formulated as “social justice for all the people of Indonesia”, while in the Body of the 1945 Constitution, economic democracy is contained in Article 33, which in its explanation states, economic democracy. The economy is based on economic democracy prosperity for all people or the welfare of all parties. As a tool of social engineering or in other words PIRL plays an active role in manipulating changes in ways of thinking, life attitudes and changes in the mental attitude of all parties, PIRL is a driving factor in achieving the objectives of labor law or industrial relations law to realize industrial peace.

The role of PIRL as a tool of social engineering is in line with the opinion of Roscoe Pound which provides the basis for the possibility of consciously used law to make changes in society. As a tool of social engineering or in other words, law plays an active role in engineering social change in society. According to Wilson [5], the legal pound must be a driving factor towards community change to be better than before. What is meant by change is better than before the correlation with industrial peace where PIRL has an active role in tackling insecurity which is an inhibiting factor for realizing industrial peace.

The PIRL function in an effort to realize industrial peace is determined and limited to balance between PIRL stability and certainty towards industrial peace development as an evolutionary tool towards industrial relations based on Pancasila (HIP). Therefore changes towards PIRL should be well planned and directed so that legal objectives labor or industrial relations law as described above. Really based on changes in ways of thinking, attitudes, changes in the mental attitude of all parties can be achieved by direction PIRL protection. This is in line with the opinion of Manan [17] who stated, the function of law in every society is determined and limited by the need to balance legal stability and certainty with regard to the development of law as a tool of social evolution. Therefore changes in people's lives should be well planned and directed, so that the goals of change can be achieved with direction and protection law.

All parties in an industrial relationship cannot be separated from their respective interests and needs, which are different from one another. Generally the company wants maximum profit by reducing the production costs or company costs to a minimum, including costs for workers/laborers. This is in accordance with the understanding and purpose of each company that “Every form of business that runs every type of business with the aim of obtaining profits”. On the other hand, generally workers and their families want an increase in
welfare from time to time employment development (Vide Article 4 Labour Law). So that there is no conflict due to differences in the interests and needs of the parties, PIRL is needed. The role of PIRL to achieve the interests and needs of all parties in a good and balanced manner, all parties do not harm each other but instead support and support each other in realizing industrial peace based on the partnership principle as described above, the role of PIRL is needed as a control (a tool of social control) to realize industrial peace in harmonious efforts, harmony and balance between welfare progress in economic aspects and with progress in other aspects (political, social, culture and religion) so that welfare equality is achieved for all parties.

Creating industrial peace to achieve productivity or company profits that correlate with the welfare of workers, is a necessity. Because with the development of industrial relations, the welfare of all parties can be achieved, therefore planning and implementing industrial peace must prioritize development in the economic aspect, because with development in the economic aspect it can provide greater capacity to the company, to realize industrial peace. Namely the productivity or profit of the company correlates with the welfare of workers/laborers and their families. Therefore the development of economic aspects in an effort to realize industrial peace needs to be implemented to achieve prosperity, happiness and a decent life for all parties.

Prioritizing economic aspects in an effort to realize industrial peace in line with Abdul Manan's opinion, namely: Development carried out by a country is a necessity, because with this development people's welfare can be achieved, usually in development it is more focused on economic development. Therefore, economic development needs to be carried out for the sake of decent human life and development human economy will be able to achieve prosperity and happiness.

Realizing industrial peace that is being and will be implemented in Indonesia covers a very wide range (political, economic, social, cultural and religious), therefore PIRL is needed to cover all activities in creating industrial peace that is being and will be implemented, meaning that in realizing industrial peace can be carried out as expected, then the role of PIRL as a tool for realizing industrial peace is very necessary, both at the planning, implementation and control and supervision stages in realizing the industrial peace, in realizing industrial peace planning, the formation and the role of PIRL must precede implementation in realizing industrial peace. This is important so that the implementation of realizing industrial peace does not cause injustice to all parties, especially to the workers/laborers, this is in line with Abdul Manan's opinion. Namely, because development that is and will be carried out in Indonesia covers a very wide range, then a law is needed to cover all the current and future development activities. For development to be carried out as expected, then the role of law as a development tool is needed both in the planning, implementation, and when controlling and supervising the development. In the community building with plans, then the formation and development of the law actually must precede the implementation of the development to be carried out. This is important to keep the development from causing injustice in the community.

3. Conclusion

Creating Industrial Peace in industrial relations is the essence of the development of working conditions both in terms of work norms and terms of employment, whose implementation must involve all parties based on Pancasila democracy with the principle of togetherness, the principle of togetherness here which put responsibility for working conditions in the form of work norms or terms of employment as the main conditions for the creation of industrial peace in accordance with the level of ability of funds and power of each company based on the principle of minimal macro openness and justice and micro conditional.

The meaning of achieving the welfare of all parties, is a conscious and planned effort to achieve or improve continuously to realize industrial peace based on the principle of “partnership”, namely employers and workers, are partners in the production process, partners in profit and loss of the company. Likewise realizing industrial peace to achieve productivity or company profits that correlate with the welfare of workers is a necessity, planning and implementation of industrial peace must prioritize development in economic aspects, development success in economic aspects, can provide capability greater for the company, to achieve the productivity or profits of the company correlates with the welfare of workers and their families.

The process, direction, goal of achieving company productivity or profits correlates with the welfare of workers and their families, including addressing vulnerable problems in industrial peace. The essence lies in the development of ways of thinking and attitudes and the need to change the mental attitude of all parties (cultural synchronization). Namely from ways of thinking and attitude to life, mental attitudes that prioritize the interests of each party, to ways of thinking and
attitudes, mental attitude togetherness, openness, justice and partnership, and for that we need PIRL as a tool of social engineering, besides that the role of PIRL as a tool of social control is needed to achieve interests and needs that are different from all parties in a good and balanced manner. All parties do not harm each other but instead support and support each other in an effort to realize industrial peace based on the principle of partnership, namely partners in the production process, partners in profit and company losses, for the welfare of all parties, which is the ultimate goal of an industrial peace.

References