

The Impact Analysis of Covid-19 Pandemic for Contract Workers in the Company in Indonesia

by

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Abstract

According to Article 1 paragraph (2) UUK No. 13 of 2003 concerning Manpower, “Labor is everyone who can do work to produce goods and/or services both to meet their own needs and for the community.” Labour is the main capital and implementation of community development. The most important goal of community development is the welfare of the people, including the workforce. Therefore, workers as implementers of development must be guaranteed their rights, regulated their obligations and develop their usefulness. This employment contract between the employee and the company is specifically regulated by law in Indonesia. This work agreement also has several crucial roles for both workers and employers. One of the functions of a contract or work agreement is as a tool to create a sense of tranquility. With the existence of a contract, each party no longer needs to worry if someone violates the agreement. It is because the contract contains several consequences for violators. Furthermore, the employment contract serves as authentic evidence of the establishment of an agreement if at any time it is needed. Apart from being evidence, this contract is also used to emphasize the rights and obligations of each party to prevent conflicts between the two parties.

Keywords: COVID-19 pandemic, contracts, workers, Indonesia, company workers, etc.

Introduction:

In the dynamics of employment in Indonesia, the working relationship does not necessarily run optimally or can be said to experience problems that can be instigated by the worker or the company. Some of the possible occurrences can be in a case where workers feel aggrieved by the policies of the company, as well as companies who feel aggrieved by the negligence of the workers (Handri, 2012). These factors can allow for disputes between workers and employers in terms of Termination of Employment (PHK) coupled with the Corona Virus Disease 2019 pandemic which has spread throughout the world, including Indonesia, especially North Sumatra. As a result, several companies issued policies to terminate employment relations

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with several workers which they felt resulted in increasing the company's losses (Sahetapy et al., 2020).

Making an agreement is entering into a legal relationship. Those who can carry out a legal relationship are every person who supports the rights and obligations of either a person or a legal entity, which must meet certain conditions. If the person making the agreement is a legal entity, the legal entity must meet the requirements as a legal entity (Asikin, 1994).

However, due to the COVID-19 pandemic, schools, workplaces and religious activities have been closed, as well as many public facilities which have been closed by the government to reduce the number of spread and deaths caused by COVID-19. Almost all sectors are affected by the COVID-19 pandemic, from health, social, economic, including in the sustainability of the business world and employment. Regarding the COVID 19 pandemic outbreak, it is categorized as a non-natural disaster based on Presidential Decree Number 12 of 2020 concerning the Determination of Non-Natural Disasters for the Spread of Corona Virus Disease 2019 as a National Disaster. The basis for its implementation is Law Number 4 of 1984 concerning Outbreaks of Infectious Diseases and Law Number 24 of 2007 concerning Disaster Management.

Some employment issues have arisen as a result of COVID-19. First, during the implementation of Large-Scale Social Restrictions (PSBB) some companies are not allowed to operate. As a result, some companies decide to lay off workers or order workers to work from home (WFH). Second, in conditions like this, the no work no pay principle can be applied as regulated in Article 93 paragraph (1) of Law No. 13 of 2003 concerning Manpower (Harahap, 2015). This provision states that wages are not paid if the worker/laborer does not work, except for workers who are sick either because of COVID-19 or not.

According to Article 1 paragraph (2) UUK No. 13 of 2003 concerning Manpower, "Labor is everyone who can do work to produce goods and/or services both to meet their own needs and for the community". Labour is the main capital and implementation of community development. The most important goal of community development is the welfare of the people, including the workforce. Therefore, workers as implementers of development must be guaranteed their rights, regulated their obligations and develop their usefulness.

The term worker emerged as a substitute for the term labour after the *Pancasila* Labor Relations seminar was held in 1974. In the seminar, it was recommended that the term labour (*buruh*) be replaced with the term worker (*pekerja*). This replacement proposal is based on the consideration that the term labour, which is an ordinary technical term, has developed into a less favorable term. Hearing the word labour, people will imagine a group of workers from the lower classes who rely on muscles. Administrative work, of course, does not want to be termed workers, besides that, by being influenced by Marxism; workers are considered a class that always destroys entrepreneurs/employers in the struggle. Therefore, the use of the word labour has a poor motivation, this does not encourage the growth and development of a family atmosphere, mutual cooperation and deliberation to reach consensus within the company, so it is felt that it needs to be replaced with a new term. It is not easy to get a new term for the workers who are in accordance with the wishes.

In the 1945 Constitution in the elucidation of Article 2, it is stated that "the so-called groups are bodies such as cooperatives, trade unions, and other collective bodies". The 1945 Constitution uses the term "workers (*pekerja*)" to mean labour (*buruh*). Therefore, it was agreed to use the word "worker" instead of the word "labour" because it has a strong legal basis. The workforce (manpower) consists of groups of the workforce and non-labour force groups (Mulhadi, 2010).

To improve the standard of living, it is necessary to carry out development in various aspects. This is no exception with the development of manpower which is carried out on the principle of integration through functional coordination across central and regional sectors. In this case, the meaning is the principle of manpower development based on the principles of national development, especially the principles of *Pancasila* democracy, the principles of justice and equity.

Impact of the Covid-19 Pandemic for Contract Workers in the Company:

The emergence of the Covid-19 pandemic had a significant tangible impact on the world, including Indonesia. Since the Covid-19 pandemic, many sectors of life have felt the waves, including retail companies themselves. The public and the government are required to be responsive to prevent an increase in the transmission of Covid-19. The government continues to respond to making appeals to reduce the increase in the spread of Covid-19. The government has made an appeal to work, study and worship at home as an effort to break the chain of the spread of Covid-19.

The government's appeal has forced most people to stop and adjust their activities to stay at home. This situation also has a tremendous impact on business continuity in Indonesia. Most companies have started to change the work system that was previously in the office by working from home. Some companies even have to stop their service and production activities, so that many layoffs and reductions are carried out to reduce company losses. Work from Home (WFH) means doing work from home. For an office worker, WFH is moving the entire office routine from daily tasks to meetings to work at home. The condition of WFH or working from home amid the Covid-19 pandemic can be related to the provisions of Article 86 paragraph (1) letter (a) of Law Number 13 of 2013 concerning Manpower, where every worker/labour has the right to obtain protection for occupational safety and health.

Before the pandemic, Work from Home (WFH) activities may only apply to certain sectors of work. However, during the emergence of the pandemic, more and more fields of work implemented WFH to reduce the risk of the spread of Covid-19, especially in office clusters. Maintaining work productivity is one of the keys to maintaining performance during WFH.

This situation can make a worker feel insecure about the continuity of the job he already has. There is a feeling of worry and powerlessness to overcome threats that can affect the continuity of their work in the future. This feeling of insecurity at work arises not only due to the threat of losing a job, but also the threat of losing other benefits that are considered important, such as the loss of income earned every month, the loss of opportunities for additional and increase in income and the determination of worker status.

In addition to working from home, there are also changes in the operating hours of companies/factories, outlets or shops that are at risk of reducing the number of workers. Government policy urges retail companies to reduce the operating hours of companies/factories, outlets or shops. Outlets that operate normally from 07.00-22.00 must close early at around 07.00 – 20.00. There are also outlets that before the pandemic period operated for up to 24 hours; they must also follow government regulations to no longer operate for 24 hours. With the enactment of restrictions on the operating hours of outlets or shops, it aims to reduce the surge of visitors and buyers at night. With the change in the operating hours of outlets or stores, it means that the company has supported the government's call to require people to spend more time at home.

Workers who have a Specific Time Work Agreement (PKWT) cannot continue their work contracts due to this pandemic period. In carrying out its activities, the company applies a

Specific Time Work Agreement (PKWT). In Article 59 Paragraph (1) of Law no. 13 of 2003 concerning Employment, a Certain Time Work Agreement (PKWT) is an agreement based on a period also based on a certain job whose implementation is completed within a certain period based on the type of work. As for workers with PKWT who can continue their work contract period, that is if the worker has expertise which according to the company contributes more so that the company wants to extend his working period for the company (Abdulkadir, 2010).

The impact caused by the Covid-19 pandemic does not stop there; the process of recruiting workers also has an impact. The recruitment process before the Covid-19 pandemic was carried out offline since the Covid-19 pandemic must now change to online. The online recruitment process aims to avoid mobility in the company environment and avoid direct physical contact. Since the Covid-19 pandemic took place, all life activities were limited, with all the limited conditions, companies had to take advantage of technological sophistication. The process of recruiting workers is conducted online.

The pandemic situation has had a significant impact on various sectors, such as the economy, society, culture, to the employment sector. The impact of the crisis experienced by the employment sector can be seen from the decline in the ratio of the working population to the total working-age population. Based on data from the Central Statistics Agency (BPS), the Open Unemployment Rate (TPT) at the end of 2020 reached 9.77 million people. However, at the beginning of 2021, there was a decline in the open unemployment rate, which was 8.75 million people. This condition indicates an improvement even though it has not fully recovered.

The Job Creation Law, which was recently passed by the DPR (The House of Representatives of the Republic of Indonesia), contains several different provisions from Law Number 13 of 2013 concerning Manpower which previously served as the basis for manpower affairs and industrial relations. The era of technology 4.0 brings the possibility of changes in the industrialization transformation process, especially the application of technology in the production process which has implications for changes in the labour market. Currently, industrial sector workers are required to have technological skills (IT and digital), so there is a threat of termination of employment for the workforce who does not have skills that are in line with the needs of the labour market.

Corona Virus Disease 2019 has been declared by the World Health Organization as a pandemic and Indonesia has declared Corona Virus Disease 2019 as a non-natural disaster in the form of a disease outbreak that must be taken care of so that there is no increase in cases. The COVID-19 pandemic, which has had an impact on the development of world globalization and cooperation in all fields, has deteriorated greatly. Many companies have experienced closures due to government regulations in dealing with COVID-19, as well as making many workers experience the cancellation of work agreements that were carried out unilaterally by the company.

At this time at the end of 2021, a virus reappeared with a new variant, namely the Omicron Covid-19 Variant which has caused concern around the world. Several countries have updated their COVID policies; they have imposed lockdowns and urged their citizens to follow precautionary measures. There is very little information about this new variant, but experts are concerned that the Omicron variant has a large number of mutations in the spike protein and is therefore highly contagious. The Delta and Omicron variants have been declared as variants of concern by the World Health Organization.

Conclusion:

The appearance of the Covid-19 virus had a material bearing on the world, including Indonesia. Numerous segments of life have sensed the impact, with retail companies themselves. The public and the government are required to be responsive to inhibit an upsurge in the transmission of Covid-19. The government continues to respond to making appeals to reduce the increase in the spread of Covid-19. The government has made an appeal to work, study and worship at home as an effort to break the chain of the spread of Covid-19. The COVID-19 pandemic, which has had an impact on the progress of world cooperation in all fields, has worsened critically. Countless companies have experienced closures due to government regulations in dealing with COVID-19, as well as making many workers experience the cancellation of work agreements that were carried out unilaterally by the company. As a result, several companies issued policies to terminate employment relations with several workers which they felt resulted in increasing the company's losses. Thus, several existing laws concerning manpower that previously served as the basis for manpower affairs and industrial relations should be upheld to give safety and certainty to the workers in Indonesia.

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