

CHAPTER I

INTRODUCTION

1.1. Background

Sustainable Development Goals or SDGs is an Agenda Global Development in 2030 that has been fully committed to all the countries in the world including Indonesia. The objective of SDG is to combine welfare principles for humankind by developing countries, environmental crises and poverty. The Sustainable Development Goals agenda on 25 September of 2015 where 193 nations adopted an agenda for Sustainable Development. The goals is 15 years framework with 17 Sustainable Development Goals, 169 targets and 230 indicators integrates of social, economic, and environment to recognize these goal targets aim to maintain the welfare economic sustainable development, peaceful, prosperous, maintains the quality of the environment and development that ensures the realization of governance capable of maintaining the quality of life from generation to generation. (United Nations, 2015).

The International Labour Organization (ILO) mentioned in a publication about 'Decent Work and Agenda in 2030 as a Sustainable Development' estimating that in 2030 more than 700 million new jobs will be created and balanced for the population growth of workers. ILO suggested that in this world, more than 800 million workers get less salary than usual. Also there are many places of work that are not sure how to solve poverty. The change of the labor market influence of technology where the kind of job has changed such as part time job, non-wage job, limited time of job in

general isn't good. So the Sustainable Development Goals (SDGs) are the main focus to achieve the target of decent work and equality in the world (ILO, 2015).

Indonesia is one of the countries with the highest population in the world. According to BPS (2021), the population of Indonesia in 2021 is 273,87 million people. This results in an increase of 36.16 million people from 2010. The high population is the main focus of attention from the government to solve this. In Indonesia, the planning of SDGs will match as the Rule of law President no.59 in 2017 with Rencana Pembangunan Jangka Menengah Negara (RPJMN) and other next period. The goals are the same to reduce poverty, achieve equality, and climate change (Bappenas, 2020).

In Indonesia, decent work is the main objective to solve the problem of labor. It's deep inside of UUD 1945 mandated that the one objective Indonesia country is to create a national life in terms of equality and high social welfare to achieve social justice, with a way to fulfill a human right to get a job and decent life for all Indonesia's people. The main obstacles faced by Indonesia is to create open employment for the population. The population growth must be equal to job creation enough to ensure the level of unemployment rate does not increase. Not only job creation focused, but also job creation available with good quality, human rights, guarantee the workers improve self development, social protection for workers, and sufficient a decent income to become higher welfare. So it's necessary for government policy to create decent work for all workers (Bappenas, 2020).

Decent Work and the four pillars of the Decent Work agenda newly adopted for 2030 Sustainable Development Goals. The main focus is goal number 8 which is 'Decent Work and Economic Growth' where there is an important goal for labor.

These goals have to achieve sustainable economic growth, inclusive with labor employment productive and decent work with using 4 pillars. They are right at work, promoting productive jobs with decent wages, social protection, and social dialogue where these goals have been linked between economic growth and decent work (ILO, 2015).

According to ILO (2015), Decent Work is the opportunities for the people from men, women, and youth which guarantees workers to work productively and the fulfillment of human rights as human beings from freedom, equality, security, and dignity. The 4 dimensions of decent work will be able to achieve work productivity, decent hours, a safe environment, and social dialogue to make sure the worker can combine the job into social activities such as family and personal life. To achieve productivity, the workers should have a decent wage, security and safety job, social protection, chance to improve self potential, and freedom of speech, organization, and involve any decision (ILO, 2015).

According to BPS (2021), Decent Work is a job that ensures that every worker is productive and fulfills human rights. In order to support and achieve productive work, the workers must get a fair and decent wage to fulfill life needs, guarantee security and work safety, social protection for workers and family, opportunity to improve self, and give freedom to every worker's opinion, organization, and involvement in decision making. The indicators of decent work are human rights workers, full and productive decent work, social dialogue (freedom of opinion), and social protection for the workers (BPS, 2021).

According to Anker (2003), Decent Work refers to components of work conditions such as no coercion (forced work), equality in workplace, and security

(health insurance, pension fund, and security of job). Decent work has an important role to reduce poverty and is an important aspect of economic development. The main purpose from ILO for decent work on a sustainable development goal is to open opportunities to get decent work, so that they can work productively to ensure equality, freedom, security, and dignity as a human. The workers have a chance to work productively, a chance for self -development, a decent salary, security for the job, social protection for the workers and family, and also have freedom to make a statement, organize and involve the decision making for a decent life. (ILO, 2015).

West Sumatera is a one province location in Sumatra Island total size in West Sumatera is 42.013,89 km² with Padang is the capital city of the province with total population is 5.580.212 (BPS, 2021). Decent Work refers to a job of its own but the quality is not good. The quality of decent work characteristic based on decent wage and working hours with criteria and rules of labor. (ILO, 2015). The quality of the job includes human rights, productive and decent wage of employment, social protection, and social dialogue to contribute to the individual worker or labor to achieve a decent work more properly. The Decent Work related from decent wage included wage and non-wage sector of workers also working hours individual labor to work at a week. The indecent wage employee who is paid for the actual hours they work with lower hourly pay. The lower hourly pay related to not standardizing the rules of labor and the excessive hours of work related to inadequate hourly wages negatively impact the physical, health, and mental side of the workers. (ILO, 2015). The Decent Work in West Sumatera can be seen on the table of Wage Receipt and Working Hours.

Table 1.1. Wage Receipt in West Sumatera

Regency/City	2019		2020		2021	
	Wage	Non-Wage	Wage	Non-Wage	Wage	Non-Wage
Regency						
Kep.Mentawai	Rp 2.326.013	Rp 1.237.300	Rp 2.269.619	Rp 1.028.427	Rp 2.297.050	Rp 1.175.308
Pesisir Selatan	Rp 2.232.852	Rp 1.563.672	Rp 2.187.927	Rp 1.483.929	Rp 2.186.361	Rp 1.310.397
Solok	Rp 2.422.385	Rp 1.667.419	Rp 2.003.156	Rp 1.444.056	Rp 2.226.681	Rp 1.458.889
Sijunjung	Rp 2.411.378	Rp 1.310.508	Rp 2.498.917	Rp 1.174.617	Rp 2.322.406	Rp 1.118.202
Tanah Datar	Rp 2.763.592	Rp 1.361.003	Rp 2.647.237	Rp 1.311.084	Rp 2.562.457	Rp 1.335.898
Padang Pariaman	Rp 2.268.981	Rp 1.527.453	Rp 2.094.818	Rp 1.471.185	Rp 2.312.672	Rp 1.419.935
Agam	Rp 2.339.399	Rp 1.522.935	Rp 2.854.972	Rp 1.535.960	Rp 2.481.624	Rp 1.477.883
Lima Puluh Kota	Rp 2.125.742	Rp 1.430.670	Rp 2.058.835	Rp 1.392.898	Rp 2.050.824	Rp 1.224.257
Pasaman	Rp 2.464.504	Rp 1.276.788	Rp 2.180.173	Rp 1.293.147	Rp 2.337.870	Rp 1.181.081
Solok Selatan	Rp 2.537.751	Rp 1.839.613	Rp 2.568.280	Rp 1.260.362	Rp 2.440.003	Rp 1.296.160
Dharmasraya	Rp 2.375.038	Rp 1.770.772	Rp 2.395.733	Rp 1.578.051	Rp 2.590.630	Rp 1.536.940
Pasaman Barat	Rp2.443.756	Rp 1.500.751	Rp 2.077.517	Rp 1.415.332	Rp 2.190.150	Rp 1.418.819
City						
Padang	Rp 3.278.682	Rp 2.400.022	Rp 3.330.177	Rp 1.965.506	Rp 3.195.631	Rp 1.829.100
Solok	Rp 3.019.506	Rp 2.566.112	Rp 2.980.993	Rp 1.872.055	Rp 3.064.365	Rp 1.840.310
Sawahlunto	Rp 2.510.628	Rp 1.639.120	Rp 2.453.943	Rp 1.154.725	Rp 2.599.095	Rp 1.292.935
Padang Panjang	Rp 3.188.468	Rp 1.961.122	Rp 3.289.008	Rp 1.665.106	Rp 3.295.397	Rp 1.726.159
Bukittinggi	Rp 2.838.494	Rp 2.616.985	Rp 2.579.654	Rp 1.706.570	Rp 2.634.218	Rp 1.631.923
Payakumbuh	Rp 2.913.366	Rp 1.714.519	Rp 3.091.648	Rp 1.728.104	Rp 3.174.145	Rp 1.582.139
Pariaman	Rp 2.519.099	Rp 1.395.008	Rp 2.847.855	Rp 1.404.506	Rp 2.744.632	Rp 1.224.928
WEST SUMATERA	Rp 2.681.766	Rp 1.659.339	Rp 2.660.533	Rp 1.495.499	Rp 2.644.615	Rp 1.426.856

Source: BPS Sumatera Barat dalam Angka, 2022

Based on the table 1.1. above, there are wages received from the workers in West Sumatera from 2019-2021. The wage is divided into wage workers and non-wage workers. Based on the table results, there are significantly different wages between regency and city in West Sumatera, where the wage in the city is higher than the wage in the regency of West Sumatera during the last 3 years. Also another

significant difference is the difference between wage and non-wage received by the workers and some areas in West Sumatera still have a wage below minimum wage of West Sumatera which is Rp. 2.484.041 (BPS, 2021).

Beside that, working hours is a decent work characteristic to measure decent work as a good quality for a job. The working hours is the time investment of an individual to work and get a wage salary (BPS, 2021).

Table 1.2. Working Hours in West Sumatera

Working Hours									
Educational Attainment	2019			2020			2021		
	0-14	15-34	35+	0-14	15-34	35+	0-14	15-34	35+
No Schooling/Not Complete Primary School	71.124	146.466	220.118	53.927	122.064	180.675	60.119	124.242	179.659
Primary School	59.376	123.363	254.957	70.382	165.216	266.089	65.617	149.592	251.929
Junior High School	73.330	105.438	252.420	86.684	140.727	254.581	82.293	124.287	246.468
Senior High School (General)	60.925	107.300	338.292	74.309	133.054	350.307	70.485	130.579	355.141
Senior High School (Vocational)	23.953	42.965	191.365	32.102	60.446	185.443	36.520	65.571	211.348
Diploma I/II/III/Academy	6.704	15.835	69.596	11.018	23.049	70.602	9.170	18.731	71.414
University	22.812	61.336	212.879	36.589	81.517	190.743	33.141	92.441	200.696

Source: BPS Data, 2021

Based on the table 1.2. results, the working hours in the last 3 years in West Sumatera have increased relatively. The working hours increase by education in Junior High School, Senior High School, and University. The working hours more trend to workers with secondary and higher education in West Sumatera because more relative to find a job regardless of experience, education that for sure more working hours cause workers not productive and decent work.

Beside that, right now in Indonesia especially in West Sumatera still a lot the condition of job worried and very far from a decent work such as indecent of wages

and which is not accordance base on agreement, indecent of working hours more than specified especially in children and more day work. labor protection through the insurance employment program has not completely yet optimally impacted productivity workers and inequality social protection discrimination of the employee (Tempo, 2019).

There are several cases of decent work especially in West Sumatera. In 2021, 2 workers were dead due work to fix the drainage due to landslides and impact to workers' rights are not fulfilled, especially work safety protection from the government (iNews Sumbar, 2021). Then, in Bukittinggi have a another mission to fixed the drainage in Pasar Bawah but the contract agreement is terminated due the progress of the drainage is not completely finish and completion target does not match the set time from government and this causes the project to be abandoned and workers' rights are not fulfilled, especially the issue of wages unpaid base on agreement which results in workers not get social protection due unable to pay the insurance BPJS (Haluan Padang, 2021). Next is the security from firms that still do not have a decent wage or below the minimum wage province (UMP) because the system of the wage is still a lot below minimum wage and the impact of not giving decent wage for the workers. (Langgam.id, 2022). Last is the case of a firm laying off the 76 workers and not fulfilling the worker rights in 2 years such as the wage of workers not fulfilling. This is because some of the employment can't pay dues BPJS which has been in arrears for more than 2 years (Sumbar Satu, 2021).

The problem based on the case describes that still having the situation of indecent work can impact on the workers. The problem factors of decent work are the job opportunities in the labor still not much available that create a very high

unemployment. Another problem is lower quality of labor which is education, job training, and the main problem due lack of knowledge and technology that impacts worker productivity and wage workers. According to Ghai (2003), factors contribute to decent work related to the working conditions such as working hours, decent wage, weekly rest, job security, paid leave which concerns occupational safety and health of workers. The job is to centralize human welfare. Besides the income and wages, jobs have an important role in social economic sectors, so to achieve a welfare need fully decent work properly (ILO, 2015).

To achieve the decent work, the job opportunity become one of important factors how to a social protection to reduce a poverty, human right protected, and social dialog into a decent work. According to Cohen et al (2012), the Job Opportunities linked to the Job creation initiatives, which are the fundamental to attainment of decent work especially in the informal non-wage sectors. Job creation creates higher job opportunities for the people who want to work as a himself. Entrepreneurship is identified as the main booster of economic productivity for the individual who wants to create a job that can help the economic sectors of the country (Kimmitt, 2020).

According to BPS (2015), the Job Opportunities can be measured with the percentage of population aged 15 years old or more working in the labor force. Job Opportunities considering the number of businesses and the number of workers looking for a job by looking at the amount between the 2 components that can be sufficient and balanced. The Job Opportunities can be interpreted as total population working divided by total labor force with 100%. If the level of Job Opportunities are higher, the chance of people wanting to work can be also higher.

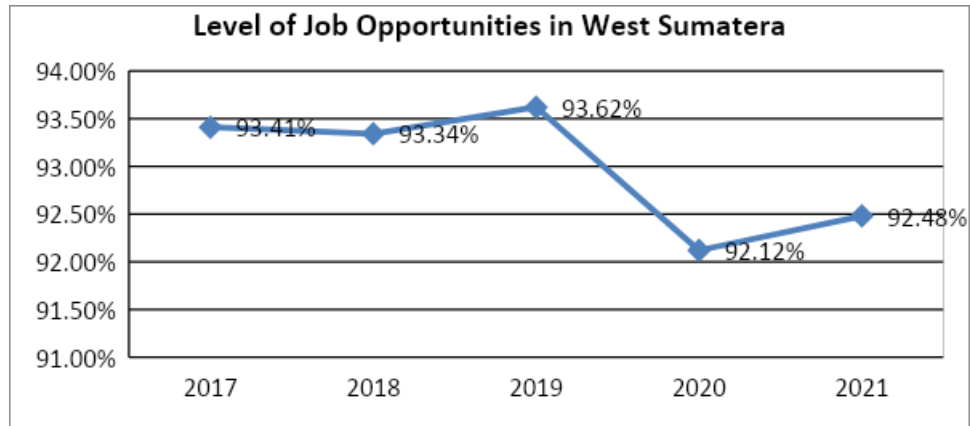


Figure 1.1. Level of Job Opportunities in West Sumatera

Source: BPS Data, 2021

Based on the figure 1.1, the level of job opportunities in West Sumatera during 2017-2021 have fluctuated results despite comparing in 2017 and 2021 have increased with an average 92,20 %. The results can conclude that the average of Job Opportunities during 2017-2021 in West Sumatera is from 100 people only 92 people have a chance to get job opportunities and 8 people left are unemployed.

Education is another element of decent work. Education is the one factor to create a higher quality human resource and high competitiveness with intelligent action and mindset. Education has a function to update the skill and character inside the human to prospect in the future. The high level of education has an impact on productivity for the work to develop the job with a decent work and decent life. Otherwise, education impacts worker's rights and social guarantees to create a decent life. Education and job training have an important role to build labor quality and feedback from someone to achieve productivity and decent work from knowledge, skills, and innovation in the school can be applied in everyday life especially for the job. (Becker, 1993).

The level of education is always measured on the average length of school. According to BPS, average length of school is defined as the total number of years schooling in formal education. The length of school indicated that the higher education can be higher the quality of individuals including mindset, action, character, and behavioral.

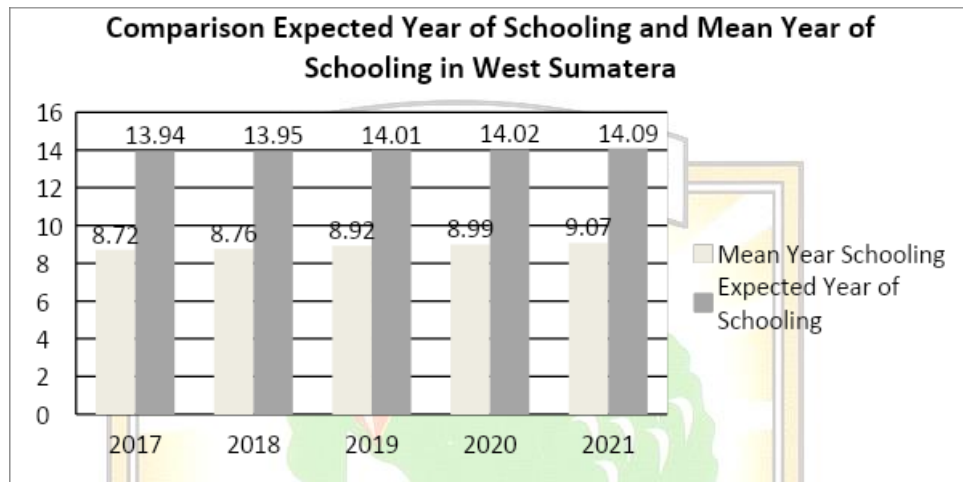


Figure 1.2 Comparison Expected Year of Schooling and Mean Year of Schooling in West Sumatera

Source : BPS Data, 2021

Based on figure 1.2, the mean year of school in West Sumatera shows that increases from 2017 until 2021 with an average of 8,89 years which means the population in West Sumatera have completed minimum education in junior high school in 8 classes. Then, if we compare the expected year of schooling in West Sumatera, it shows an increase from 2017 until 2021 with an average 14,02 years which means the expected year of schooling in West Sumatera must be in the university minimum Diploma 2. There is a significant difference between Expected Year of Schooling and Mean Year of Schooling in West Sumatera and for sure the government needs to improve in educational sectors such as the facility school, labor

of teachers with high quality, education equity to achieve a good education in West Sumatera.

Beside that, individual status, age, gender, and job training have relationships and an important role to see whether the quality of a job is decent work or indecent work. According to Aybas et al. (2021), individual status such as marriage status has better performance to productive work and social security for himself and family. Age and gender characteristics have an impact on decent work. This is supported research from Huang and Yuan (2021) shows that the workers productivity is 15-64 years old where at the age if increase of age will affect the productivity and decent work including the decent wage, social security, guarantee family life. Beside that, the gender situation has been relatively unbalanced between men and women from the research because mostly the male individual relatively has a job to fulfill his family and the future whereas the women relatively work as housewife.

Based on the explanation and problem of labor conditions and how to solve this problem of Decent Work, the researcher gave this research title “**Analysis Impact of Decent Work : Study Case in West Sumatera**”.

1.2. Problem Statements

Based on the background and problem identification outlined above, the research problem in this study are:

1. What is the characteristic of labor in West Sumatera ?
2. How impact of Job Opportunities, Education, Marriage Status, Age, Gender, and Job Training on Decent Work in West Sumatera?

1.3. General Research Objectives

1. To determine the characteristics of labor in West Sumatera.
2. To find out the impact of Job Opportunities, Education, Marriage Status, Age, Gender, and Job Training effect on Decent Work in West Sumatera.

