

# Part-time Working Contribution to Sustainable Development and How It Is Implemented

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**Abstract:** In this fast growing business environment, flexibility in working arrangement is required to fill the need of both employees and employers. Working for part-time jobs is not a new working arrangement in Indonesia and so around the world. However the law governing this type of working arrangement was only officially regulated in 2020 and at the same time has received a lot of pros and cons in the country as Indonesian labour felt that the new working arrangement might suppress their rights. The purpose of this research is to examine on how the part-time employment could contribute to the sustainable development goal no 8 from the United Nations on Development Programme (UNDP). The method that will be used is normative legal research, whereas the research will analyse the part-time working related laws in Indonesia and developed countries. In conclusion, this research finds that the legalization of part-time employment law is needed in Indonesia and would likely to contribute to the SDGs no 8. In the mean time, a comparison study from the UK and Denmark implementation of part-time working arrangement would give a better insight of how Indonesia should have treated and give protection to the part-time workers.

## 1 INTRODUCTION

Globalization has led to significant changes in employment practice, whereas business entities are required to fulfil more demand and adapt to the new business trend. In result, working hour's get longer, some companies needed to work for 24hours or in contrary only works for a few hours. In order to cope up this new trend, various types of employment contracts have been introduced. There are different types of working arrangements, from part-time, flexible, and fixed term working arrangements. According to Louse Thawley Solicitors (Lowse, 2012), these types of work are classified as atypical work.


The European Union Commission and the UK's government have identified part-time work as a way to secure the inclusion of flexible labour market, which would assist the disadvantaged groups of people to obtain a better work life balance (Hollinshead, 2003). Within decades the number of part-time workers has increased dramatically within the European (Hollinshead, 2003). The main reason for the increased number of part-time workers was

due to the supply and demand of both employees and employers. This reflected the need of employers to adapted to the market fluctuation and the need of employee to obtain a more flexible job. Ergo, these types of people who are likely not to be in full time job arrangement are mothers or students.

As the result of the popularity of part-time employment, the awareness to give a sufficient protection to Part-time workers also emerged. Several attempts have been made to ensure an equal and non-discriminatory treatment to part-time workers. For an instance, in 1997 the European Commission established EU Directive for part-time worker. This Directive was made to uphold the part time workers right. Today, even though the part-time workers and full-time workers not committed to the same working hours and responsibility, however, they are both having almost the same entitlements.

As can be seen that part time working arrangement has been used and legalized globally, however, Indonesia is not very flexible when it comes to its employment law. Even thou in practice, business entities have been using part-time working arrangement to run their business. The special law for

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part-time employment was only officially in effect after the legalization of OMNIBUS law on the 5<sup>th</sup> of October 2020. OMNIBUS Law is Indonesian National regulation that aims to ease investment related regulations to attract investors. OMNIBUS Law comprises of many related regulation that affecting the employment law in Indonesia. The legalization of this law requires an adjustment to the Law no 13 year of 2003 relating Manpower.

As one of the most significant subsystem is the economy. The main aim of the OMNIBUS law is to boost the economic growth of the country. Strong economy could bring prosper and help a country or any person to have a decent livelihood. This is consistent with the United Nations on Development Programme (UNDP) that sets 17 sustainable development goals (SDGs). One of the goals which is the SDGs no 8 is “Decent Work and Economic Growth”. It is estimated that at least 172 million people worldwide are unemployed and 700 million workers are living under extreme poverty. These are only a view reasons why decent work and economic growth of a country is very important. To tackle this problem, the UNDP encouraging entrepreneurship and job creation.

Employment and economic growth depends to one another, thus in order to ensure economic growth in Indonesia, one the strategies that is used by the government is by creating some flexibility in working arrangement through the OMNIBUS LAW. In the end, the purpose of this research is to examine and highlights on how the legalization of part-time working arrangement could contribute to the SDGs no 8 and how the UK and Denmark been treating their part-time workers. At last, this research would have brought some positive insight of part-time employment to the eyes of both employee and employers in Indonesia.

## 2 METHODS

In respond to the above issue, this research would analyses on the law of Part-time working in Indonesia through the OMNIBUS law and the part-time working law in developed countries. Therefore this research would addresses two research questions, which are:

- 1) How would the part-time working arrangement contributed to the sustainable development number 8 in Indonesia?
- 2) How do the UK and Denmark as a Developed countries implemented the part-time employment?

In order to answer these two research questions, the methodology that is used for this research is legal normative method. The object of legal normative method is legal norms, law, Acts and the Government Regulations related to the topic. This method is aimed to analyse the substance of the law by interpret, intervene, systemize and evaluate the related applicable law. At last, this method is hoped to find a juridical settlement that occurs in the society (Irianto, 2013).

## 3 RESULTS AND DISCUSSION

### 3.1 Part-time Working Arrangement and Sustainability

#### 3.1.1 Part-time Workers in Omnibus Law

OMNIBUS Law is also known as *Cipta Kerja* Law (Law number 11 year of 2020 regarding Cipta Kerja) in Indonesia. This law is designed to create a better investment climate, whereas this law is to solve overlapping regulations issues in Indonesia. OMNIBUS came from Latin language that means “for everything” (Kurniawan, 2020). According to Black’s Law Dictionary OMNIBUS Bill defines as:

“A single bill containing various distinct matters, drafted in this way to force the executive either to accept all the unrelated minor provisions or to veto the major provision.”

In Indonesia OMNIBUS Law is acted as a single Bill that regulates about investment related laws, such as manpower, agriculture, forestry, fishery affairs and so many more. It comprises of regulations from many sectors that aim to ease investment which in result to create more job opportunities by creating more competitive environment. The implementation of this law is by forcing the related law to amend or adjust it self based on the new law and synchronize the cross sectors laws that are related to each other.

When it comes to manpower law, the OMNIBUS Law abolish several clauses from Indonesia’s Manpower Law, added and revise a few clauses regarding working hours, remuneration, compensation, working contracts, social insurance of workers and so many more. From this on, the government has also released Government regulations to implement the changes. In relation to part-time employment, there are a few differences after the legalization of the OMNIBUS Law. Before, there is no specific regulation about working per

hours or working part-time even in reality there are some businesses that are hiring part-time workers. The working arrangement for part-time workers was the same as the Contract workers (*Perjanjian Kerja Untuk Waktu Tertentu/ PKWT*), which stipulated in Article 59 of Manpower law.

However, according to the Article 88B of OMNIBUS Law relating Law number 13 year of 2003 relating Manpower, it rules that remuneration shall be determined based on hour unit (working hours) or production unit. Furthermore, the implementation of this new clause is specifically regulated under the Article 16 paragraph 2 of the Government Regulation number 36 year of 2021 regarding Remuneration (PP). This PP rules that remuneration can be paid per hours based on agreement between the worker and employer. The take home salary should not be less than the remuneration formula which is one month salary (not less than the minimum wage) divided to 126. As an instance, if the regular monthly salary is IDR 3.000.000,- then the wage per hour equals to IDR 3.000.000,- : 126 equals to IDR 23.800,- per hour. This is the very first time that the remuneration formula for part-time employment is introduced, which means that before this, there is no standard wage or remuneration formula for working per hours. The remuneration for part-time workers were not clear and simply based on agreement between worker and employee. This new arrangement received a lot of critics from the labour union, however this new arrangement is hoped to create more flexibility in employment and legal certainty for part-time workers.

So far the OMNIBUS law only touches the remuneration standard for part-time employment and yet there is no further regulation related to part-time workers protections or leave and others in specific. However, arguably many scholars assumed that the part-time workers should enjoy the same entitlements as the full-time workers, because most of the regulation that is made for workers protections, social insurance and others were simply using the terms of workers in general or there is no distinction between part-time workers, full-time workers and other type of workers. As an example can be found from an article written by Ketut Wiwit Triani and I Gede Putra Ariana titled "Legal Protection for The Part Time Workers When Working's Accident Occurred", this research found that the part-time workers has the same rights as the permanent workers when working accident occurred.

As can be seen that legal certainty for part-time employment has been recognized by the law in the

field of wage standardization, however the new law still have not yet fully covered the protection for the part-time workers in specific.

### 3.1.2 Part-time Working Arrangement and Sustainability

Part-time employment is a form of labour market flexibility that allows employees to choose the most suitable form of employment relationship that is needed for their business. Arguably, this type of working arrangement could contributed to open more job opportunities and increase economic growth, which is consistent with the SDGs no 8 "Promotes Decent Work and Economic Growth" by encouraging entrepreneurship and job creation. Below are some of the reasons why part-time working arrangement could possibly support the SDGs no 8.

First of all, part-time employment can be categorized as "The Accommodating Strategy", because the preference of part-time jobs is to meet the preference of the workers. The reasons behind the preference in employment rely on the age and gender of the workers. This is due to the fact that there are some categories of people that can only do or only allowed to be in part-time work. This is not simply about of the availability of the job, but rather because of the situation that they are in. For example, women with young children may prefer part-time employment so that she can spend more time with her kids. Students who want to work can only apply for part-time work due to the assignments and classes that they have to attend. Older people on the other hand, may prefer part-time employment due to their health problems (Allaart, 2007).

Therefore, by allowing this type of employment strategy, the employers could accommodate many different types of job opportunities for people who cannot work for fulltime hours due to some limitations. On the other hand, this also allows the employers open up more job vacancies because the part-time workers only work for a few hours per day or per week. Furthermore, small business could also afford hiring workers with lower salary due to shorter working hours, which at last resulted in more job creation and help small businesses to grow.

The second reason why part-time employment could help economic growth is because of the flexibility that it has. Based on the research that is gathered by Emilia Herman in 2011 in European Countries, it is found that five countries in Eastern and Central EU (Estonia, Latvia, Lithuania, Hungary, Romania), with negative flexibility in employment were not managed to create more jobs in the 2000-

2010 periods and the economic growth of the countries were negative as well (Herman, 2011). In contrary, ten countries of the EU (Spain, Greece, Luxemburg, Ireland, Poland, Bulgaria, Cyprus, Slovakia, Czech Republic and Slovenia) that implemented flexibility in employment show a high economic growth (between 2.35% in Spain and 4.48%), accompanied by employment growth. The economic growth in each country differs from one another, but all the ten countries show significant economic growth due to the flexibility in employment (Herman, 2011). However the finding of the research suggested that even though flexibility in employment is essential to trigger economic growth but the flexibility ratio should be kept low and positive at the level of +0.37. Flexibility in labour market is needed but the ratio should be kept low compare to the full time working arrangement. The mixture of this shall lead to more job creation and economic growth.

The last reason is because the use of part-time employment could enhance workers productivity. International Labour Organization's Global Employment Agenda addresses two main issues to obtain long-term sustainable growth and to improve living standard, which are higher productivity and job creation. Labour productivity has been and will remain as one of the most difficult problems in economic growth. In relation with part-time employment, a research on part-time employment productivity found that a larger part-time employment shares leads to greater productivity on service sectors. The research found that firms with large share of part-time workers shows more productivity than the full-time employment. This is due to the fact that part-time employment works for fewer hours per day and fewer days per week, which resulted in efficiency, and more productivity when this type of employment is used in service sectors (Nelen, 2011).

In conclusion the OMNIBUS law has legalised the use of part-time employment in Indonesia by regulating about the remuneration based on hours unit. Even though this is the only specific regulation relating part-time working arrangement but it will create flexibility in labour market, enhance productivity, allow workers and employers to pick on the most suitable working arrangement, which is might likely to boost job creation and economic growth that is in consistent with the sustainable development number 8 by the UNDP.

## 3.2 Part-time Employment in Developed Countries

### 3.2.1 Part-time Employment in the UK

UK employment law is both statutory and decisional (International Banking Finance [IBF], 2008). The UK employment law indicated as a statutory basis because it is mainly based on the common law and statutes. It is as well decisional, because the law is flexible. The employer is allowed to hire the employee in any types of working arrangement as long as there is a mutual agreement, followed with legal procedure. The UK employment law seems to be rigid, in terms of the statutory requirements on the treatment and working conditions for the worker. On the other hand, the law is flexible, in terms of the types of working arrangement.

The flexibility in the working arrangement seems to be benefiting both employer and employee, whereas, they could conduct an employment relationship in a way that is suitable for both parties. Meanwhile, the flexibility could also led to degradation entitlements or to an exploitation of workers. Firstly, the workers might not aware of their rights and have a lower bargaining power, which might lead to unbalanced agreement. Secondly, the types of working arrangement that has been agreed might not be regulated by the UK, and therefore, the employer might easily escape from his responsibility.

Notwithstanding, the UK flexible employment model still could be an excellent employment relationship as long as both parties are aware of their rights and duties or having the same level of bargaining power. In addition, the role of the statutory provisions of the UK employment law is a perfect combination, since a certain standard should be in place.

The distinction of employment relationship is essential, because only the employees can be qualified for the employment protection and the Health and Safety Act 1976 such as redundancy payment, unfair dismissal and others (Painter, 2012). However, both employee and workers can enjoy the discrimination and equal pay legislation.

Bredgaard, Larsen, Madsen and Rasmusen define part-time worker also known as atypical worker as a non-standard types of work deviating from the full time work employment relationship (Bredgaard, 2009). The definition of atypical work simply classified itself as any types of employment relationship other than the full time arrangement. In specific, part time workers, define as a worker who work for less hours than the full time worker (Lowse,

2012), whilst if within the same work place, the full time workers are working for 40 hours per week, the workers who worked less than that would be identified as a part time workers.

In terms of the supply and demand of the part-time job, this working arrangement would likely to be an excellent option for small or new businesses, due to the cost and flexibility. It is easier to find a part-time worker in a restaurant, retail or another small business rather than for it to be found in a well established company. It appears that, the part-time workers in the UK would likely to do a low skilled job rather than to the highly educated people. This might likely because, a well established company would prefer to employ an employee who could be fully responsible with the day to day work, which a part time worker might not able to do.

Based on the data gathered from the UK government, part time workers' rights are protected and shall not being treated less favourably than the full time workers. Part time workers enjoy the same treatment as the full-time workers for the pay rates, pension opportunities and benefit, holidays, training and career development, selection for promotion and transfer or for redundancy and opportunities for career breaks.

The people who are working under full time arrangement has their right under the Employment Act 1996 to amend their work arrangement to part time job, as long as it comes with a legitimate reason under the 1996 Act. This act has opened an opportunity for the full time employee to amend the working arrangement to part time work, however, this is only exist for the full time workers who wants to change their working arrangement.

### 3.2.2 Part-time Employment in Denmark

Denmark employment law is indicated as the most flexible employment law models around European countries. Denmark use the term of Flexicurity to describe its employment law. Flexicurity stands for flexibility and security. The flexibility lied on the low level of protection for employees (Bredgaard, 2009). Denmark has a very limited statutory provision with regards to the employees' minimum wage or working condition (Graphic, 2009). The minimum wage and working condition will be determined by the collective bargaining made between the trade union and the employer.

The security of Denmark's employment system can be found in the in the unemployment benefit system. Denmark has a policy that serves to enhance the qualification and motivate the individual that lost

his job or have problems to find a new job. This system is made to cope up with the impact of flexibility of Denmark's labour market.

It can be seen that, the government is trying to balance within the flexibility and the security of Denmark labour market. The EU Commission indicates flexibility as a good employment law system. Arguably, when a strict rules for hiring and dismissing standard worker is in place, the employers would more likely to employ atypical worker. Denmark employment law, seems to be designed to attract the employer to resort full time workers rather than the atypical workers.

In Denmark, part time work is simply considered as a standard employment relationship with a shorter hour. When the workers work for more than eight hours per week, the worker would be automatically protected under the White collar Act, which provides minimum rights for the part-time workers. The minimum rights cover long-term sickness absence, denunciation clause, freedom of assembly and others (Hansen, 2010). The conditions under the act shall not be derogated, unless the agreement provides higher conditions than what is covered by the act.

It appears that in relation to the protection of the part-time workers, Denmark relies more in to the law rather than the collective agreement. This is to ensure that the part-time workers' will not be treated less favourable than the full-time workers. It seems to be an excellent way of upholding the rights of the part-time workers in Denmark, due to the fewer amounts of part-time workers in Denmark.

In conclusion, the UK and Demark as developed countries have different employment law style. However, both countries have legalised part-time employment and treated part-time workers not less favourable than the full-time workers, in terms of the pay rates, pension opportunities and benefit, holidays, training and career development, selection for promotion and transfer or for redundancy and opportunities for career breaks. The only difference between the part-time workers and full-time workers relies on the working hours.

## 4 CONCLUSIONS

Part-time working arrangement has been widely used all over the world. This working arrangement allows flexibility in labour market. In practice, some of Indonesian businesses have been using this type of employment but the regulation only recently been introduced through the OMNIBUS Law.

The legalization of part-time employment in Indonesia is only stipulated on the standard remuneration or formula that should be used to calculate the part-time workers wage. This type of employment would likely to create flexibility in Indonesia's labour market, enhance productivity, allow workers and employers to pick on the most suitable working arrangement, which is might likely to boost job creation and economic growth that is in consistent with the sustainable development number 8 by the UNDP.

On the other hand, developed countries like the UK and Denmark have legalised part-time employment for quite some time. These two countries treated part-time workers not less favourable than the full-time workers. The equal treatment can be seen from the pay rates, pension opportunities and benefit, holidays, training and career development, selection for promotion and transfer or for redundancy and opportunities for career breaks. The only difference between the part-time and full-time workers relies on the working hours.

Form the comparison study gathered from the developed countries, this research would suggest Indonesia to put more attention for the well being of the part-time workers. This can be done by specifically regulates about the protection of the part-time workers during work, pension scheme, social insurance and others. By doing so, it is hoped that both workers and employers would be benefited from this working arrangement and at last contributed to the sustainable development goals number 8 for the country.

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