REGIONAL GOVERNANCE OF LABOUR INSPECTION: LESSONS FROM BANTEN PROVINCE

a Ruli Riatno, b Agus Suryono, c Siswidiyanto, d Muhammad Shobarrudin

ABSTRACT

Introduction: Labor inspection has become one of the essential studies since the emergence of labor issues as a part of the public interest. Protection, guarantees and compliance with labor norms are the focus of realizing good labor conditions. The governance of labor inspection also functions as a mechanism for law enforcement, protection and guarantees for fulfilling labor norms. Labor inspection is carried out as internal control in the workplace and external control as a public function of the central and regional governments.

Theoretical Reference Framework: According to management perspective, the control function within the organization has two main points: system/process and strategic human resources (Efendi & Poernomo, 2019). This concept includes three things: setting standards, comparing activities carried out based on the standards, and improvement.

Method: This study using qualitative research method by presenting naturalistic empirical data.

Results: This study provides important lessons that leadership is the key and balance controller in unifying different interests in the governance system for implementing labor inspection at the regional level. Also, values mutually agreed upon by stakeholders, including the regional government, employers, and worker/trade unions, must be continuously institutionalized. It includes the dynamics of deliberation among stakeholders, division of responsibilities, resource capacity, knowledge and experience between the actors involved, and adaptation to possible uncertainties and risks.

Discussion and Conclusions: Lessons learned from the study on implementing labour inspection in Banten Province show the complexity of governance on various sides. Low institutional linkages and planning between the local and central government and inadequate law enforcement lead to weak inspection accountability and less transparent inspection implementation.

Keywords: governance, institutional, stakeholders, labour inspection.

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GOVERNAÇÃO REGIONAL DA INSPEÇÃO DO TRABALHO: LIÇÕES DA PROVINCIA BANTEN

RESUMO

Introdução: A inspeção do trabalho tornou-se um dos estudos essenciais desde o surgimento de questões laborais como parte do interesse público. Proteção, garantias e conformidade com as normas de la-bor são o foco da realização de boas condições de trabalho. A governança da inspeção do trabalho também funciona como um mecanismo para a aplicação da lei, proteção e garantias para o cumprimento das normas trabalhistas. A inspeção do trabalho é realizada como controle interno no local de trabalho e controle externo como uma função pública dos governos centrais e regionais.

Quadro de Referência Teórico: De acordo com a perspectiva de gestão, a função de controle dentro da organização tem dois pontos principais: sistema/processo e recursos humanos estratégicos (Efendi & Poernomo, 2019). Este conceito inclui três aspectos: o estabelecimento de normas, a comparação de atividades realizadas com base nas normas e a melhoria.

Método: Este estudo utiliza o método de pesquisa qualitativa, apresentando a da-ta empírica naturalista.

Resultados: Este estudo fornece lições importantes de que a liderança é a chave e responsável pelo controle do equilíbrio na unificação de diferentes interesses no sistema de governança para implementar a inspeção do trabalho a nível regional. Além disso, os valores mutuamente acordados pelas partes interessadas, incluindo o governo regional, os empregadores e os trabalhadores/sindicatos, devem ser continuamente institucionalizados. Inclui a dinâmica da deliberação entre as partes interessadas, a divisão de responsabilidades, a capacidade de reaprovisionamento, os conhecimentos e a experiência entre os intervenientes envolvidos e a adaptação a eventuais incertezas e riscos.

Discussão e conclusões: As lições aprendidas com o estudo sobre a implementação da inspeção do trabalho na província de Banten mostram a complexidade da governança em vários lados. Os baixos vínculos institucionais e o planejamento entre o governo local e central e a aplicação inadequada da lei levam a uma fraca responsabilidade pela inspeção e a uma implementação menos transparente da inspeção.

Palavras-chave: governança, institucional, partes interessadas, inspeção do trabalho.

1 INTRODUCTION

The history of labour inspection in Indonesia is inseparable from developments in practice and theoretical perspectives. It started with the issuance and legalization of Law Number 23 of 1948 concerning Labour Supervision which was previously referred to as the Staatsblad of 1941 No. 381 concerning “Vaststelling van oen regeling inzake het informatierecht van het hoofd en de ambtenaren van het Kantoor van Arbeid” which was in effect during the colonial period. It was then that the regulations of inspection and
labour in Indonesia began. These regulations are a form of guarantee from the country for national labour affairs. In 2003, the Government of Indonesia ratified the International Labor Organization (ILO) Convention No. 81 became Law Number 21 of 2003. These inspection and labour regulations in Indonesia aim to create harmonic and fair relationships between employers and workers, guarantee law enforcement, and protect labour.

History also records that labour inspection has been regulated for a long time, around 150 years ago, due to the industrial revolution in Europe (United Kingdom), which regulated the formal relationship between economic and social development in that country (Richthofen, 2002). Until now, labour administration is expected to play an essential role in continuous, inclusive and sustainable economic development and growth, fulfilling the expansion of employment opportunities, productivity, and decent work. It requires major efforts and significant transformations in implementing the labour regulatory system, enforcing effective laws, and managing the involvement of the three main sectors (Government, Business Sector, and Society) in the labour governance system and balancing the inspection implementation. Therefore, labour regulations cannot run well without inspection and the balanced involvement of the three main stakeholder sectors. In the 1960s, Michel Wallin, as the Head of the Administrative Branch of the ILO, developed proposals for the implementation of labour inspection in 4 main points, namely a) law enforcement, b) human resource development, c) increasing the participation of employers and workers, and d) investigating the relationship between economic growth and social progress (Pires, 2021).

Labour inspection initiated by Michel Wallin was described and implemented in various countries, including Indonesia. Labour administration in Indonesia, particularly labour inspection, has two main functions, namely the service function and the investigative function (law enforcement), as a manifestation of the government’s function in enforcing labour law. These two functions are merged into three supervision stages: the preventive educational stage, the non-judicial repressive stage, and the judicial repressive stage. These stages are regulated in the Regulation of the Minister of Manpower of the Republic of Indonesia Number 33 of 2016 concerning Procedures for Labour Inspection, Article 9. Coaching, testing, examining, and investigating labour crimes are also regulated in Article 1. Nevertheless, various assessments show that many employers and workers violate labour regulations/norms. Violations of labour norms
often occur regarding workers’ health examinations, the availability of occupational safety and health (OSH) committees and experts, and technical operators/officers. The high number of violations has resulted in many work accident cases and high claims costs for OSH insurance during the 2019-2021.

Sanusi (2022) explains that the number of work accident cases in 2019 was 182,835, 221,740 cases in 2020, and 234,270 cases in 2021. These cases increased the amount of JKK claim payments to 1,790 billion in 2021. The same is true for the regions, one of which is the case in Banten Province. In 2019, labour violations in Banten Province reached 126 cases and an average of 143 violations of labour norms until August 2022.

Several conditions also influence the high number of violations of labour norms in the area. Among them is the increase in regional labour force residents, which amounted to 172.73 thousand residents. This number increased in August 2022 by 5.94 million people, with 523,000 people having the status of being unemployed (including Labour/Worker status of 49.85% and permanent/paid Labour status of 2.19%); low-quality of local workforce who mostly elementary school graduates; differences in minimum wages in each regency/city; the development of large and medium industries in Banten Province; as well as gaps or lack of synergy in the work plan for labour...
regulation between the regional government and the central government (Warman, 2022); (Kalnadi, 2022); & (BPS Province of Banten, 2022).

Figure 2. Number of Violations of Work Norms in Banten Province in 2019-Aug 2022

Source: The Department of Manpower and Transmigration of Banten Province, 2023.

This condition is inseparable from the change in the centralized government system to a decentralized system with the issuance of Law Number 23 of 2014 concerning Regional Government. This shift has resulted in systemic changes in the regulatory system, and the authority of labour inspection, which was initially under the authority of the District/City Government, is now under the Provincial Government’s authority. This change also creates confusion in practice and meaning, contrasting with Law Number 21 of 2003 Article 4. It is stated that labour inspection should be carried out as a centralized system in a single state agency.

This case has confused the legitimacy of labour inspection institutions (Riza, 2018), weak institutional relations between the central and regional governments, and the non-synergy implementation of labor inspection (Kalnadi, 2022). Empirical problems found in the regions are also inseparable from the poor quality, integrity, and professionalism of labour inspectors both in the inspection process and in enforcing labour laws. The problems at the regional and national levels above imply poor governance and the ineffectiveness of labour inspection. In general, the labour inspection implementation seems to be less effective and accountable. The conditions and complexity of the problems above also imply that it is impossible to achieve labour law enforcement without the support of other stakeholders/institutions outside the Government Labour Inspection Agency.

Based on these discussions, this study follows up on questions, How the implementation of labour inspection in the regions is and how the governance system of labour inspection in the regions can work effectively as a conceptual conclusion that can
be offered. This study drew lessons from the practice of labour inspection in Banten Province. Some documents, as facts, were used as the data in this study and then observed and analyzed to become research results. This analysis also incorporated three approaches: labour inspection, governance, and the management of institutional relations between stakeholders involved in labour affairs, particularly in implementing labour inspection.

2 THEORETICAL REFERENCE FRAMEWORK

2.1 LABOUR INSPECTION

The labour inspection approach is inseparable from the controlling concept in the management function as presented by H. Fayol and Luther Gulick (Follet, 1937); (Gulick, 1937); (Berry, Broadbent, & Otley, 1995); & (Efendi & Poernomo, 2019). According to the management perspective, the control function within the organization has two main points: system/process and strategic human resources (Efendi & Poernomo, 2019). This concept includes three things: setting standards, comparing activities carried out based on the standards, and improving. In addition, the administration perspective views labour and control/inspection as public functions. (Richthofen, 2002); (ILO, 2010); (ILO, 2019); (Pires, 2021); &(Heyes, Rychly, Gavris, & Ruiz, 2021).

As with the shift in the paradigm of public administration, labour inspection has also experienced a shift and development of perspectives. Labour practices and arrangements following the Industrial Revolution in Great Britain in the 19th century have changed the perspective of labour governance and inspection (Richthofen, 2002) & (Heyes, Rychly, Gavris, & Ruiz, 2021). This approach rests on the successes and failures of the role of labour management in labour inspection (ILO, 2019); (Heyes, Rychly, Gavris, & Ruiz, 2021). This shift also generated two mechanisms in labour inspection: internal and external (Efendi & Poernomo, 2019). In the process context, internal inspection is performed by the company’s internal management as a control function (span of control/span of management). In comparison, external inspection combines the functions of public service and law repressive (law enforcement), which are combined in one structured governance framework/pattern and represent the functional form of the formal authority of labour inspection by the government those carried out by other independent audit institutions (ILO, 2019) & (Richthofen, 2002).
From the perspective of government management, labour inspection aims to maintain guarantees, protect, prevent and detect labour errors and fraud. The objectives of labour inspection comprise the government’s responsibility; effectiveness, compliance, cooperation, and accountability of employers, workers, and trade unions; interests taken by the government as public affairs; increased inspection orientation and emphasis on prevention; and universal encouragement covering all aspects and institutions of labour policy and integration in national labour administration structures (Richthofen, 2002).

Technically, labour inspection rests on freedom of association and recognition of equal rights, elimination of all forms of coercion in work and obligations, and discrimination in employment and occupation (Hassel, 2008). It also technically relates to how the scope and institution of the inspection are organized, the inspection arrangements are planned, and the expansion and strengthening of the inspection powers and law enforcement are managed (Forest, 2021). This also includes the fulfilment of inspection principles in overcoming labour issues, such as the principles of priority, prevention, sustainability, and semantic effects (Weil, 2008), as well as institutional principles and the involvement of various institutions in the network of labour affairs, including the principles of effectiveness, accountability and inclusiveness (Heyes, Rychly, Gavris, & Ruiz, 2021).

2.2 GOVERNANCE APPROACH

Governance has several identical forms: governance by network, horizontal governing, governing by partnering, inter-organizational coordination, govern-ability, good government, collaborative governance, or good governance. The term depends on where it is used. Nevertheless, governance is more of an adhesive mechanism, as well as control over the management of inter-sectoral involvement, so it is suitable to be interpreted as govern-ability or governable, which means ‘can be controlled’, or governance that can be controlled/managed (Fetus, 2007). Therefore, governance has several models, including governance as government, good governance, governance as good enough governance, or several other forms such as collaborative, partnership, and network governance (Ikeanyibe, Ori, & Okoye, 2017). These meanings bridge perspective differences, where governance confronts dynamics in responding to public management conditions, problems, and failures. The institutional approach is also
essential to support better governance from within (Roy & Tisdell, 1998) & (Roy & Tisdell, 1998).

This perspective includes the implicit relations between the government and the private sector, as well as the existence of the new public management (NPM) approach, the broad scope of public services as conveyed in the new public service (NPS) approach, as well as administrative principles that contain several institutional values, such as self-sufficiency (autonomy), direct control, upward accountability, uniformity, and standardization in human resource management (Ikeanyibe, Ori, & Okoye, 2017). Therefore, governance has an attachment to institutional structures and governance resource arrangements that contribute to the effectiveness of governance (Roy & Tisdell, 1998), networks, a set of institutions and actors/agents involved, the blurring of boundaries and responsibilities in overcoming social and economic problems, the strength of the stakeholders involved, and their limited capabilities (Puck, 2018).

This understanding requires involvement and a balance of responsibilities, roles, interdependence, and fulfilment of resources for the three main stakeholder sectors, namely the Government, the Private Sector, and the Society, to actualize and carry out the public interest (Meta, 2007), (Perlas, 2019), (Bingham, Nabatchi, & O’Leary, 2005), (Emerson & Tanabachi, 2015), (Henry, 2017), & (Kujala, Lehtimäki, & Freeman, 2019). Perlas (2019) maps out the virtues of involvement and the different characteristics of these stakeholders.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Government Sector</th>
<th>Private Sector</th>
<th>Civil Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main interest</td>
<td>Politics</td>
<td>Economical</td>
<td>Social</td>
</tr>
<tr>
<td>Main control agent</td>
<td>Voters/rulers</td>
<td>Owner</td>
<td>Community</td>
</tr>
<tr>
<td>The main form of power</td>
<td>Coercion</td>
<td>Financial benefits/ remuneration</td>
<td>normative</td>
</tr>
<tr>
<td>Productivity</td>
<td>Public order</td>
<td>Personal</td>
<td>Group</td>
</tr>
<tr>
<td>The main purpose</td>
<td>Public order</td>
<td>Creation of financial benefits</td>
<td>Value expression</td>
</tr>
<tr>
<td>Assessment frame</td>
<td>Legality</td>
<td>Profitability</td>
<td>Justice</td>
</tr>
<tr>
<td>Dominant organisational form</td>
<td>Government</td>
<td>To gain benefits</td>
<td>Nonprofit</td>
</tr>
<tr>
<td>Relationship basis</td>
<td>Rule</td>
<td>Transactional</td>
<td>Value</td>
</tr>
</tbody>
</table>

* Source: (Perlas, 2019).

Management includes the balance of stakeholder involvement and influential general system context, the driving forces, dynamics, actions, results & impacts, and
adaptations made (Emerson & Tanabachi, 2015). These include environmental conditions, leadership, consequences and benefits, interdependencies, uncertainties, arrangements for involvement, shared motives, resource capacities to be shared and used, institutional arrangements and the institutionalization of values in governance processes. The management aims to run the built system and the involvement of stakeholders effectively and efficiently, as well as ensure that the implementation can be accountable, transparent and balanced (fair) in achieving common goals.

2.3 GOVERNANCE OF INSTITUTIONAL RELATIONS BETWEEN STAKEHOLDERS

An institution is one part of the governance system. It is illustrated by governance models and practices. Grindle (2010) states that governance cannot be considered good if not matched by increased institutional capacity and suitable arrangements from within. It is also conveyed by Roy & Tisdell (1998) and Keping (2018). In practice, this is also influenced by the role of government and the shift of centralist mechanisms to flexible decentralization, resulting in the ineffectiveness of lower-level government performance in implementing public affairs and achieving goals.

Decentralization, de-concentration and devolution of authority in providing services, the involvement of the private sector and non-governmental organizations (society groups) and the different regional contexts and conditions create considerations for adjustments to governance mechanisms. Thus, institutional improvement becomes vital in the public affairs governance system. This is due to the institutional network between stakeholders or actors from within and outside the government, the blurring of institutional boundaries and the division of responsibilities in resolving public affairs, the emergence of inter-institutional/sector dependency, autonomous mechanisms, and capabilities that are no longer based on one stakeholder (government) only (Rhodes, 2007), (Ikeanyibe, Ori, & Okoye, 2017) & (Puck, 2018).

In his explanation, Rhodes implies that institution exists since in the governance mechanism, there is a network of relationships created from an imbalance of resources and different levels of autonomy, the existence of the same interests, changing environmental conditions, functioning roles and the need for control over capacity instead of intervening, negotiation and sharing (exchange), as well as the interests of integrating central policies and their actions as a mediator of conflicts (differences) between the
elements involved (Rhodes, 2007). The institution in governance has various forms, both hierarchical (rigid and structured), hybrid, or flexible modes such as market forms or other modes with distinctive institutionalization (Ansell & Torfing, 2016). This results in two forms of institutional mechanisms, namely vertical mechanisms, where control, restraint and coordination are less stringent and stable horizontally. Thus, interactions between institutions, actors/agents, and sectors; room for negotiation, equalization of views and joint decision-making; systems and principles that must be built and maintained (institutionalized); network connection; the capacity and role of the parties involved; action and control are regulated together in the deliberation mechanism.

3 METHODS

This study using qualitative research method which lead to long process in uncovering comprehension, and work for understanding governance of Labor inspection phenomena in Banten province. Qualitative method is a strategy which assist the researcher to develop new theories. Using this method, this research is not limited by prior theories but guiding the researcher. This research trying to state empirical data naturally and the qualitative research method considered suitable to answer and explain the problem.

4 RESULTS

4.1 IMPLEMENTATION OF LABOUR INSPECTION IN BANTEN PROVINCE

The executor of labour inspection in Banten Province is regulated in Governor Regulation Number 83 of 2016, which regulates the position, main tasks, functions, types, organizational structure and work procedures of the Manpower and Transmigration Service of Banten Province where the Labour Inspection Division of Banten Province exists. Article 65 Verse (1) indicates that the Department of Manpower and Transmigration of Banten Province is a subsidiary (madebewin) institution. This subsidiary role influences the implementation of the duties and functions of labour inspection within the scope of the regional government of Banten Province. In this regard, the governance of labour inspection carried out by the Labour Inspection Division – the Department of Manpower and Transmigration of Banten Province is not only intended to assist the governor in carrying out government duties but also intended to assist and carry out the duties of the central government.
Within the governance structure, arrangements for labour inspection, duties, functions and roles are regulated in the Regional Regulation of Banten Province Number 4 of 2016. The regulation contains provisions for the Labour Inspection Division, as well as arrangements for carrying out directives, rules, policies or decisions on assignments and the Central Government’s function, all of which are assigned by the Ministry of Manpower of the Republic of Indonesia. Within its institutional structure, the duties and functions of the Labour Inspection Division of the Department of Manpower and Transmigration of Banten Province are linked to the Directorate General of Labour Inspection Development under the Ministry of Manpower of the Republic of Indonesia (Dirjen Binwasnaker), as well as the Inspection of the District/City Technical Implementation Unit (UPTD). The existence of this relationship is also related to the implementation of the policy strategy of the Ministry of Manpower of the Republic of Indonesia to improve and administer labour affairs.

Data analysis on the governance of labour inspection in Banten Province shows several weaknesses, including the weak role of stakeholders in labour inspection and the need for synchronization of regulations at the regional level. This problem is caused by 1) the imperfect standard of fulfilling decent living and decent work for formal and informal workers; 2) standards in arranging employment opportunities, rights at work, social security and social dialogue are still not formally synchronized, including the regulation of outsourced workers, especially regarding the clear division of responsibilities between employers and service providers and the protection of workers’ rights. This discrepancy is in Law Number 13 of 2003 concerning Manpower and Law Number 11 of 1992 concerning Pension Funds, Law Number 21 of 2000 concerning Worker/Labor Unions, Law Number 40 of 2004 concerning the Social Security System, Law Number 4 of 2016 concerning Public Housing Savings, and Law Number 13 of 2003 concerning Labour.

The lack of synchronization in the contents of these arrangements has resulted in a lack of synergy between the work plan and implementation of labour inspection between the central and regional governments, the weak system of inspection institutions at the regional level, and the implementation of inspection which seems not transparent and less accountable. This weakness is also shown by the performance of the Department of Manpower and Transmigration of Banten Province in labour inspection, as follows:
Table 2. Comparison of Performance Assessment Results

<table>
<thead>
<tr>
<th>Key Performance Indicators (KPI)</th>
<th>Program Performance Indicators (IKP)</th>
<th>Performance Target (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Workforce Productivity Achievements</td>
<td></td>
<td>58.06</td>
</tr>
<tr>
<td>Achievements of Community-Based Work Competency and Training</td>
<td></td>
<td>4.35</td>
</tr>
<tr>
<td>Achievement of Protection of Working Environment Conditions - Reduction in Work Accident Cases</td>
<td></td>
<td>1.11</td>
</tr>
<tr>
<td></td>
<td>2.98</td>
<td>3.04</td>
</tr>
<tr>
<td></td>
<td>3.66</td>
<td>4.40</td>
</tr>
<tr>
<td></td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td></td>
<td>9.51</td>
<td>9.53</td>
</tr>
<tr>
<td></td>
<td>15.25</td>
<td>15.55</td>
</tr>
</tbody>
</table>

* Source: The Department of Manpower and Transmigration of Banten province, 2022.

Meanwhile, in 2020, the results of the overall assessment of employment development show the following results:

Table 3. The Measurement Value of 9 Indicators of Employment Development in Banten Province, 2020

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce planning</td>
<td>7.25</td>
</tr>
<tr>
<td>Population and Labour</td>
<td>6.59</td>
</tr>
<tr>
<td>Employment Opportunity</td>
<td>13.31</td>
</tr>
<tr>
<td>Work training &amp; competence</td>
<td>4.8</td>
</tr>
<tr>
<td>Labour productivity</td>
<td>5.02</td>
</tr>
<tr>
<td>Industrial relations</td>
<td>3.77</td>
</tr>
<tr>
<td>Working environment conditions</td>
<td>3.35</td>
</tr>
<tr>
<td>Remuneration &amp; Labor Welfare</td>
<td>10</td>
</tr>
<tr>
<td>Social Security</td>
<td>10</td>
</tr>
</tbody>
</table>

*Source: The Department of Manpower and Transmigration Banten province, 2022.

Aspects in the management of human resources, the implementation of labor inspection shows the number and ratio of companies in the following areas:
Table 4. Number of Labor Inspectors and Companies in Banten Province

<table>
<thead>
<tr>
<th>No</th>
<th>Regency/City</th>
<th>Number of Companies</th>
<th>Total</th>
<th>Number of Supervisors (Org)</th>
<th>UPTD</th>
<th>Inspection Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lebak Regency.</td>
<td>794</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Pandeglang Regency.</td>
<td>732</td>
<td>3,404</td>
<td>12</td>
<td>Sepale</td>
<td>227</td>
</tr>
<tr>
<td>3</td>
<td>Serang Regency.</td>
<td>1,878</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Serang City</td>
<td>1,700</td>
<td>3,873</td>
<td>16</td>
<td>Seragon</td>
<td>228</td>
</tr>
<tr>
<td>5</td>
<td>Cilegon City</td>
<td>2,173</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Tangerang Regency.</td>
<td>9,618</td>
<td>9,618</td>
<td>18</td>
<td>Tangerang I</td>
<td>481</td>
</tr>
<tr>
<td>7</td>
<td>Tangerang City</td>
<td>8,519</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>South Tangerang City</td>
<td>8,002</td>
<td>16,521</td>
<td>18</td>
<td>Tangerang II</td>
<td>918</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>33,416</td>
<td>64</td>
<td></td>
<td></td>
<td>1 : 500</td>
</tr>
</tbody>
</table>

*Source: The Department of Manpower and Transmigration Banten province, 2022.

Table 4 explains that the total workload of Labour Inspectors within the administrative scope of Banten Province has an average ratio of 1:500 to the objects of company inspection. This uneven ratio shows the high inspection burden on each Labour Inspector Executor. The City of Tangerang and South Tangerang had the most inequality of ratio. The number of large and medium industries in Banten Province in 2019 totalled ± 2,927 Industries, with a total of ± 708,488 workers (Banten Province Statistics Agency/BPS, 2022), while the number of companies throughout Banten Province totalled ± 33,416 companies (The Department of Manpower and Transmigration of Banten Province, 2022). This also includes the number of Worker/Labour Unions in Banten Province. Banten Province has 20 trade/labour unions (Document of the Labour Inspection Unit – The Department of Manpower and Transmigration of Banten Province, 2022). The distribution is mostly found in the Tangerang and Serang areas.

Analysis and data on labour conditions in Banten Province illustrate the implementation of labour inspection in this area. The population of Banten Province from 2021 was around ± 11,904,562 people, the working age population has increased in August 2022, namely 172.73 thousand people.
Table 5. Banten Province Social Labour Conditions in 2021-2022

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Age Population</td>
<td>9636.06</td>
<td>9814.33</td>
<td>9987.06</td>
<td>178.27</td>
<td>172.73</td>
<td>1.85</td>
<td>1.76</td>
</tr>
<tr>
<td>Workforce</td>
<td>6,213.23</td>
<td>6260.65</td>
<td>6,463.63</td>
<td>0.76</td>
<td>202.98</td>
<td>2.63</td>
<td>4.25</td>
</tr>
<tr>
<td>Work</td>
<td>5552.17</td>
<td>5698.34</td>
<td>5940.62</td>
<td>2.63</td>
<td>242.27</td>
<td>3.46</td>
<td>4.05</td>
</tr>
<tr>
<td>Unemployment</td>
<td>661.06</td>
<td>562.31</td>
<td>523.01</td>
<td>-14.94</td>
<td>-39.30</td>
<td>-2.24</td>
<td>-6.99</td>
</tr>
<tr>
<td>Not the Labour Force</td>
<td>3,422.83</td>
<td>3553.68</td>
<td>3,523.43</td>
<td>3.82</td>
<td>-30.25</td>
<td>-0.85</td>
<td>-6.99</td>
</tr>
</tbody>
</table>


The social development of employment in Banten Province from 2020 to August 2022 shows that the population working in informal activities is 2.85 million (47.97%), while informal workers are 3.09 million (52.04%). This number has increased by 0.91% compared to 2021. This condition also illustrates the quality of the local workforce, which is still dominated by elementary school graduates and below at 33.64%, and the lowest is at university and diploma graduates at 14.34%.

Figure 3. Percentage of Workforce Education Level in Banten Province 2021-Aug 2020.

The graph illustrates the average minimum wage for each Regency/City in that area. The average level of the Banten Province minimum wage in 2021 was around ± Rp. 2,460,996/month, with the largest minimum wage in Cilegon Regency of ± Rp. 4,309,773/month and the lowest was in Lebak Regency ± Rp. 2,75 314/month (Banten Province Statistics Agency, 2022). Meanwhile, the real daily wage for workers in Banten Province until June 2022 was around ± Rp. 58,294/day, which was a decrease of Rp. 1,855
from the real daily wage for December 2021 of ± Rp.60,149/day (based on the real daily wage for farm workers) (Banten Province Statistics Agency, 2022).

4.2 GOVERNANCE OF THE IMPLEMENTATION OF LABOUR INSPECTION IN BANTEN PROVINCE

The governance of labour inspection in Banten Province is carried out in two mechanisms: management within the company through the Bipartite Cooperation Agency mechanism and external management through the Tripartite Cooperation Agency mechanism. The two mechanisms are institutional forums that link stakeholders’ interests in labour affairs. Other mechanisms might be created outside of the two institutional mechanisms, such as the Provincial Wage Council (Dewan Pengupahan Provinsi). At the technical level, these institutions supervise the fulfilment and compliance of employers and workers/labourers and the enforcement of labour laws. They are also responsible for implementing labour inspection at the preventive, non-judicial, and judicial repressive stages carried out by the Labor Inspection Division of Banten Province and the Regency/City Technical Implementation Unit (UPTD).

Figure 4. Tripartite and Bipartite Mechanisms in Banten Province

A bipartite mechanism occurs between employers and workers (Workers/Labour Unions). The deliberation between the two resulted in a work agreement called Company Regulations or Collective Labour Agreement, as well as Standard Operating Procedures to regulate relations between the two mechanism and resolve labour issues within the company. This arrangement is mutually agreed upon by employers and workers or their representatives (workers/labour unions). This is also intended to fulfil labour norms, as
well as a form of company commitment and compliance with labour regulations. In detail, this bipartite mechanism has two functions of interest: 1) fulfilling the provisions of labour norms and 2) maintaining harmonious industrial relations between employers and workers/labourers. The government does not have a significant role in a bipartite mechanism. The role of government interests appears only when problems cannot be resolved, so the government acts as a mediator. This mediation is also a technical aspect carried out by the Labour Inspection Division of Banten Province and the Regency/City Technical Implementation Unit (UPTD) in the preventive educative stages and enforcement of labour law.

The government’s involvement in the bipartite mechanism has two functions, namely, 1) providing input and guidance to employers and/or workers in meeting internal company regulations or policies, and 2) bridging and assisting the dispute resolution process between employers and workers/labourers. Entrepreneurs’ interests in bipartite are as a high and massive authority within the company to regulate the implementation and fulfilment of work & OSH norms. This includes regulation, planning, technical implementation, monitoring and evaluation, and continuing to comply with work & OSH norms within the company.

The second mechanism is tripartite, which involves many institutions. However, structurally the tripartite institution has the main actors, namely the Government (The Labour Inspection Division of Banten Province), other formal regional government institutions, employers who are represented by the Employers Association of Banten Province, and representatives of trade/Labour Unions, which are also tiered according to the level of government (Tripartite Cooperation Agency at the Provincial and District/City level), as well as academics. Within this institution, all stakeholders in the three stakeholder sectors are actively involved. This includes the formulation of manpower implementation and the drafting of labour law rules that will be implemented at the provincial and district/city levels. Each sector has its role and interests. Government stakeholders 1) maintain a balance in the implementation of manpower, 2) ensure that the process of implementing labour regulations can run effectively and efficiently. This resulted in the government’s role becoming dominant over the other stakeholders involved. The tripartite institution becomes a forum where the interests of each stakeholder in the employment system and implementation of Banten Province can be accommodated, the fulfilment of the demands and needs of each stakeholder in the
regulations and system of employment implementation, as well as protecting and guaranteeing the rights and interests of each in the implementation strategy labour laws in the area.

The roles and interests of employers’ stakeholders and trade/labour unions in the Tripartite Cooperation Agency include 1) providing input/suggestions to the government in strategic planning for the implementation of employment in the regions; 2) control over policies issued by the Government, if the policies are considered burdensome to each other’s interests. This includes control in the form of mass demonstrations when employment policies at the regional level are considered unequal to the interests of both parties. This is inseparable from their respective interests. Trade/labourers unions have two main interests in Tripartite: ensuring the guarantee and fulfilment of the needs and rights of workers/labourers in the workplace and regulations and strategic mechanisms for employment in the regions.

Meanwhile, the involvement of academics and other formal regional government institutions is more to provide academic and technical considerations and input on the systems and technical mechanisms of governance and implementation of labour inspection. This also reflects the dependence of the worker/labourer on the strategies taken and implemented in the governance of the Banten Province labour inspection which ensures the fulfilment of work norms & OSH for workers/labourers. The involvement of government stakeholders, employers and workers/labourers (Trade/Labourers Unions) in the Tripartite Cooperation Agency illustrates a dynamic deliberation. This deliberation arises and is reflected in the presentation of each other’s interests, intentions/motives, goals, desires, needs and expectations.

5 DISCUSSION

Various stakeholders’ involvement and institutional mechanisms show that implementing labour and labour inspection is mutually sustainable. Labour norms are implemented internally in the company, where the bipartite mechanism becomes a forum that bridges the interests of Employers and Workers/Laborer. Needs, fulfilment of rights, protection and assurance of safety, health and welfare of workers are the main motivation. In addition to profitability and profits, that must also be met by the company’s internal management. On the one hand, bipartite is also a control mechanism and guarantees compliance with the implementation of labour norms and the fulfilment of interests for
both parties (Berry, Broadbent, & Otley, 1995), (Follet, 1937), (Gulick, 1937), (Efendi & Poernomo, 2019), & (Richthofen, 2002).

On the one hand, bipartite is a policy formulation mechanism that balances the involvement of employers and workers/laborer, which is able to create values of transparency, participation, accountability, effectiveness and efficiency (Forest, 2021), (Heyes, Rychly, Gavris, & Ruiz, 2021), (Richthofen, 2002). This internal scope is narrower but complex on a technical level. Uncertainty during the production process and actions, compliance with regulations, and operational standards in the workplace by Workers/Laborer are important aspects that can have positive or negative impacts. This reflects the dependence of workers/Laborer and Employers on mutually agreed policies, regulations, and standards. The knowledge and experience of workers/labour on the risks that may occur,

In addition to the company’s internal management control, also reflects the driving force of the consequential aspects and the dependence of both parties (Emerson & Tanabachi, 2015). Minimizing risks and success in achieving mutually agreed goals cannot be achieved, if the agreed values are not institutionalized and do not become fundamental values that are equally understood as fundamental things.

The tripartite institutional mechanism also shows the same thing. The complexity lies in the management and regulation of the involvement of all stakeholders, the division of roles, and the deliberation mechanism where the dynamics of interests move
dynamically. Therefore, knowledge, experience capacity, and leadership are important to put forward as control values (Emerson & Tanabachi, 2015). Therefore, the institutionalization of mutually agreed values, including labour norms, balance functions, and understanding of interests and conditions, need to be adjusted. This requires dominant leadership as a control axis capable of bridging (catalyzing) the differences and dynamics of the movement of the interests of each stakeholder. However, the institutionalization of values and capacity building for understanding and knowledge of each stakeholder has an equally large urgency as a binder. (Grindle, 2010), (Meta, 2007), (Rhodes, 2007), (Roy & Tisdell, 1998).

This can strengthen interdependence, whereby institutional values, resource capacities and information and experience are shared. An important lesson that can be drawn from this study is that the control system in the governance of labour inspection in the regions does not only exist in the context of the regulatory process for involvement in the institution but also concerns the strategic human resources (stakeholders) involved in it, the balance of interests and motives, understanding and interdependence among stakeholders in a dynamic collective mechanism as described in the implementation of labour inspection in Banten Province. The context of leadership within this tripartite mechanism is key, in addition to the continuous institutionalisation of shared institutional values.

6 CONCLUSIONS

This study provides several lessons. The first is the governance system for implementing labour inspection consisting of bipartite and tripartite institutions. The two mechanisms cover three key governance stakeholders: the Labour Inspection Sector, employers and representative associations, workers/laborer and trade/labor unions, and other stakeholders such as formal regional government institutions and academics. The involvement of these stakeholders creates interdependence, fulfilling needs, binding commitments, balancing interests in fulfilling compliance and protecting and guaranteeing the enforcement of labour norms.

The labour inspection governance system in Banten Province can be effective if the driving force is supported by mutually agreed leadership and institutional values. This includes a dynamic deliberation mechanism between stakeholders, balancing interests and sharing responsibilities, resources, knowledge and experience. This is a capacity that
needs to be built and developed in order to be able to adapt to changes, uncertainties and risks that have arisen and may arise. Implementing labor inspection in the regions can be effective, accountable, transparent, and participatory, so compliance, protection and guarantee of law enforcement and labor norms can run well.

LIMITATIONS

This study has several limitations, including limitations in the scope of the analysis area, which focuses on one area, as well as the diversity, complexity of environmental conditions and limited time in the field. Contributions and constructive suggestions are open to improving conditions more positively. This is also a form of contribution that hopes to improve the governance of the implementation of labor inspection in the regions, particularly in the implementation of labor inspection in Banten Province and districts/cities. This study also requires continued studies in the future.
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