

A MODEL OF SETTING REGIONAL MINIMUM WAGES IN AN EFFORT TO ACHIEVE A DECENT STANDARD OF LIVING FOR WORKERS

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Abstract

Wages are services that can be considered as workersrights that are received and expressed in terms of money to workers and are paid according to an employment agreement, agreement or statutory regulation. With regard to the issue of wages, in Indonesia the current standard for wage labor is with the provision of minimum regional and sectoral minimum wages. The problem occurs whether the regional minimum wage is able to buy basic needs. What is the right model for setting wage standards to fulfill a decent life in accordance with the mandate of the 1945 Constitution, paragraph 27 paragraph (2). The study uses a normative juridical approach, which is in reviewing and analyzing problems using secondary data in the field of law, in this case the laws and regulations in the field of labor law that regulates wage issues. This research then shows that the minimum wage level cannot meet the needs of a decent worker's life and is still far from the real expenditure of labor adjusted for the level of wages received. In addition to the low purchasing power of the minimum wage for living needs, this survey also proves that the minimum wage is indeed used as a benchmark for wages by employers or has been used as a maximum wage.

Keywords: Minimum wages, Workers, Welfare, and Decent Life

Introduction

All humans, whatever their social status, always try to maintain and maintain their survival both personally and collectively. Based on this thinking, it can be said that there are basic life needs that are non-negotiable (both in terms of type and volume. In short, there are basic or basic needs that must be met to maintain their survival (Howell, 2019) Human survival can not be separated from what can fulfill it. One of the means of meeting the needs of human life is money, which can be obtained from work. For workers, the fulfillment of their needs is salary or wages.

With regard to the issue of wages, in Indonesia the current standard for wage labor is the provision of minimum regional and sectoral wages, but in general regional minimum wage or UMR standards are used (Braun, 2019). With the provision of the UMR, the problem is whether the regional minimum wage is able to buy these basic needs. The basic needs referred to here are the main needs, and the problem of