

# Indonesia

## *Main indicators and characteristics of collective bargaining*

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This note presents the main indicators and characteristics of collective bargaining in Indonesia for 2019 or the latest year available. The purpose of this note is to provide a snapshot of the functioning of collective bargaining in Indonesia that can be used for comparisons with other countries in the database. Therefore, this note does not provide a precise description of the legal provisions or standard practices in Indonesia but only a general summary.

The first version of the OECD and AIAS, Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS) database has been released in February 2021 and has been produced with the financial assistance of the European Union Programme for Employment and Social Innovation “EaSI” (2014-2020), VS/2019/0185. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.

The OECD/AIAS ICTWSS database together with its codebook, a note on methodology and sources and a glossary is publicly available at [www.oecd.org/employment/ictwss-database.htm](http://www.oecd.org/employment/ictwss-database.htm). For any information or correction, please contact [CollectiveBargaining@oecd.org](mailto:CollectiveBargaining@oecd.org).

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### *The actors and scope of collective bargaining*

<i>Trade union density (% of employees)</i>	7% (in 2012)
<i>Adjusted bargaining (or union) coverage rate (% of employees with the right to bargain)</i>	10% (in 2008, unadjusted coverage rate)
<i>Employer organisation density (% of employees)</i>	Missing

### *Wage setting*

<i>The predominant level at which wage bargaining takes place (in terms of coverage of employees)</i>	Intermediate or alternating between sector and company bargaining
<i>The combination of levels at which collective bargaining over wages takes place</i>	Missing
<i>Reach or incidence of additional enterprise bargaining</i>	Missing
<i>Favourability</i>	Missing
<i>Opening clauses in sectoral collective agreements</i>	Missing
<i>Crisis-related, temporary opening clauses in collective agreement</i>	Missing
<i>Mandatory extension of collective agreements to non-organised employers</i>	There are neither legal provisions for mandatory extension, nor is there a functional equivalent
<i>Is there a statutory minimum wage in your country?</i>	Yes, there is one or more statutory minimum wage rate(s) that cover(s) all or most employees

## **Wage co-ordination**

<i>Coordination of wage-setting</i>	Some coordination of wage setting, based on pattern setting by major companies, sectors, government wage policies in the public sector, judicial awards, or minimum wage policies
<i>Type of coordination of wage setting</i>	Missing

## **Works councils and employee representation in the enterprise**

<i>Status of works council</i>	Existence and rights of works council or structure for (union and non-union based) employee representation within firms or establishments confronting management are mandated by law or established through basic general agreement between unions and employers
<i>Involvement of works councils (or similar structures) in wage negotiations</i>	Works councils is formally (by law or agreement) barred from negotiating (plant-level) agreements and involvement of works councils in negotiating (plant-level) agreements is rare

## **Social pacts and agreements**

<i>A social pact or central agreement is signed in specified year</i>	Missing
<i>Existence of a tripartite council for the purpose of negotiation, consultation or information exchange over social and economic policies</i>	No permanent council