

CHAPTER II

General Description

2.1 General Condition

Geographically, Semarang is located between 6 50' - 7 10' South Latitude and lines 109 35' - 110 50' East Longitude. Air temperatures range between 20-30 Celsius and an average temperature of 27 Celsius.

Semarang City has an area of 373.70 km or 37,366,836 Ha consisting of 16 Districts and 117 *Kelurahan*. The population is very heterogeneous consisting of a mixture of several ethnic Javanese, Chinese, Arabic and descendants and also other ethnic groups from several regions in Indonesia. The majority of the population is Muslim and other religions are Christianity, Catholicism, Hinduism and Buddhism. The livelihoods of the population are diverse, consisting of traders, government employees, factory workers and farmers. Even though the citizens are very heterogeneous, the social life of the people of Semarang is very peaceful. The tolerance of religious life is highly respected. This is a factor that strongly supports security conditions so that Semarang is an excellent city for investment and business development.

As a metropolitan city and the capital of Central Java Province, Semarang also has very adequate facilities. There are port facilities, educational facilities, health facilities, shopping facilities, business districts, and others.

The city of Semarang is likely to continue to develop as a city of commerce as well as a city of tourism services. Therefore in Semarang continues to grow hotels from jasmine to star classes. The development into a service city would be supported by air transportation facilities with Ahmad Yani Airport, which would be upgraded to international airports, as well as land transportation in the form of trains and buses with various majors.

2.2 History of Labor Associate

The Labor Associate movement in Indonesia emerged in conjunction with several Indonesian movement organizations in the early 20th century. The Labor Associate organizations of the Indonesian Labor Associate emerged as a result of an economic injustice that was too much dominated by capitalism, this made the Indonesian Labor Associate united in its struggle to improve the lot they are in the midst of the persecution that befell them. The influence of socialism on the struggle of the nation in Indonesia began with the arrival of Sneevliet, a Dutch socialist activist who came to Indonesia to work and spread knowledge about the ideas of Marxism, ideology and the way of socialism which then aroused the thinking of Indonesian fighters, especially among the workers. Socialist ideology is quickly accepted by the workers, because it embraces Marxist teachings that teach about equality of life so that this teaching seems to be an opportunity for workers who feel oppression under the power of the capitalists.

VSTP (Vereeniging van Spoor-en Tramweg Personeel) get a big influence from socialist and communist groups. The VSTP organization has roots in the radical movement against injustice created by the colonial system. This Labor Associate protest movement also became the beginning of modern social movements, replacing earlier social movements which were more traditionally based. The Organization of Indonesian and Dutch Railroad Labor Associate was founded in Semarang in 1908. Members of the VSTP organization initially included employees of the private railway company SCS (Semarang Cheribon Stoomtram Maatschappij) and NIS (Nederlands Indische Spoorweg Maatschappij). After VSTP was established, the Labor Associate organization for SS employees (Staatsspoorwegen) which was under the leadership of Dutch employees in 1912 was finally closed because it was unable to compete with VSTP.

The success of the VSTP received attention from the socialist movement and allowed Sneevliet to recruit labor activists into the ISDV. Since 1914, VSTP has been under the influence of the ISDV (Indische Social Democratische Vereniging) led by H.W. Dekker Sneevliet, J.A. Brandsteder and P. Bergsma. the most important of which was Semaoen, a young railroad worker who in 1916 (when he was 17 years old) was the editor of SI Permanent, the Malay-language VSTP newspaper. One year later, he was again entrusted to hold the position of commissioner of SI Semarang at the age of 18, and later became an important figure in the PKI. In 1923 Semaoen was exiled because of a case of a massive strike of VSTP workers. Since then the first

largest labor organization in Indonesia has become radical. Under the leadership of Semaoen, this organization showed very brave actions. In 1918 this organization actively fought for expensive demands for railroad workers. In 1920 labor disputes arose regarding wages and working hour provisions in the SCS, VSTP sent an ultimatum to the directors but this request to improve the lot of workers was not successful. Sneevliet made VSTP open to native laborers. The organization has begun to introduce the importance of opening branches, annual meetings, withdrawing member contributions, and so on. because the VSTP moved radically to defend the interests of poor native employees, in the short term these union members doubled, and most were indigenious.

During the administration of Governor General Fock (1921-1926) tensions between workers and employers increased. The government's actions to save budget in the Dutch East Indies and revoke the cost of benefits which was then followed by the dismissal of employees, thus inviting a strong reaction from the VSTP in the form of a threat to hold a general strike as outlined in a January 1923 leaflet, then it was decided that the VSTP joined the Union organization International Labor based in Moscow. In the negotiations held in April 1923 the VSTP filed demands including among others the expensiveness allowance for retained employees, provisions regarding working hours, the establishment of an arbitration body to settle labor disputes, as well as provisions regarding minimum wages of one guilder a day, but all demands were rejected by the Indies government Netherlands.

The Dutch East Indies government made it clear to VSTP leaders who were tough and threatened to strike. As a result, Semaoen was actually arrested on May 8, 1923 and there was a massive strike from railroad employees. The strike which was attended by 13,000 workers from 20,000 workers started from Semarang and then spread to Madiun and Surabaya. During the strike the Dutch workers also took part. As a result, hundreds of workers involved in the strike were fired. Thus the strike broke up at the end of the month because the strike force with the employer was unbalanced. Semaun is allowed to go abroad. After the PKI uprising in 1926, VSTP was increasingly suppressed by the government, until finally the organization disbanded. Instead, PBST (Beamtc Spoor and Tram Association) was established which later changed its name to the Spoor and Tram Employees Association (PPST) in July 1927 (Kabiransyah, Syah, & Wakidi, 2015).

2.3 History of APINDO

Founded on January 31, 1952, the Indonesian Employers' Association (APINDO) was originally established under the name of the Indonesian Consultative Body for Social Affairs. After the struggle for independence, development in all fields began to become a concern, one of which was in the socio-economic field. This field is also something new in the business world.

Problems related to the business world began to emerge, such as issues of industrial relations and labor, and labor. The demands fought by the workers underwent a change, which before independence, the guidance of the workers became

a movement in the framework of achieving independence. In the post-independence era, demands have emerged to get better work protection rights so that this triggers the emergence of labor relations problems involving workers and employers.

Along with the increasing issues in the field of labor and industrial relations, employers consider the importance of a forum that is able to become a forum for communication and exchange of ideas to solve various problems that arise in the field of industrial relations and labor. the interests of the government and employers. In a broader scope, the forum can voice the aspirations of employers to the government and other organizations, both at home and abroad, which are involved in the world of industrial relations and labor.

This forum underwent several name changes, until on January 31, 1952, the Indonesian Economic and Entrepreneurship Socio-Economic Consultative Board (PUSPI) was created. In accordance with the demands of the changing times, PUSPI changed its name to the Indonesian Employers' Association (APINDO) through the APINDO II National Conference in Surabaya, in 1985.

Along with the development of technology and trade liberalization which has a significant influence on the lives of the world community, competition for efficiency, productivity and networking are the keywords for the success of countries in facing these global changes. Conversely, a country's economy that is not managed efficiently and effectively will not be able to compete so that it will be left behind in global change.

Meanwhile, the multidimensional crisis greatly affected national economic conditions. High rates of corruption, collusion, and nepotism, inefficient bureaucracy, inconsistent regulations and low productivity as well as widespread labor demands, led to high-cost economies which ultimately led to massive capital flight.

The consequences of this condition are increasing unemployment and high poverty rates. One effort to deal with the heavy pressure on the national economy is to build healthy, safe and harmonious industrial relations. The Indonesian Employers' Association (APINDO) is a means of the struggle of the business community to realize harmonious, sustainable industrial relations.

2.4 Topography

Semarang topographically consists of hills, lowlands and coastal areas, so the topography of Semarang shows the existence of various slopes and ridges. The coastal area is 65.22% and the area is plain with a slope of 25% and 37.78% is a hilly area with a slope of 15-40%.

Semarang is divided into 4 types of slopes, namely slope I (0-2%) including Genuk, Pedurungan, Gayamsari, East Semarang, North Semarang and Tugu Districts, and parts of Tembalang, Banyumanik and Mijen Districts. Slope II (2-5%) covers West Semarang District, South Semarang Candisari, Gajahmungkur, Gunungpati and Ngaliyan, Slope III (15-40%) covers the area around Kaligarang and Kali Kreo (Gunungpati District), part of Mijen subdistrict area (area Wonoplumbon) and parts of Banyumanik District and Candisari District. Meanwhile slope IV (> 50%) covers

part of the Banyumanik District area (Southeast), and a portion of Gunungpati District area, especially around Kali Garang and Kali Kripik Kota Bawah, where most of the land consists of sand and clay. More land use is used for roads, settlements or housing, buildings, yards, industrial areas, ponds, ponds and rice fields. Kota Bawah is a center for government, trade, industry, education and culture, transportation or transportation and fisheries. Unlike the hilly areas or the City of the Upper whose geological structure consists mostly of igneous rock, Semarang City Region is located at an altitude between 0 and 348.00 meters above sea level (above sea level). Topographically consists of coastal areas, lowlands and hills, so that it has an area called the city below and the city above. In the hilly area has an altitude of 90.56 - 348 meters above sea level represented by high points located in Jatingaleh and Gombel, South Semarang, Tugu, Mijen, and Gunungpati, and in the lowlands has an altitude of 0.75 meters above sea level.

2.5 Hydrological Conditions

Potential water in the city of Semarang is Sourced from rivers flowing in Semarang City, including the Garang River, Pengkol River, Kreo River, East Canal Flood Canal, Babon River, Sringin River, Kripik River, Dungadem River and others. Kali Garang which has water on Mount Ungaran, its river channel extends northward to reach Pegandan precisely at Tugu Soeharto, meeting with Kali Kreo and Kali Kripik. Kali Garang as the main river forming a lower city that flows through the valleys of Mount Ungaran following a winding groove with a fairly swift flow. After

the measurement of Kali Garang debit has a debit of 53.0% of the total debit and Kreo times 34.7%. Furthermore Kali Kripik has a debit of 12.3%. Because Kali Garang provides water that is quite dominant for the city of Semarang, steps to maintain its sustainability also continue. Kali Garang is used to fulfill the drinking water needs of Semarang City residents.

2.6 Government

The Semarang City Government regulates regional affairs independently because it is based on Regional Autonomy. The Semarang City Government is led by the Mayor of Semarang for a term of five years and two terms. The Mayor as the element of Regional Government organizer who leads the implementation of Government affairs which becomes the authority of the autonomous region. Furthermore, there is the Regional Representative Council, hereinafter abbreviated as DPRD. DPRD has the task of forming and overseeing regional regulations. Moreover underneath there is a Regional Apparatus as an element of assistant Mayor and the Regional House of Representatives in the implementation of Government affairs that are the authority of the Region. Underneath there are several Government apparatus that have their respective duties. The Government Apparatus are the Semarang City Inspectorate, the Semarang City Regional Office, the Semarang City Regional Agency, the Semarang City Civil Service Unit (Satpol PP), the Semarang District, the Semarang City Technical Implementation Unit (UPTD) and the Agency Technical Implementation Unit (UPTB)) Semarang city. Some parts are divided into two types

namely type A and type B. Type A is a measure of administrative affairs with a large workload and type B is a measure of administrative affairs with a moderate workload.

2.7 Labor Office

At the beginning of the Republic of Indonesia Government, when the Indonesian Independence Preparatory Committee determined the number of ministries on August 19, 1945, ministries tasked with handling labor issues were not yet assigned to the labor issues and functions were put on the Ministry of Social Affairs only starting on July 3, 1947 the Ministry of Labor was established. Through Government Regulation Number 3 of 1947 dated July 25, 1947 the main tasks of the Ministry of Labor are determined. Based on Minister of Labor Regulation (PMP) Number 1 of 1948 on July 29, 1947 the main tasks of the Ministry of Labor are stipulated which includes the tasks of social affairs being the Ministry of Labor and Social Affairs , at the time of an emergency Government in Sumatra the Minister of Labor and Social Affairs was given a dual position covering development, Youth and Security matters.

When United States of Indonesia disbanded, the organizational structure of the Ministry of Labor was further refined by Regulation of the Ministry of Labor No. 1 of 1951. Based on these regulations, the Ministry of Labor organization's organizational structure that covered the organizational structure to the regional and resort levels began to appear. This organizational structure did not change until the first quarter of 1954. Through the Regulation of the Minister of Labor No. 70 there began to be

changes which were also refined through the Regulation of the Minister of Labor No. 77 junto Regulation of the Minister of Labor Number: 79 of 1954. Based on these Regulations the Ministry of Labor did not change until by 1964, except for the regional level. Meanwhile the organizational structure consisted of the Directorate of Labor Relations and Supervision and the Directorate of Labor.

Since the beginning of the Guided Democracy period, there have been Labor Associate organizations and labro element which both affiliated with political parties and free parties. Conflicts began to appear everywhere, at that time the Ministry of Labor activities were centered on efforts Settlement of labor disputes, meanwhile the problem of unemployment is neglected, so that through PMP Number: 12 of 1959 the offices of the Central Level Labor Dispute Committee (P4P) and the Regional Level (P4D) were formed.

The Organization Structure of the Ministry of Labor since Work Cabinet I to Work Cabinet IV (four) has not changed. The Organizational Structure began to change through the Minister of Labor Regulation Number: 8 of 1964, namely the appointment of four assistant ministerial positions for administrative matters, research, planning and evaluation of relations and labor inspection, and labor.

In further developments, the Ministry of Labor organization based on these Regulations was perfected by Regulation of the Minister of Labor No. 13 of 1964 dated November 27, 1964, which in essence added a position of Assistant Minister of Special Affairs. During the New Order period (the 1966-1969 transitional period), the

Ministry of Labor changed its name to the Department of Manpower (Depnaker). Based on the decree, the position of Assistant Minister of the Ministry of Depnaker was abolished and in its place a Secretary General was formed. The transition period ended in 1969 marked by the start of the Repelita I development phase, and was the beginning of the implementation of the Phase I Long-Term Development (PJPT I). At the formation of the Development Cabinet II, the Department of Manpower was expanded to become the Department of Manpower, Transmigration and Cooperatives, so that the scope of duties and functions not only covered labor issues but also included issues of transmigration and operation. The organizational structure and work procedures of the Ministry of Manpower Transmigration and Cooperatives were regulated through the Decree of the Minister of Manpower and Transmigration No. Kep 1000 / Men / 1975 which refers to KEPPRES No. 44 of 1974.

In the Development Cabinet III, the elements of cooperatives were separated and the Ministry of Manpower, Transmigration and Cooperatives, so that it became the Department of Manpower and Transmigration (Depnakertrans). During the service period, the Development Cabinet IV was formed by the Ministry of Transmigration, so that the transmigration element was separated from the Ministry of Manpower.

During the reform period, the Ministry of Manpower and the Department of Transmigration Moreover rejoined on February 22, 2001. Efforts to restructure the organization of the Ministry of Manpower and Transmigration continued to be made

with reference to Presidential Decree No. 47/2002 concerning Position, Tasks, Functions of Authority, Organizational Structure and Administration Work.

In regions with regional autonomy in 2000 the Ministry of Manpower, the Department of Transmigration, The Manpower Department Branch, were merged into one based on Semarang City Regulation No. 2/2001 concerning the formation, organization and working arrangements of the Semarang City Regional Office and the Semarang Mayor Decree No. 061.1 / 179 of 2001 concerning the Elaboration of Tasks and Functions of the Semarang City Manpower and Transmigration Office.

In the further development of Semarang City Regulation Number 2 year 2011 concerning Formation of Organizations and Work Procedures of Regional Offices and Semarang Mayor Decree Number 061.1 / 179 year 2001 concerning Realization of Duties and Functions of the Dinakertrans replaced on the basis of Government Regulation Number 41 of 2007 concerning Organization of Regional Apparatuses with Regulations Semarang City Region Number 12 Year 2008 concerning Organization and Work Procedure of Semarang City Regional Office and Semarang Mayor Regulation Number 27 Year 2008 concerning Explanation and Function of Semarang City Manpower and Transmigration Office. That is based on article 85 of the Semarang City Regulation Number 12 of 2008 concerning Organizations and Work Procedures of the Semarang City Regional Office and as the implementation of the Regional Regulation, the Semarang Mayor Regulation No. 65 of 2008 concerning

the Organization and Work Procedures of the Technical Office of the Semarang City Work Training Center (Dinas Tenaga Kerja, 2019).

2.8 Labors

As an area that has a lot of population, Semarang City also has a lot of workers and laborers. In 2015 the city of Semarang had a fairly high workforce number. For the male workforce amounted to 501.705 and for the female workforce numbered 372.827. The labor force is a population that is aged 15 years and over and includes working age population (15 years and over) who work, or have jobs but are temporarily unemployed and unemployed. In 2014 the number of workers based on Semarang City BPS data was 774.140 workers.

When detailed according to education, the large number of workers would decrease along with the level of education. According to the data displayed by the Semarang City BPS in 2015 there were 124.330 workers who went through elementary school (SD). Meanwhile the Junior High Schools (SMP) graduate was as many as 195.948 and the Senior High Schools (SMA) was 316.436. For D1, D2, and D3 were 118.175 and D4 and S1 were 110.881. From the data it can be concluded that the higher the education taken, the fewer the number of workers.

2.9 Potential of Semarang City

As a capital city area, Semarang City has a variety of potentials, for example in 2019, the Mayor received an award as Asia Best Major of the Year 2019, in the 2019 Global Asia Award. Other awards received were in the areas of infrastructure

development, Child Friendly Cities, and child-friendly play spaces. The city of Semarang also won awards in the field of infrastructure in the Indonesia Attractiveness Index (IAI). The IAI assessment team believed that the development carried out by the City of Semarang has a positive influence on the level of economic growth and has very good regional competitiveness. The success of this infrastructure which later became an attraction for regional investment to grow. The IAI team assessed the Gross Regional Domestic Product (PDRB) of Semarang City which higher than 136 districts and cities that qualify to be nominated. In the field of child-friendly cities, the city of Semarang received an award because it was considered to have a high commitment and concern for the fulfillment of children's rights. The development in question is the construction of a child-friendly playroom (RBRA) (KOMPAS, 2019).

The city of Semarang also received the Regional Development Planning (PPD), the implementation of the best Government Enterprise Cooperation (KPBU), even surpassed the city of Denpasar and Makassar.

In addition there are quite a lot of tourism spot in the city of Semarang. There are nature tourism, historical tourism, religious tourism, family tourism, and night tourism, for example, the existing natural attractions are Tirangcawang island, Tirang beach, and Marina Beach. For historical tours there are the MURI museum, the Central Java Islamic Development museum, and Lawang Sewu. Moreover the religious tour owned by the City of Semarang is the Central Java Great Mosque, Sam

Po Kong Temple, and Blenduk Church. For family tourism there are the Mangkang Zoo, Taman Mini Central Java, and The Fountain in Central Java. Night tours that can be visited are Taman Wilis, Semarang Old City, and Garuda Park.

2.10 Population

The city of Semarang occupied the 2nd position in the list of population by regency / city in Central Java in 2018 after the Brebes district. The population in Semarang City in 2018 was 1.786.114 inhabitants with details of age 0-14 384,698, ages 15-64 totaling 1.302.887 and ages 65 and above 98.529.

Every year the level of density in the city of Semarang tends to increase. In 2010 the population density in Semarang City was 4,087 people / KM² until 2017 reaching 4.310 people / KM². The high number is due to several factors and one of which is Life Expectancy in Semarang City. Life Expectancy in Semarang City tends to be stable and increase every year. From 2010 the Life Expectancy in Semarang reached 77.17 and in 2017 it reached 77.21.

2.11 Poverty

Like other regencies / cities, Semarang City also has conditions where poverty is also one of the problems. The percentage of poor population in the city of Semarang was 4.97% in 2015. The government intends to reduce poverty through several programs and finally in 2018 the poverty rate has managed to decrease to 4.14%. When converted into numbers, the number of poor people in the city of Semarang were 73.650 people.

Many factors cause poverty in the city of Semarang, namely the head of the household who has a low income but has many dependents. The next factor is inequality in the distribution of aid to the poor. This was identified by the discovery of about 26 percent of the poor who had not received any type of assistance in the last two years (Rejekiningsih, 2011).

2.12 Wage Policy

In Indonesia, the wage system targeted at workers is regulated by the Government law number 13 year 2003 in article 88 on employment. This law explains that in order to stipulate income that fulfills a decent living for humanity, the Government establishes a wage policy that protects workers. The wage policy includes setting minimum wages, for example, the term Regional Minimum Wage (UMR) was used during the New Order. Whereas during the reform period the term Regency or City Minimum Wage (UMK) was used to determine the UMK, Regency or City Regional Government. Because economic growth and value of decent living needs are different in each district / city, the determination of the minimum wage is now left to the regions in accordance with the Regional Autonomy where each region has the right to regulate its own territory with their potential and abilities.

Regulation of the Minister of Manpower and Transmigration of the Republic of Indonesia Number 13 year 2012 explains that the Regency / City Wage Board is a non-structural institution that is tripartite. The members are appointed by the Regent / Mayor who is given the task to provide advice and consideration to the Regent /

Mayor in the context of the preparation of minimum wages and the application of the wage system at the Regency / City level. In the Regulation of the Minister of Manpower and Transmigration of the Republic of Indonesia Number 13 year 2012, in setting minimum wages the Government needs to pay attention to the rate of productivity, economic growth and pay attention to the businesses that are least able (marginal).

For example, based on the recommendation letter from the Wage Board, conveying three different figures to the Mayor, the SP / SB elements suggested the 2016 UMK of Rp.2.520.231. The Apindo element proposed a 2016 UMK of Rp. 1,765,000.00 and the City Manpower Department proposed a value of Rp. 1.863.925 which was purely the need for a decent life (KHL). Finally for 2016 the UMK determined was greater than the recommended value of Rp.1,909,000.00. This means companies in the city of Semarang are prohibited from providing wages / salaries to workers / laborers under the Semarang City UMK starting from January 2016.

Since 2017 the Government has abolished the word transmigration so that the Office is officially called the Manpower Department. The Manpower Department has the duty to regulate Government affairs in the labor sector. In determining the minimum wage, the Manpower Department of work has the task of forming and managing the Wages Board. The Wage Council is a very important institution in the process towards setting minimum wages. The Wage Council has also been stipulated in the Semarang Mayor Decree (SK) number 5611/98 in 2018 concerning the

Establishment of the Semarang City Wage Board year 2018-2021. The task of forming the Wage Council is the task of the Department of Labor (Industrial Relations). The task of Industrial Relations (HI) is carrying out the formulation of technical policies, fostering and implementing in the field of fostering employers and workers 'organizations, reSolving disputes and formulating wages and workers' welfare and social security.

In the Wage Council there are three elements which are required to participate in the process of determining the minimum wage and have their respective functions. These elements are elements of the Government represented by the Department of Manpower, Labor / Workers 'Elements represented by the Semarang City Labor Associate, and Employers 'Elements represented by the Indonesian Employers Association (APINDO) of the City of Semarang. In other words The Manpower Department is presented as a representative of Government elements but does not have special rights to determine the minimum wage alone.

The task of the Wages Council is to help determine, provide advice and consideration to regional heads in formulating wage policies, and to help develop national and regional wage systems. The results of the discussion on determining the minimum wage are submitted to the Regent / Mayor of the city for approval and submitted again to the Governor for final approval. The minimum wage that has been approved by the Governor would be valid for a period of one year.

In determining the minimum wage, of course there are other parties who participated in the process of determining the minimum wage. The other parties are the Central Statistics Agency (BPS) of Semarang City whose task is to release data on inflation and economic growth. The Semarang City Bureau of Law and Political Unity (Kesbangpol) has the duty to provide legal and regulatory information that has been applied by the Government and to protect national security and unity. In this case the scope maintained is harmony between the labor associate and the Apindo Elements. Another party is one expert from the law faculty of UNDIP who manages employment law courses. This is in accordance with Government regulations that there must be an independent party. In addition to the wage council there is also a wage council secretariat unit. The job is to prepare, condition and manipulate the agenda and results of the meeting discussed. All members consist of the Government (Manpower Department).

The Manpower Department as a provider of facilities in the process of determining the minimum wage certainly requires sufficient and good resources so that in the determination of problems does not occur bad thing that can affect the results of the minimum wage. The Source of funds needed to carry out this implementation is taken from the Semarang city budget which varies each year. APBD funds are used to fulfill all programs and activities to provide facilities for job seekers. The Manpower Department conducts various activities related to budget allocation, monitors company, and conducts socialization about business, and work, and technical guidance. All activities carried out by The Manpower Department are supported by the Regional Budget.