

**Decree of the Minister of Manpower No. PERO1/MEN/1994 concerning the establishment of a trade union at the enterprise level.** Dated 17 January 1994.

**CHAPTER I. GENERAL PROVISIONS**

Section 1. In this Ministerial Decree:

- (a) An enterprise is any private profit or non-profit business venture which employs workers.
- (b) An entrepreneur is:
  - (i) an individual, a corporation, or a legal entity which manages its own enterprise;
  - (ii) an individual, a corporation, or a legal entity which independently manages an enterprise which it does not own;
  - (iii) an individual, a corporation, or a legal entity which resides in Indonesia representing an enterprise referred to under subparagraphs (b)(i) and (ii) above, which is located abroad.
- (c) A "worker" is an individual who works for and receives wages from an enterprise.
- (d) A "trade union at enterprise level" is a trade union as referred to under Act No. 14 of 1969, whose activities are limited to the corresponding enterprise.
- (e) The "Trade Union" is the All Indonesia Workers' Union (SPSI).
- (f) The "Collective Labour Agreement" is the Labour Convention as referred to under Act No. 21 of 1954.

Section 2. The trade union at the enterprise level is characterized by the principles of Pancasila.

Section 3. The goals of a trade union at the enterprise level are:

- (a) to improve workers' skills and to improve their well-being and that of their families;
- (b) to create job security and to ensure the continued existence of the enterprise;
- (c) to increase the productivity of workers.

Section 4. (1) A trade union at the enterprise level can be established in enterprises which employ 25 or more workers where a trade union has not been formed.

(2) Only one trade union at the enterprise level can be established at each enterprise.

Section 5. A trade union at the enterprise level can work with or can join a trade union at the regional, national or sectoral levels.

Section 6. Entrepreneurs may not forbid workers to establish a trade union at the enterprise level in their enterprises.

**CHAPTER II. FUNCTIONS AND DUTIES**

Section 7. The function of the trade union at the enterprise level is to act as a forum to accommodate and channel the aspirations and interests of their members.

Section 8. In order to carry out functions referred to under section 7, trade unions at the enterprise level shall have the following duties:

- (a) to initiate activities intended to enhance worker productivity and well-being in the enterprise;
- (b) to negotiate with entrepreneurs in determining terms of employment and of workers' well-being;
- (c) to provide entrepreneurs with written statements on matters that have not been dealt with under rules;
- (d) to represent workers in discussions with entrepreneurs in the event that a dispute should occur.

**CHAPTER III. NAME AND MEMBERSHIP**

Section 9. (1) The name of the trade union at the level of the enterprise should expressly include the name of the corresponding enterprise.

(2) The trade union referred to under subsection (1) shall have the following:

- (a) an executive board; and
- (b) trade union articles of association.

Section 10. Those who are eligible to become a member of a trade union at the enterprise level are:

- (a) of Indonesian nationality;
- (b) workers with non-managerial duties at the corresponding enterprise.

Section 11. Members of the executive boards of trade unions at the enterprise level shall:

- (a) meet membership requirements provided for under section 10;
- (b) meet other requirements established by the workers in the relevant enterprise.

Section 12. It is recommended that corporate trade unions join the Trade Union of the appropriate business sector within a period of 12 months.

#### **CHAPTER IV. PROCEDURE OF ESTABLISHMENT**

Section 13. The establishment of trade unions at the enterprise level shall be approved by more than 50 per cent of existing workers.

Section 14. In order to establish a trade union at the enterprise level, the workers shall submit a notification letter to the employer in question stating the intention of the workers in the enterprise to form a trade union at the enterprise level as provided for under this Decree.

Section 15. A trade union at the enterprise level that has already been established shall register at the local office of the Ministry of Manpower and provide a list of the names of members of its executive board.

Section 16. Any change in or replacement of an executive board of a trade union at the enterprise level shall be reported to the local office of the Ministry of Manpower.

#### **CHAPTER V. NEGOTIATIONS IN THE MAKING OF COLLECTIVE LABOUR AGREEMENTS**

Section 17. Trade unions at the enterprise level shall have the right to negotiate collective labour agreements with employers pursuant to existing legislation.

Section 18. When negotiating collective labour agreements, trade unions at the enterprise level may consult with branches of the Trade Union and/or with the local office of the Ministry of Manpower.

Section 19. (1) Collective labour agreements referred to under section 17 shall be registered at the local office of the Ministry of Manpower.

(2) Collective labour agreements shall be binding on trade unions at the enterprise level and on employers as of the date of signature of both parties.

#### **CHAPTER VI. SETTLEMENT OF LABOUR DISPUTES AND TERMINATION OF LABOUR RELATIONS**

Section 20. Disputes concerning terms of employment, conditions of employment or termination of labour relations must be settled in compliance with Act No. 22 of 1957 and Act No. 12 of 1964.

#### **CHAPTER VII. TRANSITIONAL PROVISIONS**

Section 21. All existing workers' organizations functioning as trade unions at the enterprise level other than the Trade Union must comply with this Decree within six months of its date of entry into effect.

#### **CHAPTER VIII. CLOSING PROVISIONS**

Section 22. Entrepreneurs may not prohibit a trade union at the enterprise level from integrating into the Trade Union.

Section 23. Guidance for trade unions at the enterprise level shall be provided by the local Office of the Department of Manpower and by the Trade Union.

Section 24. This Decree shall enter into effect on 17 January 1994.