

Resolution No. 1

REPUBLIC OF INDONESIA MINIMUM WAGE SETTING

The 13th ITUC-AP Regional General Council in Singapore on 24 - 25 October 2015:

- CONDEMNING STRONGLY** the Government of Indonesia for its unilateral introduction of a draft regulation on minimum wage setting, without proper consultation with the stakeholders, specifically with trade unions;
- DENOUNCING** that such an action to exclude trade unions in the minimum wage negotiation process is a destruction to the promotion of social dialogue and efforts made by the unions to improve the base for the minimum wage; and contravenes the ILO Convention No. 131 (1970) on Minimum Wage Fixing which requires full consultation with trade unions and employers on the establishment, operation and modification of minimum wage machinery. Furthermore, the action clearly shows regressive attempts to deny the creation of better ASEAN labour standards in the region;
- DEPLORING** that the government draft regulation on minimum wage setting based only on inflation and economic growth defies the articles 88 and 89 of the Labour Law No. 13 / 2013 where the government shall set the minimum wage based on the needs of decent living and the Indonesian Constitution 1945 Article 28 that every citizen has the right to work and decent living for humanity;
- RECALLING** for several decades minimum wage fixing in Indonesia has been based on the established tripartism that has proven to be beneficial to the improvement of people's living standards, being compatible with strong economic growth, increase in employment, increasing investment and poverty reduction;
- FURTHER RECALING** that since October 2014, the Indonesian Government under President Joko Widodo has prioritised boosting investment to support Indonesia's economic growth with quality jobs, including better wages and workings conditions, among others;
- EXPRESSING DEEP CONCERN** that rising inequality everywhere in the region including Indonesia constitute threats to democracy and worsens social cohesion and stability. Indonesia is among the countries with the highest levels of income inequality in the world with the GINI Index of 38.1 (WB Nov. 2013);

STRONGLY BELIEVING

that minimum wage is crucial to increase domestic purchasing power thus leading to income led sustainable growth and a fair minimum wage is essential in determining the income security of millions of Indonesian workers and their families;

SUPPORTS

affiliates in Indonesia for their action to create a United Front and mobilise union members against the move of the government;

URGES

the Government of Indonesia:

To fully respect social dialogue based on tripartite consensus on the workers' issues including the minimum wage setting negotiation and;

- To observe the Indonesian Constitution 1945 and the Labour Law No. 13 / 2003 so that the minimum wage can fulfil the needs of workers decently; and
- To withdraw the unilaterally proposed amendment immediately.