
THE ROLE OF THE CENTRAL JAVA PROVINCIAL WAGE COUNCIL IN DETERMINING REGENCY/CITY MINIMUM WAGES IN 2020

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ABSTRACT : The purpose of the study entitled "The Role of the Central Java Provincial Wage Council in Determining Regency/City Minimum Wages in 2020" is to determine the role of the Central Java Provincial Wage Council and the procedures for setting the minimum wage in 2020 by the Governor of Central Java Province.

The research method used is normative juridical, which is an approach aimed at the study of legal issues from the aspect of applicable legal regulations, in this case in the form of the role of the Central Java Provincial Wage Council in seeking regency/city minimum wages in Central Java.

Before the Central Java Provincial Wages Council was formed the name of the Central Java Provincial Research, Wages and Welfare Commission. With Presidential Decree No. 107 of 2004 concerning the Wages Board stipulated by the President of the Republic of Indonesia Megawati Sukarno Putri on 18 October 2004. In principle between the Research Commission and the Wage Council there are some differences, among others, regarding the requirements to become a member of the Research Commission and the Wage Board that the requirements to become members of research do not have to bachelor, while to become a member of the Wage Board must be a S1 as well as regarding the composition in the Research Commission the ratio between representatives of workers, government and employers is 1:1:1 and universities. While in the Wage Council the ratio of government, workers, and employers is 2: 1: 1 and universities and experts.

In order to follow up on the Presidential Decree on the Wage Council, the Governor of Central Java Province issued Decree No. 560/61/2005 concerning the Establishment of the Central Java Provincial Wage Council. The Governor of Central Java Province also issued Regulation No. 31 of 2005 concerning Procedures for Proposing Members of the Central Java Province Wage Council.

Governor's Decree Number 560/58 2019, concerning UMK of 35 Regencies/Cities in 2020 stipulated the highest wage in Semarang City of Rp. 2,715,000,-, while the lowest was found in the Banjarnegara district of Rp. 1,748,000. Determination of wages has been through existing mechanisms and refers to applicable laws and regulations. The minimum wage is calculated based on the formula of Article 44 paragraph (2) of Government Regulation no. 78 of 2015, in accordance with the Minister of Manpower Letter No. BM 305 Year 2019.

Keywords: Central Java Provincial Wage Council, Wages

INTRODUCTION

Talking about wages for workers or laborers is very important, considering the wages of laborers are related to the welfare and survival of the family in accordance with Article 27 paragraph (2) of the 1945 Constitution, "Every Indonesian citizen has the right to work and livelihood that is worthy of humanity".

Wage policy on the one hand aims to increase productivity and welfare of workers/laborers, on the other hand aims to encourage progress and competitiveness which in turn can open up employment opportunities.

One wage policy that aims to provide labor protection is a policy related to minimum wages. Determination of minimum wages aims to set the lowest wages in an area so that wages do not decline to a level that endangers the nutrition and health of workers/laborers, because the level of nutrition and health of workers/laborers affects the level of productivity and work calmness. In an unequal labor market condition where job seekers far exceed the labor market and the majority of the labor force is relatively low-educated, in general the bargaining position of workers/laborers in labor relations is relatively weak. Therefore, the Government sets minimum wages so that when workers first enter work, workers/laborers receive wage protection and do not discriminate between the wages of male workers and female workers, bearing in mind the education level of the female workforce is generally lower than male workforce.

In order to protect workers, especially regarding wages regulated in Article 88 paragraph (2) of Law no. 13 concerning Manpower, which reads: "In order to realize an income that fulfills a decent living for humanity, the government establishes a wage policy that protects workers/laborers, while the policy that protects workers/laborers as referred to Article 88 paragraph (2) includes:

1. Minimum wages;
2. Overtime wages;
3. Wages do not come to work because of absence;
4. Wages do not come to work due to other activities outside of work;
5. Wages for exercising the right to work breaks;
6. The form and method of payment of wages;
7. Fines and deductions from wages;
8. Matters that can be calculated with wages;
9. Proportional wage structure and scale;
10. Wages for severance pay, and;
11. Wages for income tax calculation.

In connection with the above matter, Article 88 paragraph (4): "The Government sets the minimum wage as referred to in paragraph (3) letter 2 based on the needs of a decent living and by taking into account its productivity and economic growth", while Article 89 paragraph (3) letter a consists above:

1. Minimum wages based on provincial or regency/city area;
2. Minimum wages by sector and by province or regency/city.

In order to meet the needs of workers, Law No. 13 of 2003 Article 88 paragraph (2) states the minimum wage as referred to in paragraph (1) is directed towards the achievement of the needs for a decent living, while the regency/city minimum wage is determined by the Governor. This can be seen in Law No. 13 Article 89 paragraph (3) states that the minimum wage as referred to in paragraph (1) shall be determined by the Governor by taking into account the recommendations of the Provincial Wage Board and/or the Regent/Mayor. In connection with Article 89 paragraph (2) of Law No. 13 of 2003 the components as well as the implementation of the stages of attainment of the minimum wage that is appropriate are regulated by a

Ministerial Decree. Specifically regarding the minimum wage before the promulgation of Law No. 13 of 2003 concerning Minimum Wage Employment is regulated in Permenaker No. PER 01/MEN/1999 concerning Minimum Wages. In this Per-Men what is meant by minimum wages is the lowest month wages consisting of basic wages including fixed allowances (Article 1). In connection with the issuance of Permen No. 01/MEN/1999 concerning Minimum Wages there are changes in particular Article 1 regulated in the decision of the Minister of Manpower and Transmigration No. KEP 01/MEN/2000, among others, that the term regional minimum wage level I is changed to the provincial minimum wage and the term regional minimum wage level II is converted to district/city minimum wage.

In connection with the minimum wage mentioned above, then Presidential Decree No. 107 of 2004 concerning Wages Council. In the Presidential Decree (Article 2) the Wage Council consists of:

1. National Wage Council, hereinafter referred to as Depenas;
2. Provincial wage council, hereinafter referred to as Depeprov;
3. Regency/City wage council, hereinafter referred to as Depkab / Depeko.

Article 1 paragraph (1) states that the Wage Council is a non-structural institution that is tripartite in nature. In order to follow up on Article 89 paragraph (2) as stated above, the Minister of Manpower and Transmigration Regulation No. PER.17/MEN/VIII/2005 concerning Components and Implementation of Stages of Achieving Life Needs.

In connection with Article 84 paragraph (3) of Law No. 13 of 2003 as stated above, which then issued Presidential Decree No. 107 of 2004 concerning Wage Councils, Central Java Governor Regulation No. 31 of 2005 concerning Procedures for Proposing Members of the Central Java Province Wage Council. As a continuation of the Governor Regulation above, Central Java Governor Decree No. 560/61/2005 concerning the Establishment of the Central Java Provincial Wage Council.

Based on the background of the above problems, the authors take the title: THE ROLE OF THE CENTRAL JAVA PROVINCIAL WAGE COUNCIL IN DETERMINING REGENCY/CITY MINIMUM WAGES IN 2020.

METHOD

The research method used is normative juridical, which is an approach aimed at the study of legal issues from the aspects of the applicable legal regulations, in this case in the form of the role of the Central Java Provincial Wage Council in seeking regency/city minimum wages in Central Java.

DISCUSSION

1. Definition of Wages

Wages according to RI Government Regulation No. 8 of 1981 are:

An acceptance in return from the employer to the worker for a job or service that has been or will be done, expressed or valued in the form of a currency determined according to an agreement, or legislation, and is paid on the basis of an employment agreement between the employer and the worker, including benefits for both the workers themselves and their

families.¹

Wages are usually set by both parties in employment agreements, in employer regulations, in wage regulations or in labor agreements. If such habits do not exist, the wage is determined keeping in mind the conditions according to justice (Civil Code Article 1601q). This provision does not apply, if it has been agreed that the wage will be determined by the employer himself or by a third person or will be determined by both parties in the future. In the case that wages are not stipulated in the employment agreement, it is generally concluded that both parties have agreed that the determination will be made unilaterally by the employer. Naturally the employer must determine it in good faith, if the employer violates this good faith the worker can demand wages according to the custom or fair wages.

Criminal code Article 402 explicitly stipulates that the stipulation of wages in the form of money to be paid, cannot be submitted to either party. The amount of wages in the form of money must be specified in an employment agreement. Things can also be regulated in wage regulations that must be mentioned in the employment agreement and which must not be changed at the detriment of workers.²

2. Definition of Minimum Wages

In the context of efforts to create a decent income for workers, it is necessary to set a minimum wage by taking into account the increase in the welfare of workers without ignoring the increase in productivity and the progress of the company and the development of the economy in general. In connection with this, it is necessary to determine the Minimum Wage in accordance with Government Regulation of the Republic of Indonesia No. 78 of 2015 concerning Wages:

Government Regulation No. 78 of 2015 concerning Wages also stipulates rather detailed issues regarding minimum wages. According to this PP, the Governor set minimum wages as a safety net.

The minimum wage referred to is the lowest monthly wage consisting of: a. Wages without benefits; or b. Basic wages include fixed benefits, "reads Article 41 paragraph (2) of the PP. This PP confirms that the minimum wage referred to applies only to Workers/Laborers with a working period of less than 1 (one) year at the company concerned. While Wages for Workers/Laborers with a working period of 1 (one) year or more are negotiated in a bipartite manner between Workers / Laborers and Employers in the Company concerned.

According to this PP, the determination of the minimum wage referred to is done every year based on the needs of a decent living and by taking into account productivity and economic growth. The necessities of decent living as intended, according to this PP, are the standard needs of a single worker to be able to live physically fit for the needs of 1 (one) month, which consists of several components of the type of living necessities.

The components as intended and the type of necessities of life as referred to are reviewed

1 Peraturan Pemerintah Republik Indonesia No. 8 Tahun 1981 tentang Perlindungan Upah, panduan Pembuatan Peraturan Perusahaan (PP) dan Perjanjian Kerja Bersama (PKB), Disnakertrans Provinsi Jawa Tengah Subdin Hubinsyaker, Semarang, 2002, hal. 169.

2 Iman Sopeomo, *Hukum Perburuhan Bidang Hubungan Kerja*, Cetakan 8, Jakarta, Djambatan, 1994, hal. 99.

within a period of 5 (five) years, "reads Article 43 paragraph (5) PP No. 78 of 2015. A review of the components and types of living necessities referred to is carried out by the Minister (Manpower), taking into account the results of a study conducted by the National Wage Council, which uses data and information sourced from authorized institutions in the field of statistics. The determination of the minimum wage is calculated using the formula for calculating the minimum wage, namely: $UM_n = UM_t + \{UM_t \times (\text{Inflation} + \% \text{ PDBt})\}$ This PP also confirms, the Governor is obliged to determine the provincial minimum wage, which is calculated based on the formula for the calculation of minimum wages as intended. In the event that a review of the needs for decent living as intended, the governor sets the provincial minimum wage by taking into account the recommendations of the provincial wage council. "The recommendations of the provincial wage council as referred to are based on the results of a review of the needs for a decent living whose components and types are determined by the Minister and with due regard to productivity and economic growth," said Article 45 paragraph (4) of the PP.

Source: <https://setkab.go.id/this-is-stipulations-about-upah-minimum-in-pp-nomor-78-tahun-2015/> The lowest monthly wages consisting of basic wages including fixed allowances. Therefore the minimum wage does not include non-permanent benefits such as: present premiums, meal allowances and transportation allowances based on attendance, family allowances, bonuses, overtime pay, etc.³

3. The Government's Role in Wage Determination Policies

In the Preamble to the 1945 Constitution paragraph (4) "Then, from that point on, to form an Indonesian government that protects all Indonesian people and all of Indonesia's blood and to promote public welfare ...". In connection with the welfare of the people above, Article 28A of the 1945 Constitution states: "Every person has the right to live and has the right to defend his life and life".

Workers are part of the community who work in industrial relations. In this case the government also determines policies, especially regarding wages. Etymologically in various legal science literatures there are two classifications of government namely: Government in the broad sense and government in the narrow sense.

According to Van Vollenhovenn, the government in a broad sense involves 4 (four) types of power (function).⁴

- a. Make regulations (*regel-geven*)
- b. Government / implementation (*bestuur*)
- c. Judiciary (*rechpolitie*)
- d. Police (*politie*)

Government in the strict sense is only executive power (Monteaquieu), ie the President is assisted by the Minister of State and the apparatus in the region (Governor, Regent, Mayor).

In Law Number 23 of 2014 concerning Regional Government referred to as the Regional Government "Governors, Regents, Mayors and regional apparatus as an element of regional government".

³ Peraturan Pemerintah Republik Indonesia No. 78 Tahun 2015 tentang Pengupahan.

⁴ SF Marbun, dkk, *Hukum Administrasi Negara/Dimensi-dimensi Pemikiran*, UII Press, Yogyakarta, 2001, hal. 83.

Based on Law No. 23 of 2014, the authority of local government includes the following matters:

- a. The regional government organizes government affairs according to the principle of autonomy and co-administration with the principle of autonomy to the fullest extent in accordance with the system of the Unitary State of the Republic of Indonesia.
- b. The regional government organizes concurrent government affairs that are surrendered by the central government to be the basis of the implementation of regional autonomy based on the principle of co-administration.
- c. The regional government in carrying out general government affairs which becomes the authority of the president and the implementation is delegated to the governor and regent/mayor, financed by the State Budget.

4. Wage Council

Wage Council is a tripartite non-structural institution whose membership consists of elements of the Government, Employers' Organizations, Trade Unions with a composition of 2:1:1 plus Universities and/or Experts. Government elements consist of:

- a. Central Java Province Manpower and Transmigration Office;
- b. Central Statistics Agency for Central Java Province;
- c. Central Java Provincial Secretariat;
- d. Central Java Regional Development Planning Agency;
- e. Industry and Trade Office of Central Java Province;
- f. Investment Board of Central Java Province;
- g. Central Java Workforce Productivity Development Center

Employers' Organizations are employers' organizations appointed by the Chamber of Commerce and Industry to deal with labor issues, the Indonesian Employers' Association (APINDO). Its membership is represented by the Central Board of Indonesian Entrepreneur Province (DPPAPINDO) of Central Java.

Trade unions/labor unions are organizations formed from, by, and for workers/laborers both in companies and outside companies, which are free, open, independent, democratic and responsible for fighting for, defending and protecting the rights and interests of workers/laborers as well as improve the welfare of workers/laborers and their families. Membership is determined in accordance with the provisions of the Decree of the Minister of Manpower and Transmigration Number: Kep/16/MEN/2001 about the Procedures for Registration of Trade Unions and the decision of the Minister of Manpower and Transmigration Number: Kep.201/MEN/2001 concerning Representation in Institutional Industrial Relations .

Higher Education is a Public or Private University. An expert is someone who has expertise and experience in the wage field. Membership was represented by the Faculty of Economics, Diponegoro University, Semarang.

The Wage Board consists of:

1) National Wage Council (Depenas)

Depenas was formed by the President with Presidential Decree of the Republic of Indonesia Number 107 Year 2004 concerning the Wage Council. The Depenas has the duty to provide advice and consideration to the government in the context of formulating policies and

developing a national wage system. In carrying out their duties, Depenas can work in collaboration with Government and private institutions and other relevant parties if deemed necessary.

The membership structure of Depenas consists of:

- a) Chairperson, and concurrently a member of the Government element
- b) Deputy Chairperson, as many as 2 (two) persons concurrently acting as members of each member of the Trade Union / Labor Union and Employers' Organizations.
- c) Secretary, and concurrently a member of the Government element representing the agency responsible for manpower affairs
- d) Members; Depenas members are appointed and dismissed by the President at the proposal of the Minister. Depenas members are appointed for 1 (one) term of office for 3 (three) years and may be reappointed for another 1 (one) term of office. Apart from the expiration of the term of office of members of Depenas, they are dismissed if they have disputes:
 - 1) Resign
 - 2) For 6 (six) consecutive months unable to carry out their duties, or
 - 3) Sentenced for committing a crime with a decision that has permanent legal force.

Requirements for prospective members of Depenas:

- 1) Indonesian Citizen;
- 2) The lowest educated graduate Strata-1 (S-1)
- 3) Have experience or knowledge in the field of wages and human resource development.

2) Provincial Wages Council (Depeprov)

The Depeprov was formed by the Governor with the Decree of the Governor of Central Java Province Number 560/61/2005 concerning the Establishment of the Central Java Provincial Wage Board.

Depeprov has the following duties:

- a) provide advice and consideration to the Governor in order to:
 - Determination of Provincial Minimum Wages (UMP);
 - Determination of Regency/city Minimum Wages and Sectoral Minimum Wages (UMS);
 - Implementation of a wage system at the Provincial level.
 - b) Prepare materials for the formulation of the development of national wage systems.
- In carrying out its duties, the Depeprov can cooperate with both Government and private agencies and other relevant parties if deemed necessary.

The membership structure of Depenas consists of:

- a) Chairperson, and concurrently a member of the Government element
- b) Deputy Chairperson and member of the higher education institution or expert.
- c) Secretary, and concurrently a member of the Government element representing the Provincial Regional Organizing Unit responsible for manpower
- d) Members

Members of the Depeprov are appointed for 1 (one) term of office for 3 (three) years and may be reappointed for another 1 (one) term of office. Apart from the expiration of the term of office of members of the Depeprov, they are dismissed if they concerned:

- Resign
- For 6 (six) consecutive months unable to carry out their duties, or
- Convicted of a criminal offense with a decision that has permanent legal force.

- Requirements for prospective members of Depenas:
- Indonesian citizens;
- The lowest educated graduate Strata-1 (S-1)
- Have experience or knowledge in the field of wages and human resource development.

3) Regency/city wage council (Depekab / Depeko)

Regency/City Wage council is formed by the Regent / Mayor in charge of:

- a) provide advice and considerations to the Regent / Mayor in order to:
 - Proposing regency/city Minimum Wage Determination (UMK) and / or Regency/city Sectoral Minimum Wage (UMSK)
 - Implementation of wage systems at the Regency / City level.
- b) Prepare materials for the formulation of the development of national wage systems.

In carrying out their duties, Depekab/Depeko can cooperate with both Government and private agencies and other relevant parties if deemed necessary. The membership structure of Depekab/Depeko consists of:

- a) Chairperson, and concurrently a member of the Government element
- b) Deputy Chairperson and member of the Higher Education / Expert element.
- c) Secretary, and concurrently a member of the Government element representing the Regency/City Regional Apparatus Unit that is responsible for manpower affairs.
- d) Members

Members of Depekab/Depeko are appointed for 1 (one) term of office for 3 (three) years and may be reappointed for another 1 (one) term of office. Apart from the expiration of the term of office members of Depekab/Depeko are dismissed if the person concerned:

- Resign
- For 6 (six) consecutive months unable to carry out their duties, or
- Convicted of a criminal offense with a decision that has permanent legal force.

Requirements for prospective members of Depenas:

- Indonesian citizens;
- The lowest educated graduate Diploma 3 (D-3)
- Have experience or knowledge in the field of wages and human resource development.

5. The Role of the Central Java Provincial Wage Council in Determining Regency/City Minimum Wages for 2020

In accordance with Law No. 13 of 2003 Article 88 paragraph (4) stipulates that the Government sets minimum wages as referred to in paragraph (3) letter a based on the necessities of a decent living and by taking into account productivity and economic growth.

Central Java Provincial Wage Board accepts proposals from the Regency / City Wage Council and proposals from the Regency / City Tripartite. Furthermore, the results of the session will be consulted with the Central Java Provincial Parliament and then submitted to the Governor of Central Java Province as a recommendation, but the Governor of Central Java Province is authorized to determine the Regency / City Minimum Wage in Central Java. In practice, very few numbers have changed from the Central Java Depeprov's recommendations. The Depeprov in making recommendations to the Governor of Central Java Province is inseparable from the proposals of the Regency / City both proposals from APINDO, the Government and SP / SB. Next, stipulate Governor Decree Number 560/58 in 2019 concerning the Establishment of 35 Regency / City MSEs in 2020.

Minimum Wage List of 35 Regencies/Cities in Central Java Province is appropriate with Governor's Decree Number 560/58 2019

No	Regency/City	Minimum Wage (Rp/month)
1.	Kota Semarang	Rp2.715.000
2.	Kabupaten Demak	Rp2.432.000
3.	Kabupaten Kendal	Rp2.261.775
4.	Kabupaten Semarang	Rp2.229.880,50
5.	Kota Salatiga	Rp2.034.915,42
6.	Kabupaten Grobogan	Rp1.830.000
7.	Kabupaten Blora	Rp1.834.000
8.	Kabupaten Kudus	Rp2.218.451,95
9.	Kabupaten Jepara	Rp2.040.000
10.	Kabupaten Pati	Rp1.891.000
11.	Kabupaten Rembang	Rp1.802.000
12.	Kabupaten Boyolali	Rp1.942.500
13.	Kota Solo	Rp1.956.200
14.	Kabupaten Sukoharjo	Rp1.938.000
15.	Kabupaten Sragen	Rp1.815.914,85
16.	Kabupaten Karanganyar	Rp1.989.000
17.	Kabupaten Wonogiri	Rp1.797.000
18.	Kabupaten Klaten	Rp1.947.82L,16
19.	Kota Magelang	Rp1.853.000
20.	Kabupaten Magelang	Rp2.042.200
21.	Kabupaten Purworejo	Rp1.845.000
22.	Kabupaten Temanggung	Rp1.825.200
23.	Kabupaten Wonosobo	Rp1.859.000
24.	Kabupaten Kebumen	Rp1.835.000
25.	Kabupaten Banyumas	Rp1.900.000
26.	Kabupaten Cilacap	Rp2.158.327
27.	Kabupaten Banjarnegara	Rp1.748.000
28.	Kabupaten Purbalingga	Rp1.940.800
29.	Kabupaten Batang	Rp2.061.700
30.	Kota Pekalongan	Rp2.072.000
31.	Kabupaten Pekalongan	Rp2.018.16L,27
32.	Kabupaten Pemasang	Rp1.865.000
33.	Kota Tegal	Rp1.925.000
34.	Kabupaten Tegal	Rp1.896.000
35.	Kabupaten Brebes	Rp1.807.614

Source: Decree of Central Java's Governor

6. Procedures for Setting a Minimum Wage of 35 Kab / City in 2020 in Central Java

To determine Regency/City Minimum Wages in 2020 based on proposals from the Regency/City Wage Board and proposals from the Government (Department of Manpower), SP/SB/and APINDO to the Central Java Provincial Wage Council, hereinafter regulated in Government Regulation No. 78 of 2015 concerning Wages.

In accordance with Government Regulation No. 78 of 2015 concerning Wages, Article 3 paragraph (1) wage policies are directed at the achievement of income that meets a decent living for workers/laborers. Decent income is the amount of income or income of workers/laborers from the work so that they are able to meet the living needs of workers/laborers and their families. Central Java Governor Ganjar Pranowo asserted, the determination of wages has been through existing mechanisms and refers to applicable laws

and regulations. The minimum wage is calculated based on the formula of Article 44 paragraph (2) PP No. 78 of 2015, in accordance with the Minister of Manpower Letter No. BM 305 Year 2019. The basis for calculating a minimum wage increase of 8.51 percent, with details of national inflation of 3.39 percent and national economic growth of 5.12 percent as quoted from the page Wednesday (11/20).

In Article 41 paragraph (1) the Governor sets the Minimum Wage as a safety net. Article 41 paragraph (2): The minimum wage as referred to in paragraph (1) is the lowest monthly wage consisting of:

- a. Wages without benefits or
- b. Basic wages include fixed benefits

In Article 42 paragraph (1): Minimum Wages as referred to in Article 41 paragraph (1) only apply to workers/laborers with a service period of less than 1 (one) year at the company concerned.

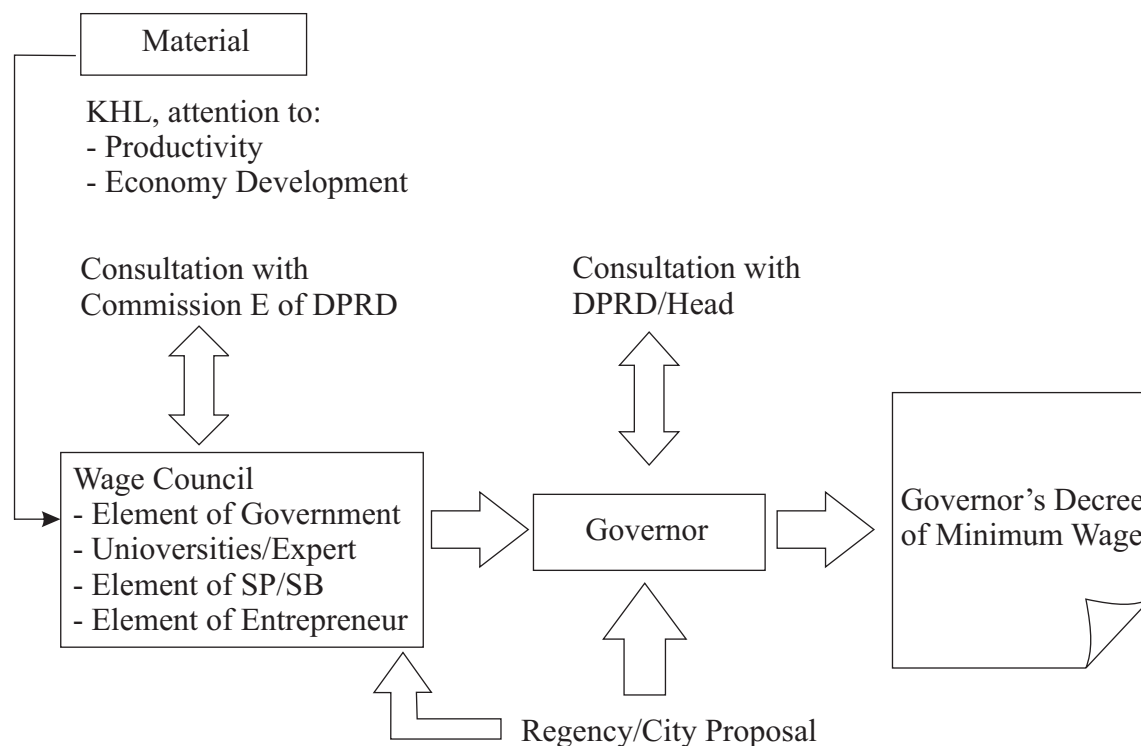
In Article 43 paragraph (1): Determination of the minimum wage as referred to in Article 41 is done every year based on the needs of a decent living and with due regard to productivity and economic growth.

In Article 44 paragraph (1): the determination of the Minimum Wage as referred to in Article 43 paragraph (1) shall be collected using the formula for calculating the minimum wage. Whereas paragraph (2): Minimum wage formula as referred to in paragraph (1) is as follows:

$$UM_n = UM_t \times (\text{Inflasite} + \Delta PDB_t)$$

Further provisions regarding the calculation of the Minimum Wage using the formula as referred to in paragraph (2) shall be regulated by a Ministerial Regulation.

PROCEDURES FOR DETERMINING MINIMUM WAGES



CONCLUSION

The role of the Central Java Provincial Wage Board in determining the Regency/City Minimum Wage in 2020 is very dominant. This can be seen in the recommendations of the Central Java Provincial Wage Council for Regency / City Minimum Wages in 2020 by taking into account the figures that have been proposed based on proposals from the Regency/City Wage Council whether one or not agrees. It turned out that by the Governor of Central Java the difference was very little between the proposals from the Regency/City Wage Board and the Central Java Provincial Wages Council recommendation and the Central Java Provincial Governor Decree to determine the Regency/City Minimum Wage for Central Java.

Governor's Decree Number 560/58 2019 concerning the Establishment of 35 Regency/City MSEs in 2020 the highest wage in the city of Semarang is Rp. 2,715,000, -, while the lowest was found in the Banjarnegara district of Rp. 1,748,000. Determination of wages has been through existing mechanisms and refers to applicable laws and regulations. The minimum wage is calculated based on the formula of Article 44 paragraph (2) of Government Regulation no. 78 of 2015 concerning Wages, in accordance with the letter of the Minister of Manpower Number BM 305 Year 2019.

Central Java Provincial Wage Council, before giving recommendations to the Governor, has received a proposal from the Regency/City Wage Board, which consists of Tripartite members so that the wage proposal can be 1 figure or each (SP/SB, APINDO, Mayor / Regent) can propose individually.

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