

The Minimum Wage Policy Implementation Impact Analysis around the International Bintan Resort Tourism Area

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Abstract

The Minimum Wage is the lowest wage received by workers in the private sector, this wage is the main source of income of the lowest level workers in a company and the number of workers who receive this minimum wage is very dominant, that is, by reaching about 2/3 of the labor force in a company. The government is obliged to supervise so that the minimum wage policy can be a policy that realizes that the minimum wage can play a role in meeting the needs of a decent life for workers and their families, of course, the existence of this minimum wage must also pay attention to the economic situation that occurs when the policy will be enacted. Following the mandate as the Indonesian constitution year of 1945 contained in article 27 paragraph 2. Especially for workers in the Bintan International tourism area, the existence of this minimum wage has helped once during the pandemic in 2020 and 2021, but along with the reopening of the area after the post-pandemic in 2022, workers have felt more at ease because the minimum wage has been discussed by the management of companies and trade unions, Although there are demands for wage increases, however, apart from the wages they receive, workers also get service money as an additional income every month, where the amount of service money received can be equal to or exceed their wages every month.

Keywords: The minimum wage; policy impact; implementation.

1. Introduction

As the main source of income for workers in meeting the needs of themselves or their families who are daily dependents, of course, workers hope that these wages can meet the level of living needs, and can even lead workers to a certain level of welfare. This means that workers always try to maintain the existence and integrity of wages in order to provide for their families for the future.

Along with the goals of the state as a public organization that has goals that must be realized, of course, the state has various problems that must be realized and the state also has problems that must be overcome, where the above problems can also come from the community itself or because of the negative impact of the policies taken by the government.

Taking into account the complexity of the policies that must be completed in terms of this minimum wage, it will be very necessary to care from the parties who are members of the Tripartite forum for the district / city area to manage, formulate, implement, realize and evaluate the impact of its implementation in the life of society and state, because the results of the implementation of the policy will provide an assessment from all parties to see a prospect, both from business opportunities, employment opportunities and economic development in the region, the impact can have a positive or negative value, and of course this will have an impact, either directly or indirectly to all stake holders there.

Especially for the discussion of the district/city minimum wage, it is noted that the “**Tripartite**”, parties who are members of the Regional Wage Board must be able to resolve the issues that are of concern to all parties, so that the process of discussing and proposing the wages can accommodate the interests of all parties. The atmosphere can be a thorny one, if the parties belonging to the Tripartite have sectoral egos that cannot be controlled.

The minimum wage is the lowest level of wages that must be paid to workers, specifically for the Bintan Resort International Area area the initial survey noted that the number of workers receiving minimum wages is very dominant, which is about above 70% of the total number of workers in the region, so if we expand the area of application of this Minimum Wage to the level of the regency, city, province and even the territory of this Republic of Indonesia, We will see that this minimum wage will be able to become a general indicator for the economy and welfare of the country.

Anticipating the rapid development of tourism in Indonesia, where the government launched the opening of 10 new tourism destinations dubbed New Bali such as in the areas of Lake Toba, Borobudur, Lombok, Mandalika, Labuan Bajo, Manado, Wakatobi, Raja Ampat, Bromo, Simeru, Bangka Belitung and Marotai, of course this will be able to grow a great influence on workers in the Tourism Sector who are also a large part of them paid the minimum wage.

Anticipating the development in the Master Plan phase 2 of the Bintan Resort International Area for the next 25 years (2020 - 2045) with plans to develop International Sport Tourism activities, Airports, Green Echology, International Resorts & Chain Hotels and recreational facilities and tourism attractions, of course the activity plan will require thousands of field workers as support for its activities, This is very beneficial for local stake holders to strategize local HR development.

Grindle (2017) introduced the implementation model as a political and administrative process. The model describes the decision-making process carried out by various actors, where the final output / outcome is determined by both the program material that has been achieved and through the interaction of decision makers in the context of administrative politics. This political process can be seen through a decision-making process involving various actors, while the administrative process is seen through a process with Implementation as a political and administrative process. This implementation model has general characteristics regarding administrative actions that can be researched on certain programs (Grindle, 2017).

2. Methods

Suliyanto (2019) explained that, this type of qualitative research is qualitative research where qualitative data is not in the form of numbers or numbers but only in the form of qualitative statements or sentences. In accordance with the purpose of this study is to obtain a qualitative understanding of a phenonema platform. To answer the formulation of the research problem, the answer to the new problem using the theory is called a hypothesis which is interpreted as a temporary answer to the research problem. The target of the study is how the minimum wage is implemented for tourism sector workers, while the area where the research is located is the Bintan Bintan Resorts International Area – Lagoi – Bintan Regency. The focus of the study is intended to limit the object of study so that researchers are younger in determining the data needed for a study. The focus of the research with the title "Implementation of the Minimum Wage Policy for the Bintan Resorts International Area- Lagoi-Bintan Regency which was analyzed from the Implementation model (Grindle, 2017).

Data sources consist of 2 types, namely primary data and secondary data, primary data is obtained directly from informants as the source, while supporting secondary data is obtained through relevant sources, usually in the form of taking documents, reports or other data that support research.

The analysis method used in the study is quaitative analysis, namely by analyzing problems and finding solutions and strategies using case study analysis. Yin provides the following definition of analysis "Consist of examining, categorizing, tabulation, testing or otherwise recombining both quantitative and qualitative evident to address the initial of study propotion" (Yin, 2015). Yin provides recommendations in data analysis by categorizing the data, then organizing the data in 4 ways.

3. Results and discussion

Bintan International Resort Tourism Area which concentrates on Lagoi-Telok Seborg District - Bintan Regency is an area that is designed for a center of tourism activities that is able to answer challenges for the development of International Tourism in Indonesia. From the beginning, the Lagoi Area was prepared by the Indonesian government in order to support the development of the Golden Triangle program in Singapore, Johor and Riau, or better known as the "SIJORI" cooperation area as an abbreviation for Singapore, Johor, Riau.

Taking into account the condition of regional development and Indonesia's strategic position located between the Asian and Australian continents, and flanked by 2 vast oceans, namely the Indonesian Ocean and the Pacific Ocean and also utilizing the development of the Malacca Strait as a gateway and shortcut to enter the African and African continents. This is what is very calculated to be able to have an impact on good economic development for the country of Indonesia and surrounding countries.

Especially for labor absorption, if calculated from the number of hotel rooms and recreational facilities that exist. This area has the potential to employ around 5000 workers, and if considered with the plan to develop an area master plan for the next 5 years, the number of tourism workers will increase 2 times from the previous number. This will certainly provide employment opportunities for the labor force of Bintan regency and other regions in Indonesia.

Taking into account the above developments, the author can conclude that the Bintan Resort International Area will be able to develop rapidly because it is supported by a consistent master plan and capital support and strong commitment from its investors. The impact of this will certainly increase the potential of this region as a destination for investment, tourism and business and community work. However, in looking at the influence of the covid 19 pandemic conditions, there are 3 influences.

Most companies in the Tourism Area are forced to pay wages and working hours because there are very few guests/tourists who come. The above conditions cause a reduction in wages that workers usually receive, but this cannot be avoided because it is impossible for companies/hotels to send workers to come to work, while the hotels have no work to do as usual. So in order to maintain the needs of the two parties, finally the hotel and workers entered into an agreement on the wages and wages of most of the workers in the Bintan Tourism area much reduced except for PT. Bintan Resort Cakrawala and PT. Buana Megawisata which is still running because of its duty to serve the operational needs of the Bintan International Tourism Area which still continues to pay workers' wages in full.

Based on his views on the success of public policy implementation supported by two things, namely the Content of Policy and the Environment of the policy discussing all the contents of the Grindle policy in the implementation of the minimum wage, including:

3.1 The Interest effected

Taking into account the interests of all stake holders involved in this minimum wage, there is indeed a mutually influencing and binding interest of the parties who are members of the tripartij, namely Workers, Employers and the Government feel strongly related to the existence of the minimum wage because of the development of the minimum wage which is one condition in qualifying – the conditions of employment will have a good influence on the income of workers and increase people's purchasing power and will support the improvement of the country's economy.

In terms of the interests of entrepreneurs, the existence of the minimum wage is closely related to determining the company's operating expenses and measuring the company's level of productivity. Meanwhile, in the interests of the government, the existence of this minimum wage will provide an increase in employment opportunities and an increase in the country's economy. So that when viewed from all the mutually influencing interests, the parties can feel that there are interrelated interests in determining the minimum wage that must be considered at all times.

3.2 Type of Benefit

In terms of the form of benefits that will result from the implementation of this minimum wage, the Workers, Employers and the Government will be able to feel how the benefits of the intended minimum wage policy can provide additional value to workers' income and welfare achievements, and the wage benefit from the employer's side is to measure the estimated wages with the operating budget required by the company, So that with this can also estimate the expected profit of the company. The government in its role as a regulator can also use this minimum wage as an indicator for economic growth and competitiveness of a regional area. The increase or development of economic activities in an area will have a better development impact on the area.

The main source of income for workers will be able to increase the purchasing power and welfare of workers, for employers can also see the benefits of improving wages as a benchmark for preparing the company's operating budget and increasing the productivity of workers will eventually have a positive impact on their company, while in terms of entrepreneurs will always be to meet the wages that must be prepared in the company's operational budget every year, while from the Government it is very necessary to formulate a wage policy that can create a conducive atmosphere for the business world.

3.3 The Extend of Change Envision

Responding to the development of Minimum Wages which has experienced a stalemate / stagnant in the last 2 years as a result of the economic downturn due to the influence of the Covid-19 Pandemic, therefore a desire arises to penetrate such a situation. The government as the party in power in determining policy, should be able to assess the impact of the policy. If the policy to be implemented is expected to have a bad impact on society or the business world, then the government should respond by changing the potentially future part of the policy to adjust to the current situation.

We have seen that the Minimum Wage in the last 2 or 3 years has not developed, while the situation side by side with the value of wages has moved faster, for example due to the government's action to increase fuel prices in 2022, this has made the price of basic necessities increase which is a necessity for the community, therefore the government needs to change the policy formulation in order to adapt to the current state of affairs.

The government's actions in its role as a regulator are obliged to consider changes in some elements of its policies to be updated, in order for the new policy to be accepted. Therefore, the wage policy that has changed several times can be declared reasonable because the government as the regulator is the party most responsible for determining this policy.

4. Conclusions

The government is required to be consistent in making a Basic Law the basis for policy implementation, so that the policies produced through the basic Law do not cause contradictions among the relevant stake holders. The government's action to issue PERPPU NO .2/2022 on Job Creation, is an action that is valued at causing contradictions between employers and trade unions that can have a worse impact on the condition of legal certainty in Indonesia.

The position of PERMENAKAER No.18/2022 concerning the Determination of the Minimum Wage in 2023 is not in accordance with the rules and hierarchy of legislation as referred to in law No.12/2011 concerning the establishment of laws and regulations.

The Minimum Wage is the lowest wage received by workers in the private sector and as the lowest wage this minimum wage should be able to serve as a safety net for the fulfillment of the level of basic needs for workers and their families. An increase in the provincial minimum wage from Rp. 3,050,172 to Rp. 3,279,194 per month or an increase of Rp. 229,022 or around 7.5% and an increase in the Minimum Wage

for Bintan regency from Rp.3,648,117 to Rp.3,899,015,-per month or an increase of Rp.250,898 or an increase of around 6.87%.

As an institution established by the government and given the authority to provide minimum wage recommendations to local governments, the Wage Board should have its own work plan and secretariat prepared together with the Manpower Office and agencies from the government, Associations/ Representatives of Employers and Representatives of workers.so that the activities of the wage board are more independent as an institution that has responsibility and is given the authority to compile those minimum wage recommendations.

Local governments that have the authority to set the minimum wage in their respective regions to pay attention to the condition of regional infrastructure, especially with the completeness of public facilities, such as settlements, highways, city transportation, because we note that areas that are less equipped with public facilities and facilities will have a higher minimum wage burden and cause the minimum wage amount to be higher.

Workers represented by trade unions must be very attentive to the conditions of the place where they work and the state of the local economy. Trade Unions in negotiating the amount of the minimum wage must have a balanced view with employers and local governments, so that the proposed wage increase submitted will give a positive direction to the development of employment in the future.

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