

September 30, 2020

Via E-mail and Federal Express

The Honourable Joko Widodo
President of the Republic of Indonesia
Jl. Veteran No. 17-18
Jakarta Pusat, 10110
Indonesia

The Honourable Puan Maharani
Speaker of the People's Representative Council of Indonesia
Jl. Jenderal Gatot Subroto
Jakarta, 10270
Indonesia

Re: Fundamental Worker Rights and the Proposed Omnibus Law on Job Creation

Dear President Widodo and Speaker Puan:

We are writing to express concern with the Labour Cluster of the proposed Omnibus Law on Job Creation (RUU Cipta Kerja, or the "Omnibus Bill") that was submitted by the Widodo Government to the People's Representative Council.

We, the undersigned brands, civil society organizations, and business organizations, are committed to working with our business partners to uphold the labour rights of workers as guaranteed by international human rights frameworks and in the Conventions set forth by the International Labour Organization ("ILO.")

Like the Government of Indonesia, we are committed to a sustainable commercial sector in Indonesia that protects fundamental worker rights. The protection of worker rights and the guarantee of decent working conditions are among the principle reasons why brands choose to invest and maintain operations in Indonesia, or source from Indonesian manufacturers. We are committed to ensuring that workers are paid fair wages that cover their needs and the needs of their families. These worker protections are all the more important during the economic uncertainty engendered by the COVID-19 crisis.

The current version of the Omnibus Bill would amend 83 laws, with the stated goal of attracting new foreign investment and fostering job creation in Indonesia. We fully support the objectives of the legislation. We also believe they are best achieved through robust protection of worker

rights. Many of the provisions in the proposed Omnibus Bill's Labour Cluster, however, raise serious concerns regarding the continued protection of these rights.

We recognize the Government's commitment to the protection of worker rights and the guarantee of decent working conditions. In light of such commitments, we ask you to ensure that any amendments to current labour laws resulting from the Omnibus Bill remain consistent with international standards by:

- Limiting repetitive short-term contracts that provide fewer social security benefits with reduced legal protections, and ensuring that workers are guaranteed permanent contracts after a reasonable period of time;
- Ensuring that the Omnibus Bill clearly defines the grounds for dismissal and relevant notice periods, as addressed in ILO Convention 158;
- Preventing compensation regulations that reduce wages below the current legal minimum standard, recognizing that, pursuant to ILO Convention 131, wages should be established in consultation with representative organisations of employers and workers;
- Ensuring appropriate paid and unpaid leave, including for maternity leave; breast feeding leave during working hours; and leave for religious, family-related, and trade union-related activities, as called for under ILO Convention 183 on Maternity Protection, Convention 140 on Paid Leave, Convention 132 on Holidays with Pay, and Convention 135 on Worker Representatives;
- Ensuring reasonable working hours – specifically by limiting the regular weekly working hours in industrial undertakings to 8 hours per day and 40 hours per week while maintaining the existing overtime hour limit of 3 hours per day and 14 hours per week, as called for in Act 13/2003 and ILO Convention 116;
- Ensuring freedom of association, collective bargaining, and the right of trade unions to represent their members, as enshrined in ILO Conventions 87, 98, and 135;
- Ensuring that severance pay terms and conditions are no less than the entitlements for workers under Act 13/2003, and in accordance with ILO Convention 158;
- Providing clear eligibility criteria for workers regarding unemployment benefits and extra annual bonus payments; and
- Ensuring that the Omnibus Bill is consistent with the decisions of the Constitutional Court – with particular respect to the Fixed Term Work Agreement, wages, severance pay, employment relations, layoffs, settlement of industrial relations disputes, and social security.

In addition, we request that the Government consider the potentially deleterious effects that the proposed amendments would create for trade unions. The bill would have particularly negative implications for short-term contracts and would set low barriers for dismissal. Such changes

would undercut the capacity of unions to organize workers and sign collective bargaining agreements in workplaces.

As part of this effort, we urge the Government to fulsomely engage with trade unions and business associations so that their views are meaningfully reflected in the final bill that is passed by the People's Consultative Assembly.

We appreciate the Government of Indonesia's leadership in promoting fundamental worker rights, and the livelihoods and labor conditions of workers in Indonesia. We look forward to further amendments to the bill that promote both economic growth and respect for fundamental worker rights.

Sincerely,



American Apparel & Footwear Association



ALDI Einkauf GmbH & Co. oHG



ALDI SOUTH Group



Amfori



Burton



DW-SHOP



Eberhart's



Fair Labor Association



Fair Wear



FEMNET



Global Fairness Initiative



Haglofs

HUGO BOSS

Hugo Boss



JUST BRANDS

Just Brands



Lidl



Office for Mission, Ecumenism and Global Responsibility
Evangelical Church of Westphalia

Möwe –Office for Mission, Ecumenism and Global Responsibility in the
Church of Westphalia



Odlo



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Social Accountability International



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ZEEMAN

Zeeman

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