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STRENGTHENING PROTECTION FOR GIG WORKERS

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Abstract

Gig workers have made significant contributions to Indonesia's economy. However, protection for gig workers remains minimal, which has led to repeated demonstrations demanding better safeguards. This article discusses the characteristics of gig workers, the lack of protection they face, and the future protection framework that should be implemented. The discussion reveals that gig workers tend to resemble informal workers who are minimally protected – whether in terms of social security, working hours, rest time, access to information, or the freedom to associate. Therefore, in carrying out its legislative function, Commission IX of the DPR RI should revise Law No. 13 of 2003 on Manpower to regulate protections for informal workers, including gig workers. The proposed protections include social security enrollment, limitations on working hours, guaranteed rest periods, transparent information management, and the right to associate.

Introduction

On February 24, 2025, Commission IX held a Public Hearing with the Parliamentary Expertise Agency (Badan Keahlian DPR RI) to discuss the initial preparation of the academic manuscript and draft law for the third amendment to Law No. 13 of 2003 on Manpower (Manpower Law). During the meeting, a member of Commission IX proposed reviewing the status of gig workers. In the gig economy, work is temporary and flexible, and workers secure jobs independently through digital platforms or applications (Izza et al., 2024). Individuals working on such platforms are known as gig workers, such as online drivers (Supriyadi, 2024).

Gig workers make a significant contribution. In 2019, they totaled 2.3 million or 1.7 percent of the labor force (Permana et al., 2023). The economic contribution of gig workers is also substantial. In 2019, services from Grab contributed Rp77.4 trillion (Izza et al., 2024). The merger of Tokopedia into GoTo contributed IDR 349–428 trillion, or 1.8–2.2 percent of GDP.

However, this growth has not been matched by adequate protection. As a result, gig workers have held repeated protests (Susanti, 2025). On February 27, 2025, demonstrations erupted over rates, app fees, incentives, promotions, and

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holiday bonuses. This article, therefore, explores the characteristics of gig workers, the lack of protection they face, and the concept of future protections. The findings are expected to inform policymakers, especially Commission IX of the DPR RI, in drafting regulations on gig worker protection.

Characteristics of Gig Workers

The main characteristics of gig workers include: (1) performing tasks based on consumer demand, (2) receiving compensation based on output rather than hours worked, (3) providing their own tools or means of production, and (4) working via a digital platform that acts not only as a mediator between workers and clients but also supervises the work and facilitates payment transactions (Permana et al., 2023).

Gig workers are often equated with freelancers, but the two are different. Gig workers are task-oriented, while freelancers are more career-oriented ("The difference between," n.d.). These characteristics show that no formal employment relationship exists between gig workers and platform owners as defined in Article 1 point 15 of Manpower Law. That article defines an employment relationship as one between an employer and a worker based on an employment agreement involving work, wages, and orders. Gig workers only fulfill the 'work' element, while they do not receive wages in the traditional sense nor are subject to orders, as they may freely accept or reject tasks.

As the elements of an employment relationship are not fulfilled, gig workers are classified as working outside of formal employment relationships. Such arrangements are implied in Articles 39 and 40 of the Manpower Law and further regulated by laws on social security, such as Ministerial Regulation No. 5 of 2021 on the Implementation of Work Accident, Death, and Old-Age Insurance.

The 1997 Manpower Law (Law No. 25 of 1997) more explicitly regulated workers outside formal employment relationships in Chapter XI, alongside informal sector workers. Gig workers are often categorized under the informal sector. However, this is inconsistent with the definition by the 17th International Conference of Labour Statisticians (ICLS), which is used by Indonesia's Central Statistics Agency (BPS). According to the ICLS, informal work refers to jobs not covered by labor laws or, in practice, not subject to regulations on taxes, income, social protection, or certain employment rights (BPS, 2024).

Lack of Protection

According to Friedman in his article "Workers Without Employers: Shadow Corporations and the Rise of the Gig Economy," gig work has redefined the relationship between employer and worker (Supriyadi, 2024). Gig workers are seen as working directly with consumers via platform intermediaries, which removes the traditional employer-employee relationship. As such, they are excluded from the protections typically provided under labor laws, including so-

cial security, working hours, rest time, wages, the right to associate, dispute resolution, and other rights.

Gig workers are considered partners under partnership agreements. Ideally, this implies equal footing with the platform. However, due to technological control by the platform, unilateral decisions often disadvantage workers. Platforms can easily regulate gig workers' behavior through bonuses, consumer ratings, or the threat of sanctions. As a result, gig workers may face irregular hours and lack sufficient rest in their pursuit of better bonuses and rewards. This situation is worsened by the oversupply of gig workers in certain sectors, leading to decreased earnings. In 2014, online drivers could earn up to IDR 10 million per month, but now it is only IDR 3-4 million (Supriyadi, 2024).

In theory, gig work should be part-time or a "side hustle." However, in Indonesia, many rely on gig work as their primary income due to the scarcity of decent or stable jobs (Supriyadi, 2024).

Strengthening Protection

The partnership model in the gig economy is no longer a balanced relationship. In practice, platform owners often act arbitrarily, leading to loss of income and unhealthy competition. These conditions warrant state intervention to ensure fairness and protection. The revision of the Manpower Law is currently being prepared by Commission IX of the DPR RI and is listed in the 2025 National Legislative Program. According to Permana et al. (2023), gig workers are more closely aligned with formal workers. However, applying formal worker protections—such as minimum wage and severance pay—may lead platforms to terminate partnerships due to the associated costs. Thus, protection for gig workers should fall under safeguards for those working outside formal employment relationships.

This protection should include mandatory self-enrollment in social security schemes, with contributions deducted directly by the platform. Maximum daily and weekly working hours should be regulated. For workers engaging with customers in person, such as drivers, limits are essential to prevent work-related accidents. For online-based gig workers, rest time is critical to maintaining physical and mental health, especially as they often work late at night or during holidays. Transparency in information—such as changes in rates, deductions, and penalties—must also be guaranteed. Gig workers' right to organize must be protected, as it is enshrined in Article 28E paragraph 3 of the 1945 Constitution. However, these associations should be distinguished from formal labor unions and focus on information dissemination and voicing concerns.

Several countries have already enacted regulations specific to gig workers. The European Union (EU) issued the Directive on Platform Work on October 23, 2024, which protects transparency, the right to associate, and occupational safety and health. Singapore passed the Platform Workers Bill on September 10, 2024, providing protections such as pension contributions, workplace accident insurance, and the right to form associations. Both the EU and Singapore went

through lengthy processes to adopt these regulations, recognizing that strong protections come with high costs (Mediana, 2024). These rules are not immediately enforceable: EU member states have until December 2, 2026 to adopt them, while Singapore is initially applying them only to online transportation and delivery services.

Conclusion

The characteristics of gig workers in Indonesia differ from the general global concept. Gig work, which is supposed to be a secondary job, has become the primary income source for many, driven by the lack of better job opportunities. While this shift has helped reduce unemployment and boost the economy, gig workers remain inadequately protected. Their position vis-à-vis platform owners is unbalanced.

The state, therefore, needs to intervene and provide protection. With the Manpower Law revision already included in the 2025 National Legislative Program, now is the right time for Commission IX of the DPR RI to incorporate protections for gig workers under the category of informal workers. These protections should cover social security, working hours, rest time, information transparency, and the right to associate.

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