

REPORTING FOR DUTY HELPS INDONESIA MINIMISE UNEMPLOYMENT ISSUES

Recently, the President of the Republic of Indonesia, Joko Widodo, signed a new law regarding the mandatory reporting for job vacancies regulated under Presidential Regulation No.57 of 2023 (“**Regulation**”) that came into force on 25 September 2023. With the enactment of this Regulation, the previous law on a similar subject matter, named Presidential Decree No.4 of 1980 on Mandatory Reporting of Job Vacancies has been revoked.

The attempt of this Regulation is to centralise job vacancies under the information system, which might assist the workers in finding their needs, allowing job seekers to find vacancies that are aligned with their skills, interests, and abilities. Here, both employers and job seekers can use this system. Moreover, such information shall support the government's ability to generate labour planning, labour placement, and reporting on labour market information, enabling the government to analyze the market accordingly. All in all, this Regulation enables stakeholders to perceive their interests in the simplest way possible, preventing unemployment issues in Indonesia.

Below is the essential information after the establishment of the Regulation, as follows:

I. TYPES OF REPORTING

There are 2 (two) types of reporting:

- (i) Domestic vacancies; and
- (ii) Overseas vacancies.

Both types of reporting are free of charge and can be accessed through an online platform.

As stated in the Regulation, the reporting obligation only applies to domestic vacancies, where the employers must report the available jobs to the Ministry of Manpower through an online platform named Labour Information System/ *Sistem Informasi Ketenagakerjaan*. Here, the employers shall also fill the report when the jobs are not available anymore.

Furthermore, overseas vacancies remain governed by Government Regulation No.59 year 2021 on Implementation of Protection for Indonesia Migrant Workers, which demands verification from the foreign service officer chosen by the destination country. After the verification process, the job availability will be published in the Labour Information System.

II. GOVERNMENT ROLE AND SANCTIONS

Besides allowing the Government to analyze the labour market, the Regulation also permits the Government to develop and supervise the implementation of the reporting obligation by the Employers. Here, the Government might impose a sanction on employers that fail to report the availability of job vacancies. On the other side, the Government is authorized to reward the employers who comply with the reporting obligations. With this condition, employers shall have to update the newest job vacancies, allowing job seekers to obtain benefits from job availability in the labour market.

Furthermore, this Regulation also provides an article on sanctioning to the employers who fail to report job vacancies. The applicable sanction mentioned in the Regulation is administrative sanction. Although sanction has been regulated under the Regulation, the technical implementation of such sanction has not been issued by the Ministry of Manpower. We expect the administrative sanction will be in the form of a warning and penalty to the employers.

III. KEY TAKEAWAYS

We view that this Regulation creates a new attempt to support the needs of job seekers, allowing Employers to help the government minimize one of the biggest issues in Indonesia which is unemployment. However, employers shall be careful in fulfilling the form through the Labour Information System as certain elements shall be filled accordingly. In addition, the Employers shall have to be aware of complying with the reporting obligation especially for domestic vacancies, not only this will prevent possible sanctions, but also Employers will get a reward from the Government, allowing Employers to increase their reputation in the industry.

Best Regards,

AHFP Law Firm

Have any questions related to this issue? Please get in touch with our team to guide you to overcome such an issue.