

REGULATION OF THE MINISTER OF MANPOWER AND TRANSMIGRATION  
OF THE REPUBLIC OF INDONESIA

NUMBER: PER.32/MEN/XII/2008

CONCERNING

PROCEDURE FOR ESTABLISHING AND MEMBERSHIP STRUCTURE OF THE  
BIPARTITE COOPERATION INSTITUTION

WITH THE GRACE OF GOD THE ALMIGHTY

MINISTER OF MANPOWER AND TRANSMIGRATION OF  
THE REPUBLIC OF INDONESIA,

- Considering :
- a. that as the implementation of the Article 106 paragraph (4) of the Act Number 13 of 2003 concerning Manpower, it is necessary to stipulate Procedure for Establishing and Membership Structure of the Bipartite Cooperation Institution;
  - b. that the Decision of the Minister of Manpower and Transmigration Number KEP-255/MEN/2003 concerning the Procedure for Establishing and Membership Structure of the Bipartite Cooperation Institution is no longer in line with the current manpower situation, so that it needs to be revised;
  - c. that based on the considerations in letters a and b, it is necessary to stipulate a Ministerial Regulation.
- In view of :
1. Act Number 21 Year 2000 concerning Trade Unions ( State Gazette of the Republic of Indonesia Number 121, Supplement to the State Gazette of the Republic of Indonesia Number 3989);
  2. Act Number 13 Year 2003 concerning Manpower (State Gazette of the Republic of Indonesia Year 2003 Number 39, Supplement to the State Gazette the Republic of Indonesia Number 4279);
  3. Decision of the President of the Republic of Indonesia Number 187/M Year 2004 concerning the Establishment of the United Indonesian Cabinet as amended several times, the latest by the Presidential Decision Number 31/P Year 2007.

- Observing : 1. Presidential Instruction Number 5 Year 2008 concerning the Focus of Economic Program Year 2008 – 2009;
2. The Gist of Thought of the Working Committee of the Adhoc National Tripartite Cooperation Institution dated 27 October 2008, 10 November 2008, and 14 November 2008.
3. Agreement of the Plenary meeting of the Adhoc National Tripartite cooperation Institution dated 19 November 2008.

DECIDING:

To Stipulate : THE DECISION OF THE MINISTER OF MANPOWER AND TRANSMIGRATION OF THE REPUBLIC OF INDONESIA CONCERNING PROCEDURE FOR ESTABLISHING AND MEMBERSHIP STRUCTURE OF THE BIPARTITE COOPERATION INSTITUTION.

CHAPTER I  
GENERAL PROVISION

ARTICLE 1

Under this Ministerial Decision, the following definitions shall apply:

1. Bipartite cooperation institution, hereinafter shall be referred to as Bipartite Institution, is communication and consultation forum on matters pertaining to industrial relations in a company whose membership consists of employers and trade unions which have been registered with government agencies responsible for manpower affairs or workers' representatives.
2. An Employer is:
  - a. An individual, a partnership or a legal entity that runs a company that he or she or it owns;
  - b. An individual, a partnership or a legal entity that independently runs a company that does not belong to him, her or it;
  - c. An individual, a partnership or a legal entity that is situated in Indonesia representing a company as referred to under point a and point b that has its domicile outside the territory of Indonesia.
3. A Company is:
  - a. Every form of business, which is either a legal entity or not, which is owned by an individual, a partnership or a legal entity that is either privately owned or state owned, which employs workers by paying them wages or other forms of remuneration;
  - b. Social undertakings and other undertakings with officials in charge and which employ people by paying those wages or other forms of remuneration.
4. Worker is a person who works for a wage or other form of remuneration.

5. A trade union is an organization that is formed from, by and for workers either within a company or outside of a company, which is free, open, independent, democratic, and responsible in order to strive for, defend and protect the rights and interests of the workers and increase the welfare of the workers and their families.
6. Minister is the Minister of Manpower and Transmigration.

CHAPTER 11  
PURPOSE, FUNCTION AND TASK

ARTICLE 2

The establishment of the Bipartite Institution shall have the purpose to create harmonious, dynamic and fair industrial relation in the company.

ARTICLE 3

Bipartite institution shall have the function as a forum for communication and consultation between the employer and representatives of the trade unions and/or representatives of the workers in order to develop industrial relations for the sustainability of the life, grow, and development of the company, including the workers' welfare.

ARTICLE 4

To implement its function as meant in Article 3, Bipartite Institution shall have the following tasks:

- a. Conduct periodic meeting and/or at any time as necessary;
- b. Communicate the employer's policy and workers' aspiration in order to prevent the industrial relation problem in the company;
- c. Convey the suggestion, consideration, and opinion to the employer, workers and/or trade union in order to determine and implement the company's policy.

CHAPTER III  
ESTABLISHMENT PROCEDURE

ARTICLE 5

- (1) Bipartite Institution shall be established by the representatives of the employer and workers and/or trade union.
- (2) Bipartite Institution could be established in each company's branch.

ARTICLE 6

The membership of the Bipartite Institution from the representatives of the workers shall be determined as follow:

- a. If there is only one trade union at the company and all the workers of the company are members of this sole trade union, then the trade union's officials shall automatically appoint their representatives in the Bipartite Institution;
- b. If there is no trade union at the company, all the workers of the company shall democratically elect their representatives in the Bipartite Institution;

- c. If there is more than 1 (one) trade union at the company and all the workers of the enterprise are members of any of these unions, then the representatives of each trade union at the company shall proportionally represented in the Bipartite Institution.
- d. If there is only 1 (one) trade union at the company but not all the workers of the company are members of this sole union, then the relevant trade union shall appoint its representatives in the Bipartite Institution and the workers who are not members of the union shall also appoint their own representatives through a democratic election to represent them in the Bipartite Institution.
- e. If there is more than 1 (one) trade union at the company and yet there are workers of the company who are not members of any of the unions, then each trade union shall be proportionally represented in the Bipartite Institution and the workers who are not members of any of the unions, shall also be represented in the Bipartite Institution by their own representatives whom they shall elect democratically.

#### ARTICLE 7

The employer and representatives of the trade unions or representatives of the workers as meant in Article 6 shall meet to:

- a. Establish Bipartite Institution;
- b. Determine the membership of the Bipartite Institution.

#### ARTICLE 8

Procedures for establishing the Bipartite Institution shall be as follows:

- a. The employer and the representatives of the trade union and/or representatives of the workers shall meet to engage in deliberations in order to establish, appoint and determine the members of the Bipartite Institution at the company as referred to under Article 6;
- b. Members of the Bipartite Institution as referred to under paragraph (a) shall agree on and determine the structure of the Bipartite Institution's officials;
- c. The establishment and the structure of the Bipartite Institution's officials shall be recorded in the minutes signed by the employer and representatives of the trade union or representatives of the workers at the company.

#### ARTICLE 9

- (1) The newly established Bipartite Institution must be notified for registration to an institution responsible for manpower affairs in the local Regency/City at the latest 14 (fourteen) working days after its establishment.
- (2) The Bipartite Institution officials shall submit the notification as meant in paragraph (1) in writing, either directly or indirectly, with the attachment of the establishment minutes, the structure of its officials, and the address of the company.
- (3) Within a period of no later than 7 (seven) working days after receiving the notification of the Bipartite Institution's establishment, the institution responsible for manpower affairs shall issue evidence of the notification acceptance.

- (4) The notification of the establishment of the Bipartite Institution as meant in Article 3 shall be free of charge.

## CHAPTER IV MANAGEMENT

### ARTICLE 10

The membership of the Bipartite Institution shall be determined from the representatives of the employer and representatives of the workers and trade unions with composition 1:1 that number shall be in accordance with the need provided that at least consist of 6 (six) persons.

### ARTICLE 11

- (1) The structure of the officials of the Bipartite Institution at least consists of the chairperson, deputy chairperson, secretary and members.
- (2) The position of the chairperson of the Bipartite Institution could be hold in rotation between the representatives of the employer and representatives of the workers.

### Article 12

- (1) The period of office of the officials of the Bipartite Institution shall be for 3 (three) years.
- (2) The replacement of the officials of the Bipartite Institution before his/her expiration term of office could be conducted based on the suggestion from the representatives that he/she represents.

### ARTICLE 13

The office of a member of the Bipartite Institution shall come to an end:

- a. If the member dies;
- b. If the member is transferred;
- c. If the member resigns as the member of the Bipartite Institution;
- d. If the constituent that the member represents proposes that the member should be replaced by another person;
- e. Because of other causes which prevent him/her from performing his/her duties in the institution.

## CHAPTER V WORKING MECHANISM

### ARTICLE 14

- (1) The Bipartite Institution shall conduct the meeting at least 1 (one) in a month or at anytime deemed necessary.
- (2) The agenda for the meeting could be from the representatives of the employer, workers, or from the official of the Bipartite Institution.
- (3) The Bipartite Institution shall determine the agenda for the meeting periodically.
- (4) The relationship between the Bipartite Institution and other institution in the company shall be coordinative, consultative and communicative in nature.

CHAPTER VI  
DEVELOPMENT

ARTICLE 15

- (1) The development of the Bipartite Institution shall be conducted by the institution responsible for the manpower affairs in the Regency/City.
- (2) In conducting the development as meant in paragraph (1), the institution responsible for the manpower affairs in the Regency/City could ask the participation of the employers' organization and trade unions.
- (3) The development of bipartite institutions as referred to under paragraph (1) shall include:
  - a. Socialization to employers and trade unions or workers in the frame of the establishment of the Bipartite Institution;
  - b. Provide guidelines on how to establish and develop the Bipartite Institutions.

CHAPTER VII  
FINANCING AND REPORTING

ARTICLE 16

All the costs necessarily incurred in establishing the institution and carrying out the Bipartite Institution's activities shall be borne by the employer.

Article 17

- (1) The officials for the Bipartite Institution shall report its activities to the company's management.
- (2) The company's management shall report periodically once in every 6 (six) months to the institution responsible for the manpower affairs in the Regency/City.
- (3) The institution responsible for the manpower affairs in Regency/City shall report periodically once in every 6 (six) months to the institution responsible for the manpower affairs in the Province.
- (4) The institution responsible for the manpower affairs in the Province shall report periodically once in every 6 (six) months to the Minister through the Director General of the Development of Industrial Relations and Manpower Social Security.

CHAPTER V  
CLOSING

ARTICLE 18

With the stipulation of this Ministerial Regulation, then the Decision of the Minister Manpower and Transmigration Number KEP-255/MEN/2003 concerning the Procedure for Establishing and Membership Structure of the Bipartite Cooperation Institution shall be revoked and declare null and void.

ARTICLE 19

This Regulation shall come into effect from the date of enactment.

Stipulated in Jakarta  
on 30 December 2008

Minister of  
Manpower and Transmigration of  
The Republic of Indonesia

sgd.

Dr.Ir.ERMAN SOEPARNO, MBA., M.Si