



ISSN 2809-672X (Online)
IUS POSITUM: Journal of Law Theory and Law Enforcement

<https://journal.jfpublisher.com/index.php/jlte>

Vol. 4 Issue 2, April 2025

doi.org/10.56943/jlte.v4i2.797

Juridical Study of the Provision of Payment of Wages below the Minimum Wage by Employers to Workers

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ABSTRACT

Minimum wage regulation plays a central role in protecting workers' welfare and ensuring fair labor practices. In Indonesia, the enactment of Law Number 6 of 2023 reinforces this commitment by explicitly prohibiting employers from paying wages below the stipulated minimum and introducing criminal sanctions for violations. Despite these clear statutory mandates, sub-minimum wage payments persist in various sectors, raising critical concerns about the effectiveness of legal enforcement. This study applies a normative juridical method, examining the legal provisions governing minimum wage protections alongside the practical realities of labor law enforcement. The analysis reveals a systemic gap between the normative expectations of labor law and actual compliance in the field. Employers often rationalize non-compliance by citing financial pressures, while workers, due to economic vulnerability, frequently accept wages below the minimum standard. Enforcement agencies face significant limitations, resulting in rare prosecutions despite the existence of criminal sanctions. The findings highlight a discrepancy between the law's protective intent and its practical implementation, reflecting broader challenges in Indonesia's labor governance. The persistent failure to enforce minimum wage provisions not only undermines workers' rights but also erodes trust in the legal system. This study underscores the need for critical reflection on the alignment between legal norms and labor market realities, emphasizing the importance of ensuring that statutory wage protections are not merely declarative but effectively upheld.

Keywords: Labor Law, Minimum Wage, Workers' Rights

INTRODUCTION

The regulation of workers' wages remains a pivotal issue within the broader discourse of labor law, reflecting societal concerns about distributive justice, social welfare, and the protection of human dignity within modern economic systems.¹ In contemporary employment relations, wage policy can no longer be perceived merely as a transactional mechanism between employers and workers.² Rather, it is intrinsically linked to the recognition of fundamental human rights, including the right to work, the right to a decent living, and the right to adequate social security, as part of the state's responsibilities toward its citizens.

In this framework, the state's role in establishing and enforcing minimum wage standards transcends purely economic considerations. The state acts not only as a regulator of the labor market but also as a guarantor of workers' basic needs and as a custodian of the integrity of the employment system.³ Indonesia, as one of the largest economies in Southeast Asia, faces a complex landscape regarding the regulation and enforcement of minimum wage policies. This complexity is exacerbated by unique socio-economic dynamics, including a large labor force, diverse industrial sectors, and varying levels of worker vulnerability, particularly among low-skilled laborers and those engaged in the informal sector.⁴

Although Indonesia has normatively established minimum wage regulations through various national legal instruments, in practice, violations of these provisions remain systemic. This situation indicates a persistent gap between the written legal norms and actual practices in the labor market. Such discrepancies demand a more profound and critical legal examination of the implementation and enforcement of minimum wage policies, rather than a mere review of formal regulations.

To date, most academic research on minimum wage issues in Indonesia has predominantly focused on the economic consequences of wage adjustments, such as their impacts on investment climate, labor market elasticity, and industrial

¹ Erik Hurst et al., "The Distributional Impact of the Minimum Wage in the Short and Long Run," July 14, 2022, <https://researchdatabase.minneapolisfed.org/concern/publications/8p58pd138>.

² Tess Hardy, "Digging Into Deterrence: An Examination of Deterrence-Based Theories and Evidence in Employment Standards Enforcement," *International Journal of Comparative Labour Law and Industrial Relations* 37, no. Issue 2/3 (June 1, 2021): 133–160, <https://kluwerlawonline.com/journalarticle/International+Journal+of+Comparative+Labour+Law+and+Industrial+Relations/37.2/IJCL2021007>.

³ Assaf S Bondy, "Conflictual Complementarity: New Labour Actors in Corporatist Industrial Relations," *Work, Employment and Society* 36, no. 4 (August 2, 2022): 683–700, <https://journals.sagepub.com/doi/10.1177/0950017020981557>.

⁴ Ying Wu and Yuanyue Deng, "Does Digital Transformation Crowd out the Employment of Lower Skill Labor?," *Bulletin of Economic Research* 76, no. 3 (July 31, 2024): 726–748, <https://onlinelibrary.wiley.com/doi/10.1111/boer.12446>.

competitiveness.⁵⁶ Numerous studies have explored how labor cost regulations influence market dynamics and economic growth. While this approach has significantly contributed to understanding the economic dimensions of wage-setting, it often overlooks the juridical aspects, particularly concerning the state's obligations to protect workers' rights as mandated by constitutional principles and labor law norms.

Several experts have indeed discussed the social and economic consequences of minimum wage policies, including their potential to reduce poverty, alleviate income inequality, and maintain social stability.⁷ However, such analyses have generally prioritized empirical data on labor productivity and business sustainability over discussions of legal accountability. Consequently, the effectiveness of wage laws is often measured from a public policy perspective, rather than through a normative lens concerning the fulfillment of legally protected workers' rights. This leaves a critical gap in doctrinal and normative legal scholarship.⁸

This condition raises significant normative questions regarding the extent to which Indonesia's minimum wage regulations function as instruments of worker protection. Furthermore, it compels an inquiry into how the legal system can balance formal regulations on minimum wage entitlements with the structural failures in enforcement observed in practice. The legal issues at hand are not merely about the existence of formal rules but concern whether such provisions are genuinely effective in achieving the objective of worker protection as mandated by human rights frameworks and broader labor norms.⁹

The problem of law enforcement becomes even more complicated due to structural imbalances between employers and workers. On one hand, employers are typically driven by the pursuit of profit maximization and often prioritize operational cost efficiency, including labor costs—especially in highly competitive industrial sectors. On the other hand, workers, particularly those in precarious

⁵ Muhammad Amir Arham and Stella Junus, "Contributing Factors of Labor Productivity in the Industrial Sector in Indonesia: A Comparative Study among Regions," *Jurnal Perspektif Pembiayaan dan Pembangunan Daerah* 8, no. 3 (August 31, 2020): 277–286, <https://online-journal.unja.ac.id/JES/article/view/9626>.

⁶ Heni Hasanah et al., "Could the Minimum Wage Policy Reduce Food Insecurity among Households of Formal Workers in Indonesia?," *Agriculture & Food Security* 13, no. 1 (January 29, 2024): 7, <https://agricultureandfoodsecurity.biomedcentral.com/articles/10.1186/s40066-023-00451-3>.

⁷ Marc S. Tibber et al., "The Association between Income Inequality and Adult Mental Health at the Subnational Level—a Systematic Review," *Social Psychiatry and Psychiatric Epidemiology* 57, no. 1 (January 13, 2022): 1–24, <https://link.springer.com/10.1007/s00127-021-02159-w>.

⁸ Sarbini Sarbini, "LEGAL PROTECTION OF LABOR BASED ON POSITIVE LAW IN INDONESIA," *NOTARIIL Jurnal Kenotariatan* 9, no. 1 (May 30, 2024): 47–52, <https://www.ejournal.warmadewa.ac.id/index.php/notariil/article/view/9328>.

⁹ María Lis Baiocchi, "Reciprocity and Intimate Capital in Household Work: Exchanging Love and Care for Labor Rights in Contemporary Buenos Aires," *American Anthropologist* 125, no. 4 (December 29, 2023): 853–864, <https://anthrosource.onlinelibrary.wiley.com/doi/10.1111/aman.13912>.

employment conditions, frequently lack sufficient bargaining power or effective access to legal mechanisms. This vulnerability exposes them to wage practices that fall below the minimum standards, despite the existence of clear normative legal protections.

A distinctive feature of Indonesia's labor law system is the criminalization of underpayment of wages, as stipulated in Article 185(1) of Law No. 6 of 2023 concerning Job Creation. This provision explicitly classifies the act of paying wages below the stipulated minimum as a criminal offense, subject to substantial penalties, including imprisonment and fines for employers who violate the law.¹⁰ The imposition of criminal sanctions marks a paradigm shift from the previous legal regime, which tended to treat wage violations as administrative infractions. It also reflects the state's stronger commitment to safeguarding labor rights.

However, the mere existence of criminal provisions does not automatically guarantee effective law enforcement in practice. Employers often justify wage violations by invoking economic arguments, such as shrinking profit margins, market volatility, or rising production costs.¹¹ These arguments, though framed in business terms, fundamentally constitute a disregard for the legal obligation to comply with minimum wage standards. Such practices normalize legal violations and perpetuate labor exploitation under the guise of economic pragmatism.

The tension between legal norms and employment practices illustrates broader challenges in labor governance in Indonesia. On one side, the legislation is designed to protect workers' welfare; on the other, weak enforcement mechanisms undermine this objective.¹² This situation points to deep institutional weaknesses, ranging from limited regulatory capacity and suboptimal labor inspection systems to a lack of political will to prioritize worker protection over short-term economic interests. The persistence of minimum wage violations, despite the clarity of the regulations, reveals a serious vulnerability in the labor law enforcement system amid a transitioning economy.¹³

Moreover, wage regulation in Indonesia cannot be detached from the doctrinal foundations of its legal system. Rooted in legal positivism, Indonesian labor law operates within a framework that emphasizes written statutes, formal

¹⁰ Khairani, Karenina Cantiga, and Trie Rahmi Gettari, "Law Enforcement Against Payment of Wages Below the Minimum Wage," 2023, 342–354, https://www.atlantispress.com/doi/10.2991/978-2-38476-164-7_32.

¹¹ Matthew Cole et al., "Wage Theft and the Struggle over the Working Day in Hospitality Work: A Typology of Unpaid Labour Time," *Work, Employment and Society* 38, no. 1 (February 4, 2024): 103–121, <https://journals.sagepub.com/doi/10.1177/09500170221111719>.

¹² Céline Carrère, Marcelo Olarreaga, and Damian Raess, "Labor Clauses in Trade Agreements: Hidden Protectionism?," *The Review of International Organizations* 17, no. 3 (July 29, 2022): 453–483, <https://link.springer.com/10.1007/s11558-021-09423-3>.

¹³ Kevin F. Lee, Michelle K. Nakphong, and Maria-Elena De Trinidad Young, "The Legacy of Immigration Policies and Employment Exclusion: Assessing the Relationship between Employment Exclusions and Immigrant Health," *SSM - Population Health* 26 (June 2024): 101676, <https://linkinghub.elsevier.com/retrieve/pii/S2352827324000776>.

legal certainty, and strict normative hierarchies. Although this approach provides legal clarity and certainty in regulating workers' rights, it also carries the risk of detachment from the realities of its application, potentially neglecting the substantive justice that should underpin every labor regulation.

Given this complexity, there is a need for a paradigm shift in labor law research, moving beyond merely examining normative regulations to conducting a more critical analysis of their implementation and enforcement.¹⁴ It is essential to position violations of minimum wage laws not merely as contractual or administrative issues but as breaches of positive law with direct implications for workers' human rights and the social contract's stability. Non-compliance with minimum wage payments thus reflects a collective failure of both the state and employers to fulfill their legal obligations.¹⁵

Through this study, the author aims to contribute to the development of labor law discourse in Indonesia by highlighting the necessity of aligning legislative mandates with genuinely enforceable protection mechanisms. Workers' rights to a decent living must not remain a mere formality in legal texts but must be realized in daily employment practices. By employing a critical legal approach, this research seeks to demonstrate how law, justice, and economic governance interact and shape the current realities of industrial relations in Indonesia.

RESEARCH METHODOLOGY

This study employs a normative juridical method, focusing on the analysis of legal norms, statutory provisions, and fundamental legal principles governing minimum wage policy in Indonesia.¹⁶ This approach is selected as it allows for an in-depth examination of the legal substance by scrutinizing the texts of applicable regulations alongside their juridical interpretations within the framework of labor rights protection.¹⁷

Specifically, this research examines Law No. 6 of 2023 concerning Job Creation, with particular emphasis on Article 88E, paragraph (2), which explicitly prohibits employers from paying wages below the stipulated minimum, and

¹⁴ Arsyi Manggali Arya Putra, Mohammad Isrok, and Nur Putri Hidayah, "Legal Protection of Remote Working Workers in Particular Time Employment Agreements," *Audito Comparative Law Journal (ACLJ)* 4, no. 1 (January 31, 2023): 22–30, <https://ejournal.umm.ac.id/index.php/audito/article/view/24033>.

¹⁵ Eliane Badaoui and Frank Walsh, "Productivity, Non-Compliance and the Minimum Wage," *Journal of Development Economics* 155 (March 2022): 102778, <https://linkinghub.elsevier.com/retrieve/pii/S0304387821001383>.

¹⁶ Friko Rumadanu and Benny Djaja, "Analysis of Legal Certainty and Proof Strength of Deeds Cyber Notary," *Edunity Kajian Ilmu Sosial dan Pendidikan* 2, no. 11 (November 25, 2023): 1359–1368, <https://edunity.publikasikupublisher.com/index.php/Edunity/article/view/173>.

¹⁷ Nkechi Emmanuella Eneh et al., "MODERN LABOR LAW: A REVIEW OF CURRENT TRENDS IN EMPLOYEE RIGHTS AND ORGANIZATIONAL DUTIES," *International Journal of Management & Entrepreneurship Research* 6, no. 3 (March 7, 2024): 540–553, <https://fepbl.com/index.php/ijmer/article/view/843>.

Article 185, paragraph (1), which imposes criminal sanctions for violations of this provision. These two articles serve as the primary legal foundation for the normative analysis concerning the legal consequences of sub-minimum wage practices imposed by employers, in contravention of state-mandated standards.

The primary legal materials in this study include relevant statutory instruments, such as labor laws, government regulations on wages, and formal legal doctrines related to wage protection and labor law enforcement. These materials are systematically analyzed to identify the scope of employers' legal obligations and the role of the state in ensuring the fulfillment of workers' rights, particularly in the area of wage regulation.

In addition, the study incorporates secondary legal materials, including scholarly articles, expert opinions, doctrinal studies, and other academic literature discussing the evolution of minimum wage policies in Indonesia. These sources provide a comprehensive context for understanding the development of wage regulations and the practical challenges encountered in their implementation within Indonesia's industrial relations landscape.

Although primarily centered on normative analysis, this research also integrates empirical juridical reflections by considering relevant data. This includes case studies of documented violations, reports from labor inspections, and field findings related to non-compliance with minimum wage regulations. Such empirical considerations are intended to enrich the analysis by highlighting the practical obstacles in law enforcement and identifying the factors contributing to employers' recurrent breaches of minimum wage requirements.

The theoretical framework of this study is grounded in legal positivism, which positions written law as the primary point of reference, emphasizing legal certainty and the binding nature of statutory commands.¹⁸ This perspective aligns with the structural characteristics of the Indonesian legal system, which governs employment relations through formal regulation and presumes that legal compliance is a juridical obligation, not merely a matter of voluntary agreement between parties.

By combining normative analysis of the regulatory structure with contextual observations of enforcement practices, this study critically evaluates the effectiveness of the legal system in safeguarding workers' rights to minimum wages. The primary objective is to assess the extent to which current legislation prevents wage exploitation, while simultaneously offering recommendations for improving legal accountability and ensuring more effective protection for the Indonesian labor force.

¹⁸ Achmad Hariri, Satria Unggul Wicaksana, and Samsul Arifin, "A Critical Study of Legal Positivism As a Legal System in a Pluralist Country," *KnE Social Sciences* (October 4, 2022), <https://knepublishing.com/index.php/KnE-Social/article/view/12131>.

RESULT AND DISCUSSION

Minimum wage regulation in Indonesia is designed as a social safety net, intended to guarantee that all workers—regardless of sector or skill level—receive fair and decent remuneration. The normative foundation of this commitment is enshrined in Article 88E, paragraph (2) of Law No. 6 of 2023 concerning Job Creation, which explicitly prohibits employers from paying wages below the government-mandated minimum.¹⁹ This provision is not merely a moral guideline but constitutes a binding legal norm, reflecting the constitutional responsibility of the state to safeguard workers' welfare. Through minimum wage determination, the state seeks to prevent labor exploitation and ensure the fulfillment of basic living needs, including food, housing, healthcare, and education for workers and their families.

Nevertheless, despite the imperative nature of this regulation, violations of minimum wage provisions remain pervasive in the Indonesian labor market. Reports from the Ministry of Manpower, labor unions, and civil society organizations consistently reveal that numerous employers, particularly in labor-intensive sectors such as manufacturing, garments, hospitality, and retail, fail to comply with minimum wage standards.²⁰ In the informal sector, these violations are even more widespread due to the absence of formal employment contracts, which renders wage practices beyond the reach of official monitoring mechanisms.²¹ The persistence of such violations raises critical questions about the effectiveness of the legal and institutional frameworks in upholding workers' rights.

Employers often justify the practice of paying wages below the minimum standard by citing financial difficulties or business pressures.²² They argue that compliance with minimum wage regulations could trigger layoffs, reduce competitiveness, or even lead to bankruptcy. This narrative reframes legal violations as pragmatic business strategies rather than unlawful acts. However, from a legal standpoint, these arguments cannot be accepted as valid justifications. The law does not provide exceptions based on a company's financial condition, except through formal procedures for postponement or

¹⁹“UU No. 6 Tahun 2023,” 2023, accessed July 18, 2025, <https://peraturan.bpk.go.id/Details/246523/uu-no-6-tahun-2023>.

²⁰ Stephen Clibborn and Sally Hanna-Osborne, “The Employer Perspective on Wage Law Non-compliance: State of the Field and a Framework for New Understanding,” *Industrial Relations: A Journal of Economy and Society* 62, no. 4 (October 15, 2023): 411–438, <https://onlinelibrary.wiley.com/doi/10.1111/irel.12333>.

²¹ Polina Kriuchkova et al., “Methods of Statistical Estimation of Circular Migration and Formal and Informal Employment in the Moscow Agglomeration Based on the Integration of Various Data Sources,” *Statistical Journal of the IAOS* 36, no. 2 (June 9, 2020): 535–547, <https://journals.sagepub.com/doi/full/10.3233/SJI-190604>.

²² Ben Zipperer, “Turnover, Prices, and Reallocation: Why Minimum Wages Raise the Incomes of Low-Wage Workers,” *Journal of Law and Political Economy* 3, no. 1 (September 28, 2022), <https://escholarship.org/uc/item/9nz5z03m>.

exemption that must be officially requested and approved by the government. Therefore, paying wages below the minimum threshold remains a clear violation of positive law.

Moreover, underpayment of wages is not merely an administrative issue but is categorized as a criminal offense under Indonesian labor law. Article 185, paragraph (1) of Law No. 6 of 2023 explicitly stipulates that employers who pay wages below the statutory minimum are subject to imprisonment ranging from one to four years and/or fines between IDR 100,000,000 and IDR 400,000,000. This provision marks a paradigm shift in law enforcement, moving from administrative sanctions to criminal liability, thereby signaling the state's serious commitment to protecting workers' fundamental economic rights.

However, in practice, there exists a stark contrast between the legal norm and its enforcement. The criminalization of minimum wage violations is rarely applied effectively. Most cases are resolved through administrative mediation or by industrial relations courts, rather than through criminal proceedings.²³ This pattern reflects structural resistance among law enforcement agencies to classify wage violations as criminal acts, despite the clear statutory basis. As a result, the protective function of the law for workers' rights is significantly undermined.

This enforcement gap is influenced by various structural factors. One of the primary issues is the limited capacity of labor inspectorates. With an insufficient number of inspectors, the state is unable to conduct effective oversight of all employers, particularly in remote areas and the widespread informal sector.²⁴ Complicated bureaucratic processes for reporting violations also obstruct workers' access to justice. Additionally, fear of employer retaliation discourages many workers from reporting violations, further exacerbating the power imbalance between employers and employees.

Such conditions create a covert form of economic coercion. Vulnerable workers often have no choice but to accept wages below the legal standard, as the risk of job loss outweighs the possibility of improving their employment conditions. In legal logic, this situation negates the principle of contractual freedom, since labor agreements that contravene minimum wage provisions are considered null and void by operation of law.²⁵ In this context, workers' consent cannot be regarded as the product of free will but rather as the result of structural pressures that generate systemic injustice.

²³ Nataliia Akhtyrskaya et al., "Observance of Individual Rights in Criminal Proceedings during Martial Law," *Cuestiones Políticas* 41, no. 76 (March 6, 2023): 482–501, <https://produccioncientificaluz.org/index.php/cuestiones/article/view/39792/44981>.

²⁴ Kelly Pike, "Voice in Supply Chains: Does the Better Work Program Lead to Improvements in Labor Standards Compliance?," *ILR Review* 73, no. 4 (August 24, 2020): 913–938, <https://journals.sagepub.com/doi/10.1177/0019793920911905>.

²⁵ David Ortega-Jiménez et al., "Processes of Discrimination and Humiliation Experienced by Ecuadorian Immigrant Workers in Spain," *Social Inclusion* 11, no. 2 (April 6, 2023), <https://www.cogitativopress.com/socialinclusion/article/view/6352>.

The problem is further complicated by the dual role of the state as both labor regulator and promoter of economic growth.²⁶ On one hand, the state establishes minimum wage regulations as an instrument of social justice; on the other hand, it seeks to attract investment and foster a business-friendly climate. This conflict of interest often leads to compromises at the enforcement level, where labor law enforcement is deprioritized in favor of economic concerns.²⁷ Consequently, minimum wage regulations frequently become mere normative documents with little practical effect on employment practices.

From a doctrinal perspective, this condition challenges the credibility of legal positivism, which asserts that law derives its validity from formal enactment, irrespective of moral considerations. However, when formally valid laws are not enforced, the legitimacy and authority of the legal system are called into question. The promise of legal certainty, a central tenet of positivist legal systems, becomes meaningless if workers cannot rely on the state to guarantee the rights that have been legally granted to them.

The failure to enforce minimum wage laws also has broader implications for social and economic justice. Workers who receive sub-minimum wages are deprived of access to basic necessities, thereby perpetuating cycles of poverty and social inequality.²⁸ In the long term, this condition imposes additional burdens on the state, as exploited workers are more likely to rely on social assistance, effectively shifting the consequences of private sector violations onto public responsibility. This outcome directly contradicts the constitutional mandate that obliges the state to ensure the general welfare.

Furthermore, the normalization of wage violations erodes public trust in legal institutions. When infringements on workers' rights are left unpunished, the public perceives the legal system as biased. This undermines the legitimacy of labor law as a tool for justice and fractures the social contract between the state, employers, and workers.²⁹ A culture of impunity emerges, where employers feel emboldened to violate regulations without fear of sanctions.

In the context of industrial relations, sub-minimum wage practices have the potential to trigger social instability. Workers' dissatisfaction may escalate into

²⁶ Inna V. Andronova and Sergey V. Ryazantsev, "Educational and Labor Migration in the New Horizons of Economic Integration in the Eurasian Economic Union," *Frontiers in Education* 7 (February 2, 2023), <https://www.frontiersin.org/articles/10.3389/feduc.2022.1081996/full>.

²⁷ Ying Chen and Yuanyuan Sun, "Do Politically Connected, Economically Powerful Firms Comply with Labor Laws in China?," *Employee Relations: The International Journal* 44, no. 4 (April 22, 2022): 803–832, <https://www.emerald.com/insight/content/doi/10.1108/ER-07-2020-0360/full/html>.

²⁸ Carl Lin and Myeong-Su Yun, "The Effects of the Minimum Wage on Earnings Inequality: Evidence from China," in *Minimum Wages in China* (Singapore: Springer Singapore, 2020), 165–195, http://link.springer.com/10.1007/978-981-15-2421-9_7.

²⁹ Xiaoli Wu and Rong Wang, "Legal Structure of Complex Employment Modes for Takeaway Platforms in the Context of Low Carbon Economy," *Polish Journal of Environmental Studies* (July 8, 2024), <https://www.pjoes.com/Legal-Structure-of-Complex-Employment-Modes-nfor-Takeaway-Platforms-in-the-Context,183638,0,2.html>.

collective actions such as strikes or demonstrations, disrupting industrial harmony. Therefore, the enforcement of minimum wage laws is not only a matter of legal compliance but also a prerequisite for maintaining social stability and preventing labor conflicts.

Additionally, the failure to enforce criminal sanctions for wage violations creates inequality before the law. While other offenses, such as theft or fraud, are routinely prosecuted, corporate violations against workers are frequently neglected. This establishes a hierarchical and discriminatory system of legal protection, which contradicts the principle of equality under the law—a fundamental pillar of the rule of law.³⁰

Addressing this problem requires a comprehensive and multilayered approach. Regulatory reform alone is insufficient without parallel efforts to strengthen enforcement capacity and foster clear political commitment. The state must allocate greater resources to labor inspections, streamline complaint procedures, and ensure protection for whistleblowers to prevent retaliation.³¹ Furthermore, empowering workers through legal education is crucial, enabling them to assert their rights and access justice mechanisms.³²

Employers must also be encouraged to understand and fulfill their legal obligations. This should not rely solely on the threat of sanctions but involve structured guidance and the promotion of a compliance culture. Corporate social responsibility (CSR) programs can serve as complementary tools to foster voluntary adherence to labor standards.

Ultimately, the state must reaffirm that labor protection is an inalienable component of human rights. Minimum wage regulation is not merely an economic policy but a reflection of the state's commitment to social justice and human dignity. Law must not remain a normative abstraction; it must function as a living instrument, actively shaping and safeguarding fair working conditions for all citizens.

CONCLUSION

The legal framework governing minimum wage protection in Indonesia, particularly as stipulated in Law No. 6 of 2023, imposes a clear normative obligation on employers to pay wages at least equal to the minimum standards set by the government. The incorporation of criminal sanctions for violations of these provisions marks a significant evolution in Indonesia's labor regulatory approach, signaling a shift from purely administrative enforcement to a more stringent legal

³⁰ Jermaine Young and Clement Fatovic, "The Other Side of the Law: Discrimination and Emergency Powers," *International Journal of Discrimination and the Law* 25, no. 1 (March 10, 2025): 33–57, <https://journals.sagepub.com/doi/10.1177/13582291241307813>.

³¹ Matías Dewey and Lucas Ronconi, "Weberian Civil Service and Labor Enforcement," *SSRN Electronic Journal* (2023), <https://www.ssrn.com/abstract=4503051>.

³² Andreas Kellerhals, "CONTINUING LEGAL EDUCATION : Ambition and Reality" (2023).

regime. This development also reaffirms the state's commitment to safeguarding workers' welfare as an integral part of its broader mandate to uphold social justice.

However, the existence of such legal norms does not automatically translate into effective law enforcement in practice. In reality, violations of minimum wage regulations remain widespread. Many employers continue to pay wages below the statutory minimum, often citing financial constraints or economic pressures as justification. On the other hand, labor inspectors face systemic limitations, including insufficient personnel, inadequate budgets, and weak institutional capacity, which hamper their ability to conduct effective supervision and enforcement. This situation reveals a persistent gap between legal norms and actual practice in the labor market, where formal legal protections are frequently not implemented consistently.

The failure of law enforcement in this context generates multidimensional consequences. For workers, sub-minimum wage payments lead to prolonged economic vulnerability and legal marginalization, whereby rights guaranteed under statutory law become ineffective in practice. Simultaneously, the state's inability to ensure compliance with minimum wage provisions undermines its constitutional obligation to promote social welfare and economic justice. Furthermore, the routine violation of these regulations erodes the credibility of the legal system itself, weakening public trust in labor law as a legitimate instrument of protection and justice.

Accordingly, the issue of sub-minimum wage payments is not merely a violation of labor law, but reflects a broader challenge concerning the effectiveness of Indonesia's law enforcement mechanisms. Guaranteeing workers' right to a decent standard of living requires more than the mere existence of statutory norms; it demands the consistent, fair, and effective implementation of law as a functional tool of labor protection. Without this, the law risks losing its role as an instrument of social justice, devolving instead into a mere normative declaration devoid of tangible coercive power.

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