



The Role of Trade Unions/Labor Unions in Islamic Economic Perspective

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Abstract

This paper examines the role of trade unions/labor unions in an Islamic perspective. In industrial relations between workers/labor and company owners/entrepreneurs, there may also be disputes between the two. But usually, the disputes that occur will be more detrimental to the workers. Usually, the imbalance includes the bargaining position between the rights and obligations of workers/laborers and employers. The position of workers/laborers who are weak/not strong needs a forum/union to be strong. The forum is the exercise of the right to associate in a trade/labor union. Trade unions/labor unions are representatives of workers/labor in the company to fight for their rights. Dari hasil kajian literature penulis menemukan bahwa dalam ekonomi Islam, peran serikat pekerja dapat digambarkan dalam keseimbangan antara permintaan dan penawaran tenaga kerja di pasar kerja. Ekonomi Islam menyebutnya *ujrah*. Peran serikat pekerja tidak lepas dari sisi perilaku pengusaha. Sebagai pekerja dan pengusaha Muslim wajib menghindari praktik produksi yang mengandung unsur haram atau riba, pasar gelap, dan spekulasi. The method used in this article on the role of trade unions/labor unions in an Islamic perspective uses a qualitative approach. This type of research uses library research/literature review, namely research in which all data comes from written materials such as books, manuscripts, journals, and documents related to *bahtsul masail*. The method used is a descriptive-analytic method, namely the research method by describing and analyzing all the data that has been obtained.

Keywords: Role, Trade Unions, Sharia Economics

Introduction

The world of employment is currently facing serious problems. The ongoing COVID-19 pandemic adds to the worst impact on the workforce. Companies are experiencing difficulties in producing, many of which have even gone out of business, and as a result, workers have been laid off. Coupled with the political crisis, increasing manipulation and bribery, and legal problems causing high-risk investments, not a few companies are diverting their investments and even moving abroad. Investors who withdraw their capital from Indonesia and divert it abroad, such as to Vietnam and Cambodia, create an economic crisis and have an impact on the existence of workers. Coupled with the number of the workforce that is not balanced with the number of jobs, population growth is a major problem in economic development. If the population grows as fast as the national income, then per capita income does not increase (Indriani, 2016)

Viewed from the point of view of workers/laborers positively is one of the human resources (HR) which is very important in encouraging economic growth and improvement in the country. But seen from another paradigm, namely the increase in workers/laborers, it is often an economic problem that is difficult for the government to solve. This is because of the lack of employment opportunities which is the effect of the increasing number of existing population, so that the existing workers/laborers are not fully absorbed. As a result, unemployment will increase. Reviewing the released data (World Bank, 2013), it is stated that the number of workforce or workers/laborers in Indonesia is the fourth largest in the world. This means that the number of workers in Indonesia is increasing in population. (Permasalahan et al., 2020)

Research result (Podungge, 2020) mentions that there are still some weaknesses in Law No. 13 of 2003, in which loopholes are found in the regulations that cause companies to deviate in substance from the rules regarding Termination of Employment. Therefore, the trade/labor union must deal with problems in the company, one of which is the issue of layoffs, which are usually carried out unilaterally by employers and are detrimental to the workers/laborers themselves.

The problems that arise in the workforce in Indonesia are based on (Ayuningtyas & Cahyono, 2020) include job creation, improvement of quality and competence/skills of workers, and protection and dissemination of workers/labor. Jawad's research results (Ayuningtyas & Cahyono, 2020) The problem of industrial relations and gas in a normative Islamic perspective is related to equality and fair behavior, seeking self-interest by both workers/laborers and entrepreneurs.

In industrial relations between workers/labor and company owners/entrepreneurs, there may also be disputes between the two. But usually, the disputes that occur will be more detrimental to the workers. Usually, the imbalance includes the bargaining position between the rights and obligations of workers/laborers and employers. Workers/laborers are in a position that is weaker than the position of the entrepreneur. Rarely do they position themselves as partners. Labor is considered more as an object in terms of their interests.

The position of workers/laborers who are weak/not strong need a forum/union to make their position stronger. Union organization is the implementation of the right to associate in a worker/labor organization. Trade unions are representatives of workers/ laborers in the company to fight for their rights. The purpose of the representation of the worker is so that the worker/ laborer will have a strong position in carrying out negotiations/bargaining with the entrepreneur because the management of the work unit (PUK) is generally chosen by workers/ laborers who can fight for the rights and interests of their members.

According to (Borjas, 2015) Conflicts often arise because the two have different interests and goals, which can lead to industrial relations disputes. Unions, such as workers seeking to maximize utility and firms seeking to maximize profits, choose among various options to maximize the welfare of their members. Consequently, the impact of trade unions on the labor market depends not only on the political and institutional environment that governs employer-

union relations but also on the factors that motivate unions to pursue certain strategies (such as making wage demands that can lead to strikes). and ignore others.

This statement can be justified when viewed in the linear stages model, where industrial relations are more profitable for capital and put labor in a weak position. So it is very true if Islam comes to recommend a method that is dangerous as an alternative. As for the reasons that Islam should take part. Among other things, Islam as a religion that is rahmatan *lil'alam* is seen as having a basic conception of an economic system that can be an option for two major teachings that are equally extreme, namely, capitalism and socialism. Islamic law as a normative basis is felt to be able to manifest itself to respond to contemporary employment conditions under the capitalist system. (Jalil, 2018).

Some important statements based on the criteria of utility maximization and profit maximization are that workers/ laborers and employers both believe in their scarce resources, therefore they seek opportunities to increase their welfare. There is a negative relationship between wages and turnover other than wages assuming other things equal – this relationship is supported by statistical studies or evidence. The assumption of this theory concerns the behavior of individual entrepreneurs and workers/laborers, but the prediction is about the aggregate relationship between wages and turnover, which can be tested using aggregated data.. (Jalil, 2018)

Conflicts in IR (industrial relations) according to Law no. 2 of 2004 concerning PPHI (Industrial Relation Dispute Settlement) or the PPHI Law is a different understanding that causes inconsistencies between corporations or a combination of employers and workers/ laborers or trade unions/ labor unions. Article 2 of the PPHI Law regulates 4 (four) forms of industrial relations disputes, namely disputes over rights, disputes over interests, disputes over layoffs (termination of employment), and disputes between trade unions/labor unions in only one company. (R. Indonesia, 2004)

The differences between the four disputes can be explained as follows: (1) rights disputes are conflicts that occur due to rights that are not fulfilled, due to inconsistency between implementation and normative provisions such as laws, collective labor agreements (PKB), and company regulations. Rights here are rights that are enshrined in regulations or legislation. An example of a conflict is the refusal of workers/laborers to the wages given by the company because the two have different opinions on the regulations that have been made. (2) a conflict of interest is a non-meeting agreement that has been made together due to a change in the terms of work contained in the work agreement/company regulations/PKB. For example, if the company changes the substance of the work agreement without first negotiating it, (3) the dismissal dispute is a difference of opinion about the end of the working relationship between the two because the layoff was carried out by one party. SB, which is the understanding between SP/SB in one company, regarding participation, implementation of rights and obligations of SP/SB.

From the description above, it can be concluded that the essence of all problems in employment is due to competitiveness. Currently, manufacturing companies that are developing in Indonesia are labor-intensive companies including TSK (Textile Clothing and Leather) factories

such as garments, spinning, shoes, electronics, and so on. These companies have an excessive supply of workers, especially female workers with low education, low wages, tenacity, and so on, so that the company becomes a promising business. This kind of industry has been around for more than 25 years, initially, the government was convinced of the growth of the industry, but the company belongs to the type of company that is easy to relocate. Usually, relocation is done to a country that offers lower wages, looser regulations, and a lot of workers.

Literature Review

In the event of a dispute in industrial relations, the trade/labor union has a function or role to participate in resolving the dispute to protect and defend the rights and interests, as well as to promote proper welfare for the workers/laborers and their families. (P. R. Indonesia, 2004).

The more general role of trade unions is to minimize discrimination against workers/laborers, both by employers and by other workers. There are two types of discrimination: 1) Employment Discrimination – Concerning gender, job segregation is reflected when there are female-dominated and male-dominated jobs and job choices are directly constrained or if they are influenced by lower payoffs for capital characteristics. given human; 2) Wage Discrimination – Wage discrimination is said to exist when the prices paid by employers for certain productive characteristics are systematically different for different demographic groups – men and women (or minority and non-minority) with the same productive characteristics are paid unequally, even in the same resident. (Borjas, 2015)

Occupational Discrimination can be measured by the inequality index, which shows the percentage of the other gender who must change jobs for both to have an equal distribution of jobs. The index will equal 100 if all jobs are completely separated. The index will be equal to 0 if males and females are evenly distributed. The data show a decline in the inequality index from 68 in 1970 to 59 in 1980, to 53 in 1990. The effect of occupational segregation on women's earnings is more pronounced in the US than in many European countries. Not all gender segregation is the result of labor market discrimination because of pre-market differences or preferences that were established before the entry of the labor market or choices made later to account for the share of gender income differences. (Borjas, 2015).

Because these companies keep moving from one country to another, they are often referred to as foot-loose industries. Finally, Indonesia ratified ILO conventions such as freedom of association and bargaining, prohibition of forced labor, elimination of work discrimination, minimum age limit for children, and prohibition of working in the worst places. Then the existence of a new policy in the field of politics, makes these legless investors feel anxious about the increase in labor wages, workers' welfare, and the existence of a law that protects them. So as a consequence, it can increase additional costs (labor cost/overhead cost). The company will survive if it can tolerate these operational costs. However, companies that rely solely on low wages, and lax regulations, will soon leave for countries such as Vietnam, Cambodia, etc.(Permasalahan et al., 2020).

Research Methods

The method used in this article on the role of trade unions/labor unions in an Islamic perspective uses a qualitative approach. This type of research uses library research/literature review, namely research in which all data comes from written materials such as books, manuscripts, journals, and documents related to *bahtsul masail*. The method used is a descriptive-analytic method, namely the research method by describing and analyzing all the data that has been obtained.

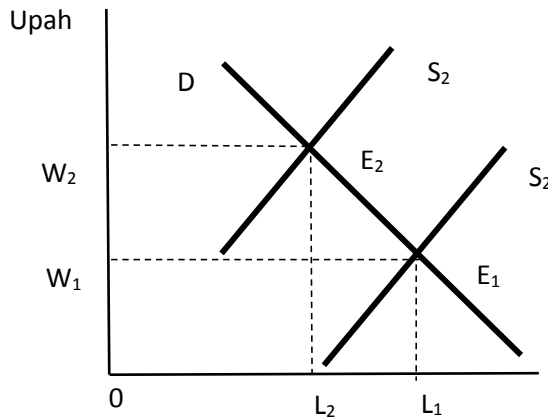
Results and Discussion

1. The role of unions

The role is defined as an action or real action, while the role can be defined as a function or task. If there is a problem that can and or cannot be resolved and can / cannot be resolved properly, it can be said that that is what is called the role played by the party carrying out the resolution of the conflict/dispute. So the good or bad role of the mediator is determined from the mediation process by the parties. The role of trade/labor unions is to resolve industrial relations disputes and be able to handle them properly and professionally. For this reason, the role of a third party is needed as a mediator in an industrial relations dispute conflict. In industrial relations, mediators have a vital role in implementing and fostering industrial relations and resolving industrial relations disputes. People who are experts and can master various labor regulations need to be mastered by mediators. The mediator plays a role in providing written recommendations to the parties. From the written recommendation, it can be forwarded to the parties for approval and rejection. (Wijaya & Subekti, 2021).

Based on international labor theory according to (Nasution, 2015), The ILO measures the things that can guarantee good relations between workers/laborers and employers, as follows: (1) Freedom of Association, namely the human right of every worker to associate in a democratic, independent and free from government interference; (2) Collective Bargaining, namely the right to consult through each representative of workers and employers. The goal is that the issue of working conditions regarding working hours, wages, leave rights, social security, and others can be discussed together; (3) Conciliation and Arbitration, namely the right to make peace and resolve disputes not protracted. (4) Consultation and Cooperation at The Level of Undertaking, namely a right to meet each other in conducting consultations and cooperating at the corporate level; (5) Communications within Undertaking, namely the right to establish good relations between workers/laborers and employers. Communication between humans or human relations is the key that can reduce the occurrence of disputes; (6) Grievance Settlement, namely the right to file a complaint; (7) Terminations of employment, namely the right to terminate employment. This one principle plays an important role in maintaining harmony and proportion between the interests of workers.

The role of trade unions in the labor market, of which is the trade union/labor union can impose restrictions on its members effectively and efficiently because it has unique characteristics. The rule is to reduce the supply of labor to corporations, so that the income level of SP/SB members can be increased, for more details, see the picture below: (Feriyanto, 2016)



Source: Nur Feriyanto (ESDM)
Figure 1. Limiting the supply of labor

At first, the level of wages in balance given by the corporation to members of the SP/SB was W_1 with a total employment of L_1 . Through the reduction in supply by the union, the supply curve shifts to the upper left (from S_1 to S_2), as a result, the wage rate for union members who work in the company (industry) will be able to be increased to W_2 . The consequence of this wage increase is a decrease in labor absorption to only L_2 . There is a labor unemployment rate of L_2-L_1 that the union must offer to other companies or industries. (Feriyanto, 2016)

2. The Concept of Labor in an Islamic Perspective

The Islamic economic system is different from the capitalist and socialist systems. Islamic economics has good ethics (ethical economy). Capitalists view workers as workers and employers as employers, therefore there is a gap between the two (social stratification), and differences in position, status, and others arise. In terms of wages, capitalists view wages as a substitute for costs for what has been done. The amount of wages is determined based on the minimum standard of living. (Riyadi, 2015b).

Meanwhile, in the view of socialism, workers are the most exploited by the capitalist system. Therefore, it is necessary to eliminate individual ownership of the means of production and hope that the government will play a role as the executor of the economy.

It is different from the view of Islam, which sees that workers are the same as other humans as creatures of Allah SWT. So Islam commands a link between the rich and the rest. Even Islam recommends that everyone becomes rich, which must be achieved in this world and as a provision in the hereafter. Islamic economics determines the path of justice in achieving public welfare. (Riyadi, 2015). Furthermore, the concept of labor from an Islamic perspective is as follows:

- 1) Workers/Labourers in this case including trade/labor unions are colleagues. Workers/Labourers as human beings have human rights that are directly given by God. If workers/laborers are considered as means of production in a capitalist economic system, then in this case, dignity in human rights is identical to production machines and others who will risk extracting as much profit as possible from a company by not humanizing workers/laborers.

Therefore, Islam emphatically rejects this concept, with the construction of a social structure by Islam, in which each individual and other individuals are brothers as creatures created by Allah SWT. This brotherhood is comprehensive, not limited to certain geographical spaces and boundaries, and includes all of humanity, not just certain families, tribes, or races (Surah al-A'raf [7]: 158) (Maula, 2017). Rasulullah SAW said: "The workers are your brothers whom Allah has authorized you. So whoever has a worker should be given food as he eats, clothed as he wears, and should not be forced to do something that he cannot afford.

Therefore, the bond between the entrepreneur/employer and the worker/laborer is a family bond, a partner, and a mutual need and mutual benefit. In Islam, each of these parties is forbidden to oppress each other.

As explained in QS. Al-Hujurat verse 10, that Islam is obligated to create a family atmosphere between entrepreneurs/employers and workers/laborers. Likewise, as mentioned by (Riyadi, 2015a) both employers and workers have the same high position, workers as workers and employers as employers who employ them.

Islam teaches how a businessman must be good. As explained in the hadith qudsi from Abu Hurairah ra, the Prophet Muhammad narrated: "There are three people, who will be my enemies on the Day of Resurrection: "... the person who employs a worker, the worker fulfills his duty, but he does not give him his wages. (appropriate)." (Narrated by Bukhari and Ibn Majah) Therefore an employer must bind himself with compassion, fairness, honesty, and trustworthiness so that the rope acts as a binder with the worker/laborer. (Maula, 2017).

Employers are not allowed to provide work that is dangerous and exceeds the capabilities of the worker/ laborer. As Islam requires humans to work. (Surat At-Taubah [9]: 105, Al-An'am [6]: 135, Hud [11]: 36, 121, and Az-Zumar [39]: 39), to get wages (Qs. At-Thalaq [65]: 6, Az-Zukhruf [43]: 32). The Qur'an through the story of the Prophet Moses, a.s. who worked in the house of the Prophet Shu'aib, a.s. (Surat al-Qashash [28]: 27) shows that in giving employment the employer must not neglect the principles of humanity, justice, and equality. (Maula, 2017).

Both as individual beings and as social beings, humans are required to prosper by working, in fulfilling their life needs, humans are obliged to manage natural resources properly. Work is also a form of human self who can realize himself as a caliph on this earth.

- 2) In addition to the rights that must be obtained by workers/laborers, there are obligations of workers to employers. Islam in its justice also protects its superiors by giving moral obligations to workers/laborers. As the words of the Prophet Muhammad SAW, namely: "Do not enter heaven stingy people, cheaters, traitors, and workers who have bad service to their employers. Meanwhile, the first to knock on Heaven's door are workers who are kind to their neighbors, obedient to Allah and their employers." (Alfiah, 2015).

3. The Role of Trade Unions/Labor Unions in the Sharia Economy

Trade unions/labor unions which are often abbreviated as SP/SB are inherent rights for workers. A trade union/labor union is a democratic organization formed voluntarily from, by, and for workers/laborers with the following objectives: 1) protection of the rights and interests of workers; 2) improving the conditions and provisions based on the collective work agreement with the company/corporation, 3) protecting and defending the workforce and their families from social conditions if the worker/family becomes sick, loses their job due to layoffs or others, 4) fights for the management/corporation understand and listen to the voices or opinions of SP/SB before making a decision.

From an economic perspective, the role of trade unions/labor unions is to have an identity as part of the division of labor system towards the dominance of individual ownership. Workers as an interest group have different orientations in working relations. Entrepreneurs are profit/profit-oriented by increasing productivity, making efficiency, and developing business. Meanwhile, workers/laborers are oriented towards the welfare of the workers themselves and their families through the instruments of wages, social security, and working conditions.

The role of trade unions cannot be separated from the behavior of entrepreneurs. As workers and entrepreneurs, they must avoid production practices that contain elements of haram or usury, black markets, and speculation. As the word of Allah swt. In the Qur'an Surah al-Maidah verse 90, Allah forbids intoxicating drinks (*khamr*), gambling (*mairsir*), black markets (*gharar*), usury, and lottery with arrows (speculation), because it is an act of the devil. Islam requires an entrepreneur to produce by choosing, using, and consuming halal products or goods. The Messenger of Allah (PBUH) explained that narrated by Bukhari, which means:

“what is lawful is clear and what is unlawful is also clear, and between the two are ambiguous things (syubhat). So whoever abandons a vague sin, then the clear sin will leave it more. Whoever falls into a doubtful sin, is closer to falling into a more obvious sin. Disobedience is a taboo from Allah, whoever surrounds the taboo, then he may fall into it.” (app.lidwa.com, 2016).

Many of the supporters of the trade union movement argue that trade unions are the only institutions that represent the interests of workers in the labor market, primarily responsible for improving working conditions, and this is already evident in developed countries. The normative rights of workers/laborers are rights that already have regulations or rights that have been

established through laws, government regulations, or other regulations. Labor normative rights consist of: 1) economic rights; 2) rights of a political nature; and 3) health rights.

The economic rights of workers include 1) Basic salary, namely basic compensation given to workers/laborers based on the type of work and the amount of salary that has been determined; 2) Fixed allowance/assistance, namely a regular salary related to work results and work that is provided regularly to workers/laborers and their families which is paid together with basic wages such as wife allowance, child allowance, housing allowance and maternity allowance; 3) Non-permanent benefits, a payment that is directly or indirectly related to workers and is given on a non-permanent basis to workers and their families and is paid not at the same time as the payment of basic wages.. (KEMENPERIN, 2003).

Etymologically there are several thoughts of Muslim economists from ancient times to the present including Al-Ghazali in his view if someone is involved with the business world and produces goods that are sufficient in number for the benefit of the community, then the needs of the whole community are met. If no one is involved in the business world and does not produce to meet the interests of the community, then the whole community will have obligations and responsibilities later. Economic activities must be carried out effectively and efficiently to meet the needs/interests of the community.

Ibn Khaldun's view on production is that production is mobilizing all efforts to produce something according to the needs of both individual needs and the needs of society in general. Meanwhile, Abdul Manan's view is that production is not only creating something physically but also adding utility to an item/service. Production is the creation of goods/services together with the community to achieve the economic welfare of the community. (Industrial et al., 2020).

According to Kahf's opinion about production, namely the existence of continuous improvements made by the community to increase business, not just physical changes, but more than that, namely moral changes, so that the purpose of life is following the demands of Islam, namely towards happiness in the world and in the hereafter.

Based on this explanation, it is concluded that the definition of production is a process of creating products and services to have appropriate utilities to meet human needs by prioritizing the principles of justice and the interests of the people. The high and low incomes of the community greatly affect the demand and supply of labor. Based on economics the theory of demand for labor is the same as the theory of demand for goods/services. The formula for labor demand is the number of workers according to corporate demand at a certain income/wage level.

The government's policies regarding the Provincial Minimum Wage (UMP) and District/City Minimum Wage (UMK) are conditions of demand and supply that affect the labor market. The occurrence of unemployment (open unemployment) in the economy is caused by a gap in demand and supply in the labor market.

The labor market in the Islamic Economy paradigm is defined as the appropriate wage level between the supply of labor including the labor force and the demand for labor. Islam puts demands on humans to act as productive humans and is tasked with wanting to work for a living as well as God's gift in this world.

فَإِذَا قُضِيَتِ الصَّلَاةُ فَانْتَشِرُوا فِي الْأَرْضِ وَابْتَغُوا مِنْ فَضْلِ اللَّهِ
وَاذْكُرُوا اللَّهَ كَثِيرًا لَعَلَّكُمْ تُفْلِحُونَ

As explained in the word of Allah SWT in Surah Al-Jumu'ah verse 10:

Meaning: "When the prayer has been fulfilled, then you are scattered on the earth, and seek Allah's bounty and remember Allah a lot so that you are lucky."

From these letters and verses, it is explained that the welfare of society can be created because there is no unemployment Islam teaches its people to work so that they can create a stable state economy. The absorption of the number of workers in the labor market is directed at being productive and becoming a pious entrepreneur solely because of Allah SWT.

According to Khan (2014: 173) in the *Ujrah* system, what determines the residual of the remaining resources is the supply of hired labor, as explained in the picture of the demand and supply curve of labor according to Islamic economic opinion based on the *Ujrah*. (Hijriah & Adiba, 2019).

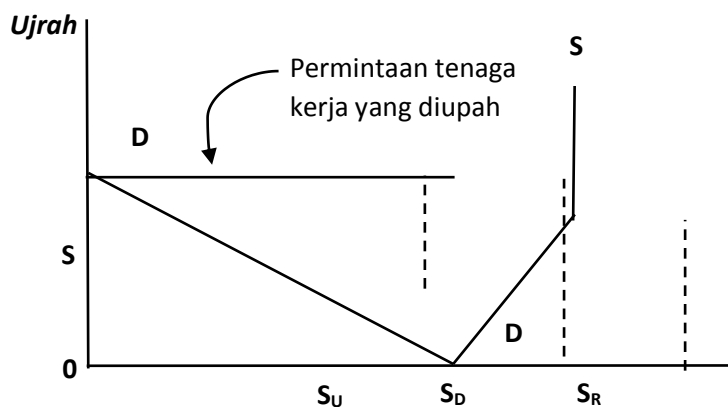
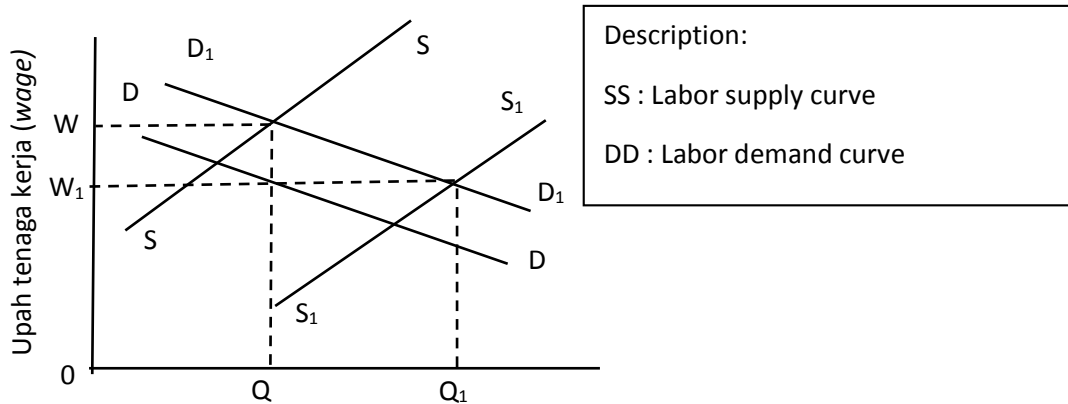


Figure 2. Labor Demand and Supply Curves (Khan in Hanifiyah, 2019)

The picture above describes S_R as the total resources offered. After as many as S_U of them are employed with *Ujrah* U which means the point of intersection between the supply curve and the DD demand curve, the remaining $S_R - S_U$ becomes the number of entrepreneurial resources offered. The resources of many $S_U - S_R$ s become uneconomical if they are employed with a *Ujrah* of U because the opportunity cost is higher than the corporations are willing to pay. Islamic teachings suppress or oblige humans to earn a living and not work/unemployment is an option that is not allowed. (Hijriah & Adiba, 2019).

Meanwhile, human resources that have quality/quality can grow performance/productivity. The workforce that will be used in the production process in the company always faces an increase in population growth. Several factors that affect the demand for labor in companies are 1) The development of technology owned by a country; 2) The existence of products/services produced; 3) The rise and fall of the entrepreneur's profit; 4) The size of the investment owned by the company. The curve on the labor production factor market can be described as follows: Lecturer of Education, 2021. Input Market. <https://www.dosenpendidikan.co.id/pasar-input/>



Source: Input Market. <https://www.dosenpendidikan.co.id/pasar-input/>

Figure 3. Labor supply and demand curve

From the figure above, it is explained that the labor supply curve always increases according to the rate of population growth, so the supply curve shifts to the right to become S'S'. Along with the discovery of new technology, on the demand curve for labor the increase in supply is greater than demand, so the wages given have decreased from W to W1. <https://www.dosenpendidikan.co.id/pasar-input/>

The formation of trade unions/labor unions in terms of fulfilling workers' political rights which include the right to establish a union, the right to strike, and the right to negotiate (drawing a collective labor agreement/PKB, bipartite, and so on). K-3 rights include the right to obtain security, both occupational safety and health, the right to obtain social security, and the right to establish a business, such as a cooperative.

From the workers' rights as mentioned above and often the problem until now is the problem of regulation and implementation. Regulatory issues are about wages. Where the wages of workers are based on a decent living component (KHL). While KHL itself refers to the minimum living needs. KHL is standardized to a minimum requirement of 1 (one) single person, then what about workers who are married and have children.

KHL is also the basis for determining the provincial minimum wage. The process, in which the wage council consisting of representatives of trade unions/labor unions, employers, the

government, and neutral parties from academia will conduct a KHL survey, covering what components of living needs are surveyed and the mechanism for standardizing KHL to become the minimum wage setting. In Law no. 13 of 2003 and presidential regulation no. 78 of 2015 concerning wages, regulated on KHL and discussed in depth in the Regulation of the Minister of Manpower (*UU 21 2016.pdf*, n.d.) about the Need for Decent Living (KHL). The determination of the Minimum Wage by the Governor is carried out annually based on the KHL and by taking into account productivity and economic growth. Presidential Regulation No. 78 of 2015 is regulated in the procedure or formula for calculating the Minimum Wage as follows: The current year's Minimum Wage is added to the product of the current year's Minimum Wage with the sum of the current year's national inflation rate and the current year's gross domestic product growth rate. KHL is found in the current year's Minimum Wage. (Ministry of Manpower, 2015)

So workers' rights are rights that are already attached to workers/laborers as long as they carry out work agreements/receive wages. Thus, the normative rights of workers/laborers in Indonesia are rights that have been determined by the Indonesian government through labor regulations:

- 1) Laws governing employment: Law no. 13 of 2003 concerning employment
- 2) Law no. 2 of 2004 concerning the settlement of industrial relations disputes
- 3) Law no. 21 of 2000 concerning trade unions/labor unions
- 4) Law no. 24 of 2011 concerning BPJS

The role of unions is linked to other regulations, namely outsourcing and the contract system. According to Law No. 13 of 2003, outsourcing is known as a provider of labor services as mentioned in articles 64, 65, and 66. In the past, outsourcing companies provided types of workers who were not directly related to the company's core business and did not care about careers, such as telephone operators, call centers, security guards, and cleaning services. But in reality today, the use of outsourcing is increasingly expanding to various lines of company activities. Economically, outsourcing and the contract system will cause a lot of losses for workers, where these arrangements create uncertainty for survival, and habituation of working relationships and are vulnerable to violations of labor rights. Furthermore, how trade/labor unions can socialize the law that regulates work agreements between outsourcing workers and outsourcing companies, is explained in Law No. 11 of 2020 concerning Job Creation (employment clusters) article 66 paragraph (1) that the working relationship between companies outsourcing with the workers/laborers they employ is based on a written work agreement, either a work agreement for a certain time or a work agreement for an indefinite period. related to these provisions, it is explained and emphasized in Article 59 paragraph 2 of the Employment Creation Act (Employment Cluster) that a work agreement for a certain time (PKWT), cannot be held for permanent work. (P. R. Indonesia, 2020).

The thing that workers/laborers must pay attention to in the work agreement of outsourcing workers for PKWT work relationships is that the work agreement must require the transfer of protection of rights for outsourcing workers in the event of a replacement of the outsourcing

company and as long as the object of the work remains there. (Article 66 paragraph (3) of Law No. 11 of 2020 concerning Job Creation (Kluster Ketenagakerjaan).

Meanwhile, problems related to implementation, viewed from the Government's perspective, are the ineffective supervision of several applicable laws and regulations; and weak law enforcement by the state against violations of labor rights. From the Employer's side, problems regarding violations of statutory provisions that harm workers' rights; the crime of suppressing trade unions and criminal acts of trade unions/labor unions and their administrators; closed attitude, skeptical of the existence of trade unions in the company. An important factor in the role of trade unions towards all those involved with employment is the elements of humanity as well as religion as the foundation of awareness of workers and entrepreneurs in carrying out life and life in this world.

Therefore, amid this extreme phenomenon, Islam offers an economic, social, and other system that is just and dignified. Where the system is a system for each job, the concept is how the relationship between employers and workers, including the reward system in the form of wages. High respect for work and workers who work and earn their income is required in Islam also deserves to be respected. Because the position of workers in Islam occupies a respectable position.

The Messenger of Allah (saw) once shook the hand of a laborer which was swollen from hard work, then kissed it and said: "This is the hand which Allah and His Messenger love." (Narrated by Bukhari). The indicator of work in Islamic teachings is the quality of the work, so a good worker is a worker who improves the quality of his work, as Allah says: "And each person gets his degree by what he does." (Surat al-An'am: 132). Because of the importance of the quality of this work, Rasulullah SAW stated in one hadith: "Verily Allah is pleased when one of you raises the quality of his work".

HI (industrial relations) in Islam is called the principles of muswah (equality) and 'adlah (justice). The position of entrepreneurs and workers/laborers is the same because they are both servants of God who are interdependent and need each other. The rights and obligations of workers/workers with employers are based on equality and justice. Allah SWT says: "Indeed, the most honorable of you in the sight of Allah is the one who is most pious among you. Verily Allah is All-Knowing, All-Knowing." (QS. al-Hujurat: 13).

Agreements regarding the rights and obligations between workers/laborers and employers as their obligations are not verbal but in writing in the form of an agreement called a Collective Labor Agreement (PKB). The work agreement is a promise that must be carried out by both parties. On this basis, it will place both parties, both workers/laborers and entrepreneurs, to fulfill mutually agreed upon agreements and fulfill their responsibilities. Allah SWT says: "...and those who keep their promises when they promise, and those who are patient in adversity, suffering, and in war. They are the ones who are true (in faith), and they are the ones who are pious." (QS. al-Baqarah: 177).

Industrial relations in Islam are also called partnership relations, the concept is called leasing (ijrah). The concept of rent maintains a balance between workers/laborers and entrepreneurs, as *mustajir* (tenant), namely the party who provides wages and receives benefits, and *mujir* (lease provider), namely the party who provides benefits and gets wages. Both of them are bound by an agreement within a certain time according to the agreement. During this time both parties exercise their respective rights and obligations. In this *ijrah*, *mustajir* must not control *mujir*, because the status of *mujir* is independent and can only be taken advantage of.

Summarizing the above description, it is clear that Islam is very concerned about workers/laborers. In the Islamic view, workers/laborers are creatures of Allah SWT whose position is the same as other humans. Therefore, unlike socialism, Islam has never agreed to hostility towards humans or their wealth but also does not give freedom to humans as in capitalism. Therefore, the Islamic view of workers/laborers is that the treatment of them by the entrepreneur must be good. As described in the Qur'an through the story of Prophet Musa a.s, who worked in the house of Prophet Shuaib, A.S. (Surat al-Qashash [28]: 27),(Buruh & Dan, 2020).

Conclusion

The three rights of workers, namely economic rights, political rights, and termination rights as described above are highly correlated with Sharia economics. Where in Islam it is stated that work is *ujrah* not *ajrah*. Work is worth worshipping in front of Allah SWT because the guidance of Islamic philanthropy/philanthropists in the form of Sharia economics does not only contain economic value but also transcendence/main value where the world/wealth is a means and infrastructure for humans to achieve spiritual virtues that make human life meaningful.

The role of trade unions/labor unions in the Islamic economy is explained in the labor supply and demand curve above. Where the resources offered, explained by several SU of them are employed with *Ujrah U* which is the intersection point between the supply curve and the demand curve for DD, then the remainder, namely SR-SU, becomes the number of entrepreneurial resources offered. The resources of several SU-SRs are not economical if they are employed with an *ujrah* of U because the opportunity cost is higher than what the entrepreneurs are willing to pay. Islamic teachings urge or oblige people to earn a living and are unemployed is a very discouraged option.

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