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Regulating Platform Work in Indonesia: Exploring Legal Options for Workers' Protection

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Abstract

The rise of digital labour platforms has disrupted traditional labour market arrangements and exposed significant gaps in Indonesia's regulatory framework. Existing labour law instruments, does not adequately capture the relationship between platform companies and workers, as such arrangements fall short of the definitional threshold of an employment relationship. On the other hand, the partnership model under Law on Micro, Small, and Medium Enterprises is equally ill-suited to address the dependent and asymmetric nature of platform-mediated work. This regulatory vacuum has enabled the systemic exploitation of platform workers by denying their access to basic labour protections and, at the same time, precluding the possibility of equitable partnership with the platforms. In this paper, we explore three potential options for regulating platform in Indonesia. First, enacting a specific law on platform work that establishes a sui generis "third box" legal category for platform-based labour relations. Second, redefining the concept of "employment relationship" within a revised Manpower Law to encompass platform work and other non-standard forms of employment. Third, incremental reforms through technical regulations in the form of Presidential Regulations or Ministry Regulations that provide partial protections without altering the underlying legal categories of work.

Keywords: gig economy, labour protection, platform work, regulation

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1. Introduction

Since the rise of online ride-hailing services in 2015, platform-mediated work, often referred to as the gig economy, has proliferated across transport, delivery, and service sectors in Indonesia and fundamentally transformed Indonesia's labour market. Drawing on Woodcock and Graham (2020), the gig economy refers to a system of labour in which digital platforms act as intermediaries connecting service providers and consumers. The forms of work in the gig

economy are very heterogeneous (Duggan et al., 2019; ILO, 2016), but there are two notable branches, "*crowdwork*" and "*on-demand work*" (De Stefano, 2016b). *Crowdwork* refers to work-mediating digital platforms, such as Amazon Mechanical Turk (MTurk), Fiverr, or Upwork, through which workers remotely complete tasks and are not bound to specific geographical locations (De Stefano, 2016b). *On-demand work,* on the other hand, refers to platform work that must be performed locally, such as Uber and Lyft in ride-hailing, Deliveroo, Food Panda, and Uber Eats in food delivery, as well as TaskRabbit and Handy in housekeeping. In Indonesia, the largest on-demand work platforms are Go-Jek and Grab, which offer a combination of transportation, food delivery, courier services, and other services through a single app.

Recent studies suggest that between 0.3% and 1.7% of Indonesia's total workforce, or roughly 430,000 to 2.3 million people, depend on platform work as their main source of income (Permana et al., 2022). Among the various digital labour platforms, online transportation services, which include passenger transport, delivery, and food courier services, absorb the largest share of workers. In the beginning, the gig economy offers an attractive and often necessary employment option in a context of persistent unemployment and limited opportunities in the formal labour market (Ford & Honan, 2017). Many workers enter the gig sector out of economic necessity rather than by choice, often because alternative employment is unavailable to sustain their livelihoods (Santoso et al., 2023). Consequently, the gig economy has become a crucial channel for labour absorption, particularly among urban and lower-middle-income populations (Permana, 2022).

However, this rapid expansion of platform-based labour has occurred within a legal void (Yuana et al., 2024). The main issue stems from the relationship between digital platforms and the workers, which is defined as *hubungan kemitraan* or partnership. This is because Indonesia's existing legal framework defines the employment relationship as a relationship between an entrepreneur and a worker/labourer, based on a work agreement that contains elements of job, wages, and command. The platforms claimed that their relationship with the workers does not include elements of wages and work orders, and thus cannot be considered as an employment relationship (Izzati, 2018). The platforms, therefore, categorise their relationship with workers as a *hubungan kemitraan,* or partnership.

Traditionally, having an employment relationship gives workers' rights and protections under labour law, such as the right to a minimum wage, overtime pay, and social security, including medical, retirement, and unemployment benefits. If the relationship is classified as an employment relationship, it is protected under labour law regulations. Thus, if the relationship does not fall within an employment relationship, the labour law regulation is not applicable.

On the other hand, Indonesia also lacks adequate regulations regarding partnerships to suit the partnership model between platform companies and workers (Wibowo, 2023). This is because the partnership model under Law Number 20 of 2008 is not applicable in this context and fails to account for the asymmetric dependency inherent in digital platform work. Under the logic of genuine partnership, there should be a balance between the parties, so both parties can determine how the relationship runs. However, in the "platform partnership", the platform workers mostly

operate under algorithmic management systems that dictate work allocation, pricing, and performance assessment, conditions that more closely resemble disguised employment than genuine partnership. In this sense, the 'partnership' between the platform company and its workers can be considered a 'misclassified partnership' rather than a real partnership (Izzati & Sesunan, 2022).

This legal loophole has created conditions conducive to the systemic exploitation of platform workers. The absence of formal employment status denies platform workers access to basic labour protections, including minimum wages, working time regulation, occupational safety, and social security. Empirical studies have documented a decline in job quality and income stability, particularly in the aftermath of the COVID-19 pandemic, when reduced consumer demand and intensified competition led to significant income losses among platform workers (Novianto et al., 2023; Permana, 2022; Rachmawati et al., 2021).

Simultaneously, their classification as "partners," but without an equal position with the platform, precludes meaningful collective bargaining and the possibility of conducting social dialogue. On the one hand, without being legally classified as employees, gig workers are often excluded from traditional mechanisms of collective (Tobing, 2024) bargaining (De Stefano, 2016a). This exclusion has led to ongoing debates about how trade unions should adapt to the rise of non-standard work (Zahn & Busby, 2023). On the other hand, the power asymmetry between gig workers and platform companies puts workers in a highly precarious position. Any form of resistance, such as voicing grievances or protesting, risks account deactivation, effectively terminating their source of income (McGaughey, 2018).

These conditions exemplify what researchers described as an institutional void, a gap between rapid technological change and the slower evolution of legal and regulatory systems (Heeks et al., 2021). Indonesia's current legal instruments were designed for industrial-era employment structures and fail to recognise the algorithmic management, data-driven control, and economic dependency that define digital labour in the gig economy. In the absence of a coherent framework, platform work in Indonesia remains governed by fragmented sectoral regulations, primarily under the purview of the Ministry of Transportation through *Peraturan Menteri Perhubungan Nomor 118 tahun 2018 tentang Penyelenggaraan Angkutan Sewa Khusus* (Permenhub 118/2018) and *Peraturan Menteri Perhubungan Nomor 12 Tahun 2019 tentang Pelindungan Keselamatan Pengguna Sepeda Motor yang Digunakan Untuk Kepentingan Masyarakat* (Permenhub 12/2019). Yet, these regulations cannot solve the issue of workers' protection in the gig economy since the Ministry of Transportation's regulations are focusing on the transportation issues, instead of the workers' issue.

Against this background, this paper explores the legal pathways for regulating platform work in Indonesia. It identifies the structural features of Indonesia's gig economy, situates them within comparative international experiences, and analyses potential reform models that reconcile platforms' innovation with workers' protection. It examines three possible regulatory pathways for governing platform work in Indonesia: First, enacting a specific law on platform work that

establishes a sui generis "third box" legal category for platform-based labour relations. Second, redefining the concept of "employment relationship" within a revised Manpower Law to encompass platform work and other non-standard forms of employment. Third, incremental reforms through technical regulations in the form of Presidential Regulations or Ministry Regulations that provide partial protections without altering the underlying legal categories of work.

By analysing these options, the paper aims to identify which approach is most compatible with Indonesia's legal and social context. Drawing on comparative experiences from other countries, it assesses each model's potential to address key challenges in the gig economy—such as classification ambiguity, social protection, and algorithmic control—while considering Indonesia's empirical realities. The purpose of this paper, therefore, is not to prescribe a singular reform blueprint, but to critically evaluate how existing and prospective legal pathways align with Indonesia's broader objectives of digital and labour regulations.

2. Research Method

The research uses the doctrinal or normative method with a statutory approach and a comparative approach. It is conducted by reviewing existing regulations regarding partnership and employment in the gig economy or platform worker system. The goal is to analyse the gap between how the law should be formulated for worker protection and the reality within the current system. Furthermore, the research utilises the previous legal research (Izzati & Sesunan, 2022), adding a framework to examine the legal loophole arising from the application of the partnership model in Indonesia's platform work. The research also incorporates a comparative law study that systematically examines other countries' regulations, which offer a benchmark for the "ideal" regulations. Data for this study was collected from primary legal materials, specifically Law Number 13 of 2003 on Manpower; Law Number 20 of 2008 on Micro, Small, and Medium Enterprises; and Minister of Transportation Regulations (Permenhub 118/2018 and 12/2019); and secondary legal materials, which include academic literature and writings concerning the loophole of partnership model in platform work and the local legal realities of the other countries.

3. Results and Discussion

3.1. Global Development of Platforms Regulation

Over the past decade, digital labour platforms have profoundly reshaped the nature of employment relations worldwide. Platforms such as Uber, Deliveroo, and Amazon Mechanical Turk exemplify the rise of on-demand labour coordinated not by human supervisors but by algorithms. While these platforms often promote flexibility and entrepreneurship, scholars have shown that algorithmic management introduces new, opaque forms of control and surveillance that undermine worker autonomy (Rosenblat & Stark, 2016). For example, platforms like to impose minimum quality standards, tracking workers' performance through customer ratings

and algorithmic surveillance. If a worker's rating drops below a certain threshold, they face penalties, reduced job allocations, or even deactivation from the platform (Jabagi et al., 2019). This level of algorithmic control challenges the notion of true independence, as platform workers must comply with opaque platform rules that dictate their employment conditions.

These kinds of developments blur the traditional boundaries between employment and self-employment, generating a profound regulatory dilemma for labour law systems built on industrial-era assumptions of subordination and a fixed workplace (De Stefano, 2018). Therefore, in recent years, many jurisdictions have begun experimenting with legal frameworks to govern these emerging work arrangements, adopting diverse strategies that reflect different institutional and socio-economic contexts (Aloisi, 2022). This section provides a comparative overview of platform work regulation across regions, with specific examples from the United Kingdom, the United States of America, Singapore, and Malaysia. It highlights the distinct approaches to classification, social protection, and collective rights, which seek to establish a baseline for workers' protection in the Indonesian gig economy.

3.1.1. United Kingdom

In the European Region, specifically within the United Kingdom, the legislation governing the employment relationships is the Employment Rights Act 1996 (ERA 1996). This Act consolidates various preceding statutes, notably originating from the Employment Protection (Consolidation) Act 1978. Despite this consolidation, the ERA 1996 has not explicitly addressed the "gig economy". However, it could be inferred through Section 230 of the ERA which establishes three frameworks in classifying workers (Acas, 2025). The first category is "employee", which is an individual working under a "contract of service" (analogous to permanent or fixed-term employment contracts in Indonesia). The second category is "worker", which is a broader category that includes (a) any employee, and (b) an individual who works under any other contract where they promise to perform work personally for someone else (and that someone else isn't their client or customer). Lastly, the third category, "self-employed" status, exists as a residual category, defining those who fall outside the statutory definitions of both "employee" and "worker" (Drahokoupil & Vandaele, 2021; Martindale et al., 2024).

A significant ambiguity persists, as the statute does not provide a comprehensive definition of a "contract of service". This legislative gap was subsequently filled by judicial interpretation, leading to the development of various legal tests applied by courts and tribunals. The written contract is only one of the assessment's components because what is more important is the reality of the working relationship when ascertaining an individual's true status. This determination is critical, as the classification dictates the extent of social security benefits and employment rights afforded. Key factors in this judicial analysis include the degree of control exercised by the company over the individual and the mutual obligations binding the parties.

The ambiguity mentioned before was highlighted by two twin flagship cases: Uber BV v Aslam (2021) and IWGB v CAC & Deliveroo (2023). In Uber, the Supreme Court held that drivers were "workers" due to the high degree of control Uber exercised over them. This classification

rendered the company responsible for worker entitlements, including the national minimum wage, etc. Conversely, in Deliveroo, the Supreme Court classified the riders as "self-employed" because riders have the "right of substitution" which allows riders to pass their work to another person. This autonomy was deemed inconsistent with the personal service obligation required for "worker" status, thereby absolving the company of social security obligations (Hiessl, 2021; Pitt, 2024).

These two cases illustrated how platform workers engaged in similar activities can receive starkly different legal outcomes. This divergence presented a lesson for regulating a broader and rapidly evolving digital economy. For instance, although Uber drivers were classified as workers, their flexibility often means uncertain income and uncompensated waiting time (or standby time) without compensation. A potential solution might involve implementing clearer scheduling structures and a wage system to ensure that the benefits of the platform model are not solely captured by the company. In the case of Deliveroo, achieving worker status might be possible by removing the substitution clause to bring riders into a classification with greater social protections.

Following forthcoming legislation, the employment rights landscape is again set to change, as the Employment Rights Bill is under discussion. This legislative update is designed to be more comprehensive, adapting to contemporary labour conditions. Notable examples include the introduction of "day-one" unfair dismissal protection, "day-one" family-friendly rights, and significant changes for zero-hours contracts.

When compared to the social security and rights afforded to workers, worker classification emerges as a central issue, primarily due to the high numbers of misclassifications. This phenomenon, in which individuals in similar working conditions receive different categories, is aggravated by the case-by-case adjudicative nature of the common law system, which can create significant legal uncertainty. Such misclassification invariably leads to the diminution of social rights and protections. The existing statutory framework, therefore, requires more precise definitions. It is critical to prevent scenarios where, despite a classification being assigned, it ultimately constitutes a misclassification that fails to reflect the substantive reality of the working relationship. Furthermore, even where the classification is accurate, it is imperative to scrutinise whether the implementation of present rights materialises, among other dynamics.

3.1.2. United States of America

In the United States of America, which operates under a federal system, each state possesses the autonomy to establish its own regulations. California presents a particularly compelling case study. While the system primarily classifies workers into two categories—employee and independent contractor—a distinct "Independent Contractor Plus" (IC+) model has emerged, specifically for platform workers, which appends certain benefits (Ongweso Jr, 2020).

California, through Assembly Bill 5 (AB5), attempted to regulate how companies, as platform operators, categorise workers to clarify their rights . Prior to AB5, California had already classified workers, but enforcement was ineffective because there was no clear definition of each category. Consequently, companies were incentivised to classify workers as independent contractors, realising significant cost savings. This classification absolved them of statutory obligations, including the Federal Insurance Contributions Act, minimum wage, overtime, reimbursed expenses, paid sick days, paid family leave, unemployment insurance, and an employer-sponsored healthcare option (Dubal, 2017, 2022).

AB5 introduced a safety net to ensure this classification was not applied arbitrarily, the "ABC Test". This test stipulates three factors that a company must satisfy in full to classify a worker as an independent contractor. Failure to meet even one of these results in the worker being classified as an employee. The factors are: 1) the worker is free from the control and direction of the hiring entity in connection with the performance of the work; 2) the worker performs work that is outside the usual course of the hiring entity's business; and 3) The worker is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

Recognising the rigidity of this ABC Test, platform companies such as Uber and Lyft realised they were in a disadvantageous position, as they could not satisfy point (b). Companies often attempted to get away from this point by contending that they are technology platform companies, not transportation companies, thus placing the drivers' work outside their core business. This argument is tenuous, as Uber and Lyft are applications that provide transportation services, and drivers are the workers who perform that service, placing them squarely within the company's usual course of business. This realisation sparked significant concern for companies, as reclassification to "employee" status would be costly, as previously outlined (Paul, 2020).

In defiance of AB5's enforcement, these companies drafted a new regulation, bypassing the legislature and submitting it directly to the public as a ballot initiative. This regulation, Proposition 22 (Prop 22), was subsequently passed by a majority of voters, despite significant opposition. Proposition 22 was intended to be a "middle ground" provided by companies for app-based drivers and couriers. Critically, while it maintains the binary classification, it removes the ABC Test for these workers, granting companies greater flexibility in classification (Davidov & Alon-Shenker, 2022).

On the other hand, the proposition mandates that companies provide certain benefits and rights that might not be equivalent to those granted to employees but exceed those granted to independent contractors. Examples include new health benefits (in the form of stipends towards insurance rather than full coverage) and guaranteed minimum earnings. However, the guaranteed minimum earnings only apply to "engaged time" (active work) and exclude "waiting time", which, if under AB5, would have been included as compensable work time.

Despite these ostensibly beneficial provisions, significant opposition led to legal challenges filed immediately after the vote. The central legal argument contended that Prop 22 unconstitutionally infringed upon the legislature's exclusive core power to create and regulate the workers' compensation system. While this challenge was initially successful at the lower court level, it was ultimately appealed to the California Supreme Court, which largely upheld the proposition, thereby reversing the lower court's decision.

A critical area of inquiry is why a majority of voters approved Proposition 22, despite its apparent disadvantages for workers. This outcome is situated at the intersection of law, economics, and politics. A segment of workers, for instance, argued that reclassification as employees would eliminate the flexibility inherent in independent contractor status. Concurrently, consumers feared significant price increases, anticipating that companies would pass on the higher operational costs of social protections. The government also faced threats that platforms would cease operations in the state if AB5 were strictly enforced.

While the full enforcement of AB5 might have been the ideal outcome for platform workers, the solution offered by Prop 22 is not entirely without merit. It represents a pragmatic concession, arguably "better than nothing," given the potential sacrifices that rigid AB5 enforcement might have entailed. It serves as a middle ground, enabling companies to fulfil their duties while providing the promised, albeit limited, benefits.

3.1.3. Singapore

Emulating the UK's classification-based approach, Singapore has introduced a new legal category, "platform worker" under the Platform Worker Act 2025, which was enacted at the beginning of the year. This Act is designed to protect all individuals who have an agreement with a platform operator, subject to the operator's management control, and derive income from the platform.

This new classification imposes obligations on platform operators to provide specific protections to platform workers. Key protections strengthened by the Act include, but are not limited to: 1) ork injury compensation: Providing protections under the Work Injury Compensation Act (WICA) that are equivalent to employees, ensuring compensation for occupational accidents; 2) Housing and retirement adequacy, which mandated contributions to the Central Provident Fund (CPF), which are deducted directly from earnings and remitted by the platform operator (analogous to a withholding tax mechanism); and 3) rights for representation: Enabling platform workers to negotiate collectively, similar to the functions of trade unions for employees.

Furthermore, Singapore has also regulated occupational safety and health (OSH) and amended the Road Traffic Act to align with the operational realities of digital transportation services. The Singaporean model demonstrates that establishing a new classification can be a viable strategy, if followed by substantive social protections. This new category provides legal certainty, both for workers regarding their entitlements and for platform operators regarding their statutory obligations.

3.1.4. Malaysia

Following Singapore's legislative action, Malaysia introduced its own framework, the Gig Workers Bill, in September 2025. This Bill protects platform workers across a wide range of services, including ride-hailing, food delivery, translation, videography, and care services. It aims to ensure that service agreements between platform workers and operators adhere to fair, standardised contractual terms.

Under the Gig Workers Bill, platform workers are designated as "specially regulated independent workers", distinguishing them from the standard employment relationship. Their status remains that of an independent contractor, not a full-time employee. Nevertheless, the rights afforded by the Bill significantly enhance protections for platform workers, particularly concerning social security entitlements. The Gig Workers Bill introduces several notable regulations, including clear rules on earnings, permissible platform deductions, and mandatory occupational safety and health (OSH) standards. Furthermore, the bill mandates the establishment of a tripartite consultative council to set labour standards for gig workers. The bill also includes prohibitions of unfair practices, outlawing detrimental practices such as unilateral tariff changes, arbitrary contract termination (deactivation), and restrictions on multi-platform work. Lastly, the bill also introduces a gig workers tribunal, which provides a venue for workers to lodge grievances against unfair practices, such as summary deactivation or sudden tariff reductions.

Overall, the comparative developments in platform work regulation across multiple jurisdictions demonstrate that the scale and persistence of platform labour necessitate urgent regulatory attention from governments and legislators. The experiences of the jurisdictions examined above, alongside broader global trends, reveal a clear movement towards some form of worker classification, albeit through diverse legal methodologies and with differing levels of substantive protection. Importantly, classification should not be understood as a purely formal or semantic exercise. Instead, it serves as a gateway to the allocation of rights, obligations, and social protections, thereby carrying profound distributive and normative consequences for platform workers.

At present, Indonesia has yet to articulate a clear regulatory position on the classification of platform workers. The domestic legal framework remains confined to a binary distinction between an employment relationship and a business partnership, a dichotomy that itself lacks precise statutory articulation. However, classification alone is insufficient. What is ultimately required is structural reform that is attentive to Indonesia's political economy and socio-economic realities, encompassing not only labour law doctrine but also public awareness of platform work and the corporate governance practices of digital platforms. Meaningful consolidation and sustained social dialogue involving platform operators, workers, and the state are essential to ensure that all parties clearly understand their respective rights and obligations.

This broader, systemic approach is critical in avoiding the shortcomings observed in jurisdictions such as the United Kingdom, where the recognition of intermediate worker categories has been persistently undermined by legal uncertainty arising from the common law

system and the absence of clear statutory definitions. The UK experience illustrates that fragmented or piecemeal reforms may entrench ambiguity rather than resolve it. Consequently, effective regulation of platform work requires systemic re-engineering rather than incremental tinkering.

Notably, several neighbouring countries, most prominently Malaysia, which shares comparable labour market characteristics and institutional constraints with Indonesia, have successfully implemented regulatory frameworks that extend protection to platform workers without stifling innovation. These experiences suggest that Indonesia is not constrained by structural incapacity but rather faces questions of legislative design and political choice. While the precise regulatory pathway remains a matter for Indonesian lawmakers to determine, comparative practice clearly demonstrates that viable and context-sensitive solutions are available.

3.2. Regulating Platform in Indonesia: Regulatory Options

The previous section has shown that across jurisdictions, regulatory responses to platform work reflect differing institutional capacities, legal traditions, and policy priorities. These comparative insights underscore the importance of designing a context-sensitive regulatory model that reconciles worker protection with digital innovation. By looking at the global development of platform regulations, there are three major regulatory pathways for regulating platform work which can be adapted in Indonesia: 1) Enacting a specific regulation in the form of Law on Platform Work that establishes a sui generis "third box" legal category for platform-based labour relations; 2) Revising the Manpower Law and redefining the concept of "employment relationship" to encompass platform work and other non-standard forms of employment; or 3) making incremental regulations through technical policies (in the form of Presidential Regulation or Ministry Regulations) that provide partial protections without altering the underlying legal categories of work. Each pathway reflects a different balance between innovation, flexibility, and protection, and carries distinct implications for Indonesia's legal system and labour governance.

To assess their relative suitability, this section evaluates the three options using five analytical criteria: legal coherence (the consistency of each approach with Indonesia's legal hierarchy and doctrinal principles), institutional feasibility (the administrative capacity required for implementation), substantive protection (the degree of labour rights and social security afforded to workers), political feasibility (the likelihood of legislative and stakeholder acceptance), and economic adaptability (the impact on digital innovation and platform competitiveness). Together, these criteria provide a comprehensive framework for evaluating how Indonesia might achieve an optimal balance between regulatory clarity and economic dynamism in governing the gig economy.

3.2.1. Law on Platform Work

The first regulatory pathway examined in this paper is the enactment of a specific law on Platform Work. Such a law would establish a third legal category—often referred to as a sui

generis or "third box" framework—that formally defines the relationship between digital platforms and the workers who perform services through them. Under this model, the relationship would not be classified as traditional employment, but rather as a distinct form of regulated partnership, characterised by mutual rights and obligations defined within a dedicated legislative framework. This legal construct would acknowledge the distinct nature of platform work relative to traditional employment relationships, while ensuring that workers receive adequate protections under the law.

The possibility of enacting a specific law on platform work or the gig economy in Indonesia has attracted growing attention among policymakers and labour law scholars. This momentum follows the recent inclusion of the Draft Bill on Freelance Workers/Platform Workers/Protection of Gig Economy Workers in the 2025–2026 National Legislative Programme (Program Legislasi Nasional/Prolegnas). The listing of this draft bill marks a significant turning point, as it constitutes the first formal legislative initiative to translate long-standing government discussions on the protection of platform workers into a concrete legislative framework.

From the perspective of legal coherence, a specific law on platform work would introduce conceptual clarity by recognising it as a distinct legal category between employment and self-employment. Such recognition would resolve the persistent doctrinal tension between *hubungan kerja* (employment relationship) under the Manpower Law and *kemitraan usaha* (business partnership) under Micro, Small, and Medium Enterprise Law, which has produced inconsistent judicial outcomes. The proposed law could define platform work as labour mediated through digital systems where the platform exercises algorithmic or economic control, even in the absence of traditional managerial supervision. In this sense, a dedicated Platform Work Law would bring doctrinal consistency by formally acknowledging digital labour relationships as a distinct legal category, while remaining compatible with the broader framework of the Manpower Law.

In terms of institutional feasibility, the current governance of platform work in Indonesia is fragmented across several ministries, including the Ministry of Communications and Digital, the Ministry of Manpower, and the Ministry of Transportation. This fragmentation has resulted in inconsistent oversight and weak enforcement (Yuana et al., 2024). A dedicated Platform Work Law could enhance inter-ministerial coordination by clearly delineating institutional responsibilities. However, achieving such coordination would require bureaucratic reform and substantial resource investment, particularly in data infrastructure and enforcement capacity. Consequently, the success of this legislative initiative will depend on sustained political will and adequate budgetary support.

The main strength of a specific Platform Work Law lies in its potential to deliver enhanced substantive protection. It could adapt core labour rights, such as fair pay, working hours, occupational safety, and freedom of association, to the unique characteristics of platform work. Moreover, it could guarantee social insurance coverage by extending the *Sistem Jaminan Sosial Nasional Ketenagakerjaan,* which includes *Jaminan Kecelakaan Kerja, Jaminan Hari Tua, Jaminan Kematian, Jaminan Pensiun,* and *Jaminan Kehilangan Pekerjaan,* which will ensure that platform

workers are protected in cases of illness, accidents, or job loss. The law could also address emerging issues specific to the digital economy, including algorithmic fairness, data transparency, and the right to contest automated decisions. Incorporating such rights would fill a significant normative gap in Indonesia's labour regime and align domestic policy with international standards, emphasising decent work in the digital era.

Regarding political feasibility, the inclusion of the Draft Bill on Platform Work in the 2025–2026 *Prolegnas* signals emerging legislative consensus and recognition of the issue's urgency. The Legislation Body of the House of Representatives has initiated the bill, indicating political momentum within the DPR. Nonetheless, opposition from platform companies and business associations is likely, as these actors may argue that additional regulation could deter investment, increase operational costs, or restrict flexibility. In contrast, labour unions and civil society organisations have consistently advocated for formal recognition and protection of platform workers. The eventual outcome will likely depend on the government's ability to balance these competing interests through structured social dialogue and phased implementation.

From an economic perspective, the sui generis approach offers the greatest degree of adaptability among the available options. Unlike rigid employment reclassification, it would not compel platforms to assume full employer obligations, thereby preserving flexibility in business models while ensuring a minimum standard of protection. Furthermore, a clear and predictable regulatory framework could enhance Indonesia's digital competitiveness by fostering trust and legitimacy in the platform economy. Workers would gain greater security, platforms would benefit from legal certainty, and consumers would enjoy safer and more accountable services.

3.2.2. Manpower Law Revision

The second regulatory pathway involves revising the Manpower Law (Law No. 13 of 2003) to broaden the definition of employment relationship so that it encompasses platform-mediated work and other non-standard forms of employment. Rather than creating a new legal category, this approach would integrate platform work into the existing labour law framework, thereby extending labour protections to workers who currently fall outside its scope.

From the perspective of legal coherence, revising the Manpower Law offers the advantage of maintaining consistency within Indonesia's existing legal hierarchy. It would avoid the complexities of introducing a new legislative regime, thereby preserving coherence with constitutional principles and the overarching system of labour regulation. By embedding platform work within the Manpower Law, the state would acknowledge that economic control exercised through digital platforms, such as performance ratings, algorithmic assignments, and deactivation threats, constitutes a form of subordination akin to traditional employment. This doctrinal shift would align Indonesia with international labour trends, such as the European Union's Platform Work Directive, which presumes employment status where platforms exert significant control (Aloisi, 2022). However, this approach also risks conceptual strain, as the employment relationship in Indonesian law is traditionally defined through the elements of work,

wages, and subordination (Izzati, 2021). Expanding it too broadly could blur doctrinal boundaries and lead to interpretive inconsistencies in other sectors.

In terms of institutional feasibility, revising the Manpower Law would leverage existing administrative structures, particularly the Ministry of Manpower, which already oversees employment regulation, labour inspection, and dispute resolution. This would streamline enforcement and minimise the need for new bureaucratic entities. However, implementing this option would require substantial capacity-building, as inspectors and officials must develop expertise in algorithmic management, digital data collection, and oversight of remote work. Indonesia's current inspection system, with limited personnel and resources, may struggle to monitor compliance within decentralised digital ecosystems unless significantly strengthened.

Regarding substantive protection, incorporating platform work into the Manpower Law could offer the strongest legal safeguards among the available options. Platform workers would gain full access to statutory rights, including minimum wages, paid leave, working time limits, social insurance, and collective bargaining. This would address the current regulatory void and significantly improve job quality for millions of digital workers. Nonetheless, this approach may also impose rigid compliance obligations on platforms, which were originally designed around flexible, task-based arrangements. Without nuanced adaptations, extending full employment rights could undermine the economic viability of certain platform models, particularly those reliant on part-time or casual labour.

In terms of political feasibility, this option presents both an opportunity and a significant challenge. On the one hand, the Manpower Law is currently undergoing a broader process of revision; thus, the legislative mechanism is already open, and the inclusion of such a revision would be procedurally feasible within the current policy agenda. On the other hand, altering the definition of employment relationship carries high political and economic stakes. Business associations are likely to view such changes as a direct threat to labour market flexibility and cost efficiency, potentially increasing regulatory burdens for employers across multiple sectors. Moreover, given that a significant proportion of Indonesia's House of Representatives comprises individuals with business affiliations (Feulner, 2024), there is a structural tendency toward maintaining a pro-market orientation in labour policy. This political economy reality makes it unlikely that a substantial redefinition of employment would gain sufficient parliamentary support without extensive negotiation and compromise.

Lastly, from an economic adaptability standpoint, this option poses the greatest risk of regulatory rigidity. Full employment reclassification could substantially increase labour costs for platforms, potentially discouraging innovation and reducing competitiveness in Indonesia's growing digital economy. Small and medium-sized platforms may struggle to absorb these costs, leading to market consolidation favouring larger actors. However, proponents argue that greater legal certainty and improved worker welfare could, in the long term, enhance productivity and consumer trust, thereby contributing to a more sustainable digital ecosystem (Adams et al., 2018).

3.2.3. Technical Regulations

The third regulatory option involves adopting technical regulations—in the form of Presidential Regulation or Ministerial Regulation—to address specific aspects of platform work without redefining its legal status. This approach would use several technical regulations to address issues such as access to social security, safety standards, or algorithmic transparency obligations. It reflects a pragmatic and incremental strategy, allowing the government to respond to urgent governance gaps in the platform economy while avoiding politically contentious legislative reform.

From a legal coherence standpoint, technical regulations are consistent with Indonesia's administrative hierarchy and can derive authority from existing laws, such as the Manpower Law, the Law on Social Security, or the Data Protection Law. Through such derivative authority, the government can introduce rules on worker registration, data-sharing between platforms and the government, or minimum safety standards for platform work. However, this approach's main limitation lies in its legal scope. Because Presidential Regulation or Ministerial Regulation occupy a lower position in Indonesia's legal hierarchy, their provisions cannot override or reinterpret statutory definitions—such as the meaning of "employment relationship." Consequently, this model cannot fully resolve the doctrinal ambiguity surrounding the status of platform workers and may perpetuate inconsistencies between ministries or regions.

In terms of institutional feasibility, this option scores highly. Technical regulations can be issued and implemented relatively quickly, using existing ministerial structures without requiring parliamentary approval. This agility makes the model particularly suitable for targeted interventions, such as mandating BPJS participation for platform workers, requiring transparency in algorithmic management, or establishing grievance mechanisms within platforms. Nevertheless, the challenge lies in inter-ministerial coordination and enforcement. Fragmented authority risks producing overlapping or contradictory rules (Yuana et al., 2024) unless coordinated through a unified national framework or overseen by a dedicated inter-agency task force.

When assessed in terms of substantive protection, the scope of worker rights under this model would be limited. Technical regulations could extend social protection through mandatory BPJS enrolment, accident insurance, and basic health coverage, thereby mitigating the most immediate vulnerabilities faced by platform workers. Some measures, such as data transparency obligations or non-discrimination principles in algorithmic management, could also be incorporated through ministerial decrees. However, these instruments cannot confer core labour rights—such as minimum wage, collective bargaining, or termination protection—because such rights require statutory authority. Consequently, while the approach may enhance welfare coverage, it stops short of establishing a comprehensive framework for decent work in the digital economy (Novianto et al., 2023; Putri et al., 2021).

In evaluating political feasibility, this option is the most attainable in the short term. Technical regulations fall within the executive's domain and do not require parliamentary debate

or approval, allowing the government to bypass legislative gridlock. Moreover, because these rules focus on social security and risk management rather than employment reclassification, they are less likely to face opposition from platform companies or pro-business legislators. Nevertheless, the downside is that such reforms may be perceived as cosmetic or temporary, offering incremental relief without addressing structural power imbalances between platforms and workers.

From an economic adaptability perspective, this regulatory pathway offers the greatest flexibility. It allows Indonesia to protect platform workers without imposing excessive costs or compliance burdens on platforms. Regulations focused on social insurance and risk mitigation can enhance social legitimacy and consumer trust in the platform economy, which may, in turn, attract sustainable investment. At the same time, the absence of full employment obligations ensures that digital innovation and entrepreneurship remain unhindered. However, the economic benefits are balanced by regulatory uncertainty, as the absence of statutory recognition means that platform work remains in a grey zone.

3.2.4. Comparative Synthesis of Regulatory Options

Taken together, the three regulatory pathways present distinct approaches to addressing the governance gap surrounding platform work in Indonesia, each reflecting a different balance between legal certainty, institutional capacity, and political pragmatism. The first option, enacting a sui generis Platform Work Law, offers the strongest foundation in terms of legal coherence and substantive protection. It would create a clearly defined "third box" category of work, bridging the doctrinal divide between employment and partnership models while establishing enforceable rights such as fair pay, algorithmic transparency, and access to social protection. However, its implementation would require significant institutional coordination and sustained political commitment, given the need to build new administrative mechanisms and harmonise inter-ministerial responsibilities.

The second option, revising the Manpower Law, provides the most doctrinally integrated solution, aligning platform work regulation within the existing labour law framework. It would confer the broadest range of legal rights to platform workers by recognising them as employees under an expanded definition of employment relationship. Yet, this option carries high political and economic risks. Redefining employment could generate resistance from business groups and platform companies, particularly in a legislature dominated by business interests, while potentially constraining labour market flexibility. Moreover, institutional readiness remains limited, and enforcement capacity may lag behind the rapid evolution of digital work.

By contrast, the third option, introducing technical regulations through Presidential Regulation or Ministerial Regulation, represents the most politically and institutionally feasible pathway in the short term. It would allow the government to implement targeted protections without legislative overhaul. This approach offers high adaptability and minimal economic disruption but lacks the normative and structural force to resolve the fundamental issue of worker

status. Consequently, it risks entrenching a dual regulatory regime, where platform workers receive partial protection without full legal recognition.

Table 1. Comparative Synthesis of Three Regulatory Options

	Platform Work Law	Manpower Law Revision	Technical Regulations
Legal Coherence	High	Medium	Low
Institutional Feasibility	Medium	Medium	High
Substantive Protection	High	Medium	Low
Political Feasibility	Medium	Low	High
Economic Adaptability	High	Medium	Medium

In the table above, the use of "high", "medium", and "low" assessments serves as a relative evaluative scale, indicating the degree to which a particular regulatory option satisfies each analytical criterion within Indonesia's current legal, institutional, political, and economic context. A "high" assessment indicates that the regulatory option strongly satisfies the relevant criterion, with minimal structural or conceptual obstacles. In this context, a high score reflects close alignment with existing legal principles, institutional arrangements, or policy objectives. It suggests that the option can be pursued with a relatively low risk of systemic inconsistency or unintended consequences.

Next, a "medium" assessment denotes partial or conditional suitability. This category is used where the regulatory option is feasible in principle but faces notable constraints that may affect its effectiveness or sustainability. Lastly, the "low" assessment indicates substantial structural, doctrinal, or practical barriers that significantly limit the option's effectiveness under current conditions. A low score suggests that the regulatory pathway would be difficult to implement, politically contentious, or poorly aligned with Indonesia's existing legal or economic framework.

Overall, the assessment above shows that while each of the three regulatory pathways presents distinct advantages and limitations, the enactment of a dedicated Platform Work Law emerges as the most ideal and forward-looking option for Indonesia's regulatory context. This approach combines the doctrinal clarity of legal codification with the institutional flexibility needed to address the evolving nature of digital labour. It would establish a coherent legal foundation capable of bridging the structural gap between the Manpower Law and the MSME Law, while also creating space for adaptive governance through implementing regulations. Unlike the revision of the Manpower Law, which entails high political and economic stakes, or the issuance of technical regulations, which offers only partial and temporary relief, a *sui generis* law provides the opportunity for a systemic and sustainable solution. Importantly, this direction aligns with the government's recent inclusion of the Draft Bill on Freelance Workers/Platform

Workers/Protection of Gig Economy Workers in the *Prolegnas* 2025–2026, signalling institutional recognition of the need for a comprehensive framework.

4. Conclusion and Recommendations

The rapid expansion of digital labour platforms in Indonesia has transformed the structure of work, challenging the adequacy of traditional employment law frameworks. As demonstrated in this paper, the existing Manpower Law and the Micro, Small, and Medium Enterprise Law are ill-equipped to govern the nature of platform work. This regulatory vacuum has contributed to widespread precariousness, asymmetrical power relations, and the absence of social protection for millions of platform workers. Addressing this gap is therefore not only a matter of legal reform but also a constitutional and moral imperative to uphold Indonesia's constitutional promise of social justice.

By looking at the global development of platform regulations, this paper finds that there are three major regulatory pathways for regulating platform work which can be adapted in Indonesia: 1) Enacting a specific regulation in the form of Law on Platform Work that establishes a sui generis "third box" legal category for platform-based labour relations; 2) Revising the Manpower Law and redefining the concept of "employment relationship" to encompass platform work and other non-standard forms of employment; or 3) making incremental regulations through technical policies (in the form of Presidential Regulation or Ministry Regulations) that provide partial protections without altering the underlying legal categories of work.

Among the three regulatory pathways assessed in this paper, the enactment of a dedicated Platform Work Law represents the most coherent and sustainable option for Indonesia's current legal and institutional landscape. It offers the greatest potential for doctrinal clarity by establishing a *sui generis* category that recognises platform work as a distinct legal relationship situated between employment and self-employment. It also allows for tailored protections, ensuring that digital workers enjoy fair remuneration, social insurance, and due process rights, without undermining the flexibility and innovation that underpin the digital economy.

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