



Measuring the political policy development of the gig economy in Indonesia

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ABSTRACT

Digital transformation has presented gig economy with its complexity. In Indonesia, where technology is widely used, gig economy is viewed as a growth driver. Even so, there have been various dynamics from economic and political interests in the development of the gig economy. This research aims to analyze the political policies development of the gig economy in Indonesia, as Indonesian government response to developments in Indonesia's gig economy. The analysis was using qualitative research methods, with a library research approach. Data collected then interpreted and understood through descriptive and narrative analysis. The research found that the Indonesian government considers the gig economy is an opportunity for many workers. However, the government's response through its political policies seems inconsistent and only gave partial response based on the problems. The government wants to encourage the gig economy as an opportunity to advance the country's economy, such as through tax collection, and tried to provide a response and protection needs for gig workers. However, there are still regulatory limitations that cannot guarantee and protect the interests of the security and future of gig workers. In a political economy analysis, this condition shows the low level of sustainability in guarding the development of a gigantic economy.

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1. INTRODUCTION

New opportunities and problems have emerged as a result of the digital transformation in many areas of the global economy. One of them is the digital labor market, where the gig economy idea has gained ground recently (Berg, 2019). Many scholars and policy discussions have been sparked by the changes of this new style of work, particularly in light of its socioeconomic effects on society. Gig economy is characterised by digital labour platforms. The gig economy is a form of sharing economy using digital media. The gig economy characterized by its simple to tap into the world's talent pool, which fosters creative, competitive, adaptable, and economical methods of handling gig employment (Zaman et al., 2020). The expansion of the gig economy has been extensively covered in many research, and many have made estimates of how quickly it is expanding. Nearly every region of the world has been affected by the gig economy.

According to Upwork as a global freelance platform, about 60 million Americans perform project-based or temporary contract-based occupations in the U.S. A report by Upwork also said, American freelancers made \$1.35 trillion in annual profits for the American economy in 2022 (Upwork, 2022). Furthermore, in the UK's, between 2016 and 2019, the gig workers are doubled in

size, which equates to 4.7 million workers (Todorov, 2023). Additionally, the tendencies have spread to Asian nations like India, where 15 million competent individuals fueling the steadily rising demand for contract-based jobs or the freelancing industry, India accounts for around 40% of the freelance jobs given globally (ASSOCHAM, 2020). In Malaysia, about 26% of the total Malaysian labour, or about 4 million, force form part of the growing gig economy (Department of Statistic Malaysia, 2020).

Indonesia is also a country with high use of digital technology. In this country, the digital platform economy is viewed as a growth driver. Katadata as media, data and research company stated Indonesia has recorded an increase in its number of freelancers to 26% more than last year, reaching a total of 33,34 million freelancers in 2020, and this number has increased again to almost 27% in 2021 (Jayani, 2021). Active gig workers are included among them, including those in the Online Gig Economy (OGE) and the Physical Gig Economy (PGE), such as professionals who supply their services digitally rather than physically. Most governments and regulators welcome new digital proposals that do not compromise consumer protection. But, previous studies and policy makers have pointed to specific regulatory issues, such as gig worker employment who are often neglected or not protected like other workers (Uchiyama et al., 2022).

Indonesian economic has driven expansion of informal services by digitalization. Online shopping and other applications has been growth widely of Indonesia's gig economy, especially in the motorcycle-based transport services that fit well with Indonesia's income level, poor transportation planning, and slow average traffic speeds for cars and trucks. On the other hand, the gig and platform sector has low-entry barriers and hence holds enormous potential for job creation (Niti Aayog, 2022). This condition put Indonesia's Gig Economy gave a high contribution to the whole economy. The gross merchandise value for the digital industry was estimated at US\$ 44 billion in 2020, while the transport and food delivery services contributed US\$ 5 billion to this total (Fairwork, 2021). This shows how important the position of the gig economy is for Indonesia, so that the government's policy in responding to developments in the gig economy are also very important and must be careful.

The gig economy has acquired some traction thanks to its macroeconomic contribution, promotion as a disruptive economic force, leadership of the "Making Indonesia 4.0" initiative, and support for Indonesia's resilient economy. Unfortunately, the gig economy in Indonesia obtained a noticeably poor grade from the Fairwork initiative for its fairness despite its possibilities and promise. The Fairwork project, which was completed in December 2021, evaluated the five global Fairwork principles of fair compensation, fair working conditions, fair contracts, fair management, and fair representation (Fairwork, 2021).

Indeed, consumers now have more options, firms can operate at a reduced cost, and there are more job opportunities thanks to digital labor platforms. An unsettling pattern of unfavorable news about government power has been growing in the context of this global economic opportunity. How to empower and protect workers while assuring company growth and innovation is the main conflict to be resolved. But different regulatory solutions have treated this conflict as a zero-sum game, which has had conflicting effects on employees. To fully utilize the potential for worker empowerment and protection offered by digital labor platforms, as well as to maintain the political clout of the government in its role as economic regulator, novel solutions are required.

Thus, the Indonesian government should pledge to review and change the current system in order to pursue long-term economic competitiveness and ensure the political power of government towards the development of gig economy. Here, there are gaps in understanding the importance of the Indonesian gig economy is the lack of solid data on the respond of political policy when this sector was growth with all the problems. Another significant gap is about the explanation of the gig economy's relationship to the gig workers with workers in other areas, as well as from gig companies with other companies. There have been limited previous studies that examined the gig economy phenomenon in Indonesia which focused on specific case studies, by looking at political and economic relations, especially in the form of government policy as the main power holder in a country.

This research specifically aims to analyze the political policy development of the gig economy in Indonesia. It can be done by describing the Indonesian government respond by its

regulatory framework. This political policy analysis in response to developments in Indonesia's gig economy are important to understand an appropriate system should be progressed along with the market real situation. In Indonesia, the gig economy has significant potential and future promises. To ensure that Indonesia can obtain maximum benefits from the gig economy, all actors must be able to play their respective roles well. The government as a regulator, gig workers, employers, users, and the gig economy platform should all be involved in the growth of the gig economy constructively. However, it also has its drawbacks. However, as the authority, the state should be able to control the development of the gig economy properly, and ensure that all actors play their important roles. Action must be taken to improve access for all people in Indonesia, regardless of their location or socioeconomic standing.

The gig economy in Indonesia obtained a noticeably poor grade, forced the Indonesian government to respond by any policy in order to pursue long-term economic competitiveness and ensure the political power of government. To get answers to existing research questions, the analysis uses the theoretical basis of political economy analysis. Political economy analysis (PEA) are able to investigate some of the questions researchers most wanted to explore. The analysis of PEA were conducted using macro level, with a particular focus on the trends in macro-economic and political trends (Oxfam, 2014). PEA analysis can be wider than just a macro analysis. This level of analysis is a sectoral analysis that is applicable and should be applied at all levels: local, sub-national, national, regional and global. PEA informs about political policy including program strategy at a high level and should be part of every country strategy process. It also helps support the design of programs and projects, revealing how the different levels are related and should be connected, and how they should be connected.

2. RESEARCH METHOD

This was descriptive qualitative research to find the research question about political policy analysis in response to developments in Indonesia's gig economy. Qualitative descriptive is a form used in qualitative research for comprehensive thinking and explicit domination of related phenomena (Hardani et al., 2020). This type of research was considered appropriate for further analysis of the research theme. This descriptive qualitative research were appropriate in order to capture non-standard meanings, processes, and settings of numbers, qualitative research includes descriptions and related analyses (Murdiyanto, 2020). This sort of research was utilized to provide social and political research analysis.

The method or approach used was in the form of library research or document study collected by primary and secondary data. Primary data is collected from primary sources issued by first parties, in the form of government reports, institutions or press releases. Furthermore, many studies were also equipped with secondary data obtained through searching documents from relevant journals, books, and news. Only data that has been checked for validity and credibility was used as a research resource.

After collecting data, researchers used the Systematic Literature Review (SLR) methodology to analyze regulatory issues in Indonesia's gig economy. In the qualitative research design, the researcher making interpretations of the meaning of the data to produce final written report in a flexible structure (Mishra & Alok, 2022). This research with a descriptive qualitative approach seeks to explain the relations of economic interests and political interests of Indonesia's gig economy, especially how the government respond to the development of the gig economy. This analysis has to be discussed in depth, so this will be precisely interpreted and understood through descriptive and narrative analysis. The description of the research was described in the study of meaning and context, which includes analysis of processes and causality relationships between political policy and economic response in the gig economy.

3. RESULTS AND DISCUSSIONS

Over the past decade, advances in technology have profoundly changed the way businesses offer goods and services. At the forefront of this technological disruption is the sharing economy, where individuals earn income by providing services and sharing assets through peer-to-peer (P2P) platforms. P2P platforms or digital work platforms are transforming work across the economy. They

act as digital intermediaries between employees, service providers and customers. Companies like this are called gig companies or gig users which play an important role in the development of the gig economy in a country. The number of gig company and scope of digital work platforms has grown rapidly in recent years, and their contribution to the labor market continues to expand. Some evidence suggests that the ethos, practices and business models typical of these platforms permeate traditional economies (Large & Tay, 2022).

Gig workers are considered as a “freelance workers” or “partner”, and not as “employee” of ones company (Mehta & Kumar, 2020). By the growth number of gig company, revenues from the sharing economy of gig economy are expected to grow significantly. Thus, revenues from this economy will continue to be an important source of tax revenue for governments around the world. But skeptics argue that the sharing economy inherently leads to dishonest reporting of taxable income (Berger et al., 2020). Taxes have become a well-known and controversial issue in the regulation of gig economy platforms. Most gig workers don't report their platform income, so it's argued that media income largely escapes the attention of tax authorities (Berger et al., 2020; Oei & Ring, 2019).

Gig workers in Indonesia work in many fields. Aristi & Pratama (2021) divides the group of gig workers in Indonesia into four categories based on their work area, namely Asset Sharing Services (AS), Transportation-Based Services (TS), Professional Services (PS), and Handmade Goods, Household, and Miscellaneous Services (HGHM). Short-term, task-based, non-permanent jobs are nothing new. However, the rise of non-standard employment in recent decades and the recent growth of technology-based companies have led to the emergence of a gig economy characterized by digital work platforms. Assignments between employees and customers are done digitally, but work can be done virtually or physically. As a result, the gig economy could include: Web-based online tasks (translation, legal, financial, patent services, design, software development, etc.) and location-based tasks performed directly by employees (including taxis, delivery services, home services such as plumbers and electricians) housework and care (Jabagi et al., 2019).

The gig economy is more important than ever, especially as supply chain management integrates a flexible workforce for competitive advantage. To understand where this concept really stands, it's important to analyze the government response on the gig economy. The complexity of gig economy will ultimately cause many problems for political powers and regulators in many countries, as many regulations are not suitable for the concept of the gig economy and its people. In Indonesia, the gig economy is considered important because it has a big role in creating jobs. Moreover, since 1990, unemployment, underemployment and informal employment are important macro-level challenges for Indonesia, which has led to a significant focus on labor-intensive sectors in the country's industrial and economic policies (Fairwork, 2021).

This study uses the Systematic Literature Review (SLR) methodology to analyze regulatory issues in Indonesia's gig economy. Analysis is carried out on several dominant factors related to political and economic relations. These most dominant factors in gig economy, while regulatory issues comes such as safety, tax, externalities, wage, benefit, privacy, and discrimination (Wardhana et al., 2020). Among these dominant factors, the analysis in this study is grouped into two main components, which consist of, (1) Government policies towards gig company [tax and discriminations]; (2) Government policy towards gig workers [wage and safety]

Government Policies towards Gig Company

Gig company from digital platforms can play a key role in the application of Value-Added Tax (VAT) or Goods and Services Taxes (GST) policies in the sharing economy. These new technology will enable tax authorities to gain greater insight into previously informal activities, improve tax compliance and effectively collect VAT/ GST in fast-growing economies. For Indonesia, the rapid development of the gig economy also provides big opportunities for taxes. However, it does not appear that well-established and strong regulations apply to these digital-based companies. The development of Indonesia's gig economy is characterized by two large groups of business types, namely online transportation and online marketplaces. The government implements policies that are temporary in nature by responding to developments in "current"

problems, not by preparing anticipatory regulations, both in the online transportation and in the online marketplace or others.

One of the first entry into the gig economy took place in online transportation activities, which had caught the public's attention. Gig users who dominate in Indonesia are Gojek, Grab, and Maxim. Most platforms had clear and easily accessible terms and conditions for workers that were compliant with Indonesian law. However, none of the platforms have been able to prove that these contract terms share risks and responsibilities fairly between workers and platforms (Fairwork, 2021). The government as a political entity also responds to the dynamics of online transportation.

Studies by Rofiqi (2020) identified three phases of changes in government regulations in response to online transportation. He divided the government's response into three phases. The first phase occurred throughout 2015 when the government, through the attitude of the Ministry of Transportation, prohibited online taxi and motorcycle taxi drivers from operating as transporters. The second phase, in 2016-2017, was "half-hearted accommodation" when the government, again through MoT regulations, began to allow them to operate but provided permits that were complicated and not in line with the application company's business model. The third phase, from the end of 2018 to 2019 which marks the government's full accommodation for online transportation.

In the first phase, through Permenhub No. 28/2015 (10 February 2015), the Transportation Agency raided online taxis in mid-2015 with this rule as legitimacy. Then, through Permenhub No. 32/2016 (1 April 2016), the government recognizes the online transportation business but requires gig drivers to meet vehicle requirements like conventional transportation companies such as: company STNK, KIR test, vehicle minimum 1,300 cc, has a "pool," yellow plate, may not specify service rates. This regulation was challenged by gig workers and gave rise to several other regulations, which are also still controversial. Until the third phase, Minister of Transportation Decree 348/2019 (25 March 2019) appeared which determined tariff rules and service fees (Keban et al., 2021).

In these three phases, protests also took place from the conventional transportation industry, such as Blue Bird, Express, and transportation industry associations such as Organda (Keban et al., 2021). Tax issues are also a tug-of-war problem because of the fundamental differences in the concept of work between online transportation companies and conventional transportation companies. Head of the Investment Coordinating Board (BKPM) Thomas Lembong, in his speech at the Trade Expo Indonesia in 2019, said that until then online motorcycle taxis had not been taxed even though the discourse had circulated in recent years. In fact, there is a large potential for taxes that can be received by the state. For example, Gojek and Grab have the potential to deposit VAT of up to IDR 5 trillion per year. Meanwhile, the company only pays business tax, which is about one-tenth of the said potential tax value (Anwar, 2019).

In the case of taxes on online marketplaces, the tax implications of e-commerce transactions are considered complex and have very special characteristics because they are different from ordinary trade transactions in general. However, when referring to the tax law, it states that anyone who has income is a tax object. There is no special supervision regarding online entrepreneurs, all taxpayers are treated the same. The Directorate General of Taxes also has a supervisory officer whose job is to supervise taxpayers. However, the information technology owned by the Directorate General of Taxes can only indirectly monitor the income earned by online entrepreneurs through data on incoming and outgoing money, for example data on purchases or living expenses (Tahar & Septiani, 2021).

Taxes paid by online transportation companies have so far been limited to business taxes and taxes on employees who directly work at the company. While the youth partners must calculate their own income tax. However, controversy arose because the online transportation service company also cut partner taxes by up to 6%. Even though after being traced, this deduction was claimed by the company only from company incentives and not from partner income. In terms of paying income tax, gig companies only remind their partners to pay according to regulations, but do not participate in disbursing the tax (DDTC News, 2022).

As a form of tax law enforcement efforts, the government has enacted Government Regulation in Lieu of Law of the Republic of Indonesia Number 1 of 2020. The regulation contains

a tax enforcement policy for trading activities through the digital system, which includes the imposition of VAT on the utilization of intangible taxable goods and/or taxable services from outside the customs area within the customs area; as well as the imposition of PPh or electronic transaction tax on PMSE (Electronic Trading) activities carried out by foreign tax subjects who meet the provisions of significant economic presence (Hariani, 2022).

The limitations and criteria regarding tax collection are explained in the Director General of Taxes Regulation Number PER-12/PJ/2020. The government directly asks digital business entities to collect taxes on the transactions they manage. The first wave appointed by the DGT to collect PMSE VAT on 7 July 2020 were Amazon Web Services Inc, Google Asia Pacific Pte. Ltd, Google Ireland Ltd, Google LLC, Netflix International B.V, and Spotify AB. This number continues to grow by targeting gig companies operating in Indonesia.

In PMK-60/PMK.03/2022, the government appoints PMSE business actors as collectors who are required to collect VAT at an 11 percent rate on foreign products they sell in Indonesia. Business actors who have been appointed as PMSE VAT collectors are required to provide proof of VAT collection on the tax that has been collected. The Directorate General of Taxes (DJP) of the Ministry of Finance (Kemenkeu) said that the receipt of Value Added Tax (VAT) for Trade Through the Electronic System (PMSE) as of October 31 2022 had reached IDR 9.17 trillion. Realization of PMSE VAT receipts was collected from 111 business actors, including Netflix International B.V, Facebook Ireland Ltd, Tiktok Pte. Ltd, PT Tokopedia, PT Shopee International Indonesia, and others (Hariani, 2022).

This policy is implemented to provide equal opportunities between conventional and digital business actors. Furthermore, from the workers' side, there is still no tax policy and tax deduction system that clearly regulates the income of gig workers. This condition shows the lack of public oversight of this business. The factor that is the background for the absence of an ideal tax policy for this business is due to the status as a gig worker, especially such a online drivers. This status makes the gig workers considered not employees of the gig companies or self-employed so there is no clarity in taxes and deductions (Murillo et al., 2017). In the case of online transportation companies, tax payments for partners are still not maximized because many partners do not have NPWP and there are no strict regulations for managers of online transportation platforms. Meanwhile, in marketplaces that carry out transactions for the sale of goods/services, the government has appointed managers to become tax collectors, so that payment responsibilities are clearer and more controlled.

However, so far the tax collectors are still limited to PMSE from abroad. Until 2023, the government has yet to appoint local PMSEs to participate as tax collectors. Eventhough, Law Number 7 of 2021 concerning Harmonization of Tax Regulations (UU HPP) in Article 32 A allows the Minister of Finance to appoint other parties to withhold, collect, deposit or report taxes on digital products or services. This is a form of implementing a tax withholding policy that allows the government to mandate marketplaces to be the party that collects VAT on goods sold in marketplaces and deducts income tax on the income of sellers who have entered the category of Taxable Entrepreneurs.

Transactions through digital media or e-commerce in Indonesia need to be reformed in terms of legislation (CyberLaw) so that in the future there will be no disputes in carrying it out. This happens because it is difficult to track transactions that are used via e-commerce, be it B-to-B (business to business) or B-to-C (business to consumer). For example, the relationship between the supplier and the factory, how can the apparatus monitor whether or not there has been a transaction between the two via e-commerce (Sudrajat, 2020). In addition to a fiscal-juridical approach, an administrative approach also needs to be considered. Transactions via e-commerce are difficult to track without the availability of the necessary data or information, especially if the transactions are made through servers located abroad.

Collecting taxes from employees is relatively easy, but employers may be required to disclose payroll payments to tax authorities, so collecting taxes from gig workers and sharing them with consumers is very difficult. In the case of payments via online platforms, applicable data protection laws make it difficult to oblige platform operators to disclose transaction data, especially if the platform is operated from abroad. And with the ability to automatically tax future transactions

made through the platform, those who don't want to pay taxes may turn to alternative platforms where customers can pay gig workers directly.

The development of e-commerce business activities has succeeded in moving the wheels of a country's economy. The transactions that took place were very tempting. That's why a snowball effect appears, thereby attracting the interest of other business people to utilize the internet as a new marketing channel. The e-commerce boom has not only attracted the interest of the business community, but also the government. The government's interest is ambiguous. On the one hand, a number of governments are fully aware of the important role of e-commerce in the business environment in today's information age. So that many of the governments in the world today are driving the growth of e-commerce in their respective environments. On the other hand, the government is starting to consider imposing a tax on e-commerce to cover its budget deficit.

Government Policy towards Gig Workers

As a freelance workers, gig workers status placed them not to have regular wages or full time jobs. Generally, they have no or low social security benefits. Governments around the world are announcing insurance for health workers and security guards, and in some areas, increasing salaries, but gig workers are avoiding such considerations (Mehta & Kumar, 2020). But, current laws in Indonesia, such as labor and tax laws, do not clearly classify gig workers, leading to legal differences between courts and regulators. According to the grouping of gig workers carried out by the research from Aristi & Pratama (2021) found that gig workers who work in TS have the highest participation rate of all categories, followed by workers in the PS group.

In other words, most Indonesians participating in the online gig economy participate as gig users in the TS category and as gig workers in the PS category. Various researchers have investigated the experiences of people working at gigs economy. This has given rise to different kinds of experiences and different ways of interpreting each experience. Others examine different types of experiences, such as work-life balance and performance enhancement, through the lens of fulfillment and fatigue. Additionally, some researchers have concluded that working in the gig economy can be exhausting for some workers, which can lead to poorer physical and psychological health (Sevilla, 2020).

Study by Sevilla (2020) found that many gig workers, especially in the TS category said that working for an online transportation platform often means workers don't need a college degree or diverse work experience. It turns out that one of the reasons they enter the gig economy is the lack of career options. It spans limited skills, education and work experience. For some participants, these restrictions have forced them to work in this industry where only a driver's license and a transportation license are required. While income is highly dependent on the number of orders received through the app, some participants still feel that working in the online shipping industry is financially better than traditional jobs.

The rapid growth of the Indonesian population working using these two platforms has had many impacts on multiple work areas, thus raising challenges and questions regarding the experience of these workers in the gig economy. The large number of gig workers in Indonesia also demands a special response for political entities or the government to pay more attention to this group of people. Two important things to note are the issue of wages and safety. Common problems often arise against gig workers globally, included pay, employment status, working hours, health and safety, other working conditions, deactivation, union representation and other regulatory issues (Bessa et al., 2022).

Gig workers themselves don't understand what their rights and responsibilities are. Many management researchers believe that the unstable nature of gig employment poses a danger to worker satisfaction and well-being in addition to being in direct opposition to conventional organizational theory, which sees a strong culture and a stable workforce as sources of competitive advantage (Kuhn & Galloway, 2019). In other words, gig workers only participated in their employer's regulation. In fact, in a good working relationship, both employer and gig worker need each other, so there is no more dominant or important party (Yoel & Hasym, 2021). However, in Indonesia, the problem of gig workers were also marked by protests. During its appearance, there were many protests by gig workers demanding rights or support. At least the ILO recorded that there were 28 Indonesian gig workers protests until 2022. Main issues of workers complain about a

wide range of issues shared with non-platform entities, such as health and safety (including personal safety), general working conditions, and unpaid benefits (such as insurance policies) (Bessa et al., 2022). This workforce may operate with limited social and labor protections, which becomes increasingly relevant as more workers rely on platforms as their primary source of income.

The complexity of protecting gig workers is because the position of gig workers is unclear, and they are often not considered workers. Sonhaji (2018) considers that there is no working relationship in the relationship between the driver partners and the company like Gojek, because the driver partners are required to share the wages they receive from consumers to Gojek, so the relationship that occurs is a profit sharing relationship. Moreover, Mawanda & Muhshi (2019) researched online motorcycle taxi regulations in Indonesian legislation, and concluded that Gojek is an application company and not a transportation company.

Many gig workers create communities. The problem is that despite the existence of a relatively large number of communities and associations among gig workers in Indonesia, they are not recognized as actual workers (Fairwork, 2021). In the general definition of the gig worker position, the driver partner is a gig worker, which in the United Kingdom Supreme Court decision is a worker for an application company. However, the status of workers for gig workers still cannot be accommodated in labor regulations because there is no element of wages. Partner status for online motorcycle taxi drivers makes drivers vulnerable because they do not have rights like workers, including minimum income and BPJS Ketenagakerjaan (Halilintarsyah, 2021). This issue of wages and employment relations shows discrimination against gig workers.

Workers who are directly under the auspices of the application company are registered as employees so that they get wages according to the Regional Minimum Wage (UMR) and also the Social Security Administration Agency (BPJS) for employment. Meanwhile, for motorcycle taxi drivers, if they work, they only get income according to the amount of work they complete. Online drivers do not receive safety protection, there are work risks, for example, the goods they send are sometimes dangerous. In fact, gig workers, especially in the TS sector, have a very high level of accident risk in their work environment. Research conducted by Keban et al., (2021), showed that as many as 68.62% of respondents stated that they had experienced pain due to the work they were doing.

Due to the lack of employment relationships, gig workers are excluded from labor rights and labor protections in Indonesia. The gig workers have no rights to minimum wages, overtime pay, and social benefits such as sickness, retirement and unemployment benefits (Fairwork, 2021). Judging from its characteristics, research Permana et al., (2023) was found that gig workers shared more characteristics with the formal workers than with the informal workers. Nevertheless, gig workers so far are still believed to be informal workers. This condition drive them be lack of protection and makes gig workers more vulnerable to layoffs.

In a formal employment relationship, the company must pay severance pay and other benefits in case of dismissal. However, in the "partnership" relationships purported in the gig economy, companies suspend or permanently ban employees from their platforms by algorithmic decisions based on things like customer ratings and number of jobs rejected. Even in cases like this, the company has no obligation to provide severance pay. While, gig worker associations exist, but were not formally recognized either in law or by platforms. Some gig workers were wary of joining collective protests or strikes due to fear of penalties from the platform and they will lost their jobs. As a result, so far there were no platform was able to evidence fair representation of gig workers (Fairwork, 2021).

Talking about health protection for gig workers, they can also take advantage of health insurance that applies in general. Indonesian law is actually a step ahead of some other legal systems. Under Social Insurance Authority Law No. 24 of 2011, social security for workers in Indonesia is administered by BPJS Ketenagakerjaan, Social Insurance Authority for Employees. BPJS has been launched since 2014, right before the issue of gig workers emerged. This program provides universal social security to Indonesian workers consisting of pension scheme, old-age benefit, work injury benefit and death benefit (BPJS, 2020). The scheme covers "all people" regardless of their employment status, whether in the informal or formal economy. Even if gig

economy workers are not considered employees, they can still benefit from the social security scheme for non-wage workers.

However, the guarantee from BPJS is still considered insufficient, and it still often raises protests. As a follow-up response, the government took steps to work directly with online transportation management companies. Cooperation between the government, Mandiri Bank and GO-JEK (a ride-hailing platform) has provided workers with work injury and death benefits and simplified registration and donation collection mechanisms (Large & Tay, 2022). In this case, showed that Indonesian government actually has political power that is able to legally protect gig workers through various existing regulations.

With strict legal action, this condition can force platform companies to implement regulations to ensure fairness and fairness for gig workers. The Indonesian government has also responded to various protests filed by gig workers in the TS sector. As a form of response, the government issued Kepmenhub KM 12 of 2019 which regulates the determination of inter-passenger service rates and legalizes the use of two-wheelers for public transportation. This is the result of the regulatory strategy and the narrative of workers' rights, after previously there were various actions taken by online motorcycle taxi drivers to demand this regulation (Keban et al., 2021).

Providing a decent life for gig workers in Indonesia seems to have become an urgent matter. This is considering the increasing trend of gig workers in Indonesia. The large number of job opportunities provided by the gig economy is also an advantage for the government in terms of reducing unemployment and providing employment, to ensure better social welfare. With good jobs, employees experience a sense of fulfillment in their work, which is believed to lead to greater satisfaction in their personal lives (Nik Nazli & Sheikh Khairudin, 2018).

In this research, measuring the political policy development of the gig economy in Indonesia shows a complexity. The government often takes responsive policies. Several policies were implemented by looking at developments that have occurred and also the demands of gig workers and gig companies. To enable gig workers to live lives of dignity, governments, as policy makers and political forces, must provide them with social security benefits and include them in the category of workers so that they can claim social security. Safety benefits of welfare programs are basically the responsibility of the government for the community. Moreover, when referring to Indonesia's economic ideology which is based on Pancasila which is social justice, as well as the mandate of the Constitution to provide decent job guarantees for all Indonesian people. The strategy of encouraging work improvement with minimal demands, namely decent and fair work for gig workers, is essential to protect gig workers. The struggle to encourage the improvement and welfare of gig workers can be carried out by the government as a political entity with the power it has.

4. CONCLUSION

The development of e-commerce business activities in Indonesia has succeeded in turning the wheels of the country's economy in a very attractive way. This creates a snowball effect that encourages other business people to use the internet as a new marketing channel. The two most developed types of gig economy in Indonesia are application companies such as online transportation and marketplaces. Main finding of the research shows that the gig company boom is attracting interest not only from businesses but also from governments. The Indonesian government as the holder of a political entity tend to provide responsive policies in the gig economy development. On the one hand, government was well aware of the vital role of e-commerce in today's information age business environment. Thus, the policies taken tend to shift according to conditions, and are not yet capable enough to produce future-oriented policies, and are not strong enough to give full control to gig users.

Working in the gig economy will be the future of work of many Indonesian job seekers. There is therefore an urgent need to create better employment conditions and creating competitiveness that are likely to bring more young job seekers into the gig economy full-time, rather than as a stop gap solution in the absence of suitable employment. As the gig economy evolves, some policy changes may be required to allow independent worker portability and

protection from exploitation. Policy makers need to focus on rules that lead to fairness for workers, whatever level of formal employment they want. The regulatory development has to consider tax leveling of the playing field between different employment models. Prevent Internet-based platforms from developing monopoly power.

This research contributes to developing the concept in conducting economic and political system. Coordination of various actors is important, especially for regulators who have power. The government as regulator need the commitment and action from gig companies, workers and customers. In particular, the government, as a political leader, needs to ensure that the details of this new business model are not used as an excuse to create an unsustainable sector for Indonesian workers and Indonesian society. The political system has to ensure that platforms can work together with workers, customers and governments to rethink and redesign a better and fairer gig ecosystem for all. To ensure that independent workers have access to benefits such as retirement, security and health care. The future of benefits from gig economy will greatly depend on the goodwill of companies, employers and governmental policies.

For the future research design, it is important to help employees advocate for their rights. A major challenge in the gig economy is that while workers are often isolated and competing with each other, the lack of legal authority for workers' organizations allows them to have a unified voice and drive structural change, with the limited ability. This research can provide a starting point for future of work on how the best strategy to create the right conditions to provide maximum benefits for gig workers. What policies should the government take in controlling the development of the gig economy, so that it can benefit various parties at the same time.

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