

**THE PANCASILA INDUSTRIAL RELATIONS  
(THE INDUSTRIAL RELATIONS BASED ON THE INDONESIAN FIVE  
PRINCIPLES – A PHILOSOPHICAL APPROACH)**

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**ABSTRACT**

The Method of the Industrial Relations of every country is different, depending on the influence of the country's principle and philosophy. Therefore, Indonesian Industrial Relations is the reflection of the Indonesian way of life, the Pancasila, means five principles, *belief in god, humanity, nationalism, democracy and prosperity*. The Pancasila Industrial Relation connects itself to the political system as well as to the national method of the Indonesian people and as a result the aims to be achieved will make similar to the nation's great aim. Beside the five principles, the Pancasila Industrial Relations also contain the Trio Duty ( Tridharma ) which carries three elements that develop into a dynamic relation between an employer and a businessman.

The Trio Duty consist of :

- a. *Rumongso handarbeni*. The principle of partnership consists of two aspects; namely, partners in production and partners in profit.
- b. *Melu hangrungkebi*, the principle of partnership in responsibility .
- c. *Mulat sariro hangrosowani*, the principle of self-recognition and instropection.

The principles stated above can be achieved through a kind of accomodation within the three elements in the Industrial Relations, namely, the workers, businessmen and, the Government.

**Keywords** : industrial relations, pancasila, trio duty, partnership, self recognition, introspection.

**HUBUNGAN INDUSTRIAL PANCASILA (HUBUNGAN INDUSTRIAL  
INDONESIA YANG BERDASARKAN 5 ASAS PANCASILA SEBUAH  
PENDEKATAN FILOSOFIS)**

**ABSTRAK**

Metode Hubungan Industrial (*The Industrial Relations*) di setiap negara berbeda-beda, bergantung pada azas dan filsafat dasar negara itu. Oleh karena itu, Hubungan Industrial Indonesia merupakan pandangan hidup orang Indonesia, yaitu Pancasila yakni: Kepercayaan kepada Tuhan yang Maha Esa; Kemanusiaan yang adil dan beradab; nasionalisme demokrasi dan kesejahteraan rakyat,

Hubungan Industrial Pancasila berkaitan dengan sistem politik dan tujuan nasional. Akibatnya, tujuan yang harus dicapai akan sama seperti tujuan nasional. Di samping kelima azas itu Hubungan Industri Pancasila juga berisi Tridharma yang mengandung tiga unsur yang mengembangkan hubungan dinamis antara karyawan dan pengusaha. Tridharma itu terdiri atas.

- a. Rumongso handarbeni: asas kerekanaan (*partnership*) yang terdiri atas dua aspek, yakni partner dalam produksi dan partner dalam keuntungan.
- b. Melu hangrungkebi asas kerekanaan dalam bertanggung jawab.
- c. Melu sariro hangrosowani azas mengenal diri dan instropeksi.

Asas – asas yang disebutkan di atas dapat dicapai melalui kerjasama ketiga unsur dalam hubungan Industrial, yakni : pekerja, pengusaha dan pemerintah.

## INTRODUCTION

In general, the Method of Industrial Relations of every country is different, depending on the influence of the country's principle and philosophy.

The Indonesian Principle and philosophy is called the "Pancasila". It is the manifestation of the total way of life of the Indonesian people. Therefore, The Indonesian labor life is supposed to be a kind of reflection of industrial relations based on the Pancasila. The Pancasila Industrial Relation is the reflection of the way of life of Indonesian people, namely, the Pancasila.

What is the Pancasila?

Pancasila means five principles, each of which contributes to its totality. Each of the five principles is not in contradiction to the others, nor can they be separated from the others.

The First Principle is Belief in God

This means that the Indonesian people believe in God. It is reflected in the belief that all people will experience life after death. Through this belief each person is urged to achieve the noble values - the ones indicate that the present life is not the only life and condition in which a human being exists. Indonesia is not a theocratic country, the country of one-religion, but it is a country that allows people to choose their own religion.

The Second Principle is Humanity

This principle places a human being as s/he is meant to be as God's creatures. The apparent characteristics of this principle are the attitude towards other people, such as respecting each other both at individual as well as at international level. By the view of Indonesian people, there should not be any kind of oppression, physical or mental, political or economic. Any kind of

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oppression, either committed at domestic level or international level should be avoided.

The Third Principle is Nationalism

The principle contains a sense of love for the country, which keeps the nation united. Nationalism seems to be the only main thing in supporting the continuity of the country in this modern age, for without nationalism any country can be easily destructed. The Pancasila nationalism compels the remission of the prominence of certain ethnic group, inheritance, discrimination, religion and the like.

The Fourth Principle is Democracy

Democracy in general meaning is the government derived from the people for the people and by the people. Moreover, it also implies that decisions should only be taken after deliberation agreed by all.

The Fifth Principle is Prosperity

This principle wishes all Indonesian people to be prosperous. The prosperity intended is a dynamic and an ever-increasing one. It is not supposed to be static. It means that all and every property as well as potential owned by this country should only be utilized for the benefit of the Indonesian people.

Even though the formulation of the Pancasila seems to be quite clear and had been effective since Indonesian's independence was declared, at some political crisis, the Pancasila got threatened to be deflected.

From the time of the Declaration of Independence up to the time when the New Order was declared, Pancasila had been oscillating to the 'right' and to the 'left'. Up to the month of July 1959, The Pancasila was declared as some kind of liberal, and then by the time of Led Democracy in the year of 1959, Pancasila was declared as Marxist, as Marxism was then developing in Indonesia.

The birth of the New Order in 1966 restored the will power of the country to return to the 'pure concept' of the Pancasila as it had existed in Indonesia before. In the event of 'purifying' the Pancasila as it is inserted in the Preamble of the Indonesian Constitution 1945 which was then elaborated into the paragraphs of the Indonesian Constitution, the idea of managing a certain kind of method for the implementation of the Pancasila in labor relations is then known as the Pancasila Industrial Relations.

## **THE GROWTH OF THE METHOD OF THE INDUSTRIAL RELATIONS IN INDONESIA**

Before analyzing the Pancasila Industrial Relations further, we will look first at the growth of the method of Industrial Relations in Indonesia. The Industrial relations in Indonesia seemed to follow the liberal method of the Western Europe. Such condition has been in existence since the time Indonesia was colonialized by the Dutch up to the time after Indonesia gained its independence. Even though since July 5, 1959 we had returned to the Indonesian constitution 1945, the liberal method had not yet been absolutely omitted.

The birth of the New Order 1966 was to reverberate a strong will to return to the purity of Pancasila and the Indonesian Constitution- 1945. It is therefore intended to find a new concept to be developed in the field of Industrial relations- the concept of which meets the purity of Pancasila's spirit and The Indonesian Constitution mentioned above.

By 1969, the term the "Pancasila Industrial relations" had once been mentioned by the then Minister of Manpower. So far, the concept as well as the formulation was not yet clear, but because we did have a sense of belonging to Pancasila, it was impossible not to include the term "Pancasila Industrial relations ". After that, either labor circles or government circles began trying to formulate the content of the Pancasila Industrial relations. In turn, it forced them to develop an idea for the purpose of developing.

On February 18, 1974, the Central Board of All Indonesian Labor Federation (DPP FBSI) extended several recommendations to the Government in the purpose of perfecting the scheme of the second Indonesian Five - Year Development. The recommendations urged the Government to perform a national seminar that would discuss Pancasila Industrial relations and would be participated by the representatives of union, Government, management and universities. All this was intended to enable the clear formulation of Pancasila Industrial relations so as to be able to face any kind of challenge. Most of all, it was intended that Pancasila Industrial Relations should become a national consensus.

The President, in his speech before the DPR (House of Representatives) on August 16, 1974, emphasized the importance of a deliberation concerning the relation between labors and employers in the nature of the Pancasila. Through the initiative and the effort of Minister of Manpower, Transmigration and Cooperative, on December 4 - 7, 1974, the National Seminar on the Pancasila Industrial relations was finally conducted, participated by labor representatives, employers and, experts from the university circles.

The seminar succeeded in formulating and building the basic principles, the concept and the means to execute the Pancasila Industrial relations. Even though the formulation was not yet perfect and needed several improvements to make it far better, the formulation did become a national consensus.

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It is obvious that every effort and activity toward the possibility of the existence of Pancasila Industrial relations, its concept, its basic principles, its formulations and, everything related to Pancasila Industrial relations had been done from the early time including labor representatives, employers, the Government and, experts from various universities.

**THE CONCEPT OF THE PANCASILA INDUSTRIAL RELATIONS**

The concept of the Pancasila Industrial relations according to the conclusion of the seminar on Pancasila Industrial relations is that the relations between those involved in the production process of goods and service (labor, employers and Government), are based on values - the values of which are the manifestation of all the five principles of the Pancasila and the Indonesian Constitution - 1945. It is to grow and develop on the identity of the Indonesian Nation and Culture.

From the concept stated above a conclusion can be drawn that Pancasila Industrial relations is the Industrial relations that base itself on Pancasila and the Indonesian Constitution 1945. It is also developing itself on the identity and the national culture of Indonesia. Based on the sense of identity and the national culture of Indonesia, we formulated the "Tridharma" (three duties) principles, which imply three principles concerning Industrial relations in it.

Since the Pancasila is a totality, which renders that each of the principle of the Pancasila has to endow and has to be endowed by the other four principles, so all the five principles will be automatically reflected by themselves and will be flourishing in all sides involved in the production process, namely, workers, employers, and the government on behalf of the people. Every method of thinking, step and action of each side that has to do with production process should meet the essence and the truth of the five principles of the Pancasila and the "Tridharma".

**THE BASES**

Since the Pancasila Industrial relations base itself on the Pancasila and the Indonesian Constitution - 1945, essentially it cannot separate itself from the whole condition system of the Indonesian Constitution. It also means that the Pancasila Industrial relations connect itself to the political system as well as national method of Indonesian people and as a result, the objectives to be achieved will be similar to the nation's great objectives. Therefore the base of the Pancasila Industrial relations is not different in concept from the philosophy of Pancasila and our constitution system that is the Indonesian Constitution - 1945.

Practically, the one that become the base of the Pancasila Industrial relations is Pancasila. This one acts as an ideal base. Then it comes the base of the

Indonesia Constitution. This one acts as a constitutional base, while the state's Outline of Developmental Directions (GBHN) act as an operational base. GBHN is inserted in the Five - Year Development Planning Program and are exacted phase-by-phase in the Government's Estimation and Budgeting every year.

From the explanations mentioned above, the Pancasila industrial relations in essence is therefore:

- a. The Industrial relations based on the matter of belief in God- thus will never allow any place for discrimination to exist, either caused by the different concepts in religion or by any other beliefs.
- b. The Industrial relations based on the humanity, so that any labor is not considered as a mere production factor, which is the one ruled by the law of supply and demand. Anyone is to be considered as a human person with all his/her personality as well as his/her human values.
- c. Industrial relations based on the principle that support the totality of the nation, so there will be no more the distinction of any classification, political concept, religion, ethnic group, sex and, the workers's origin as well.
- d. The Industrial relations based on the principle of democracy, which attempts to omit the distinctions and to discover similarity toward an agreement between workers and employers. In other words, it can be develop well in order to make the interests of workers and employers meet - thus the gap can be expected to be eliminated.
- e. The Industrial relations toward which the result will be for all Indonesian people, which is prosperity for all. This means that the prosperity should be evenly enjoyed by workers in the enterprises or by the whole Indonesian people. Workers should receive proper payment and compensation according to their achievements. This condition should cover all this country's people.

### **THE PRINCIPLE OF THE "TRIDHARMA"**

Beside those bases stated above, the history tells us about our ancestors' view towards the relation between workers and employers in the past. The relation proved to be similar and it also has a high relevance to the labor relation we have today. Our ancestors' inheritance is what we all know i.e. "Tridharma". It carries three elements that develop a dynamic relation between workers and employers.

The principles of the Tridharma are:

- a. Rumongso handarbeni,
- b. Melu harungkebi,
- c. Mulat sriro hangroso wani.

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Ad. A. The first duty called "rumongso handarbeni" - it means the state of having a sense of belonging. Hence, the condition of work in the companies can be created in such a way that all participants involved in the production process, will morally have a sense of owning and a sense of belonging to the enterprise. The workers are considered to be most dominant ones to have this sense. So, when workers do their work, they feel that they work for something they own themselves.

This first principle of the Tridharma is often called the principle of partnership, which means a kind of cooperation between the workers and employers. The principle of partnership consists of two aspects namely **partner in production** and **partner in profit**.

The aspect of partner in production requires the workers to take part in increasing the production rate for the enterprise while to make it properly balanced, the workers should also be involved in the aspect of partner in profit. This aspect requires the employers to distribute the profit obtained by the enterprise to the workers.

The aspect of partner in production does not seem to be that complicated in its realization. If the workers have done the work well and responsibly, there will be a question of aspect of partner in profit, the way in which the employers should distribute the profit obtained by the enterprise to the workers. How many percents of the profit should the employers distribute?

To answer the above question, the most important thing is that if the enterprise obtains profit, the first thing to execute is coordinating and knowing the fact that half of the profit obtained is the workers' s. Therefore, employers should give some of the benefit to them. The result can be in the form of salary increase, social guarantee or, in the form of annual bonus. All these things can be arranged through a deliberation and agreement on both sides.

However, the problem is not just as simple for there will be questions running like how many percents of the enterprises' profit should be the workers', how many percents should be the share holders' and, how many percents should be reinvested? This complex problem is something that both sides of workers and employers have to solve. In this case the Government's guide can be helpful.

For the enterprises that base its method of its operation on the matter of human resources, the role of workers will be greater. On the contrary, for the enterprises that base its method of its operation on the matter of capital, the role of the capital will be greater. Certainly, the percentage of the profit to be distributed to the workers in the first enterprise will be different from the percentage of the profit to be distributed to the workers in the second enterprise. This is why the matter of deciding percentage of the profit stated on the enterprise level through the agreement is important.

Ad. b. The second duty is called "melu harungkebi". It means that there should be a sense of responsibility for the advancement of the enterprise the workers working in. Hence, the sense of being responsible for the enterprise will

exist and so the other way around. This one is also called the aspect of partner in responsibility. Both the workers and the employers should have a responsibility - the responsibility meant here is the general one. They are not merely responsible for the enterprise and the prosperity of the workers and their families, but also responsible for the people around them, the nation and, the most important thing which is none other than God The Almighty.

The Government, as the one that represent the common people's concern receives the same responsibility. It is of course to be in accordance with the role the developing country like Indonesia expects from the workers, employers and, the Government. All of which is based on the philosophy of Pancasila.

Ad. c. The third duty is called "mulat sariro hangroso mani". It means that there should exist the courage to know the self - limitation owned by all in the Pancasila Labor Relation.

Workers, employers and the Government as well should recognize their own ability in the issue of workers, working condition and the like for it is their main duty to cope with, especially in the field of Labor Relation. The workers should ask themselves whether they have endowed all the five principles of Pancasila, whether their duty as a partner in production has been accomplished well with the responsibility needed.

On the other hand, the employers must do the same. Have they really handled the problem of daily labor activity? They should ask themselves whether their obligation as a partner in profit has been accomplished perfectly. Does any improvement or profit have a direct influence to the workers' level of prosperity? Similarly, they should also ask themselves about the role they should play in having the responsibility for the prosperity of their workers and their whole families.

The Government's role in realizing the third duty is the same as the workers' and the employers'. The Government in this context should represent the common people's concern. This makes the Government's position higher than the workers and the employers' concern for which the Government is hoped to be able to maintain the balance and the harmony of both the concerns-the labourer and the employers's. The balance and the harmony of the workers and the employers is created in order to achieve such a good work condition that will enable to increase the production rate, thus increasing the value of prosperity received by the workers and their families due to the aspiration the Government try to realize - creating a prosperity among the people materially and spiritually due to the 1945.

In realizing the balance mentioned above, it is important to know that there are two different realities namely the workers' group that belongs to the weak one and the employers' group that belongs to the strong capable one. The balance between the two groups will never come into being if the Government gives no hand and let the two groups solve the problem by themselves. In this

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case, the Government's condusive policy seems to be significant. If this policy does not sound well, the strong capable one will certainly defeat the weak one.

This fact does not reflect a good impression for it does not conform to the Principle of Humanity. Nor does it conform to the principle of prosperity contained in Pancasila. Therefore, to make possible the realization of balanced and harmonious relations, it is the Government's duty to give a certain kind of protection for the workers.

The principle of protection should be reflected either by the Labor Regulation or by the governmental policies and both the regulations and the policies should run perfectly. The application of the principle of self-recognition as the third duty of the Tridharma should cover the answer for the questions that go like: Has the Government given a good sufficient guidance and protection to the workers so that the balance and the harmony between labor and employers can be achieved? It certainly needs good government officials who understand the problems being faced, study them and use their sensitivity toward the role and the aspiration of the people in general.

## **CONCLUSIONS**

1. The Pancasila Industrial relations is the industrial relations based on the values from which they are of manifestation of all the five principles of Pancasila and the Indonesian Constitution 1945, which grow and develop through the nationality and culture of Indonesia.
2. The Pancasila Industrial relations has three main principles, they are as follows:
  - a. The principle of partnership,
  - b. The principle of responsibility and,
  - c. The principle of self-recognition and introspection.

The principles stated above can be achieved through a kind of accommodation of the interests of the three elements involved, namely the workers, the employers and the Government.

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