



IMPLEMENTATION OF GOVERNMENT REGULATION NUMBER 35 OF 2021 ON FIXED-TERM EMPLOYMENT AGREEMENTS

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Abstract:

This study aims to analyze the implementation of Government Regulation Number 35 of 2021 on fixed-term employment agreements and its implications for workers' legal protection. The research focuses on identifying regulatory compliance and practical challenges in applying fixed-term employment agreements within employment relationships, particularly in ensuring legal certainty and fairness for workers. This study employs a normative-empirical legal research method, examining statutory regulations on labor law and fixed-term employment agreements, combined with field data from observations and interviews with relevant stakeholders. The findings reveal that although Government Regulation Number 35 of 2021 provides a clearer legal framework for fixed-term employment agreements, its implementation in practice has not been fully effective. Several issues were identified, including inconsistencies in contract duration and renewal practices, and a limited understanding of regulatory provisions among employers and workers. These conditions may weaken the intended legal protection for fixed-term workers. The study concludes that effective implementation of fixed-term employment regulations requires stronger supervision, improved regulatory awareness, and consistent enforcement mechanisms. Strengthening institutional oversight and ensuring compliance with legal standards are essential to enhancing legal protection and promoting balanced employment relations within the fixed-term employment agreement framework.

INTRODUCTION

Employment relations play a crucial role in supporting economic stability and social welfare, particularly in labor-intensive sectors that rely on contractual employment arrangements. Fixed-term employment agreements have become a common mechanism for employers to maintain flexibility while managing labor costs (Misra et al., 2025; Neethi, 2008). Within the framework of good governance, the regulation of fixed-term employment agreements must ensure legal certainty, fairness, and accountability, thereby protecting workers' rights and maintaining balanced industrial relations. The issuance of Government Regulation Number 35 of 2021 represents a significant reform in Indonesian labor law, particularly in regulating fixed-term employment agreements. This regulation was designed to clarify contract duration, renewal, and termination, while strengthening legal protection for workers. From a governance perspective, effective implementation of such regulations is essential to ensure compliance, prevent abuse of contractual arrangements, and support transparent labor administration practices (Rather & Sofi, 2026).

Previous studies on fixed-term employment agreements have generally focused on normative legal analysis or the socio-economic impact of contractual employment. However, limited attention





has been given to examining how regulatory provisions are implemented in practice and whether they effectively enhance legal protection for workers. This gap suggests that regulatory reform alone does not automatically guarantee improved protection when implementation mechanisms are weak or inconsistent. In practice, the application of fixed-term employment agreements often raises legal issues, particularly regarding contract duration, renewal practices, and unequal bargaining positions between employers and workers. These challenges indicate discrepancies between regulatory objectives and actual employment practices. Similar findings in earlier research highlight that weak supervision and limited regulatory awareness may undermine the effectiveness of labor protection policies (Banerjee, 2021; Behrens, 2020; Huysamen, 2019; Rimbawan et al., 2025).

The governance dimension of labor regulation is also closely related to institutional capacity and oversight mechanisms. Without adequate supervision and enforcement, employers may exploit regulatory ambiguities, while workers may lack sufficient understanding of their contractual rights (Cazes & De Laiglesia, 2015; Nugroho et al., 2024). This condition underscores the importance of analyzing fixed-term employment regulation not only from a normative perspective but also from an implementation-oriented approach. Based on these considerations, this study identifies a research gap concerning the effectiveness of Government Regulation Number 35 of 2021 in protecting fixed-term workers through its implementation. While the regulation provides a formal legal framework, empirical assessment is necessary to determine whether it achieves its intended objectives in real employment settings (Deshpande & Savariapitchai, 2026; Sanni, 2025).

Accordingly, this study addresses the following research problem: how is Government Regulation Number 35 of 2021 implemented in relation to fixed-term employment agreements, and to what extent does it provide legal protection for workers? This research aims to analyze the implementation of fixed-term employment regulations and evaluate their effectiveness in strengthening worker protection, thereby contributing to the development of governance-based labor law studies.

METHODS

This study employs a normative-empirical legal research method to examine the implementation of Government Regulation Number 35 of 2021 concerning fixed-term employment agreements. The research focuses on employment practices involving fixed-term workers as the object of analysis, with data collected from employers and fixed-term employees as research subjects. The study was conducted at PT United Indobali in Denpasar as the research location. Primary data were collected through field observations and interviews with relevant stakeholders, while secondary data comprised labor regulations, employment contracts, and related legal documents. The collected data were analyzed using qualitative juridical-analytical techniques to assess regulatory compliance, governance effectiveness, and the level of legal protection afforded to fixed-term workers (Stekelberg & Vance, 2024).

RESULT AND DISCUSSION

The results of this study indicate that Government Regulation Number 35 of 2021 has provided a clearer legal framework for regulating fixed-term employment agreements in Indonesia. The regulation establishes specific provisions on contract duration, extension, and termination to strengthen legal certainty for both employers and workers. Field data show that employers generally recognize this regulation as the primary legal basis for fixed-term employment arrangements. However, empirical findings reveal that the implementation of fixed-term employment agreements does not always fully comply with the regulatory provisions. In several cases, inconsistencies were





found in the determination of contract duration and renewal practices. These inconsistencies suggest that regulatory understanding and compliance remain uneven at the implementation level. Similar patterns have been identified in previous research, which emphasizes that regulatory clarity alone is insufficient without effective supervision and consistent application (Rimbawan et al., 2025).

The study also finds that the unequal bargaining position between employers and fixed-term workers affects the effectiveness of legal protection. Workers often accept contract terms without adequate negotiation due to limited employment alternatives. This condition reflects earlier studies highlighting that contractual employment systems tend to place workers in a vulnerable position, particularly when enforcement mechanisms are weak. From a governance perspective, employers' role as implementing actors is central to determining compliance with labor regulations. The findings indicate that some employers prioritize operational flexibility over strict adherence to regulatory standards. This practice may undermine the regulatory objective of protecting workers and reflects governance challenges related to accountability and compliance monitoring (Sanni, 2025).

The results further show that workers' awareness of their rights under Government Regulation Number 35 of 2021 remains limited. Interviews reveal that many fixed-term workers lack a sufficient understanding of contract provisions regarding duration, renewal, and termination rights. Previous research similarly suggests that low legal awareness among workers reduces the effectiveness of labor protection regulations. Supervision and enforcement mechanisms were also found to be insufficient in ensuring consistent compliance. Although labor authorities are formally responsible for monitoring employment practices, field data indicate limited oversight activities. This finding supports earlier research that identifies weak enforcement as a major obstacle in achieving effective labor governance.

In terms of legal protection, the study reveals that the intended safeguards for fixed-term workers are not fully realized in practice. While the regulation provides normative protection, implementation gaps reduce its practical impact. This discrepancy between normative provisions and empirical reality has been widely discussed in prior studies on labor law enforcement. The interaction between regulatory provisions, institutional capacity, and workplace practices emerges as a key factor shaping implementation outcomes. Effective protection of fixed-term workers requires not only clear regulations but also institutional readiness and commitment from implementing actors. This finding aligns with governance-based research emphasizing the importance of integrated policy implementation (Haidar, 2022; Sriwati & Said, 2025).

The results also highlight that improved communication and socialization of regulatory provisions are necessary to enhance compliance. Both employers and workers require clearer guidance regarding their rights and obligations under fixed-term employment agreements. Previous studies suggest that regulatory socialization plays a crucial role in improving legal compliance and protection outcomes. Overall, the findings demonstrate that while Government Regulation Number 35 of 2021 has strengthened the formal legal framework for fixed-term employment agreements, its implementation remains challenged by governance, awareness, and enforcement issues. Addressing these challenges is essential to ensure that the regulation effectively enhances legal protection for fixed-term workers and supports fair employment relations.

CONCLUSION

This study concludes that Government Regulation Number 35 of 2021 provides a formal legal foundation for regulating fixed-term employment agreements and aims to enhance legal protection for fixed-term workers. Normatively, the regulation provides clearer provisions on contract





duration, renewal, and termination, thereby strengthening legal certainty in employment relations. However, the effectiveness of these provisions is highly dependent on their practical implementation.

The findings indicate that the implementation of fixed-term employment agreements has not yet fully realized the protective objectives envisioned by the regulation. Governance challenges, including limited supervision, uneven regulatory understanding, and weak enforcement mechanisms, reduce the practical impact of legal protection for fixed-term workers. These conditions highlight the gap between normative legal frameworks and empirical employment practices. Therefore, strengthening institutional oversight, improving regulatory socialization, and ensuring consistent enforcement are essential to enhance the effectiveness of fixed-term employment regulation. Future research may examine comparative implementation of fixed-term employment regulations across different sectors or regions, as well as explore empirical perspectives on workers' legal awareness and access to remedies in contractual employment relationships.

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