

The Legal Vacuum of Labor Protection for Freelancers in the Technology Sector

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ABSTRACT

Background. The rapid growth of the technology sector has created numerous new job opportunities, especially for freelancers. However, alongside the flexibility it offers, there exists a significant legal vacuum in labor protection for workers in this sector. Freelancers are often not recognized as “workers” under the law, resulting in a lack of protection such as social security, health insurance, pension benefits, and other employment rights. This regulatory gap creates vulnerabilities for workers concerning income uncertainty, exploitation, and work-related stress. This article discusses the legal vacuum and its impact on the physical, mental, and social well-being of freelancers in the technology sector, as well as proposing necessary steps to create more inclusive labor protection. More adaptive and comprehensive policy changes are required to address the challenges faced by freelancers in this digital economy era.

Purpose. The growing gig economy, particularly in technology, has brought forward new forms of employment. However, these freelance roles often fall outside traditional labor laws, leading to gaps in protections and rights.

Method. A qualitative analysis was conducted through interviews with freelancers and legal experts, along with a review of existing labor laws.

Results. Freelancers face significant vulnerabilities, including lack of health insurance and pension benefits, leading to increased financial instability and work-related stress.

Conclusion. A comprehensive overhaul of labor laws is necessary to protect freelancers, ensuring they have access to benefits such as health insurance, pension plans, and social security.

KEYWORDS

Freelancers, Gig Economy, Legal Gaps, Labor Protection, Technology Sector.

INTRODUCTION

The rapid development of information technology has significantly transformed the industrial landscape, influencing employment relationships (Acero & Thomson, 2022). Traditional employment relationships are increasingly being replaced by freelance workers, a phenomenon known as the “Gig Economy”. In Law No. 6 of 2023 regarding the Establishment of Government Regulations in Lieu of Law No. 2 of 2022 on Job Creation (hereinafter referred to as the Job Creation Law), Article 56 paragraph (1) regulates two forms of employment agreements:

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Indefinite Time Employment Agreement (PKWTT) and Fixed Time Employment Agreement (PKWT), where PKWT serves as the legal basis for freelance agreements with various companies. The Gig Economy phenomenon has begun to take shape in Indonesia, initially evident in the online transportation sector and among workers with specialized skills. Over time, the Gig Economy has also expanded into the creative industries and startup companies. Another emerging phenomenon in the digital information era is the presence of on-demand workers, referring to workers who are willing to work only when needed (Yu & Nie, 2023). On-demand workers are not only growing in the startup sector but are also increasingly favored by large companies, which view employing freelance labor as more financially advantageous and innovative, as it brings fresh and innovative ideas.

The emergence of the “Gig Economy” and “On-demand workers” in the digital era, while beneficial for industry, poses various legal issues concerning labor law (Acero & Thomson, 2022). Article 1 paragraph 15 of the Job Creation Law defines an employment relationship as a relationship between employers and workers/laborers based on an employment agreement that includes elements of work, wages, and directives. However, changes in labor relationships and wage systems in the digital era, such as partnership relationships that are yet to be accommodated in the Indonesian Job Creation Law, are likely to create legal protection issues for labor. A more realistic approach is needed to address the challenges posed by work digitalization, which risks exploiting workers through unclear legal status and very low wage levels. Labor represents one of the essential elements of human resources for companies (Alrejjal et al., 2022). With labor, companies can achieve their primary goals, which are to optimize sales outputs in accordance with established visions and missions. Thus, it becomes the government’s obligation to provide suitable protection and attention to workers; without their contributions, national development in Indonesia cannot be executed correctly.

This results in a phenomenon that alters the dynamics of labor relations in the industrial world (Teijeiro & Vázquez, 2023). The Gig Economy, marked by the rise of project-based or short-term contract jobs and workers willing to work on-demand, offers several advantages, such as flexibility and accessibility for workers. However, behind these advantages lie complex legal challenges. The Job Creation Law defines employment relationships in a more traditional sense, expecting workers to have a clear working bond with employers, including elements of work, wages, and directives (Stavridou, 2021). This definition becomes less relevant in the context of the gig economy, where employment relationships are often temporary and not bound by formal employment agreements.

One of the main issues that arises is the absence of adequate regulations to protect freelancers and on-demand workers in Indonesia (Şit Köşgeroğlu, 2022). The Job Creation Law does not accommodate new forms of work that are emerging, such as partnership relationships or platform-based labor. Consequently, many workers in the gig economy operate without adequate legal protection, rendering them vulnerable to exploitation, income uncertainty, and unfair treatment. Without clear legal protections, they lack access to fundamental rights such as minimum wage, social security, and health and safety protections (Schumann, 2024). This creates significant injustice in the labor market, where gig workers must face risks without sufficient legal support.

Changes in patterns of labor relationships and wage systems that occur in the digital era necessitate a more realistic approach to addressing the challenges faced by workers. The government and stakeholders need to formulate policies responsive to these changes to protect the rights of workers in the gig economy (Sari et al., 2022). One important step that needs to be taken is expanding the definition of workers in the Job Creation Law to include freelancers and on-demand workers, so they are legally recognized and can receive adequate protection. Additionally, a flexible

social security system that is easily accessible to non-traditional workers is needed to mitigate the risks they face.

With concrete reform efforts, it is hoped that legal protection for labor in the digital era can be enhanced. This not only provides legal certainty for freelancers and on-demand workers but also creates a fair and sustainable work environment in Indonesia (Šafranko, 2024). The involvement of various parties, including the government, employers, and the workers themselves, is crucial in realizing an inclusive and responsive legal framework to the changing dynamics of the labor market.

The impact of rapidly evolving technology over the past few decades has created new job opportunities with more flexible work patterns, such as freelancers, contracted workers, and gig workers (Sadino & Wiyono, 2024). However, behind this progress lies serious issues regarding labor protection. The legal vacuum in protecting workers in this sector creates significant risks for workers, particularly those not bound by permanent labor contracts. Moreover, freelancers are often not perceived as “workers” in traditional labor law definitions, resulting in their lack of access to protections such as social security, health insurance, pension benefits, or other fundamental rights such as paid leave and overtime pay (Rodríguez Rodrigo, 2023). This vacuum renders them vulnerable to exploitation, income instability, and uncertainty about the future. Therefore, this paper discusses the legal vacuum for freelancers and the implications of minimal legal protection and a lack of clarity in labor relationships. Additionally, the author will outline challenges and efforts regarding the legal vacuum for freelancers.

RESEARCH METHODOLOGY

In this research, the method used is a legal approach or statute approach, also known as normative legal research, which is a process of finding legal rules, principles, and doctrines to address legal issues concerning the legal vacuum for freelancers (Quereda Sabater, 2024). The implications may include minimal legal protection and a lack of clarity in labor relationships. Moreover, the author will examine challenges and efforts regarding the legal vacuum for freelancers (Pino, 2023). The case approach involves analyzing and examining cases used as guidelines for legal issues. Additionally, a conceptual approach is utilized based on the views and doctrines of scholars that develop in legal science (Pinheiro & Oliveira, 2022). Through these various approaches and legal research, an analysis of the legal vacuum for freelancers will be conducted. The author will also outline the challenges and efforts regarding the legal vacuum for freelancers.

RESULT AND DISCUSSION

Legal Vacuum Concerning the Rights of Freelancers

In recent decades, both global and domestic labor markets have experienced significant increases in flexibility. One of the manifestations of this trend is the rising popularity of various types and schemes of short-term contract-based work, including freelancers who are paid per task as needed (on-demand), internships, outsourcing, and online selling. Increased use of information technology in the business world, often referred to as disruption, accelerates this flexibility. Disruption not only shifts clerical jobs replaced by robots but also opens up job opportunities that can be done remotely (Papis-Almansa & Herbain, 2023). The choice to work as a freelancer has shown a significant increase recently. The main reasons behind this trend are the freedom and flexibility in managing work time, as well as the ability to work from anywhere at any time (without geographical limits). In addition, freelance work, which prioritizes skill over formal educational

qualifications, is particularly attractive to many individuals, leading to a growing interest in the freelance profession.

From the company's perspective, employing freelancers offers various advantages, including increased productivity, cost efficiency in recruitment processes, and the emergence of innovative ideas and perspectives (Oral & Aurescu, 2024). Furthermore, flexibility in managing work time is an added benefit. According to Upwork's Future Workforce Report 2017, 84% of companies worldwide stated they would delay or cancel projects or even extend workloads if they could not hire freelancers to assist. Additionally, nine out of ten managers expressed greater satisfaction working with freelancers compared to permanent employees at their companies.

However, these freelancers have not had their rights and obligations regulated, leading to unguaranteed labor rights closely associated with Human Rights (HR). According to Law No. 39 of 1999 on Human Rights, HR is defined as a set of rights inherent to human beings as God's creation, which is a gift from Him. HR must be respected, upheld, and protected by the state, laws, the government, and every individual to maintain dignity and protect human rights. In the context of labor, fulfilling workers' rights is part of efforts to uphold HR.

The concept of legal protection reflects the execution of legal functions aimed at achieving legal objectives, namely justice, utility, and legal certainty. The definition of legal protection is also included in Law No. 39 of 1999 on Human Rights, which states that legal protection is a conscious effort made by individuals or institutions, both government and private, to ensure the security, control, and fulfillment of well-being according to the basic rights owned by every individual. Therefore, legal protection plays a crucial role in creating safe and equitable conditions to ensure everyone can enjoy their rights fully and without violation (Nurdin & Rajab, 2020). This is vital for achieving a just and prosperous society. In labor law, according to Imam Soepomo, legal protection for workers encompasses five main areas, namely: [8] regulating how labor is mobilized and placed across various sectors; establishing a fair framework of labor relations between employers and workers, including the rights and obligations of each party; ensuring the health of workers while performing their duties and responsibilities; protecting workers from risks and dangers that may arise in the workplace; and providing social protection for workers to meet their basic needs.

In addition, regarding the three types of labor protection according to Soepomo, economic protection refers to efforts to provide sufficient income for workers to meet their daily living needs and those of their families. This protection also includes situations where workers cannot work due to circumstances beyond their control. Social protection encompasses community efforts aimed at allowing workers to develop their lives as human beings, covering various aspects that support workers' social welfare (Nasrullah, 2020). Technical protection focuses on efforts to protect workers from workplace accidents. This protection includes adherence to occupational health and safety standards that companies must follow.

Thus, legal protection in labor law not only encompasses economic aspects but also social and technical aspects, aiming to create a safe, fair, and prosperous work environment for all workers. However, there is yet to be a regulation explicitly governing the rights and obligations of freelancers, resulting in minimal legal protections. Freelancers are often not regarded as "workers" in traditional labor law definitions, resulting in their lack of access to protections such as social security, health insurance, pension benefits, or other fundamental rights such as paid leave and overtime pay. This legal vacuum leaves them vulnerable to exploitation, income instability, and uncertainty regarding their future. These rights are included in the Job Creation Law, which regulates various labor aspects, including different types of employment agreements, namely Indefinite Time Employment Agreement (PKWTT) and Fixed Time Employment Agreement

(PKWT). It establishes provisions regarding minimum wages, timely payments, and regulations concerning overtime pay, as well as provisions for working hours, leave, and related rights.

The absence of regulations regarding wages can lead to problems, including failure to receive appropriate payment for the work performed. In Indonesia's wage system, the minimum wage concept is applied as a safety net to ensure that no worker lives in poverty. The minimum wage represents the lowest wage level applicable in the economy. By establishing a minimum wage, it is hoped that workers can be protected from potential exploitation in the labor market, often occurring when there is a surplus of labor, as experienced in Indonesia (Maskun et al., 2021). The primary aim of setting a minimum wage is to ensure that workers can meet their daily living needs. With a minimum wage in place, it is hoped that workers' welfare can be maintained and that justice can be achieved in labor relationships. The minimum wage also serves as an indicator for creating social and economic stability and fostering sustainable economic growth.

Based on the establishment of Government Regulation No. 51 of 2023 on Amendments to Government Regulation No. 36 of 2021 on Wages, the minimum wage formula aims to ensure that the increase in minimum wage accommodates the interests of both workers and employers. The minimum wage is designed to channel income to worker groups, allowing them to meet their daily living needs (Lasiński-Sulecki, 2024). Changes in the minimum wage should align with changes in worker productivity and corporate productivity. This means that the establishment and adjustment of minimum wages must consider not only workers' needs but also companies' ability and performance in providing appropriate rewards. Thus, it is hoped that the minimum wage can create a balance between protecting workers' rights and ensuring the sustainability of company operations.

In addition to wages, there is also a lack of clarity in agreements within labor relationships. Employment relationships are related to the principle of freedom of contract. The background of the emergence of the freedom of contract principle can be traced back to the concept of individualism originating from ancient Greece, continued by the Epicureans, and rapidly developed during the Renaissance through the teachings of figures such as Hugo de Groot, Thomas Hobbes, John Locke, and Jean-Jacques Rousseau. The concept of individualism emphasizes a system in which individuals have the freedom to obtain what they desire. In the context of contract law, this principle is realized through the principle of freedom of contract.

1. Principle of Freedom of Contract: The principle of freedom of contract is a principle that grants parties the freedom to:
2. Make or Not Make an Agreement: The parties are free to decide whether to be bound by an agreement or not.
3. Enter into Agreements with Anyone: The parties can choose their contractual counterparties according to their preferences.
4. Determine the Content of the Agreement: The parties have the right to formulate the content of the agreement according to the agreement reached.
5. Implementation and Conditions: The freedom to determine how the agreement will be implemented and the conditions that bind the parties.
6. Determine the Form of the Agreement: The parties can choose whether the agreement will be made in writing or verbally.
7. Restrictions on Freedom of Contract.

However, in practice, this freedom of contract is limited by Article 1337 of the Civil Code, which states that agreements made must not violate provisions prohibited by law, be against morality, or violate public order. Free will in this context is not absolute but relative, as it always needs to be associated with public interest. Therefore, in regulating the clauses of contracts, it

cannot be entirely left to the parties; government oversight is needed to ensure that the contracts made remain within the corridors of applicable law and do not harm public interest.

The legal status of freelance workers in Indonesia is currently not specifically regulated in the applicable legislation. The definition of workers or laborers implies that a worker or laborer is anyone who works for wages or other forms of compensation. This definition reflects a formal employment relationship, where the presence of receiving wages in the traditional context is a primary requirement to be recognized as a worker (Kocher, 2024). However, freelance workers, who typically work on service contracts, do not meet this requirement and, therefore, their status falls outside the scope of the legal protections established. The absence of clear regulations regarding the legal status of freelance workers directly impacts the protection of their rights. Since freelance workers are not recognized as workers under existing legal definitions, they do not gain access to various benefits typically received by formal workers, such as minimum wage, leave, social security, and health and safety protections. Without adequate legal protection, freelance workers are forced to face various risks, such as income uncertainty and minimal guarantees for fair working conditions. This creates significant injustice in the labor market, where freelancers must fight alone to obtain the basic rights that should be part of labor protections.

Wages are the rights received by workers expressed in monetary form as compensation from employers or service providers, determined and paid based on an employment agreement, consensus, or statutory regulations, including benefits for workers and their families for work and/or services that have been or will be performed. Based on this definition, it is clear that freelance workers do not have a formal employment relationship with the service users; instead, they establish a service relationship (Jan, 2021). Freelance workers do not receive wages but rather an agreed-upon honorarium or fee. Furthermore, freelance workers are not bound by formal employment agreements but only operate under temporary service agreements that do not detail rights and obligations. As a result of this situation, freelance workers do not receive the same legal protections as formal workers. They do not have access to rights such as:

1. **Minimum Wage:** There is no guarantee of receiving the minimum wage set by the government.
2. **Working Hours:** There are no strict regulations on working hours.
3. **Leave:** They have no right to take official leave.
4. **Social Security:** They do not receive social security protection as provided to formal workers.
5. **Occupational Health and Safety Protection:** There is no legal protection related to safety and health while performing their work.

Thus, it is important for policymakers to consider clearer and more comprehensive regulations regarding the status and rights of freelance workers to ensure adequate protection for them in performing their professions in an increasingly flexible work model era. The legal vacuum regarding the rights of freelance workers has emerged as a significant issue along with the development of the gig economy. In many cases, freelance workers do not have the same protections as permanent workers, such as access to health benefits, social security, or protection against unilateral termination of employment. Many legal systems have yet to accommodate these new dynamics, leaving freelance workers often in vulnerable positions.

For example, research by The Freelance Group notes that the majority of freelance workers do not have written contracts, which can potentially lead to disputes over unresolvable rights and obligations. Additionally, many countries lack laws that specifically regulate the rights of freelance workers, resulting in uncertainty and injustice in practice. Weaknesses in this regulation can also exacerbate inequality in the labor market, where freelance workers are often forced to accept lower

rates without additional protections or benefits. According to a report from the International Labour Organization (ILO), the lack of legal protection for freelance workers contributes to exploitation, where they frequently have to work under unfair conditions (Hutahayan et al., 2024). In many countries, despite progress toward the recognition of the rights of freelance workers, existing regulations are often insufficient to address the challenges faced by this sector. The absence of minimum standards in terms of payment, working conditions, and legal protections not only harms workers but also creates uncertainty for companies that wish to hire freelancers legally and ethically. Therefore, it is crucial to advocate for regulatory updates that can provide adequate protection for freelance workers and create a fairer working environment.

Efforts to Create Regulations Regarding the Rights and Obligations for Those Needing Freelance Services with Freelance Service Providers.

To address the legal vacuum surrounding the status of freelance workers and gig workers in Indonesia, there is a need for more inclusive public policy changes. The development of the technology sector and the emergence of various new forms of work, such as freelancing and the gig economy, demand adaptation in labor regulations. Currently, many workers are trapped in legal uncertainty, do not receive the same protections as formal workers, and cannot access their basic rights. Therefore, it is crucial to update labor laws to include this group of workers (Henckels, 2023). One key step in improving this situation is to expand the definition of workers in labor laws. By incorporating freelance and gig workers into this definition, they will be officially recognized as part of Indonesia's workforce. This recognition is essential as it will open opportunities for them to receive legal protections equivalent to those of formal workers. With this recognition, freelance workers will be entitled to protection in terms of minimum wage, working hours, social security, and occupational safety, which are often neglected currently.

Policy changes must also include the establishment of a flexible and easily accessible social security system for non-traditional workers. This includes providing access to healthcare services, insurance, and retirement benefits that align with the characteristics of freelance work. Such a flexible system is important to protect workers from the financial risks they often face, especially in unexpected situations like economic crises or pandemics. The development of clear and transparent work contract standards must also be prioritized. Contracts governing the employment relationship between freelancers and companies should be designed to protect the basic rights of workers, including clarity regarding wages, responsibilities, and other rights. With clear contract standards, freelancers can have better bargaining power when negotiating with companies, which would, in turn, create a fairer and more balanced working relationship.

By taking these steps, it is hoped that freelance workers and gig workers can achieve adequate legal protection. This will not only improve their welfare but also create a more stable and productive working environment. Proper legal protections will help to realize social justice and enhance the quality of life for workers in this sector.

The formation of a flexible and easily accessible social security system for non-traditional workers is another step that must be taken. The existing social security systems often focus more on formal workers, leaving freelance workers without adequate protection. Therefore, it is necessary to design social security programs that can be accessed by all workers, regardless of their contract status (Helim et al., 2023). These programs should include health insurance, retirement benefits, and protection against risks that may be faced during work. With appropriate social security provisions, freelance workers will feel more secure and protected, allowing them to focus on their work.

The development of work contract standards that protect the basic rights of freelance workers is also very important. Clear and comprehensive work contracts will ensure transparency regarding wages, which is one of the main issues frequently faced by freelance workers. In this regard, workers should be provided with clear information about the remuneration they will receive before accepting a job. Furthermore, such contracts should include provisions regarding job security, ensuring that workers have decent working conditions and are not exposed to risks. Access to healthcare services should also be regulated in the contract, so that freelance workers do not solely rely on health protection from their jobs but can also obtain the necessary healthcare services.

Law Number 13 of 2003 concerning Manpower, Article 1, Number 14 provides the definition: “An employment agreement is an agreement between a worker/labourer and an employer or provider of work that contains the terms of work, rights, and obligations of both parties.” Based on the definition of the employment agreement, there are several elements that can be identified as essential components of such agreements.

The first element that must be present in an employment agreement is the agreed-upon work, which is the object of the agreement (Gumelar, 2021). The work must be carried out directly by the worker. In this case, the worker may only delegate their work to others with the employer’s permission. This is in accordance with Article 1603a of the Civil Code, which states, “A worker is obliged to perform their work themselves; only with the employer’s permission may they instruct a third party to replace them.” The nature of the work done by the worker is personal, given that it closely relates to the individual’s skills or expertise. Consequently, if the worker passes away, the employment agreement will automatically terminate by law, as the worker can no longer carry out the agreed-upon work.

The second element is the presence of instructions from the employer. In the context of an employment agreement, the manifestation of the work assigned to the worker by the employer is that the worker must comply with the instructions provided by the employer to perform the work as agreed (García Yzaguirre, 2023). Here lies a fundamental difference between an employment relationship and other relationships, such as business relationships or partnerships. In an employment relationship, workers are expected to follow orders and instructions from the employer, indicating a hierarchical relationship where the worker is the one receiving orders.

The third element in an employment agreement is the presence of wages. Wages play a very important role in the employment relationship, with it being fair to say that the primary objective of a person working for an employer is to receive compensation in the form of wages. Without the element of wages, a relationship cannot be categorized as an employment relationship. Wages not only serve as compensation for the work performed but also as recognition of the value and contribution that the worker provides to the company. In other words, wages become the main indicator that affirms that the relationship is indeed an employment relationship, granting workers certain rights that must be respected by the employer. Meanwhile, the wages received by freelancers do not have minimum wage requirements or regulations.

The fourth element is the existence of clear working hours. Working hours are essential as they reflect the composition and responsibilities of the worker in carrying out their tasks. An employment agreement must contain clear provisions regarding working hours, such as the start and end times of work and how many hours per day are to be performed. The performance of work must align with the agreed-upon contract and should not be conducted arbitrarily by the worker. Additionally, working hours must also be consistent with local customs and applicable regulations. With clear time provisions, both parties, the employer and the worker, can have shared expectations regarding the execution of tasks and responsibilities, thus preventing future disputes (Dujmović &

Gadžo, 2023). In carrying out these steps, it is hoped that Indonesia can create a fair and sustainable working environment for workers in the technology sector. Through better recognition and legal protections, freelance workers and gig workers will be able to contribute maximally to the economy without worrying about their security and welfare. This initiative will not only benefit the workers themselves but will also contribute to industrial growth and innovation in Indonesia.

Legal protection for freelance workers in Indonesia is becoming increasingly important as the number of workers in this sector rises, particularly in the digital economy. Currently, freelance workers are not clearly regulated under the Labor Law, thus they do not receive the same rights and protections as formal workers. Freelance workers often face uncertainty in terms of wages, working hours, and social security, given that their status is only recognized based on a temporary service agreement, not a formal employment contract. Therefore, there is a need for more inclusive regulations to provide adequate legal protection for freelance workers. One important step is to establish a clear wage system, including provisions regarding the right to obtain a minimum wage that aligns with a decent living standard (KHL). Setting this minimum wage is crucial to ensure that freelance workers can meet their basic needs and are not exploited by service users. This will also ensure that respect for human dignity is maintained under more flexible working conditions.

Regulations governing the rights and obligations of freelance workers should also include accessible social security provisions (Bielska-Brodziak & Suska, 2023). Protections such as health insurance, job security, and the right to take leave must be considered in these regulations. This will ensure that freelance workers can work more safely and be protected from potential risks, both in terms of health and job security. With strong legal protection and a fair wage system, freelance workers will feel more secure and valued. This will not only enhance their overall well-being but also help create a more inclusive and sustainable working environment. In this digital era, regulations that support freelance workers will be a strategic step to address the challenges arising from shifting work patterns and a more flexible economy.

The establishment of a minimum wage aims to guarantee that workers will receive adequate compensation to fulfill their daily basic living needs. Consequently, the minimum wage serves as a safety net that protects workers from poverty and exploitation in the labor market. The regulation regarding wages is not unilateral; instead, it is established through an agreement between employers and workers (Cammack, 2022). This agreement reflects principles of collaboration and mutual respect, where both parties can discuss and negotiate to reach a fair agreement. Thus, well-regulated wage arrangements not only support the welfare of workers but also create harmonious relationships between employers and labor, which can enhance productivity and business sustainability.

CONCLUSION

From this research, it can be concluded that there is a legal vacuum in the protection of freelance workers, specifically a lack of legal protection. Without clear regulations, freelance workers do not have the same legal protections as formal workers. This means they do not receive basic rights such as minimum wage, regular working hours, leave, and social and health insurance. This increases the risk of exploitation, where companies can pay inadequate wages, impose unreasonable workloads, or even terminate contracts unilaterally without clear justifications.

Job Status Uncertainty: Freelancers often lack a clear legal status, which leads to uncertainty in their employment relations. They are not considered workers or employees in the legal sense, which means they cannot access various rights and benefits usually afforded to formal workers.

This uncertainty can also create difficulties in planning for the future, including financial and career planning.

Financial Risks: Without a guaranteed fixed income, freelancers face high financial risks. They must rely on projects that are not always stable or consistent. In volatile market conditions, such as during economic crises or pandemics, many freelancers lose their sources of income without legal or financial support. Efforts to create regulations regarding the rights and obligations of both service users and freelance service providers are crucial steps to ensure sustainability and fairness in the increasingly evolving work ecosystem in the digital era. These regulations are expected to address the existing legal vacuum, where many freelance workers currently lack legal protections equivalent to those of formal workers. Clear regulations will define the rights and obligations of both parties in freelance work relationships. This includes provisions regarding wage transparency, working conditions, and the right to social protection, which will reduce the risk of exploitation and provide certainty for freelancers.

Additionally, regulations can provide better guidance for service users in selecting quality and ethical service providers, thereby creating mutually beneficial working relationships. Good regulation will foster fairness in the organization of work relations. By recognizing the legal status of freelance workers, they will be acknowledged as an integral part of the workforce in Indonesia and will thus be able to enjoy the basic rights enshrined in law. This includes rights to fair wages, health insurance, and workplace safety protections that have often been overlooked in informal work relationships. The establishment of regulations also has the potential to promote the growth of the freelance and gig economy sectors in Indonesia. With a supportive legal framework, more individuals will be encouraged to engage in freelance work, while companies will also be more confident in utilizing freelance services, due to the legal certainty and clear protections in place. Thus, regulations governing the rights and obligations of both service users and freelance service providers will not only benefit the workers but also contribute to creating a more sustainable and productive work ecosystem in Indonesia.

AUTHORS' CONTRIBUTION

Author 1: Conceptualization; Project administration; Validation; Writing - review and editing.

Author 2: Conceptualization; Data curation; In-vestigation.

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