CHAPTER I

Introduction

1.1 Background

This study is analyze the review the implementation of wage policies towards the minimum city wage in Semarang based on the Government Regulation of the Republic of Indonesia Number 78 year 2015 concerning Wages. The industrial sector in this Sophisticated era is one of the important things for the development of the country, especially in developing countries. In general, industry is very important for developing countries because it can help improve economic conditions in the country. Like other developing countries, the industrial sector is one of the important components in Indonesia to support economic conditions, the value of currencies in the eyes of the world, welfare, and many others.

Java Island is considered as an economic corridor that has potential and is a driver of national industry (Alisjahbana & Armida, 2014, hal. :3). Central Java is one of 3 provinces (Central Java, West Java, East Java and two special regions of the Capital City of DKI and DIY) on the island of Java divided into 35 regencies / cities led by the Governor. This authority of Central Java is held by the Governor and his staff and has 35 cities / regencies led by mayors / regents and their ranks. According to the 2015 population census, the population in Central Java reached 35,557,249 with Brebes as the most populous numbering 2,342 people. Of the population

mentioned earlier, 47% are the labors. The most livelihoods are in the agricultural sector (42.34%), trade (20.91%), industry (15.71%), and services (10.98%). The data has similarities with the data presented by the Central Java Bureau of Statistics (BPS). According to data displayed by the Central Java Bureau of Statistics, the number of industries was 3736 until the period of 2012 (last update on August 14, 2018). However in the absence or non-dominance of an industrial sector it does not mean that a city cannot generate regional income.

As in other regions or provinces, Central Java also has labor and wage regulations. The term UMR (Regional Minimum Wage) is often used by employees, workers, and laborers to mention the salary standards given by an industry and / or company.

However, the term UMR is no longer used because the government has regulated wages. The UMR is moreover replaced with the UMK (City Minimum Wage) or UMP (Provincial Minimum Wage). The term change is contained in the Decree of the Minister of Manpower and Transmigration of the Republic of Indonesia Number: Kep-226 / Men / 2000 concerning Amendments to Article 1, Article 3, Article 4, Article 8, Article, 11, Article 20, and Article 21 of the Minister of Manpower Regulation Number Per-01 / Men / 1999 concerning Minimum Wages (Sari, 2013:131).

UMK or UMP is a standard set by the local government. According to Minister of Manpower and Transmigration Regulation Number 7 year 2013 concerning

Minimum Wages, Minimum Wage is the lowest monthly wage consisting of basic wages including fixed allowances set by the governor as a safety net. City Minimum Wage is the minimum wage that applies in the city area meanwhile the UMP is the minimum wage that applies to all districts / cities in one province and determined by the governor. This Provincial Minimum Wage is stipulated and announced by each governor simultaneously every November 1st. In addition to stipulating the UMP, the governor can also set UMK on the recommendation of the Provincial Wages Council and recommendations for the regent / guardian of the City. In addition, these UMK has to be determined and announced by the governor no later than November 21st after the UMP is determined. The amount of UMK also should not be greater than the UMP.

In the industrial sector there is a classification divided into four parts, namely home industries, small industries, medium industries, and large industries. Home industry is an industry that uses less than four people. The characteristic of this industry is to have very limited capital. Small industries are namely industries whose labors are around 5-9 people. The characteristic of small industries is to have relatively small capital. Medium industries belong to industries that use labors of around 20-99 people. The characteristic of the industry is to have substantial capital. Big industry is namely industry with labors of more than 100 people. The characteristics of large industries are having large capital collected collectively in the form of share ownership and the labor must have special skills.

Productivity activities have become the main engine of economic growth and would remain as it is. Therefore, increasing productivity appears as a crucial issue that becomes a fundamental challenge and requires a multidimensional approach (Bank, 2010, hal. 5).

In this thesis, the author intentionally observes between districts that have many industries and districts that have few industrial sectors. The scale of the industry can affect economic progress in a region. According to data from BPS Semarang City, large-medium scale industries reached 307 companies until the period of 2017.

Geographically, Central Java has superior natural wealth and is supported by soil conditions, air humidity and weather which is very possible to grow crops as the main livelihood for some residents. In Central Java, residents who work in the field of agriculture are not inferior to many who work in the industrial sector. Agriculture is the thing that is relied on by districts that do not have industry as their main income.

According to the data announced, the Central Java governor's decision number 560/94 year 2017 about the UMK on 35 Districts/City in Central Java Province Semarang city in the 2018 period reached Rp 2.310.087. There are several large to medium scale industries in Semarang city.

If this is related to the number of UMK, an opinion can be drawn that industrial development can affect UMK, even economic growth in a district. According to Central Java Governor Ganjar Pranowo (2018, 4) the industrial sector contributed 3.56 million workers, equivalent to 20.73 percent of the total labors in Central Java.

The total number of workers in Central Java is based on the same source of 17.18 million people. The data was last updated in August 2017.

Administratively, Semarang City is divided into 16 sub-districts and 177 *Kelurahan*. The area of Semarang City was recorded at 373,70 KM^2. The existing area consists of $39,56 \, Km^2$ (10.59%) of paddy fields and 334.14 (89.41%) others. According to its use, the largest land area of paddy is rainfed lowland (53.12%), and only around 19.97% can be planted 2 (two) times. Based on the 2016 population projection calculation, the population of the city was recorded at 1,729,428 people with population growth in 2016 of 1.66% (BPS, 2018, hal. 4).

Gross Domestic Product also affects economic growth in a region. It is the number of products and services produced by a region in a certain period of time, however generally the calculation is every year (Arif, 2014:3). Gross Domestic Product is one of the most important indicators for the rate of economic growth in a region. Gross Domestic Product or hereinafter abbreviated as GDP is for the national level meanwhile for the city level is the Gross Regional Domestic Product or hereinafter abbreviated as GRDP (Boediono, 1999:4).

In 2017 the alliance of workers in the city of Semarang protested. This protest occurred because they were disappointed with the decision of the Governor of Central Java. The Governor of Central Java has issued Decree Number 560/94 year 2017 concerning 35 City UMK in 2018. In the decree, the 2018 UMK of Semarang city rise 8.71 percent from Rp 2.125.000 in 2017 to Rp 2.310.000 in 2018. However, the

increase in UMK 2018 did not match the demands of workers. They requested UMK 2018 Rp. 2.750.000 . The demands of the workers for UMK 2018 is Rp. 2.750.000 . According to them, this figure is in accordance with the 2017 KHL survey plus inflation and economic growth (Semarangpos, 2018). In the Governor's Decree (SP) number 560/68 in 2018 the 2019 UMK amount of Semarang city only increased by about 8.03% from last year, to Rp2.500.000 . The workers want a reference to decide the total of UMK not to use Government Regulation (PP) number 78 year 2015 (Semarangpos, 2018).

According to data released by the Central Statistics Agency in the economy of Central Java, Semarang City GRDP in 2017 on the basis of constant prices in 2010, it reached the Semarang City Central Bureau of Statistics 122.00 trillion rupiah. This means GRDP has developed from 115.49 trillion rupiah in 2016. This shows that during 2017 there was economic growth of 5.64%.

In writing the review of UMK determine policy, per capita income of the average population and production activities of Semarang city data are needed. Various determinants of UMK are also one of the things that shall be explained by the authors in this study so that the data obtained can be synchronized with the results obtained. Therefore the data can also be synchronized with the results or output of this writing and from that the author looks for the most recent and accurate data.

1.2 Problem Formulation

The formulation of the problem that can be drawn from the background described above is as follows:

"How is the implementation of Government Regulation number 78 year 2015 of Wage Policies towards The Minimum City Wage in Semarang"

1.3 Purpose of Research

The objectives of this study is to understand the implementation of Government Regulation number 78 year 2015 about UMK in Semarang City and what factors that affect the policy are.

1.4 Benefits of Research

This study has the benefit of knowing the implementation of wage policies towards the minimum city Wage in Semarang. In addition, the determination of UMK is very important for the community and the workers so that they understand the minimum salary standards in an area.

The industrial sector is also influenced by the types of labor available in a region. Large scale industries must have skilled workers in carrying out production activities. In other words, the quality of human resources (HR) also affects the development of the industrial sector. Furthermore another benefit of this research is that the quality of human resources in Semarang city can be found out.

1.5 Literature Review

In writing this research , the author used some research that became a reference in examining the existing data. Research that became the reference have similarities in the themes, objectives, and benefits of research that had been carried out before the study was completed. Thusme of the studies are as follows:

First is a research conducted by Eka Suci Ratnaningsih on "Pengaruh Pertumbuhan Sektor Industri Terhadap Penyerapan Tenaga Kerja di Kota Surabaya". It was a type of explanatory research and used quantitative methods (Ratnaningsih, 2011). The results of this study was that the growth of the industrial sector is directly proportional to employment. This means that if the industrial sector increases, labor absorption also increases or more people have jobs. This causes the number of unemployed to decrease.

Second, is a research conducted by Latri Wihastuti and Henny Rahmatullah about "Upah Minimum Provinsi (UMP) dan Penyerapan Tenaga Kerja di Pulau Jawa*"* (Wihastuti & Henny Rahmatullah, 2018). The results of this study stated that the determination of a poor provincial Minimum Wage has an adverse impact on the absorption of industrial labor because if the provincial Minimum Wage increases, the wages of employees or workers also increase. Good economic growth would have a positive impact on employment. The industrial sector would increase production activities and require input in the form of additional labor. This study used secondary data from 6 provinces from 2010 to 2016 taken from the Central Statistics Agency

(BPS). The research variables included the number of absorbed workers (PTK), Gross Regional Domestic Products (GRDP), and provincial Minimum Wages (UMP). Based on the theory and previous research, labor absorption is used as the dependent variable, meanwhile the provincial GDP and Minimum Wage are independent variables.

Third, is a study conducted by M. Bambang Suryoningprang, Suradi and Sonhaji about "Faktor-Faktor yang Mempengaruhi Besaran Upah Minimum di Jawa Tengah Melalui Suatu Analisis Komparasi (Studi Kasus Kota Semarang dan Kabupaten Demak)" (Suryoningprang, Suradi, & Sonhaji, 2016). The results of this study were to explain the factors in determining the amount of minimum wages. The factors found were different in each District / City area. These factors can be found through a survey of clothing and food prices in traditional markets. Moreover, the government has the duty to protect employees / employees / workers who work in the industrial sector in order to get a decent wage. Data collection methods used were interviews and literature. Interviews from the first source were namely those carried out directly and conducted interviews with related parties. Another method was by using the literature and legislation.

Fourth, is a research conducted by Setyani Irmawati about "Analisis Industri Unggulan di Provinsi Jawa Tengah" (Irmawati, 2015). This study aimed to identify the leading industrial sectors in Central Java. The suggestion section mentioned and explained by the author contains activities that aim to maximize non-superior

industries so that they do not occur and eventually go out of business. This type of research was quantitative research. This study analyzed quantitative data obtained to identify the types of industries that are the leading industries in Central Java Province.

Fifth, is a research conducted by Imam Nawawi, Yadi Ruyadi, Siti Komariah about "Pengaruh Keberadaan Industri Terhadap Kondisi Sosial Ekonomi Dan Budaya Masyarakat Desa Lagadar Kecamatan Marga Asih Kabupaten Bandung" (Nawawi, Ruyadi, & Komariah, 2015). The result of this study was the impact of the existence of industry on all fields in the region. The industry has a good impact on several fields, especially social economics it also has an impact on many other things.

Sixth, research conducted by Devanto Shasta Pratomo and Putu Mahardika Adi Saputra on "Kebijakan Upah Minimum Untuk Perekonomian yang Berkeadilan: Tinjauan UUD 1945" (Pratomo & Adi Saputra, 2011). This study explained the determination of regional wages between before and after regional autonomy. The researcher also recommended that the need for decent living must be one component in determining minimum wages, however unfortunately the criteria for decent living needs have not been explained among regions. The researcher used an exploratory research method in analyzing the Minimum Wage policy in a constitutional perspective. This type of research explores and looks for new ideas. This method is very flexible in finding ideas and ideas and instructions regarding conditions and

situations related to the problems being studied so that they can formulate appropriate policies or strategies.

Seventh, is a research conducted by Budiyono about "Penetapan Upah Minimum Dalam Kaitannya dengan Upaya Perlindungan Bagi Pekerja/Buruh dan Perkembangan Perusahaan" (Budiyono, 2007). The results of this study explained the actors involved in the City Minimum Wage setting procedure. Moreover the balance between the increase in the Minimum Wage of City and the production process in an industry. Many entrepreneurs do not take into account the workload of each individual worker every time the Minimum Wage rises. If the Minimum Wage rises the salary / wage received also rises. Thus, from that the entrepreneur raises the production process and the workload of each worker / laborer. The type of this research is descriptive - analytical because this research is intended to provide data as accurately as possible about the issues discussed and analyze the data obtained to answer the problem.

Eighth, is a research conducted by Retno Febriyastuti Widyawati about "Analisis Keterkaitan Sektor Pertanian dan Pengaruhnya Terhadap Perekonomian Indonesia (Analisis Input Ouput)" (Widyawati, 2017). This study discussed the future and backward linkages of the agricultural sector with other sectors in Indonesia and examined the impact of the multiplier of the agricultural sector. The analytical method used was the Input-Output analysis method. This analysis can be divided into

two, namely to see the relationship to the front and back, and to see the multiplier numbers.

Ninth, is a study conducted by Henita Fajar Oktavia, Nuhfil Hanani, Suhartini about "Peran Sektor Pertanian dalam Pembangunan Ekonomi di Provinsi Jawa Timur (Pendekatan Input-Output)" (Oktavia, Hanani, & Suhartini, 2016). The purpose of this study was to look at the role of the agricultural sector in economic development. However, the agricultural sector remains the basis of an area to run the economy. The research data were analyzed by Input-Output analysis. Excel application was used to process the data. The East Java input-output table was updated by reason of the availability of data used to carry out the analysis.

Tenth, is a research conducted by Andi Purnomo entitled "Hubungan Kenaikan Nilai Upah Minimum Regional (UMR) dengan Nilai Upah Pekerjaan Borong dalam Kegiatan Konstruksi Bangunan Gedung" (Purnomo, 2016). This research was conducted by collecting historical data on changes in the prevailing UMR value in the province of D.I. Yogyakarta for the past 4 (four) years to see the percentage increase.

Eleventh, is a research conducted by Hana Pertiwi entitled "Penetapan Upah Minimum Kota Palembang Tahun 2016 dalam Perspektif Ekonomi Syari'ah" (Pertiwi, 2017). This research was a field research conducted qualitatively. The sources for finding data from this study were primary and secondary. The techniques used in this study were observation, interviews and documentation and the method

used to complete this study was a normative juridical approach supported by an empirical juridical approach.

Twelfth, is a research conducted by Izati and Rafika Sari entitled "Kebijakan Penetapan Upah Minimum Di Indonesia" (Izati & Sari, 2013). This study aimed to determine the stages for setting minimum wages and policies that influence minimum wage setting in Indonesia. The method used in discussing this study was a descriptive method by utilizing secondary data and existing publications.

Thirteenth, is a research conducted by Niddaul Izzah entitled "Analisis Dampak Kenaikan Upah Minimum Provinsi, Terhadap Tingkat Pengangguran dan Tingkat Partisipasi Angkatan Kerja di Jakarta 2004 -2013" (Izzah, 2015). The results showed that the increased Provincial Minimum Wage can reduce the unemployment rate and increase the labor force participation rate in Jakarta. To reduce the unemployment rate in Jakarta, moreover the provincial minimum wage should always be adjusted to a decent standard of living.

From several studies mentioned above, there must be similarities and differences. As far as the author of this thesis know it is not a very large similarity and specification with the research that has been done before. However, if there are similarities in writing, data, and the purpose it is an accident. The author used only a few things that exist in the research above and did not to conceal all of its contents.

This research is entitled "Review of Implementation of Wage Policies towards The Minimum City Wage in Semarang". This study is focus on the determination of

UMK and the factors that exist in the region. Moreover the selection of industrial objects in the title is because it is one of the sectors that has a fairly rapid development, its existence is vital and it is directly monitored by the government.

1.6 Theoretical Framework

There are several theories that the author uses to establish and limit the scope of research. The theories are as follows:

1.6.1   Implementation Theory

Implementation is a general process of administrative action that can be examined at a certain program level (Grindle, 1980). In their book titled "Implementation" Presman and Wildavsky interpreted implementation as "to carry out, accomplish, fulfill, produce, complete" (Jeffrey L. Pressman & Wildavsky, 1984). Meanwhile Van Horn dan Van Meter interpreted it as "Those action by public an private individual (or groups) that are directed at the achiefment of objectives set fort in prior policy decisions (Vanb & Horn, 1975).

Policy implementation is a bridge that links policy formulation with expected policy outcomes (Nurharjadmo, 2008). Implementation of public policy is one of the activities in the public policy process that determines whether a policy is in contact with the public interest and can be accepted by the public (Aneta, 2010, hal. 55). Moreover George C. Edward III gave his opinion as follows (Edward III, 1980)

The study of policy implementatation is crucial for the study of public administration and public policy. Policy implementation, as we have seen, is the stage

of policy-making between the establishment of a policy such as the passage of a legislative act, the issuing of an executive order, the handling down of a judicial decision, or the promulgation of a regulatory rule and the consequences of the policy for the people whom it affects. If a policy is inappropriate, if it cannot alleviate the problem for which it was designed and it can probably lead to a failure no matter how well it is implemented. However even a brilliant policy poorly implemented may fail to achieve the goals of its designers.

When included in the form of a chart, the flow of implementation according to the theory of George C. Edward III defined as follows:
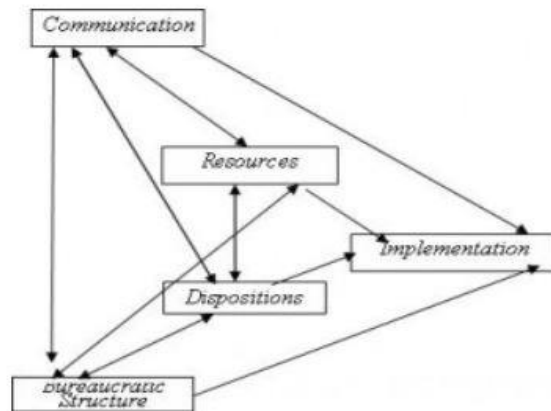
Sources and materials (Edward, 1984)

From the chart above there are four variables, namely Communication, Resources, Disposition, Bureaucratic Structure. Each function of these variables complement each other and work together to implement policies and achieve goals. An explanation of these variables is explained in the paragraph below.

A.   Communication

Implementation will run effectively if all aspects and objectives of the policy are understood by the actors responsible for achieving policy success. All aspects need to be properly communicated properly by the implementing actors. Communication in organizations is a very complicated process. A person can store information for unilateral purposes. In addition, communication can lead to different understandings for those who receive it. Implementation runs if all personnel receive information and understand clearly and accurately about policy goals and objectives.

B. Resources

After the above variables are explained, it will be useless when the amount of resources responsible is less. This resource component includes the number of staff, and expertise of the implementers. Inadequate human resources result in the program being unable to be implemented properly because it is unable to carry out supervision properly. In fact the central government is still unable to meet the needs of policy implementers. Other important resources are the authority to determine how the program is carried out, the authority to spend / manage finances, both providers of money, staff procurement, and procurement of supervisors.

C. Disposition

The attitude of the implementor also affects the effectiveness of implementation. If the implementers agrees with the contents of the policy, they will carry out happily. But if their views are different, the implementation process will experience many problems. There are three forms of attitude of the implementor in

addressing the policy, namely the awareness of the implementor, the direction of the implementor to respond to the program (acceptance or rejection), and the intensity of the response. Implementors sometimes understand the objectives of the policy but often fail to implement the program appropriately because they reject the objectives that are in it so that without clear communication they divert or avoid the implementation of the program.

D.   Bureaucratic Structure

When we discuss the policy implementation body, we clearly discuss the bureaucratic structure. Bureaucratic structure is the characteristics and patterns of relationships that occur repeatedly in executive organizations that have both potential and real relationships with what they have in carrying out policies.

The implementation of the policy does not only focus on the behavior of administrative institutions tasked with being responsible for implementing the program, but concerning the participation of the community, political, economic and social forces with various parties. The implementation of policies that are implemented in a targeted and effective manner would be able to solve a problem well. The more complex the policy issues and the deeper the analysis used, the more theory and capital are needed to explain the accuracy of the implementation of the policy (Rohman, 2016).

Policy implementation is a very important stage in the overall policy structure. This stage determines whether the policies adopted by the government are truly

applicable in the field and succeed in producing output and outcomes as planned (Mustanir & Darmiah, 2016).

1.6.2 Wages Theory

The author uses the theory introduced by Ferdinand Lassalle which is called Iron wages theory. According to him, the wages received by workers are the minimum wage so that industrial sector leader can achieve maximum profits. Because workers are in a weak position they cannot do anything and forced to accept the wages. Therefore, this wage is called iron wages. However, if the labor cost are above the minimum requirement, employment would increase. This would cause the number of the workers to increase and the leaders of the company would cut labor salaries to reduce production costs.

Definition of minimum wage is the lowest monthly wage consisting of basic wages including fixed allowances set by the governor as a safety nerwork (Article 1, Minister of Manpower and Transmigration Regulation Number 7 of 2013 concerning Minimum Wages, (Khakim, Hukum Ketenagakerjaan Indonesia, 2014).

Determination of Minimum wages is done by considering (Khakim, Aspek Hukum Pengupahan, 2006):

      a. Minimum Life Needs (KHM)

      b. Consumer Price Index (IHK)

      c. Ability, development and continuity of the company

      d. Wages generally apply in certain regions and between regions

e. Labor market conditions

f. The level of economic development and per capita income

Meanwhile, Decent Life Needs referred to as KHL become a component in determining UMK that are approved by Governor. As stated in Minister of Manpower and Transmigration Regulation number 13 year 2012 concerning Components and Implementation of Stages of Achieving Decent Life Needs explained in article 1 KHL is the standard of need for a single worker to be physically fit for the needs of 1 (one) month (Mahripin, 2015).

Based on Article 1 point 30 of Act Number 13 year 2003 concerning Employment, the definition of wages is the right of workers or laborers to be accepted and expressed in the form of money in return from employers or employers to workers who are stipulated or paid according to a work agreement, or regulation legislation including benefits for workers or laborers and their families for work and / or services that have been or would be carried out (Wahyudi, Yulianingsih, & Sholihin, 2016).

Salary is money or something related to money given to employees (Dessler, 2011). In reality the employee payment system can be divided according to the payment of performance time, ie payments made on the basis of the length of work such as hours, days, weeks, months and so on and payments based on performance results, namely payment of wages based on the final results performance process, for example the amount of production.

Salary is a reward for the delivery of services carried out by employees who have positions such as managers, meanwhile wages are payments for the delivery of services carried out by employees (labor). Regular salary is paid regularly per month, meanwhile wages are paid based on workdays, working hours, or the number of units of products that have been produced by employees (Mulyadi, 2001).

Industry is a group of companies that produce similar goods that have added value such as managing raw materials into finished goods ready for more valuable consumption with the aim of establishing income (Teguh, 2010). According to Arsyad, the industrial sector is made as the leading sector or main sector which is a priority for sustainable development (Arsyad, 2010). This means that in addition to aiming at creating a good economy, the government prioritizes everything related to the industrial sector from supervision, policy, and all forms of results that can be taken by the local government. Industry is part of the production process where parts of the production process take materials directly from nature which also process them into goods that are of value to society (Bintarto, 1989). In this theory the industry takes natural products in the form of raw materials. Here is the characteristic of the industry where the industry processes raw materials into materials that are more valuable when sold. This is clearly different from the agricultural sector which directly sells raw materials.

1.7 Conceptual Definition

1.7.1 Policy Implementation

Policy implementation is the application of decisions that have been approved by the government to achieve goals. In the policy of determining minimum wages, the most attention is certainly the implementation because this would be felt directly by the society. In addition, the purpose of the policy is to ensure the fulfillment of the needs of workers. If the policy is implemented properly, the society would keep support the government in developing the economy because they have trust the government.

1.7.2 City Minimum Wage

City Minimum Wages are the least amount of wages / salaries that can be received by workers / laborers in a certain area. The total City Minimum Wage is determined by the Governor as the policy holder in the province. Determination of City Minimum Wages is announced by the Governor every November 1st period.

1.8 Operational Definition

1.8.1 Impelementation

Objective	Variables	Indicators
Researching the implementation of the application of Government Regulation number 78 year	Communications	• Policy makers must know precisely the purpose of the policy of establishing UMK by communicating
	Resources	• Sufficient resources will facilitate policy makers in overseeing policy implementation
	Dispositions or Attitudes	• The attitude of policy makers is very

2015 concerning the determination of Semarang City Minimum Wage		influential. Especially from the leadership support. Because many cases of policy makers refuse by avoiding it.
	Bureucratic Structure	• Related institutions are responsible for the implementation and achieving the policy objectives of determining UMK in Semarang City.

1.8.2 Wages

From the theory that has been used by the author, the operational definition of wages is as follows:

- The Minimum wages that are applied by the government to the workers;

- Running survey to determine KHL;

- Who is authorized and responsible to implement the policy;

- Factors that can affect the formulation of Semarang city minimum wage;

1.9 Research Methodology

1.9.1 Type of Research

Qualitative research has many characteristics so that definitions can also vary. Therefore the term qualitative research is a type of research whose findings are not

obtained through statistical procedures or other forms of calculation (Strauss & J., 2003, hal. :4).

Research is an activity process that aims to know something carefully and critical in finding facts using certain steps. The desire to know something carefully, arises because of a problem that requires the right answer (Mulyadi M. , 2011, hal. 128).

Natural research has characteristics that distinguish it from other methods. There are at least five characteristics that are characteristic of natural research, namely: (1) natural setting as a direct source of data and researchers as an important key to research, (2) descriptive, (3) prioritizing processes rather than results, (4) data inductively analyzed (5) meaning and understanding are the main concerns (Bogdan & Biklen, 1982, hal. 6).

Qualitative research aims to gain enlightenment and understanding of a phenomenon and extrapolate the situation that is happening in the field (Golafshani, 2003, hal. 598). This means that qualitative research reinforces understanding and processes rather than results. Researcher's understanding and point of view can also influence the research process so that even if there are similar studies, there must be differences in the research process.

1.9.2 Type of Research Data

The researcher collects data from interviews with resource person who have knowledge and understanding of everything related to the purpose of the study. The

researcher also retrieves data from journals, books, e-books, articles and does library reseach to collect data.

To collect data, the researcher collected some data related to this writing theme. Here are some data sources used by the author:

a. The main data is data collected by data collectors. This data is obtained systematically from individuals and organizations and is obtained by interview and observation techniques, for example:

First, this study obtained data from interviews towards resource person who have policies and authority in determining UMK.

Second, the researcher obtained data by observing data on the results of interviews of what happened in the field in determining UMK.

b. Secondary data is data that helps strengthen the main data that has been obtained. This data is obtained from a variety of reliable and relevant sources. Such sources are like previous studies which are still relevant to the writing theme, for example: writing data from research that has been done before which still has relevant themes, objectives and problems so that

the difference between previous research and the research that the author did can be seen.

c. Data collection technique

Data collection techniques that would be used are interview techniques and non-participant observation. The explanation is as follows:

- Interview

Interview is an activity focusing on extracting textures and flowing selective experiences from respondents through the process of interaction between researchers and the subjects they study (Gubrium, Jaber, & A. Holstein, 1992, hal. 3). In the interview technique there are two parties who have different roles. One party in the position of information seeker and the other as information provider (respondent) (Soegijono, 1993, hal. 18). Interviews are conditions facing each other or face to face between interviewers and respondents who have a purpose to explore information that is expected and needed, and aims to get data about respondents with a minimum bias and maximum efficiency (Singh, 2004, hal. 4). Interviews as a communication process dyad (interpersonal), with predetermined goals, are

serious, designed to create interactions that involve the activity of asking and answering questions (Stewart & Cash, 1982, hal. 3).

Interviews emphasize interactive relationships between researchers and resource person, so it needs the ability to communicate from researchers to be able to get as much data as possible from the resource person.

In this research the writer would interview Department of Manpower and Transmigration of Semarang city (Dinas Ketenagakerjaan dan Transmigrasi). This department provides data on labor, employment, job vacancies, finance and assets, wages and social security labors.

- Non-partisipant Observation

Non-participant observation is an observation method where the researcher does not participate in the life of the subject and does not share in the process under study. Researchers only take the data needed for understanding knowledge (Ni'matuzahroh & Prasetyaningrum, 2016, hal. 5). Non-participant observation is an observation method where the researcher does not take part in the life span / pattern of life / habits of the object under study (Hasanah, 2016, hal. 21).

d. Data Analysis

Data analysis is an important stage, where data collected by using various data collection techniques (eg observations, interviews, questionnaires, and other data collection techniques), is processed, and presented to help researchers answer the problems they are researching (Qomari, 2009, hal. 2). Miles and Huberman applied three lines of qualitative data analysis, namely data reduction, data presentation, and conclusion drawing (Miles, Huberman, & Saldana, 2014, hal. 3).

Data reduction includes the process of selecting, simplifying, and categorizing data. This is intended to facilitate data grouping, data analysis and drawing conclusions (Budiyono H. , 2013, hal. 2).

After completing the data reduction section, the next step is to present the data. Data is presented in the form of narrative texts and by grouping according to each sub-chapter (Prabowo & Heriyanto, 2013, hal. 2)

After the data is presented, the next step is drawing conclusions. After describing the various data that has been obtained, the researcher draws conclusions which are the results of a study (Prabowo & Heriyanto, 2013, hal. 3).

1.10 Research Location

Based on the research objectives, the research location is a district with a large level of industrial activity and a district with industrial activities on a small scale. In this case the author takes the City of Semarang as a district with large-scale industrial activities which is still having some problems in UMK policy determination.

1.11 Writing Systematic Plan

The systematics used by the author is what has been determined by the Department of Government Science, Muhammadiyah University, Yogyakarta. Thus the explanation of the systematics of writing is as follows:

CHAPTER I, Introduction consists of: background, research questions, objectives and benefits of research, theoretical framework, literature review, conceptual definition, operational definition, type of research, location of research, data collection techniques, and data analysis techniques.

CHAPTER II, An overview of the physical and social conditions of Semarang City.

CHAPTER III, Findings and Discussion. This chapter discusses the following: the Implementation of wage policies and the implementation towards the minimum city wage in Semarang.

CHAPTER IV, Conclusions consist of conclusions compiled by researcher as a result of research.