

RESEARCH ARTICLE



The Use of Foreign Languages in Employment Agreements with Foreign Workers: A Legal Analysis Based on Supreme Court Decision Number 51 K/Pdt.Sus-PHI/2025 from the Perspective of International Contract Law

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ABSTRACT

This study examines the use of foreign languages in employment agreements involving foreign workers in Indonesia based on Supreme Court Decision No. 51 K/Pdt.Sus-PHI/2025 and analyzes its application from the perspective of international contract law through a normative juridical method. By reviewing Article 31 of Law No. 24 of 2009, which mandates the use of the Indonesian language in contracts involving national parties, the research finds that foreign-language contracts remain permissible as long as they do not compromise mutual understanding or the equality of the parties. The Supreme Court decision affirms that a contract drafted in a foreign language is not automatically null and void but must comply with principles of legal certainty, worker protection, and national mandatory rules. A bilingual contract emerges as an ideal mechanism to balance the practical needs of international employment relations with national legal obligations. This study concludes that harmonizing domestic regulations with international contracting practices is essential to ensuring legal certainty and fairness in employment relationships involving foreign workers in the era of globalization.

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1. Introduction

Economic globalization has brought significant changes to the structure, patterns, and dynamics of the world of work in Indonesia. The openness of global markets, trade liberalization, and the growing inflow of foreign investment have positioned Indonesia as a strategic destination for multinational corporations seeking to expand their operations (Narjoko & Putra, 2015). These developments have not only affected the macroeconomy but also directly influenced industrial relations and labor practices at the micro level, particularly in employment relationships between companies and workers. Along with the increase in foreign investment, cross-border labor mobility has also risen significantly. Indonesia has become one of the destination countries for foreign workers, particularly in strategic sectors such as information technology, finance, energy, and industries requiring specialized expertise. The presence of foreign workers across these sectors demonstrates that industrial relations in Indonesia are no longer purely domestic but have become an integral part of an interconnected, interdependent global economic system (Jordhus-Lier, 2017). In this context, employment relationships between employers and workers are not governed solely by national law, but are also influenced by international practices, standards, and legal principles.

Within such cross-border employment relationships, the use of foreign languages particularly English in employment contracts is often regarded as a practical necessity. English is positioned as the *lingua franca* of international business and employment, ensuring communication efficiency, uniformity of technical terminology, and contractual standardization within multinational corporate environments (Vulchanov, 2020). By using a single common language, companies aim to minimize communication barriers and simplify the management of employment relationships involving foreign workers. In practice, however, many employment contracts are still drafted exclusively in English without an official translation into Bahasa Indonesia. This practice raises complex legal issues, particularly when employment contracts involve Indonesian parties, whether as workers or as domestic legal entities. The exclusive use of a foreign language in employment contracts may conflict with national legislation that mandates the use of Bahasa Indonesia in agreements involving Indonesian parties (Sari et al., 2025). Such

inconsistency raises fundamental questions regarding contractual validity, legal certainty, and the protection of parties who are factually in a weaker bargaining position.

The absence of a Bahasa Indonesia version of an employment contract may directly undermine legal certainty and create imbalances in employment relationships. Indonesian workers may face disadvantages if they are unable to fully understand contracts drafted in a foreign language, especially when those contracts contain complex technical and legal clauses. From the perspective of labor law, employment contracts should reflect the principles of justice, equality of the parties, and protection of workers, who are structurally positioned in a subordinate relationship (Rakhimov, 2024). Should industrial relations disputes arise in the future, employment contracts drafted solely in a foreign language may lead to divergent interpretations, complicate evidentiary processes, and hinder dispute resolution before the courts (Mahendra & Sujanto, 2019).

To bridge the gap between the practical needs of international employment relationships and national legal obligations, the adoption of bilingual contracts drafted in both Bahasa Indonesia and a foreign language has become an increasingly urgent legal necessity. Bilingual contracts not only serve to fulfill formal requirements as stipulated under Law Number 24 of 2009 on the National Flag, Language, State Emblem, and National Anthem, but also function as an essential instrument for protecting the rights of local workers, enhancing contractual transparency, and strengthening legal certainty in international employment relationships. Accordingly, economic globalization should not be viewed solely as an opportunity for investment, but also as a momentum to reinforce legal governance, business ethics, and labor protection in Indonesia (Saputra & Emovwodo, 2022).

Normatively, the obligation to use Bahasa Indonesia in agreements is expressly stipulated in Article 31 of Law Number 24 of 2009, which provides that Bahasa Indonesia must be used in every memorandum of understanding or agreement involving state institutions, government agencies, Indonesian private entities, or Indonesian citizens. This provision positions Bahasa Indonesia as the national legal language intended to ensure legal certainty, transparency of information, and equal understanding among the parties. Furthermore, Article 31, paragraph (2), of the same law accommodates international legal practices by allowing agreements involving foreign parties to be drafted in the national language of the foreign party and/or in English. Consequently, the preparation of bilingual contracts is regarded as an ideal practice, although it requires clarity regarding the authoritative status of each language version in the event of interpretative discrepancies (Alhasan, 2025).

Issues concerning the use of language in employment contracts are concretely reflected in the case between PT ABC and G, as decided by the Supreme Court in Decision Number 51 K/Pdt.Sus-PHI/2025. This case illustrates interpretative conflicts arising from a Fixed-Term Employment Agreement for Foreign Workers (*Perjanjian Kerja Waktu Tertentu Penggunaan Tenaga Kerja Asing / PKWT TKA*) drafted in a foreign language. In its legal reasoning, the Supreme Court not only examined the contract's compliance with the obligation to use Bahasa Indonesia but also assessed the evidentiary status of the submitted translation during the proceedings. The decision underscores the importance of formal legal certainty in employment contracts, including the inclusion of clauses specifying the authoritative language version to prevent conflicting interpretations that may prejudice the parties (Supreme Court Decision No. 51 K/Pdt.Sus-PHI/2025).

From the perspective of prior research, several legal scholars have examined the obligation to use Bahasa Indonesia in contracts. Butt (2019), emphasizes that language requirements constitute a mandatory rule aimed at protecting Indonesian parties from informational asymmetry, although their implementation must still take international contractual practices into account. Brutti (2022), highlights the importance of bilingual contracts as both a normative and practical solution in cross-border legal relationships. Meanwhile, Andrews (2016), within the context of international contract law, asserts that the freedom to choose the language of a contract forms part of the principle of freedom of contract, provided that it does not undermine the protection of weaker parties. Nevertheless, most of these studies remain normative-theoretical in nature and have not thoroughly examined the juridical implications of recent court decisions, particularly in the field of labor law. Based on the foregoing discussion, a research gap remains regarding the juridical analysis of the use of foreign languages in employment contracts for

foreign workers following Supreme Court Decision Number 51 K/Pdt.Sus-PHI/2025. The novelty of this research lies in its focus on analyzing the Supreme Court's legal reasoning in balancing the obligation to use Bahasa Indonesia as a mandatory rule with the practical needs of international employment relationships and the principles of international contract law. As such, this study not only contributes to academic discourse but also holds practical relevance for contract drafters, legal practitioners, and law enforcement authorities.

The urgency of this research is further reinforced by the increasing prevalence of foreign-language employment contracts in Indonesia and the potential for legal disputes arising from unclear language regulations in employment agreements. Without a comprehensive understanding of the legal implications of using foreign languages in employment contracts, both employers and workers face the risk of legal uncertainty and potential future losses. Accordingly, a systematic and in-depth study is required to provide a clear analytical framework regarding the limitations, implications, and normative solutions related to language use in employment contracts for foreign workers. Based on this background, this research aims to examine the application of international contract law principles to employment contracts involving foreign workers in Indonesia, particularly regarding the obligation to use Bahasa Indonesia in agreements involving Indonesian parties. In addition, this study seeks to conduct a juridical analysis of the use of foreign languages in employment contracts by examining the Supreme Court's legal considerations in Decision Number 51 K/Pdt.Sus-PHI/2025, to identify the legal implications of non-compliance with language requirements in employment contracts and their impact on legal certainty and the protection of workers' rights.

2. Methodology

This research employs a normative juridical method, a legal research method that focuses on the study of positive legal norms and the principles and doctrines applicable within the Indonesian legal system. This method was chosen because the research problem formulation is not directed at collecting empirical data, but rather at analyzing legal provisions on the use of foreign languages in employment agreements with foreign workers and examining how international contract law norms are applied in this context (Negara, 2023). This normative approach is relevant to assessing whether the use of foreign languages in employment agreements complies with statutory provisions and to understanding how the Supreme Court interprets this issue through Decision Number 51 K/Pdt.Sus-PHI/2025. In this normative research, the primary legal materials consist of relevant laws and regulations, including Law Number 13 of 2003 concerning Manpower, Law Number 24 of 2009 concerning the National Flag, Language, and Emblem, and the National Anthem, Law Number 11 of 2020 concerning Job Creation and its derivative regulations, and Supreme Court Decision Number 51 K/Pdt.Sus-PHI/2025 as the primary objects of analysis.

In addition, relevant international contract law instruments are also used, such as the UNIDROIT Principles of International Commercial Contracts (PICC) and general principles of international treaty law. Secondary legal materials include academic literature, books, legal journals, and scholarly articles discussing international contract law, the principle of freedom of contract, the use of language in contracts, and employment relations with foreign workers. In addition, tertiary legal materials, such as legal dictionaries, encyclopedias, and news articles on bilingual employment agreement practices, are used to enrich conceptual understanding without altering the normative nature of this research.

3. Results and discussion

1. Application of the Principles of International Contract Law to Foreign Worker Employment Contracts in Indonesia

The legal provisions regarding the use of language in agreements involving foreign parties in Indonesia are based on Article 31 of Law Number 24 of 2009 concerning the National Flag, Language, and Emblem, as well as the National Anthem. This provision mandates the use of Indonesian in every memorandum of

understanding or agreement involving state institutions, government agencies, Indonesian private institutions, or Indonesian citizens. This norm emphasizes that agreements made and enforced within Indonesian jurisdiction must use the national language as a form of respect for the sovereignty of the national language and to ensure that national legal subjects understand the contract's contents (Subekti, 2014). This obligation aligns with the principle of legal certainty, which requires clarity about the rights and obligations of the parties to an agreement.

The primary objective of regulating the use of Indonesian in contracts with foreign parties is to protect national parties from potential losses resulting from misunderstandings of contract clauses drafted in a foreign language. From a legal protection perspective, language is a crucial tool for ensuring a balanced bargaining position, particularly in international contractual relations, where local parties are often in a weaker position due to limited proficiency in foreign languages and international legal terminology. Therefore, the obligation to use Indonesian is not merely formal but also serves a substantive function in ensuring the principles of justice and equality between the parties. If a contract with a foreign party is drafted solely in a foreign language, there is a risk of violating national legal provisions, which could render the agreement invalid. In judicial practice, such a contract could be deemed formally flawed, or at least less binding on the Indonesian party, if it is proven to have resulted in a misunderstanding of the agreement's substance (Dwikornida & Islam, 2024).

Therefore, the use of a bilingual contract (dual-language agreement) with a clause specifying the prevailing language (prevailing language clause) is considered a safe and legally compliant practice, provided the Indonesian version remains available and recognized as a valid document (Khairandy, 2013). In international practice, several countries, such as China and France, also encourage the use of national languages in contracts to protect domestic legal interests. However, the legal systems of these countries generally still recognize foreign-language agreements, provided they do not conflict with the national public interest. The drafting of bilingual contracts has become commonplace in modern international transactions to ensure equal understanding and minimize interpretation disputes, as recommended by contemporary private international law doctrine (Fonotova & Belyaeva, 2023).

2. Legal Analysis of the Use of Foreign Languages Based on Supreme Court Decision Number 51 K/Pdt.Sus-PHI/2025

Supreme Court Decision Number 51 K/Pdt.Sus-PHI/2025 constitutes an important precedent in the practice and development of labor law in Indonesia, particularly in interpreting the use of foreign languages in employment agreements between companies and foreign workers. This decision provides clarity on the interpretation of the mandatory use of Indonesian in employment contracts, positioning it not merely as a formal requirement but as a legal protection instrument intended to ensure understanding and equality between the parties. In this decision, the Supreme Court affirmed Indonesian as the official language for contracts, as stipulated in Article 31 of Law Number 24 of 2009. This decision remains binding and cannot be overridden.

However, the Supreme Court also recognized the realities of international employment relations that demand the flexible use of foreign languages, particularly in the context of employment relationships involving foreign workers and multinational companies. With this approach, the Supreme Court sought to balance the interests of national legal protection with the needs of global contractual practices. Thus, this decision not only affirms Indonesians' position in the national legal system but also opens up space for more adaptive interpretations of the dynamics of cross-border employment relations. This approach reflects the Supreme Court's efforts to maintain legal certainty while ensuring that the language of employment agreements remains in line with the principles of justice, labor protection, and evolving international legal practices.

➤ The Position of Indonesian as a Contract Language

The Supreme Court emphasized that the obligation to use the Indonesian language in agreements involving Indonesian parties is fundamentally intended as a mechanism of legal protection, particularly to prevent informational asymmetry between the contracting parties. This obligation is not merely symbolic or procedural. Still, it is designed to ensure that Indonesian parties can fully access, comprehend, and evaluate the substance of the agreement, including its terms, underlying intentions, and potential legal consequences. By guaranteeing such access, the language requirement seeks to place all parties on an equal footing and prevent situations in which linguistic barriers may disadvantage one party.

Accordingly, the Supreme Court is of the view that the use of a foreign language in a contract does not automatically render the agreement null and void. Instead, the legal validity of a foreign-language contract must be assessed in light of its practical impact on the parties' ability to understand and consent to the agreement. A contract drafted exclusively in a foreign language may only be deemed contrary to public order if it can be demonstrated that such use of language effectively deprives the Indonesian party of a complete and equal understanding of its rights, obligations, and legal risks arising from the agreement (Supreme Court Decision No. 51 K/Pdt.Sus-PHI/2025). This assessment reflects a substantive approach that prioritizes actual comprehension over formal compliance.

This judicial approach demonstrates that the language obligation as stipulated under the Language Law is not intended to function in a repressive or rigidly formalistic manner. Instead, it serves a protective function, safeguarding the interests of parties occupying a structurally weaker or more vulnerable position within a contractual relationship, particularly in contexts of unequal bargaining power or cross-border elements. By adopting this interpretation, the Supreme Court underscores that language regulation in contracts should be understood as an instrument to preserve contractual balance, promote transparency, and ensure fairness between the parties.

Ultimately, the regulation of language in contractual agreements is positioned as a means to achieve contractual justice rather than as a technical tool to easily invalidate agreements that have been substantively negotiated and mutually agreed upon. This perspective aligns the national language requirement with broader principles of equity, good faith, and proportionality in contract law, while also allowing sufficient flexibility to accommodate the realities of international and cross-border contractual practices.

➤ **Validity of Foreign Language Employment Contracts in International Industrial Relations**

In Decision Number 51 K/Pdt.Sus-PHI/2025, the Supreme Court stated that the use of a foreign language in an employment agreement is, in principle, permissible, as long as the deal is made within the context of an international employment relationship, particularly one involving foreign workers. In such situations, the use of a foreign language is legally justified because it is necessary to ensure the fulfillment of the principle of informed consent, namely, that the parties' agreement is based on an adequate, complete, and unmistakable understanding of its substance. This principle aligns with Hernoko et al., (2017), which emphasizes that the validity of a contractual agreement requires full awareness and understanding by the parties of the rights and obligations they have agreed to.

Furthermore, the Supreme Court emphasized that the use of a foreign language in an employment agreement should not be automatically assumed to be neutral but must be examined for its impact on the protection of the Indonesian party. In this case, the company, as the dominant party in the employment relationship, bears the burden of proof to ensure that the use of a foreign language does not cause harm, injustice, or unequal bargaining power to Indonesian workers. Therefore, companies must demonstrate that the Indonesian party still has access to an equal understanding of the employment agreement's contents, whether through explanations, translations, or other mechanisms that ensure contractual transparency.

Based on these considerations, the Supreme Court concluded that the use of a foreign language in an employment agreement can be considered valid and legally justified, as long as it does not conflict with the principles of labor protection and does not disregard the principle of contractual fairness. This approach demonstrates that language obligations are not applied rigidly and formally, but rather are interpreted contextually, placing worker protection and the balance of the parties as primary considerations.

➤ **Compliance with the Principles of International Contract Law**

This ruling reflects the adoption of the principles of international contract law, as formulated in the UNIDROIT Principles of International Commercial Contracts, which uphold freedom of contract, equality of the parties, and the necessity of clarity and understanding of the agreement's contents as prerequisites for a valid agreement. Within the framework of international contract law, the parties' freedom to determine the form and language of a contract is an integral part of cross-border business practices and employment relationships. The choice of contract language, in this context, is not merely a formal matter but rather an instrument to ensure that all parties understand their rights, obligations, and the legal risks arising from the agreement.

However, this freedom is not absolute. As Flanigan (2017), freedom of contract in international contract law remains limited by the obligation to protect the party in a weaker position, whether in economic, informational, or bargaining power. Therefore, the use of a foreign language in a contract is only permissible to the extent that it does not eliminate or diminish the legal protections afforded to that party. This principle aligns with the Supreme Court's approach, which places the parties' substantive understanding as the primary criterion for assessing the validity of using a foreign language in an employment agreement. From this perspective, Article 31 of Law Number 24 of 2009 can be understood as a mandatory rule intended to protect national interests and the Indonesian party. However, its implementation still provides room for adaptation to international contract practices. This space can be realized, among other things, through the use of bilingual contracts or through a mechanism to demonstrate that the Indonesian party has received adequate explanation and understanding of the contents of the agreement drawn up in a foreign language. With this approach, the obligation to use Indonesian is not interpreted rigidly, but rather functionally and contextually.

Overall, Supreme Court Decision Number 51 K/Pdt.Sus-PHI/2025 confirms that employment contracts drafted in a foreign language are not automatically void. The validity of such agreements must still be assessed based on their impact on understanding, equality, and worker protection. New contracts can be challenged if they are proven to create misunderstandings, create unequal positions between the parties, or violate the principles of labor protection that underlie Indonesian labor law. This ruling also encourages the use of bilingual contracts as a practical and normative solution to achieve legal certainty, prevent disputes arising from differing interpretations, and ensure equality and fairness in international employment relations.

4. Conclusion

The use of foreign languages in employment agreements with foreign workers is, in principle, permitted under the Indonesian legal system, but must still comply with the obligation to use Indonesian as stipulated in Article 31 of Law Number 24 of 2009. Supreme Court Decision Number 51 K/Pdt.Sus-PHI/2025 affirms that Indonesians hold fundamental status in contracts involving Indonesian parties, not only as a symbol of linguistic sovereignty, but also as an instrument of legal protection to ensure equal understanding, balanced bargaining power, and prevent information inequality in cross-border employment relations. The use of a foreign language does not, in itself, render the contract null and void, provided it does not diminish the protection and understanding of the Indonesian party.

Furthermore, from an international contract law perspective, drafting a bilingual contract is the most ideal and legally secure approach because it aligns with the principles of freedom of contract, fairness, and good faith. The presence of an Indonesian-language version, a clause specifying the applicable language version, and an official translation are essential to ensure legal certainty and prevent interpretation disputes. Thus, the obligation to use Indonesian as a mandatory norm can still be accommodated proportionally in international contract practices without hindering global working relations, as emphasized in Supreme Court Decision Number 51 K/Pdt.Sus-PHI/2025.

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