



**ANALYSIS OF THE IMPACT OF TERMINATION OF EMPLOYMENT  
PT SRI REJEKI ISMAN TBK (SRITEX) AGAINST  
SOCIAL AND ECONOMIC STABILITY IN CENTRAL JAVA**

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**ABSTRACT**

This study examines the underlying factors of the bankruptcy of PT Sri Rejeki Isman Tbk (Sritex) and its implications for mass layoffs and socio-economic stability in Central Java during the 2024–2025 period. The bankruptcy verdict issued by the Semarang Commercial Court on October 21, 2024 represents the culmination of years of accumulated financial, structural, and external pressures. This led to the termination of 10,669 employees across four Sritex Group entities, with all factory operations officially ceasing on March 1, 2025. The study employs a descriptive-qualitative approach through library research, drawing on primary sources including court decisions and official employment documents, and secondary sources comprising academic journals, national media reports, and government publications. Data analysis utilizes the interactive model of Miles and Huberman. Findings reveal that Sritex's collapse was triggered by four interrelated factors: an unsustainable corporate debt burden, a surge in Chinese textile imports following trade liberalization, COVID-19-induced supply chain disruption, and deficiencies in corporate risk management governance. The resulting social impacts are multidimensional, encompassing rising regional unemployment, heightened vulnerability among female workers, disruptions to the national textile supply chain, and growing social anxiety. This study recommends reforms to manufacturing industry protection policies, strengthening the employment social security system, and establishing structured mitigation mechanisms for corporate mass layoffs.

**Keywords: corporate bankruptcy; mass layoffs; textile industry; socio-economic impact; Indonesian employment**

**INTRODUCTION**

The textile industry and textile products (TPT) is one of the strategic sectors in Indonesia's national economic structure. In addition to being a significant contributor to export foreign exchange, this sector accommodates millions of workers from various levels of society, especially in production center areas such as West Java, Central Java, and the Special Region of Yogyakarta.<sup>1</sup> Among these industry players, PT Sri Rejeki Isman Tbk, better known as Sritex, has for decades been a representation of the glory of Indonesia's textile manufacturing industry at the global level.

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<sup>1</sup> Central Statistics Agency (BPS), Indonesian Manufacturing Industry Statistics 2023 (Jakarta: BPS, 2023), p. 14. The textile and textile products sector has consistently contributed between 6–8 percent of non-oil and gas export foreign exchange in the past decade.



Sritex was founded in 1966 by H.M. Lukminto as a small-scale fabric trading business in Klewer Market, Solo, under the name UD Sri Redjeki.<sup>2</sup> In its nearly six-decade journey, the company transformed into an integrated textile conglomerate that manages 79 hectares of production land in Sukoharjo, Central Java. At its peak, Sritex employed more than 15,000 employees, served export markets to more than 40 countries, and was trusted as the official supplier of military uniforms to NATO and the German Armed Forces since 1994.

Sritex's financial condition began to show signs of serious deterioration since 2017. Aggressive expansion of production capacity without adequate strengthening of the capital structure caused the ratio of net debt to total assets to jump sharply from 0.4 times to 2 times in a period of seven years.<sup>3</sup> This pressure is further exacerbated by trade liberalization which opens up opportunities for the entry of cheap textile products from China through the ACFTA framework and the relaxation of import regulations through the Regulation of the Minister of Trade Number 8 of 2024.<sup>4</sup> The COVID-19 pandemic, which has hit globally since early 2020, has resulted in serious supply chain disruptions and a drastic decline in export demand from the United States and European markets.

The culmination of this prolonged crisis occurred when the Semarang Commercial Court handed down a bankruptcy verdict against Sritex and its three affiliated entities, PT Sinar Pantja Djaja, PT Bitratex Industries, and PT Primayudha Mandirijaya on October 21, 2024.<sup>5</sup> The Supreme Court then rejected the appeal of Sritex's management on December 18, 2024, so that the bankruptcy decision has permanent legal force.<sup>6</sup> All factory operations will be terminated as of March 1, 2025, and as many as 10,669 employees in the four Sritex Group entities will be laid off in stages from January to February 2025.

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<sup>2</sup> Edy Purwanto, *History and Development of the Central Java Textile Industry* (Semarang: Undip Press, 2010), pp. 77–78. Sritex was initially started as a fabric trading business in Klewer Market, Solo, before transforming into an international integrated textile conglomerate.

<sup>3</sup> GEMILANG: *Journal of Management and Accounting*, "Risk Management Failure Analysis at PT Sri Rejeki Isman Tbk," Vol. 5, No. 3 (2025), p. 7. The net debt-to-assets ratio jumped from 0.4 times to 2 times in the period 2017-2024 due to capacity expansion that was not offset by capital strengthening.

<sup>4</sup> Ministry of Trade of the Republic of Indonesia, *Regulation of the Minister of Trade Number 8 of 2024 concerning Import Policies and Regulations* (Jakarta: Ministry of Trade, 2024). This regulation removes the obligation of technical approval for finished imported textile products, thereby expanding access to cheap imported goods to the domestic market.

<sup>5</sup> Semarang Commercial Court, Decision Number 2/Pdt.Sus-PKPU/2021/PN.Smg dated October 21, 2024. The bankruptcy application was filed by PT Indo Bharat Rayon over debt bills worth Rp 101.31 billion that were not resolved as previously agreed by PKPU.

<sup>6</sup> Supreme Court of the Republic of Indonesia, Cassation Decision in the Bankruptcy Case of PT Sri Rejeki Isman Tbk, December 18, 2024. The rejection of cassation makes the bankruptcy judgment have permanent legal force (*inkracht van gewijsde*), so that the process of settling the bankruptcy assets is officially continued by a team of curators appointed by the court.



This wave of layoffs is one of the largest in the chronicle of the Indonesian manufacturing industry. Data from the Central Java Disnakertrans noted that of the total 18,101 people who experienced layoffs in the province throughout 2025, more than half came from the Sritex Group.<sup>7</sup> This phenomenon places the Sritex case not just as a business problem, but as a socio-economic crisis that requires academic attention and a serious, systematic, and evidence-based policy response.

Starting from this reality, this study aims to comprehensively analyze the root causes of Sritex's bankruptcy, the multidimensional impact of mass layoffs on workers and regional socio-economic conditions, as well as the government's policy response in dealing with the resulting labor crisis. This study is expected to make a meaningful scientific contribution to the development of national industrial and employment protection policies.

## **PROBLEM FORMULATION**

Based on the background description above, this study formulated four research questions as follows:

1. What factors substantively prompted PT Sri Rejeki Isman Tbk to be declared bankrupt by the Semarang Commercial Court in October 2024?
2. What is the impact of Sritex's bankruptcy on the implementation of mass layoffs, the fulfillment of workers' normative rights, and socio-economic stability in Central Java?
3. How is the central and regional government's policy response in responding to the socio-economic impact caused by the closure of Sritex's operations?
4. What policy lessons can be learned from this case as a preventive effort against a potential similar crisis in other national manufacturing entities?

## **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

### ***1. The Concept of Corporate Bankruptcy in Indonesian Law***

Corporate bankruptcy or insolvency juridically refers to a condition in which a business entity is no longer able to fulfill its financial obligations to creditors. In the Indonesian legal

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<sup>7</sup> Kompas.com, "Layoffs in Central Java Reach 18,101 People in 2025, More Than Half of the Sritex Group," January 9, 2026, accessed from <https://regional.kompas.com>. Layoffs from Sritex Group accounted for 58.7 percent of the total layoffs in Central Java throughout 2025.



system, bankruptcy is regulated through Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations (PKPU). The provisions of Article 2 paragraph (1) of the law state that a debtor who has two or more creditors and does not pay in full at least one debt that has become due and can be collectible is declared bankrupt through a commercial court decision, either at his own request or at the request of one or more of his creditors.

Bankruptcy is not just a legal event, but also a reflection of corporate governance failures that have a wide impact on all stakeholders, ranging from shareholders, creditors, employees, business partners, to the community around the company. In the event of bankruptcy related to the fulfillment of workers' rights, Article 39 of the Bankruptcy Law stipulates that workers' wages owed before and after the bankruptcy judgment are debts of bankruptcy assets that must be paid first (preference rights). However, in practice when the value of the bankruptcy assets is insufficient to cover all liabilities, workers often run the risk of not getting their full rights.

## ***2. Enterprise Risk Management (ERM) Theory and Corporate Failure***

The *Enterprise Risk Management* (ERM) framework developed by the *Committee of Sponsoring Organizations of the Treadway Commission* (COSO) defines risk management as the process carried out by the board of directors, management, and all personnel of an organization in determining strategy and operations, with the aim of identifying potential events that may affect the organization as well as managing risks within the limits of the tolerance that has been established set. The framework emphasizes that effective risk management must be sustainable, integrated with business strategies, and responsive to changes in the external environment.

The failure to internalize the principles of ERM as identified in the Sritex case creates a condition where the company does not have adequate adaptive capabilities when faced with sudden or cumulative external pressures. The absence of an effective *early warning system*, low diversification of revenue sources, and the absence of a standardized risk escalation protocol are the three main deficiencies that accelerate the deterioration rate of Sritex's financial condition towards the brink of bankruptcy.

## ***3. The Impact of Mass Layoffs on Regional Socio-Economic Conditions***

The employment economics literature consistently shows that mass layoffs from



dominant firms in a region not only cause financial losses to the individual workers affected, but also result in widespread negative externalities to the surrounding community. At the micro level, layoffs result in the loss of a permanent source of income, a decline in family living standards, and serious psychological distress. At the meso (*regional*) level, mass layoffs can trigger a negative *multiplier effect* that suppresses local aggregate demand, threatens the sustainability of micro and small businesses that depend on employee purchasing power, and erodes the regional tax base. At the macro level, mass layoffs in the labor-intensive manufacturing sector have the potential to weaken export competitiveness and affect national economic growth.

The most vulnerable groups in the context of mass layoffs in the textile industry are middle-aged female workers, workers with low levels of education, and workers who have long depended on one industry. These three groups face greater structural barriers in the transition to the job market, requiring more specific and programmatic policy attention.

#### ***4. Labor Protection Framework in the Context of Bankruptcy***

Indonesia's labor protection system is supported by several main regulatory instruments: Law Number 13 of 2003 concerning Manpower as amended through the Job Creation Law Number 11 of 2020, Government Regulation Number 35 of 2021 concerning layoffs, and Government Regulation Number 37 of 2021 concerning Job Loss Insurance (JKP). The JKP program is designed as an additional safety net for workers who experience layoffs, by providing benefits in the form of access to job training, cash benefits for a maximum of six months, and access to job market information. However, the effectiveness of this program is highly dependent on the speed and accuracy of BPJS Ketenagakerjaan membership data verification, which in the case of Sritex faced technical challenges due to the large scale of layoffs that occurred in a short period of time.

## **RESEARCH METHODS**

This research is designed using a qualitative approach with the type of library research. The selection of a qualitative approach is based on the characteristics of the problems studied, namely complex and contextual social phenomena in the form of corporate bankruptcy and the resonance of their impact on work life which cannot be reduced to mere statistical figures.<sup>8</sup>

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<sup>8</sup> Burhan Bungin, *Qualitative Research Methodology: Methodological Actualization Towards a Variety of*



The research data sources are divided into two categories. First, primary sources which include the Semarang Commercial Court Decision Number 2/Pdt.Sus-PKPU/2021/PN.Smg, the official statement of the bankruptcy curator, and official employment data published by the Central Java Provincial Directorate of Transmigration. Second, secondary sources include scientific journal articles from the GEMILANG and *Google Scholar* databases, news from reputable national media (Kompas.com, Tempo.co, Katadata.co.id, Antara), and official reports of government agencies (Ministry of Manpower of the Republic of Indonesia, Presidenri.go.id).

Data collection was carried out through systematic documentation techniques with keywords: "Sritex bankrupt," "textile mass layoffs," "Indonesian garment industry," "social impact of bankruptcy," and "labor policy." Data analysis was carried out using the Miles and Huberman interactive model, which consisted of three stages:

1. data reduction,
2. data presentation, as well as
3. Withdrawal and verification of conclusions.<sup>9</sup>

The validity of the data is ensured through source triangulation by comparing and confirming information from various different documents and sources. The scope of the research covers the period 2017 to March 2025, with a primary focus on critical events October 2024–March 2025.

## **RESULTS AND DISCUSSION**

### **1. Chronology and Factors Causing Sritex's Bankruptcy**

Sritex's bankruptcy was not born overnight. It is the result of a layered pressure accumulation that has lasted for almost a decade. Analytically, there are at least four determinants that synergistically push companies towards insolvency:

**First, the uncontrollable burden of corporate debt.** Sritex's aggressive production capacity expansion strategy without being balanced by a proportionate increase in equity resulted in a net debt-to-assets ratio jumping from 0.4 times in 2017 to 2 times in 2024. The

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Contemporary Variants (Jakarta: PT RajaGrafindo Persada, 2015), pp. 68–71. A qualitative approach allows for an in-depth and contextual understanding of social phenomena, not just testing the relationship of variables statistically.

<sup>9</sup> Matthew B. Miles and A. Michael Huberman, *Qualitative Data Analysis: An Expanded Sourcebook*, 2nd ed. (Thousand Oaks: SAGE Publications, 1994), pp. 10–12. The Miles–Huberman interactive model consists of three simultaneous components: data reduction, data presentation, and conclusion drawing and verification.



accumulated total debt of Sritex Group to 28 creditor banks reached IDR 26.02 trillion, a figure that far exceeded the company's payment capacity which is experiencing a significant decline in revenue.

**Second, trade liberalization and the invasion of Chinese textile imports.** The ACFTA framework, which has been in force since 2002, combined with the relaxation of import policy through Trade Regulation No. 8 of 2024 which removes the requirement for technical approval for imported textile products, effectively opens up the domestic market for low-priced Chinese textile products. According to industry studies, the price of imported Chinese textile products can be 30-50 percent lower than that of local products, so that the price competitiveness of domestic producers becomes very depressed and Sritex's domestic market share is massively eroded.

**Third, the disruption of the COVID-19 pandemic and global geopolitical pressures.** The COVID-19 pandemic triggered serious global supply chain disruptions and a sharp decline in demand for textile exports to the United States and European markets, two regions that are the backbone of Sritex's exports. The company's cash flow is fundamentally disrupted, while debt repayment obligations continue to run. This condition is exacerbated by the escalation of the Russia-Ukraine conflict since February 2022, which has also narrowed access to Eastern European markets while driving up energy and raw material prices at the global level.

**Fourth, the deficiencies in corporate risk management governance.** The study of Darmansyah et al. (2025) identified that Sritex does not have a continuous operational risk monitoring system, does not have a standardized emergency response protocol, and fails to reallocate resources efficiently when market pressure increases.<sup>10</sup> Companies even continue to operate at high capacity when market demand is sharply correcting, resulting in counterproductive logistics and production cost overruns. The absence of an effective early warning system mechanism makes management late in taking the necessary strategic adjustment steps.

The official bankruptcy verdict was handed down by the Semarang Commercial Court on October 21, 2024 based on PT Indo Bharat Rayon's application for a debt claim of IDR

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<sup>10</sup> Darmansyah, et al., "Risk Management Analysis of PT Sritex Tbk," *Journal of Management and Economics Indonesia*, Vol. 3, No. 1 (2025), pp. 51–53. The study identified the absence of a continuous risk monitoring system and standardized emergency response protocols as the most critical weaknesses of Sritex's corporate governance.



101.31 billion.<sup>11</sup> The appeal of Sritex's management was rejected by the Supreme Court on December 18, 2024, making the bankruptcy decision permanent legal force and starting the process of settling the bankruptcy assets by the curatorial team.

## **2. Implementation of Mass Layoffs and Fulfillment of Workers' Normative Rights**

After the bankruptcy judgment has permanent legal force, the bankruptcy curatorial team takes over the management of the assets and the process of gradually terminating operations. The layoffs were implemented in two main waves:

- a. Wave I (January 2025): layoffs of 1,065 employees of PT Bitratex Industries Semarang, which handles the fabric and yarn production segment as one of Sritex's affiliated entities.
- b. Wave II (February 2025): Layoffs of 8,504 employees of PT Sritex Sukoharjo (parent entity), 956 employees of PT Primayudha Mandirijaya Boyolali, 104 employees of PT Bitratex Industries (remainder), and 40 employees of PT Sinar Pantja Djaja Semarang.

The official mass layoff letter was issued by the curator with Number 299/PAILIT-SSBP/II/2025 on February 26, 2025, with the last working day on February 28, 2025. The<sup>12</sup> total number of employees affected reached 10,669 people, making this event one of the largest mass layoffs in the history of the national manufacturing industry.

The Confederation of Indonesian Trade Unions (KSPI) demands that all legal obligations be fulfilled, including severance pay, service period awards, reimbursement, Old Age Insurance (JHT), Job Loss Insurance (JKP), and Hari Raya Allowance (THR).<sup>13</sup> KSPI also took issue with the layoff procedure which was considered not to go through a full bipartite and tripartite mechanism, which had the potential to reduce the protection of workers' rights procedurally.

In the context of Indonesian bankruptcy law, Article 39 of Law Number 37 of 2004 stipulates that workers' wages owed before the bankruptcy decision are debts of bankruptcy

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<sup>12</sup> Curator of Bankruptcy of Sritex, Mass Layoff Letter Number 299/PAILIT-SSBP/II/2025, dated February 26, 2025. The letter formally terminates the employment relationship of all employees in four Sritex Group entities with the last working day set for February 28, 2025.

<sup>13</sup> Confederation of Indonesian Trade Unions (KSPI), KSPI's Official Statement Regarding Mass Layoffs of PT Sritex Employees, February 2025. KSPI questioned that the bipartite and tripartite mechanisms as mandated by Law Number 13 of 2003 concerning Manpower were not fully taken in this mass layoff process.



assets that must be paid first. However, when the value of the bankrupt assets is insufficient to cover all liabilities, workers often run the risk of not getting their full rights. This condition is the main concern of Sritex workers and their accompanying unions. The Ministry of Manpower affirms its commitment to ensure that all normative rights of workers are met, and actively coordinates this process with the Central Java Directorate of Transmigration and the curatorial team.

### **3. Multidimensional Socio-Economic Impact**

The impact of Sritex's bankruptcy on the socio-economic stability of Central Java is multidimensional and goes beyond the limits of individual corporate problems. The following analysis breaks it down in four main dimensions:

- a. **Impact on Regional Employment. Data from the** Central Java Directorate of Transportation shows that layoffs from the Sritex Group contributed 58.7 percent of the total 18,101 people who lost their jobs in the province throughout 2025. The concentration of impacts that are so massive in one industrial area, namely Sukoharjo, Solo Raya, and its surroundings, has the potential to trigger a significant surge in the unemployment rate. The negative multiplier effect caused can suppress the purchasing power of local people, reduce the turnover of micro and small businesses that have been relying on the consumption of Sritex employees, and erode regional tax and levy revenues.
- b. **Impact on Gender Equality in the World of Work.** The garment and textile sector has historically been dominated by female workers who generally occupy lower-line production positions. Mass layoffs have the potential to exacerbate the gender gap in the labour market, given that female workers, especially those over the age of 35, face greater structural barriers to finding replacement work due to limited geographical mobility, the burden of domestic responsibilities, and age discrimination in formal recruitment.<sup>14</sup>

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<sup>14</sup> W. Moerti, "The Impact of Sritex's Bankruptcy on the Indonesian Workforce," Indonesian Employment Journal, Vol. 7, No. 1 (2025), pp. 19–21. Moerti emphasized that the dominance of female workers in the garment sector makes them the most vulnerable group affected by layoffs, considering mobility barriers, the burden of domestic responsibility, and age discrimination in the formal labor market.



- c. **Impact on the National Textile Supply Chain.** Sritex previously supplied a wide range of well-known global retail brands such as H&M, Walmart, K-Mart, and Jones Apparel, as well as serving export markets to more than 40 countries on four continents. The cessation of Sritex's production capacity has the potential to trigger a shortage of supply of raw materials and textile finished products in the domestic market. This condition also threatens Indonesia's position in the global textile supply chain, as international buyers need to find alternative suppliers from competing countries such as Vietnam, Bangladesh, and Cambodia which have been competing closely with Indonesia in the textile export market.
- d. **Psychological Impact and Escalation of Social Anxiety.** The loss of livelihoods of thousands of families coinciding with the moments leading up to Ramadan and Eid adds a real dimension to the social crisis. The phenomenon of #KaburAjaDulu hashtags that have gone viral on social media as an expression of the younger generation's distrust of the domestic economic prospects also reflects the increasing collective anxiety of the community. This phenomenon indicates a deeper crisis of trust in the country's ability to protect its workforce from the impact of economic globalization.

#### **4. Government Policy Response**

The government responded to Sritex's employment crisis through a series of mitigation measures covering both short- and medium-term aspects.<sup>15</sup> In detail, the policies implemented are as follows:

- a. **Provision of replacement job vacancies:** The Ministry of Manpower coordinates with the Solo Raya Directorate of Transmigration to identify 10,666 job vacancies in various sub-sectors of the garment, plastics, footwear, retail, food and beverage, batik, and services industries that can be accessed by former Sritex employees.
- b. **Relaxation of recruitment age limits:** The government provides an exception to the provisions of the maximum recruitment age limit (35 years) specifically for former employees of Sritex, in order to expand employment opportunities for middle-aged

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<sup>15</sup> Ministry of Manpower of the Republic of Indonesia, Press Conference on the Settlement of Bankruptcy of PT Sritex, Jakarta, March 3, 2025. The government identified a total of 10,666 job vacancies in various industrial sub-sectors in the Solo Raya area as a short-term mitigation response to Sritex's mass layoffs.



workers who are generally subjected to age discrimination in the formal recruitment selection process.

- c. Training and skills development programs: Job Training Centers (BLK) in Sukoharjo, Solo, Semarang, and various cities in Central Java are activated to organize skills training for workers who want to change professions or start independent businesses, accompanied by entrepreneurship assistance programs and facilitation of access to business capital.
- d. Asset revitalization and diversion efforts: The government is encouraging bankruptcy curators to explore the possibility of leasing Sritex's production assets to potential investors, with the aim of reviving production capacity and reabsorbing some of the affected workforce.
- e. Optimization of the Job Loss Insurance (JKP) program: The JKP program managed by BPJS Ketenagakerjaan is intensified in socialization to former employees of Sritex, providing benefits in the form of cash for a maximum of six months, access to job training, and access to job vacancy information.

President Prabowo Subianto directly paid attention to the issue of Sritex. In a press conference at the Presidential Palace in Jakarta on March 3, 2025, Minister of State Secretary Prasetyo Hadi said that the President had given special instructions to find the best solution by prioritizing the protection of the fate of workers.<sup>16</sup> However, labor observers believe that the government's response is still reactive and does not have a comprehensive handling framework to address the complexity of the long-term impacts.

## **5. Policy Lessons and Strategic Recommendations**

The Sritex bankruptcy case provides crucial policy lessons. Based on the analysis conducted, this study formulated five strategic policy recommendations:

**First, reform of the manufacturing industry protection policy.** The government needs to conduct an in-depth evaluation of the applicable trade regime, especially related to the implementation of ACFTA and textile import regulations. The implementation of measurable *safeguards*, as well as strict verification mechanisms for imported product standards, is needed

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<sup>16</sup> Presidenri.go.id, "Government Affirms Commitment to Protect Workers in Bankruptcy Settlement of PT Sritex," March 3, 2025, accessed from <https://presidenri.go.id>. The President directly instructed the relevant ministries to prioritize the protection of workers' normative rights as the main agenda for resolving this case.



to ensure fair competition between local and imported products.

**Second, strengthening and reforming the employment social security system.** The Job Loss Insurance Program (JKP) needs to be strengthened in terms of the amount of benefits, duration, and accessibility. It is also necessary to consider the development of a separate insolvency fund mechanism, in order to ensure the fulfillment of workers' normative rights in large-scale corporate bankruptcy cases.

**Third, the establishment of an early *warning system* for strategic manufacturing companies.** Relevant authorities including the Ministry of Industry, the Financial Services Authority, and the Ministry of Manpower need to establish a financial health monitoring system for manufacturing companies that employ more than 5,000 employees on a regular and integrated basis, so that potential crises can be detected and mitigated early before reaching the brink of bankruptcy.

**Fourth, encouraging diversification and transformation of the competitiveness of the textile industry.** The government needs to encourage the transformation of the national textile industry towards a high-value-added segment through fiscal incentives for product research and innovation, international certification facilitation, and the development of national textile brands that have a strong and independent global market position.

**Fifth, strengthening corporate governance in labor-intensive public companies.** The Financial Services Authority (OJK) needs to tighten disclosure obligations related to risk management in public companies engaged in labor-intensive sectors, as well as encourage the implementation of governance standards that require an active, independent, and cross-sectoral competency risk management committee.

## CONCLUSION

Based on the analysis that has been carried out comprehensively, this study produces four main conclusions as follows:

1. The bankruptcy of PT Sri Rejeki Isman Tbk is a consequence of the accumulation of layered structural, external, and managerial pressures: a very massive debt burden (Rp 26.02 trillion), the rapid flow of Chinese imported textile products exacerbated by trade liberalization, the impact of the COVID-19 pandemic and global geopolitical pressures, as well as the weakness of systemic corporate risk management governance.



2. The mass layoffs that impacted 10,669 employees across four Sritex Group entities were one of the largest in the history of Indonesia's manufacturing industry, with socio-economic impacts that were multidimensional: a surge in regional unemployment, the vulnerability of women workers, disruptions to the national textile supply chain, and the escalation of social anxiety in the community.
3. The government's policy response through the provision of alternative job vacancies, relaxation of recruitment age limits, BLK training programs, and asset revitalization efforts is a constructive mitigation measure, but it is still reactive and not fully adequate to address the complexity of the long-term impacts caused.
4. The Sritex case is an important momentum for policy reform: it is necessary to reform the protection of the manufacturing industry, restructure the conducive trade regime, strengthen the employment social security system, and build an integrated and proactive corporate risk monitoring system.

This research has limitations in the accessibility of primary data directly from the company and curators due to the bankruptcy process that is still ongoing during the research period. Follow-up research with field survey methods or in-depth interviews with former employees, industry stakeholders, and policymakers is highly recommended to deepen and validate these findings empirically.

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