

Indonesia (Batam) Trip Report

(July 3-5, 2010)

Background

Batam is an island close to Singapore but part of Indonesia. Until late 1970s it had few thousand inhabitants that lived mostly of the produce of land, forests and sea. Like Shenzhen it all changed in late 1970s early 1980s and it became an assembly line where cheap labour could assemble parts and products that would feed into the more advanced and capital intensive Singapore industry. Being an island it was an ideal location for a free trade zone and it was developed primarily for the electronics sector. Today it boasts of a well developed electronic zone with all major brand names and sub contractors having some sort of production and assembly facility in there. Products range from assembled electronic parts like hard disk, floppy drives, plastic parts and metal parts cut by stamping machines. At present the total population of Batam region has reached to about 900,000 and is still growing rapidly. It has about 350,000 workers who work in the formal sector and another 250,000 (official figure) informal workers.

AMRC Intervention in Electronics

It is a common knowledge that most of the global electronics industry including the parts manufacturing is virtually 'union free' Electronics industry – starting from the Silicon Valley ensured by all means to keep it union free and surprisingly even to this day, there has been no union in US-silicon valley, even though the plumbers who worked as self employed persons in the valley managed to have a union. They would refuse to work if they found working conditions dangerous, even though the workers inside, though more exposed, would continue to work

AMRC as early as 1984 published a comprehensive manual for the electronics workers which were later adapted by the IMF as a workers training manual on OSH in the electronics industry. This manual has served like a bible for the organizers and researchers who worked on this sector. This book even though more than 20 years old is still very helpful resource material.

In 2003, AMRC was invited by SCTC to attend a meeting on Electronics on occasion of its 20th anniversary. The meeting also led to the formation of a loose alliance – International Coalition of the Responsible Technology (ICRT).

In 2005, the FES and the International Metalworkers Federation (IMF) organized a conference in Penang, Malaysia focusing on the labour rights in the electronics industry which was attended by different labour groups from Asia and Europe. Electronic industry has remained 'union free' in Asia also. In that meeting few union activists from Batam attended the meeting and spoke at length about the hard working conditions in the electronic factories. They belonged to the Federation of Indonesian Metal Workers' Union (FSPMI) affiliated to the IMF. It is one of the few places in Asia where workers have managed to organise. Due to the very high risk of chemical exposure faced by the electronics workers, Under the ATNC network AMRC organised a meeting in Hong Kong in 2004/5 focussing on the organising initiative in the electronic industry in Asia. Under the OSH programme, AMRC has been trying to develop a comprehensive research and training for the electronic workers in Asia, the

problem being access to workers in absence of unions. Though, we had some contacts in Thailand, in Lamphun Industrial Zone and also in the Philippines. Batam looked promising and ever since we have been trying to get in touch with the union.

In 2007 and 2009 AMRC organised meetings in Suzhou with the ATNC and ANROAV members with an aim to understand the electronic production in Asia and its hazardous nature and effect on workers and community. The meeting was also attended by the organisers from US. In 2009, it was agreed to have a broader alliance called ICRT. Under capital mobility research which is carried out with ATNC partners many of them are looking at electronic industry. Last but not the least, since 2008 SHARPS has joined ANROAV and there is a joint campaign both in ANROAV and ATNC against the cancers in Samsung in Korea.

Intervention in Batam

In 2010 AMRC, for the first time visited Batam to carry out the research for the EPZ book and Wulan spent some time with FSPMI. During the research, AMRC also tried to explain the health aspects of the electronic manufacturing and proposed some possible joint trainings and research. FSPMI was very receptive to the idea and also wanted to discuss it in detail. It was agreed to have a one day meeting – which would be like a needs assessment and ‘tester’ meeting where AMRC would give an overview of the electronics industry and the members would share the working conditions and other issues.

The meeting which finally took place on July 4, 2010 was attended by more than 30 workers and organisers from the union. The meeting was also presided by the regional and the national leadership of the FSPMI – which was encouraging and depicted the high priority that FSPMI placed for the meeting. Mr Ridwan Moniarfa, who has flown

all the way from Jakarta for this meeting, opened the meeting. A very string orator, he emphasised on the need to take OSH at workplace very seriously. In a very detailed speech he pointed the importance of taking OSH as a bargaining issue with the management and



urged the union activist to look beyond the ‘wage’ issue, though that is also important. Mr Ridhwan also highlighted the role of safety committees at the workplaces and urged more union representation in the safety committees.

It was followed by the AMRC presentation where we tried to present the picture of the global supply chain with respect to the electronic industry and place of Batam in

the whole equation. AMRC also presented the hazardous nature of the industry and cited the examples from different countries – US, UK, China, Korea and Taiwan about the poisoning of workers and subsequent struggle

The subsequent discussion with the participants provided some view about the working conditions in Batam. It was generally observed that many workplaces are using chemicals and solvents and most of the workers are quite unaware of the risk that they may pose to their health. Things are also made worse because of the increased work hours. It was noted that most of the workers routinely worked about 100 – 200 hours of overtime every month. Though in most of the places overtime is voluntary, but the wages (minimum wage) they earn is so low that most of them end up working overtime.

One of the factory tried to restrict the work hours to 8 and did not allow overtime, however the workers do not like it as it effectively meant lower wages for them compared to the other workers who can work overtime. It depicts a problem



of implementation of Codes of Conduct when wages are low even though they may be the legal minimum wages. Working routinely for 10 to 12 hours a day increases the exposure time and subsequent dose of hazards including chemicals. It was also expressed that the legal minimum wage in Batam region is lower compared to some parts of Indonesia like Jakarta, but Batam is very expensive place due to its close proximity to Singapore, something that we also felt during our diner the previous night. Even the food on the street is expensive in Batam, it makes life for workers very difficult.

The most defining and moving moment of the meeting was when participants started to share about the numerous workers who are either sick or died of cancers. The cases kept on coming from and it was really much more than what we have experiences in course of the numerous trainings we have been conducting all over Asia. It seems to be of concern and needs to be investigated.

Participants also asked specific questions about some hazards like noise, chemical etc. AMRC proposed a detailed TOT phase wise OSH TOT which should be able to address the issues. Participants seemed to be very enthusiastic to move ahead with the collaboration and even proposed to carry out preliminary research/survey. As a follow up following was proposed and agreed:

1. Participants will conduct preliminary research and needs assessment with the membership and share with AMRC.

2. Some of the representatives will be invited to the ANROAV annual meeting where a session will be dedicated to the electronics.
3. A two part training will be planned based on the needs assessment prepared by the members and first phase should take place anytime after the ANROAV meeting and the second phase should take place aft



Overall the meeting was very productive and the level of interest among the participants was very high and all of them are very keen to move ahead with the trainings. On my part, I think it has been a very satisfactory meeting where all the leadership, from factory to the national level are keenly interested in improving the OSH.

In its closing remark Mr Ridwan seemed to be very impressed by the AMRC's supply chain presentation. He even commented in his unique manner, "Next time please do not worship God, instead worship the supply-chain who is our real God".

Field Trip

On the following day – July 5 we went on a field trip to see the Industrial area and also visited the union office. Some of the pictures of the field trip are in the following page and more of them are with Wulan.



