

Manual of Organizing Informal Workers in Indonesia



This Manual was the result of workshops conducted by AMRC with its partners in Indonesia working with informal workers. This manual is meant as a pointer and is a work in progress.

Understanding Informalization

Objective:

1. Understanding the roadmap of informalization in Indonesia and its relation to the labour policy
2. Understanding the impact of informalization on workers' movements

Method:

The facilitator asks the participants to share and stitch their experiences related to informalization to build a comprehensive analysis on the impact of informalization on workers.



General situation in Indonesia

- The overall job market was still dominated by workers engaging in the informal sector, accounting for 67.86 million people or 64.7% of the total workforce. Only 32.14 million people or 30% of the national workforce were employed in the formal sector.
- The workforce reached 113.83 million in August 2009, up by 380,000 since February 2009 when it was 113.74 million. Since August 2008 when the workforce was 111.95 million, the increase is 1.88 million.
- The country's unemployment in August 2009 declined to 7.87% from 8.14% in February 2009 and 8.39% in August 2008.
- Compared to August 2008, the availability of employment in all industries has been increasing except for a decline of 60000 jobs in transportation, warehouse and communication. Industries that provide most employment are Social Services (up by 900,000), trade (up by 730,000) and manufacture (up by 290,000) jobs.
- In August 2009, Indonesians working as workers/employees reached 29.11 million (27.76%), casual and irregular workers 21.93 million (20.91%) and self employed workers 21.05 million (20.07%).

Do these statistics show a good sign of employment in Indonesia?

1. Indeed the government boasted that the rate of open unemployment has declined. Yet, almost 70% of the workforce is forced to engage in informal sector work and only 30% is in the formal sector (there is no estimate of informal workers in the formal sector).

2. 55.21 million workers or 52.65% of the total workforce were only graduates of elementary school. This means that they do not have any options but being absorbed into the informal sector for their subsistence.

3. Internal and external factory relocation and production site closures have slashed more than one million “formal” jobs in 2009 pushing dismissed workers to engage in the informal sector.

Identifying the difference between informal and formal work and its relevance in organizing

Process wise:

Participants were divided into groups based on their province — each group then identified formal and informal work and obstacles encountered in organizing.

Further discussion

1. Putting informalization in the context of re-structuring production processes that use flexibility as the key issue not only as production re-structuring but also as a policy stipulated to remedy the 1997 economic crisis. Informalization is not a by-product, but the stated objective of policy change.

2. Informal workers are disposable workers regardless the type of industrial sector whether it is formal or informal economy. In the formal sector, flexibilization/informalization avoids rigidities of production processes including taxation and benefits that should be paid to formal workers. The main issue is how flexibilization becomes the norm in every aspect of production.

3. Informal work encompasses activities in the submerged economy wherein it is excluded from any official regulation and policies protecting workers. The range of informal activities is wide including home based workers, street hawkers, sex workers, waste pickers, porters, brick layers etc.

Organizing Contract Workers

Objectives:

1. Exploring various strategies of organizing contract workers
2. Exploring best forms of organization for contract workers

Method:

Compilation of case studies so that the participants are able to exercise power mapping by identifying issues, negotiation targets and strengthening the organization.

Power mapping will be used to assess the strengths and weaknesses of organizing methods.



Case Study I

PBKM (Independent Contract Workers Association) - PT Kahatex, Bandung

PBKM, initially, was founded in Kahatex factory in Cimahi, Bandung. It was triggered by the excessive overtime to meet the production target. The contract workers backed by the independent plant-level union then set up the association which served as a “intermediate” organization linking the contract workers with the union as the contract workers do not have rights to unionize.

When PBKM held a huge protest, the factory dismissed 400 contract workers. Based on this bitter experience, the plant level union and PBKM then changed their organizing method. Workers had to start over the organizing work as many contract workers were demoralized by this incident. The contract workers’ organization was then formed outside the factory. The plant level union was encouraged to set up a coordination mechanism with the contract workers’ organization.

This case study then motivated other participants to reflect on their own experiences.

Issues Identified

1. Contract termination
2. Contract workers are not entitled to Health Insurance (Jamsostek)
3. Contract workers are not allowed to join a union
4. The contract does not allow contract worker to join the union
5. Excessive overtime for “just-in-time” production (1000pcs/7 hours/line)
6. The yellow union in the company refused to handle contract workers’ grievances
7. The absence of contract workers’ rights to bargaining

Problem Solving Discussion

How to make contract workers union be representative?

What is the role of the permanent workers' union?



Case Study II

Comparing various ways of organizing

- Door to door organizing (contract workers organizing is conducted outside the factory)
- Distributing petition and leaflets against the contract system
- In some garment factories, the organizing is still at the level of raising the awareness of contract workers through “interpersonal” communication between the organizers and contract workers
- Carrefour contract workers in Bandung tried to challenge the contract system through the available industrial dispute mechanism
- Setting up Krawang Informal Workers Union (SBIK) — This union will also include informal economy workers. They tried to register the union with the Manpower office but it was rejected since the office did not want to recognize informal economy workers

Discussion:

1. Facilitator guides the participants to discuss the best forms of organization that can represent them to fight for their rights at the workplace and community.
2. Mapping groups or people that can help them to initiate organizing work.



Case study 3

“Semut Ireng” - Waste Pickers’ Organizing Experience



Central Java Province in Java Island with the population of 33 million people is one of the most populated and poorest provinces in Indonesia. “Semut Ireng” literally means “Black Ants” is a waste picker organization in Solo city, Central Java. It was founded in 2005 to address the issues of waste pickers. The waste pickers, who also live in slum area on Bengawan Solo riverbank, are not recognized as workers and often stigmatized as squatters. They also recognize the issue of competition among waste pickers in securing their waste picking territory. The organization is intended to build solidarity among waste pickers to fight for changes.

Some collective efforts to solve these issues were necessary. Competition among workers was overcome with a method that the members of the organization collectively

sort out the recycled waste to be sold to agents and created profit sharing mechanism among members.

In December 2007, Bengawan Solo River in Solo, Central Java Province overflowed and caused a flood, inundating more than 6000 houses and forcing thousands of families to flee from their houses. The ineffective disaster mitigation encouraged the community to form a community organization, Solidarity of Flood Victims. Most of members of Semut Ireng happened to be the flood victims also joined the organization. Later on, these community organizations, Semut Ireng and Solidarity of Flood Victims, expanded their organizing to other slum areas in Solo. The issues of lacking capacity to represent themselves before public authorities and the sharp division among informal workers due to race-to-bottom situation pushed the groups to learn more of effective organizing tools and forms.

Case Study 4

Peasant Union in Batang, Central Java Province

Batang is a district located along a coastal area in West Java Province where most of the people earn their livelihood as casual workers who work in rice fields and plantations. Usually they work during the planting and harvesting seasons. The traditional production method in which the family is treated as a wage unit applies and puts casual workers in a very vulnerable position since their wages are based on a so called “family” wage.

Major Issues Identified

1. Share cropper system in which landless peasants working as tenants
2. The absence of access to land
3. Share cropper/traditional wage system in which the tenant peasants are considered as family members of the landlord (feudal exploitation system)

Addressing the issues in organizing strategy

1. Discussion is initiated by encouraging the casual workers to recognize their situation. Traditional wages system is an issue that can be used as an initial step of organizing
2. Elaborating the historical background to understand the roots of problems to reduce workers' fears in joining the organization

Assessing strategies that have been applied:

The manpower office did not recognize the landless peasant organization as a workers organization. Later, it was registered as a mass organization which turned out to be more effective as a tool of political bargaining.

Points to discuss:

1. Best forms of organization that is effective to fight for the rights of casual workers in rural area
2. "Official recognition" from the government body is tactical so that the organization is not considered as illegal by society. Thus, we also need to discuss the political context in the rural area.