Worker Activism after Reformasi 1998

A NEW PHASE FOR INDONESIAN UNIONS?

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Edited by Jafar Suryomenggolo
Published by Asia Monitor Resource Centre

ISBN 978-962-7145-47-9

Cover and book design by Karl Fredrick M. Castro
Cover image by Karl Fredrick M. Castro (based on LIPS photo, "A worker during massive demonstration in front of Hotel Indonesia Roundabout in 2014.")
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ASIA MONITOR RESOURCE CENTRE supports and contributes towards the building of a strong, democratic and independent labour movement in Asia, by understanding and responding to the multiple challenges of asserting workers' rights to jobs, decent working conditions, while following a participatory and gender conscious framework.

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Acknowledgment

This book originated from a round-table discussion in August 2012 at Trade Union Rights Center (TURC), Jakarta on "Workers Activism after Reformasi 1998," convened with support from "Southeast Asian Studies for Sustainable Humanosphere," a project under the Center for Southeast Asian Studies (CSEAS), Kyoto University, where papers by Surya Tjandra, Abu Mufakhir, Indah Saptorini and Sarinah were presented. I thank Surya Tjandra for his warm welcome at the TURC office, Jakarta. The publication of this book was made possible by a grant from the Director of CSEAS under Prof. Shimizu Hiromu and Prof. Hayami Yoko, whose support for young researchers I gratefully acknowledge. I thank Fahmi Panimbang, Kathleen Kearney and the staff of Asia Monitor Resource Centre for their editorial support.

Jafar Suryomenggolo
Editor

Introduction

INDONESIAN LABOUR AFTER SUHARTO

by JAFAR SURYOMENGGOLO

The book intends to bring together discussions on the progress and state of the Indonesian labour movement after the collapse of Suharto's New Order regime in May 1998 that brought up the political reform, known as *Reformasi*. The *Reformasi* has transformed the socio-political conditions of Indonesian society. In the context of the state-labour relationship, it has allowed more room for workers to organise and join unions. However, it has also delivered neo-liberal challenges for workers' collective efforts to defend their economic interests in the workplace. With this double-edged set of challenges of the *Reformasi* on labour relations in mind, this book presents three related sets of issues: First, on the possible roles of the labour movement in the changing political landscape of the nation-state; second, on the development of workplace institutions that can balance the power-relationship between labour and employers; and last, on the struggle (or strategies) of the labour movement in the context of the globalisation drive of market competition in the Southeast Asia region.[1] With in-depth discussions on these three sets of issues, it seeks to offer a description of Indonesian labour as a case study on the labour movement in Asia after the fall of authoritarian regimes and in facing the challenges of 21st-century globalisation. To frame the contributions of the chapters of this book, we would like to layout first the contemporary debates on the situation of Indonesian labour among labour practitioners in the country.

Labour Movement and Democratisation

A number of previous studies have noted how Indonesian labour was unable to assert its power during the early democratisation period the country was experiencing (See Hadiz 1998, Aspinal 1999, Törnquist 2004).[2] Their analyses begin with a comparative perspective on the documented experiences of labour's actions and experiences in other post-authoritarian societies. Indeed, in such comparisons, Indonesian labour's contribution to democratisation in the early years of *Reformasi* was minimal and limited. Under the context of the *Reformasi*, Indonesian labour failed to advance its interests during the democratisation process.

Looking beyond the particularities, the Indonesian situation is hardly unique. Similar situations wherein labour was unable to make its collective voice heard during the democratisation process also happened in some African countries. In Nigeria, unions failed to take part in the democractisation process (See Beckmann and Sachikonye 2010). Even when the labour movement played a significant role, such as in Niger and Ghana, the intensity of their involvement in the political democratisation of the country dwindled and became directionless, leading many labour unions to question the advantages of democracy (see Kraus 2007). Scholars have also noted how the once celebrated *Solidarność* which played a central role in the democratisation of Poland slowly lost its ground in the later stages of democratisation, especially after the neoliberal's "shock therapy" (See Ost, 2005). These studies show how the timing of democratisation provides ample space for labour to maneuver, but it does not guarantee labour's continuing participation in the later stage of the democratisation process. Labour is often found defeated or viewed as obstacle in the later stage.

The limited participation of Indonesian labour in the early stage of democratisation is due to a number of factors. The most obvious one is the fragmentation and factionalism of the movement: as many as 80 union federations were established during the first five years of the *Reformasi*. Unable to form a united front and coordinate their actions, unions failed to consolidate their strength and utilise the political space provided with the introduction of democracy. Fortunately, recently there has been a strong move among union leaders to start building common ground, given the shared challenges of their struggle for socio-political recognition. In that context of unions' consolidation efforts, Surya Tjandra's article, "The Indonesian trade

union movement: a clash of paradigms" (Chapter 2), gives an interesting example of how unions have been joining hands in a coalition to bring about social change. It discusses in detail the formation and activities of Action Committee for Social Security (*Komite Aksi Jaminan Sosial*, KAJS). Formed by some major unions and presided over by a number of union leaders, the KAJS has been actively campaigning and organising demonstrations to push for the implementation of a universal social security system (*Sistem Jaminan Sosial Nasional*, SJSN) as mandated by the *Law no. 40 Year 2004*. Despite some internal issues, the coalition has successfully united many major unions on this issue, resulting in significant benefits for the welfare of the entire society.

Indonesia's unions learned from this experience. Three major union confederations, including the Suharto-era state sponsored union confederation,[3] have come to an agreement to synergise and pool their institutional resources and formed the Council of Indonesian Labour (*Majelis Pekerja Buruh Indonesia*, MPBI). This is a trial effort by Indonesian unions to break down the walls between them and try to cooperate to foster workers' welfare. MPBI has also formulated their common agenda that includes pushing the government to implement a national social/health system, to stop the casualisation of labour (in the form of subcontracting/outsourcing employment practices), and to end the cheap labour policy. This kind of cooperative effort shows how Indonesian unions have finally tried to overcome its own institutional limitations. Although it is still too early to conclude that in this later stage of democratisation labour is getting a firmer foothold in national politics, this cooperation within the movement brings bright hopes for a deepening of labour's contribution to the democratic transition of the country.

On a different tier of this political opening for labour's participation, a number of union activists have focused their energies on satisfying their personal political ambitions. Either through the formation of labour-based parties, or by building alliances with political parties, or by garnering political backing from the elites, they are competing for seats in local and national elections. However, in the current context of Indonesia's predatory-oligarchy politics (Robinson and Hadiz 2004; Winters 2011), this political quest by union activists is not a rosy road. Inhospitable to the causes of the working class, the political elites are ready to seize, and often exploit, the movement

for their own immediate political objectives. Benny Hari Juliawan's article, "Challenging the elite: labour's electoral experiment in democratic Indonesia" (Chapter 1), provides a detailed analysis of, how the National Workers' Union (*Serikat Pekerja Nasional,* SPN), a major union of textile-garment-footwear workers, has tried to develop partnership with Prosperous Justice Party (*Partai Keadilan Sosial*, PKS), a political party with an Islamic platform in the 2009 elections in Semarang in Central Java. This case study shows how labour's electoral participation in an alliance with a political party at the local level does not guarantee a high rate of labour votes. Workers were caught in the power relations, while their organisational structure had yet to accommodate their collective political outlook. The author does not suggest that union activists were naive and inarticulate as regards political rhetoric, but that the movement's fragmentation hindered their ability to maneuver and thus made them easy prey.

From their involvement in the last three national elections (in 1999, 2004 and 2009), union activists learned the lesson that engagement in politics could seriously threaten efforts to build a united, cooperative movement, especially when the movement is yet strong enough to build such a collective. As noted in the case of Latin American countries, labour's organisational strength and its strategic interaction with social actors dictate the outcome of labour's partisan coalitions (see Murillo 2001). Labour needs to develop a strong constituency to support their approach to politics. It is in this later stage of democratisation process that we witness the intensification of the labour movement's solidarity efforts. However, as the 2014 elections draw near, we have yet to see how Indonesian labour can boost its political influence. As such, if the Indonesian labour movement can maintain this tactical strategy of unifying across union lines to fight for labour's welfare thus intensifying its collective power, we may yet see the revival of the labour movement in the context of democratisation in post-authoritarian period.

Unions and Labour Law Reform

As part of the democratic transition brought by the *Reformasi*, "labour law reform" was introduced as early as the first few months of Habibie's interregnum (May 1998-October 1999). In June 1998, the Habibie administration ratified ILO Convention no. 87 and later in late August, welcomed the ILO Direct contact mission. Within less than two years Habibie

ratified five fundamental ILO conventions.[4] There is no doubt that with this move, the Habibie interregnum wished to show that it was different from the authoritarian Suharto regime. With these ratifications, it has allowed workers to exercise their rights to organise and bargain collectively, a basic provision that workers had been fighting for during the authoritarian regime, and thus provided workers with the basic democratic guarantee of collective power. Scholars have noted that establishing workers' basic rights in the first stage of labour law reform is a measure common to post-authoritarian regimes elsewhere, and this "democratic round" is most often followed with a "flexibilisation round" wherein neoliberal structures are introduced and expected to replace the previous institutions of authoritarian regime (see Cook 1998; Caraway 2004). Indonesia has not been an exception to this pattern. After the ratification of the ILO conventions in May 2000, three labour bills were submitted to the parliament (although later promulgated separately): *Law No. 21 Year 2000 on Trade Unions*, *Law No. 13 Year 2003 on Manpower*, and *Law No. 2 Year 2004 on Industrial Relations Disputes Settlement* - all of which were meant to establish a new system of industrial relations with a neoliberal approach and outlook.

As such, it is not surprising that although unions celebrated the ratification of the ILO conventions, they have opposed the three labour laws on specific grounds. Herlambang Perdana Wiratraman's article, "Disciplining post Suharto-labour law reform" (Chapter 3), describes how labour market flexibility has been the overarching concept in the legal drafting of the laws. Unions believe *Law No. 13 Year 2003* has institutionalised the notion of labour market flexibility and thus endangered their collective power. Their main concern is on the widespread use of contractual and outsourcing practices that have become the norm in the employment of labour in any workplace. With the widespread casualisation of labour at the factory level, unions find themselves institutionally threatened, as they are not fully prepared to provide adequate legal protection for their members. Foreseeing the negative impacts of the law, unions have been constantly voicing their rejection of it since the drafting process. Responding to the unions' strong opposition to the law, the government has tried to amend it several times, yet the unions have opposed the revisions as well. It is important to note that various local unions and union activists, although not coordinated with each other, filed a number of applications to the Constitutional Court for judicial

reviews of the law, which resulted in the annulment of some articles of the law.[5] With these small legal victories, the labour movement has been pushing the government further, i.e., to ban the use of contractual and outsourcing employment practices.

On the issue of labour dispute settlement, unions consider the new system through the Industrial Court, as established by *Law No. 2 Year 2004*, poses a threat to their collective organising power as it promotes the individualisation of labour relations. Workers' collective interests are neutralized while individual settlement between the management and a worker is fostered. Although the new system is designed to be less time-consuming in comparison to the previous system, workers find its formal civil procedure inaccessible and inexplicable, requiring them to be represented by a lawyer or someone with practical legal experiences.[6] In fact, many workers often choose to settle their collective dispute outside the court. In addition, unions also raised concerns about the impartiality of the court, a chronic problem in the Indonesian judicial system. In late June 2011 and mid-September 2013, respectively, the Anti-Corruption Agency (*Komisi Pemberantasan Korupsi*, KPK) investigated and detained one ad-hoc judge and one court clerk from the Industrial Court in Bandung. These incidents have lowered unions' trust in local Industrial courts elsewhere. Workers' low expectations and distrust in the court, as discussed in the following section, have been a contributing factor that pushing workers to seek settlements based on their own power, even though it may worsened the terms of any eventual outcome and take a course far from the prescribed regulations.

It is important to highlight that other country studies on labour law reform have noted similar situations on how workers and their unions face the changes and difficulties brought about by the implementation of the reform. In Korea, union leaders were severely criticised when they accepted a certain article of the revised labour law that was considered the main clause giving employers an upper hand in employment relations (Koo 2001). In the name of economic recovery, the labour movement in New Zealand was made to agree with reforms taken there (Dannin 2001). In Brazil, even when the laws are considered protective, in practice they are far from delivering justice to the workers (French 2004). In similar vein, one study notes how Chinese workers were often frustrated with the flexible implementation of the 2007 labour law reform (Gallagher and Dong 2011). These studies also show that

unions, regardless of the fact that they opposed the reform at the beginning but (were made to) accepted it later on, are left to bear the consequences and cope with the socio-economic burdens of its implementation (and its non-enforcement). In such situations, unions start to lose hope in the labour law as something which can protect their interests. Indonesian labour is not disillusioned with the labour law reform. In their resistance to the changes in legal code and institutions, Indonesian labour is fighting back to get a better law.

Worker Activism and Mobilisation

With freedom of association guaranteed following the ratification of ILO conventions in 1998, Indonesian labour movement has begun to establish its organisational structure and develop its activism. It has been adjusting to the changes and challenges that come with the *Reformasi*. In strengthening their institutional capabilities, the movement has been actively defending members' interests, especially in their daily struggle at the workplace. These serious efforts of labour, however, have not always been portrayed well in the media. Labour has been often stigmatised as 'ungrateful' trouble-makers and condemned as social anarchists who are ready to exploit the fruits of democracy. Within the business community, there has been a fear of labour militancy (Ford 2004). In economic terms, workers' position in the labour market is challenged in the context of globalisation that forces governments in the region to compete to provide the best climate for investors. To boost its comparative advantages in regional competition, the government has sought to suppress wage hikes, thus the lack of significant adjustments in the minimum wage has been contested by the labour movement. As a social actor, unions have been confronted with this set of socio-economic challenges in their efforts to defend members' interests. In this situation, Indonesia's unions are challenged to strengthen their collective power as an independent movement.

Since the end of the Suharto regime, national and local unions have been striving to cultivate workers' activism. Local union activists, regardless of the limited space they have, have adopted various ways to build their organisations. There are a number of case studies that demonstrate workers' growing activism at the factory level, after the promulgation of the labour laws during the "democratic round." On the one hand, the case studies show

how the democratisation process has provided the context for workers' growing activism. On the other hand, they illustrate the general pattern of the union's interactions with many different social actors at various levels. In their efforts to mobilise workers, local unions understand the importance of gaining support from their affiliated organisations at the national level and also of cooperating with other social actors, such as NGOs. This capacity to mobilise workers has been one clear indicator of workers' activism that has led to the intensification of demonstrations and strikes, as seen in many different places in the country (see Saptari 2008, Sarinah 2013).

One important feature of the unions' demonstrations and strikes was the public nature of their setting. They took place not only in front of the factory gates, but quite often on the main streets of the city, in front of government buildings, blocking the highways, and so on. In their protests against the three labour laws during the "flexibilisation round", unions were routinely coordinating massive demonstrations in front of the parliament building. Unions' street protests occupied the public spaces, thus making their presence visible and their voice heard as a political actor in this *Reformasi* period (Juliawan 2011). This direct action strategy has not been unique to Indonesia as unions elsewhere have also staged street protests, especially when the legal channels have not worked well or have failed to deliver justice as expected by the workers (see Lee 2007, Kerkvliet 2011).[7] The use of public pressure showed the actual power of labour's collective action. In their collective action, unions have sought to enhance their social influence, gain the support of society and attract the attention of government.

The significance of street protests to attract the attention of government for assistance (or intervention) on a labour issue, however, has been undercut in the context of globalisation that has redefined (not reduced!) the limited roles of government on social issues. As such, the invisible hand of the market is necessitated in the neoliberal economy and a minimalist government is desirable. In that way, unions have been taking matters into their own hands. Abu Mufakhir's research note, "Grebek pabrik in Bekasi" (Chapter 4), chronicles how unions in Bekasi, a major industrial city near Jakarta, in their frustration with government's inaction, have developed the so-called "factory raid" (*grebek pabrik*), a strategy to curtail an employer's infringements of the laws or settle disputes. The factory raid has combined and included various direct actions by the union to pressure an employer to comply with the law

and accept the union's demands for improvements in the workplace. It has reconfigured industrial relations in Bekasi and has caught the attention of unions in other parts of Indonesia, as well. Despite the fact that the raid has often providedd an immediate outcome to a dispute, there has been deep concern about its overuse as a strategy and the social effects it might bring. The factory raid has not always brought the results that the union had expected. Unions, however, have understood the risks they would bear when such a strategy failed. As such, unions have asserted its social agency in their struggle for welfare when they decided to carry out a factory raid.

In addition to exercising their organisational muscle through a number of direct actions, the labour movement is also developing its activism through training and educational activities for its members. Workers' education has been considered an integral part of labour's struggle, to be the 'brain' for its 'brawn'. While most union leaders have acknowledged the importance of workers' education, unions' financial resources often have not allowed them to arrange such activities in a consistent and systematic manner. In that situation, some NGOs in their role as union allies, as Rita Olivia Tambunan's article, "Workers education in post-authoritarian Indonesia: towards political consciousness" (Chapter 5), describes, have stepped in to provide educational programs for workers. The programs have provided legal information or negotiation skills for union activists, and have been designed to bring critical reflection and understanding on many important issues beyond the workplace, such as on labour law, the political economy of labour, and international unionism. These educational programs have equipped union activists with the political language to express their interests. Hence, workers are not simply the 'angry mob' but actors in defining their own working experiences and the world they are part of. In addition, since the programs are attended by union activists with different union affiliations and from different regions, these programs provide the space for union activists to interact and develop networks. As such, educational programs have had a positive contribution to the labour movement's efforts to strengthen workers' collective political consciousness. With workers' education programs, the labour movement has been nurturing its personnel power and that in the long run would strengthen the movement.

Although the socio-political landscape of *Reformasi* has not provided the best environment for unions to develop their autonomy and progress,

it has not stopped unions from crafting a path to defend their members' interests. Unions have been constrained by a social background that has been unfavourable to their cause. Unions have also been forced to develop strategies to confront the uncontrollable forces of globalisation that have not been economically friendly to their collective power. In that regard, Indonesian labour as a case study offers a stimulating view as to how unions in a post-authoritarian regime, far from being a disoriented victim of economic reform, have navigated the changes.

A New Phase for Indonesian Labour?

It has been 15 years since the *Reformasi* was launched, opening a new chapter in modern Indonesian history. It has brought social-political transformations in the dynamics of state-labour relations. For the labour movement it has posed challenges on its possible role in politics, its organisational structure and its collective power. Although the labour movement failed to play a crucial role in the early years of the democractisation process, it has not failed to assert its socio-political influences in politics in more recent times. Labour has been actively organising and consolidating its institutions. Although the post Suharto political landscape has still not been fully in favour of labour's deeper participation, labour has been developing new strategies. Despite the pressure of globalisation, labour keeps on fighting for its economic interests. By looking closely at the post Suharto state of labour and its progress, what does the future hold for labour activism?

All the papers in this book show that the changes and challenges of *Reformasi* have not prevented Indonesian labour from adapting, struggling and develop new strategies to maintain its independent organisations. Although under pressure from the market in the globalised world and constant state control, labour is crafting its paths – at times in a trial and error process, to defend its members' interests. Also, labour has not been working alone. The movement has joining with other social actors, and the unions have brought positive contributions for the welfare of the society in general. With these persistent efforts, we are witnessing the development of a mature, independent labour movement in Indonesia.

Endnotes

1 On the issue of gender and labour, we would like to recommend, *Women and Work in Indonesia,* edited by Michele Ford and Lyn Parker (2008).

2 Tornquist (2004: 387) notes that "(w)hile the crisis created room for oppositional forces like labour, it also diminished the market bargaining power of workers…labour has been unable to effectively use the expanded political space."

3 They are: Indonesian Trade Union Confederation (*Kongres Serikat Pekerja Indonesia*, KSPI), Confederation of Indonesia Prosperity Trade Union (*Konfederasi Serikat Buruh Sejahtera Indonesia*, KSBSI), and Confederation of All Indonesian Workers' Union (*Konfederasi Serikat Pekerja Seluruh Indonesia*, KSPSI).

4 ILO (1999: 19) notes that "labour law reform programme generally covers the review, revision, formulation or reformulation of practically all labour legislation with a view to modernizing and making them more relevant to and in step with the changing times and requirements of a free market economy and a more democratic environment including full respect for the fundamental principles and rights at work."

5 In 2003 a coalition of union leaders filed for a judicial review of the law by the Constitutional Court that resulted in the annulment of Article 158 on the employer's right to layoff workers (Case no. 12/PUU-I/2003). In 2009, another judicial review was filed by a union of banking workers contesting Article 120 on collective bargaining (Case no. 115/PUU-VII/2009). Later in 2011, a number of workers filed for a judicial review of Article 164 (Case no. 19/PUU-IX/2011), other workers of a telecommunication union sought a review of Articles 65 and 66 (Case no. 27/PUU-IX/2011), and workers of an oil union a review of Article 155 (Case no. 37/PUU-IX/2011). In 2013, the Constitutional Court granted a judicial review on Article 96 filed by a former security guard-turned law student (Case no. 100/PUU-X/2012).

6 Based on their observations and experiences, a number of ad-hoc judges of the court have noted their concerns regarding the court process; see Tjandra, *Hakim Ad-hoc menggugat* (2009).

7 Lee (2007:232) notes that "(m)any incidents of workers blocking traffic, demonstration outside government buildings, or marching through downtown streets have their origins in mass outrage against official failure to redress legal and legitimate grievances."

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Challenging the Elite

LABOUR'S ELECTORAL EXPERIMENTS IN DEMOCRATIC INDONESIA

by BENNY HARI JULIAWAN

Since the collapse of the New Order government of former President Suharto, Indonesia has witnessed three relatively successful general elections in 1999, 2004 and 2009. These electoral success stories have been largely hailed as clear signs of the new democracy going in the right direction. This early optimism is tempered, however, by indications that there remain serious challenges, which, if not addressed, may derail the process of democratic consolidation. One major concern identified by scholars is the lack of effective participation in electoral processes by sections of society at the grassroots level. In the course of regular, relatively peaceful, free and fair run of electoral affairs, the old and new elites of society still dominate political parties and the competition for public offices (Törnquist, 2008; Hadiz, 2003; Winters, 2011; Hadiz and Robison, 2005; Aspinall, 2013; Davidson, 2009). Civil society groups and pro-democracy activists continue to be at the margins of the new political landscape, either because they have voluntarily stayed out of party politics or because they are unable to compete with the well-funded elites. In this general electoral marginalisation, organised labour has not been an exception. In fact, in their attempts to contest public offices in the three general elections, none of the labour-related parties managed to get a single seat in the national assembly.

These electoral experiments, however, may shed light on the nature of Indonesian labour politics in the new democracy. This paper seeks to analyse the kind of political dynamics and relationships that have grown out of repeated interactions between workers, union activists, party activists and political elites in an electoral context.

At the centre of the analysis is a case study of the participation of National Workers' Union (*Serikat Pekerja Nasional*, SPN) in the 2009 general elections in Semarang in Central Java with additional information about similar political activities in two important industrial cities of Medan in North Sumatra and Tangerang in Banten. The data presented here were generated during two periods of fieldwork, i.e., January to June 2008 and July to September 2009. The level of detail that this case study exhibits allows us to consider significant features of organised labour as political vehicles for marginalised sections of society. It is argued that the general failure of labour's electoral experiments reveals the persistent, albeit changing, legacy of the New Order labour policy in the shape of weak labour organisational structures and the relative absence of political space for interest-based issues.

The significance of trade unions in Indonesian politics should be set against the legacy of union repression by the New Order regime and the subsequent era of political freedom. Under the authoritarian regime, there was only one officially sanctioned union, the All-Indonesia Workers' Union (*Serikat Pekerja Seluruh Indonesia*, SPSI), which served the developmental goals of the regime rather than the interests of the workers. The policy of a single, state-sponsored union and the ban on independent trade unions were indeed the defining features of labour politics under the regime. Other forms of labour organisations did exist and were instrumental in mobilising workers, but the demand to establish independent trade unions remained the main reference point of labour organisation, around which the campaign for labour rights was centred. Since the regime collapsed, trade unions and many other forms of civil society organisations have sprung up in an atmosphere almost of euphoria. Thus, charting the progress of trade unions allows us to keep track of and assess the development of labour politics.

After the collapse of authoritarian rule, trade unions served a strategic role as popular organisations which represented the interests and political aspirations of the working population in its daily struggles. Trade unions

General strike in front of Jakarta Governor's Office, 1 November 2013 (Photo by LIPS).

additionally were expected to enable a form of popular politics through which the people can put pressure on the elite and demand concessions. In fact, organised labour in general played a "crucial role in expanding representative government, increasing government services to ordinary people, challenging elitism, and breaking down religious and regional enmities." (Törnquist, 2006) As organisations, trade unions in Indonesia have been on a steep learning curve, and under pressure to fulfill people's expectations of the young democracy. Therefore, an analysis of the working of unions allows us to see an example of interest aggregation at work and to view how the new political democracy actually works (or does not work) at the grassroots level.

Post-Authoritarian Labour Politics

Indonesia's post-authoritarian labour politics can be viewed in comparison with those of several other countries in the region which have gone through similar transformations, notably South Korea, Taiwan, Thailand and the Philippines. Not only the transition to democracy, these countries have

remarkably similar history of industrialisation which required cheap and docile labour in a statist regime, at a time when antagonism against leftist ideologies was particularly strong. Thus, when the regime was deposed, the ensuing democratic reforms were followed closely by market ones.

South Korea and Taiwan started a process of democratisation in the mid-1980s. The first direct presidential elections in South Korea took place in 1987, but it was not until the election of Kim Dae-Jung in December 1997 that liberalisation of the labour codes was launched. The hegemony of the state-sanctioned Federation of Korean Trade Unions (FKTU) was broken, and that federation then faced competition from the more radical Korean Confederation of Trade Unions (KCTU) (Kuruvilla and Erickson, 2002). This political liberalisation, however, coincided with the disastrous East Asian economic crisis of 1997 that saw economic slowdown and subsequent market reforms. Coupled with continuing organisational weaknesses, this inhibited the development of a politically strong labour movement in South Korea. Today, labour-based political parties remain small and insignificant in the national assembly while collective bargaining is effective only at plant-level and this in spite of oligopolies on the part of the employers.[1]

Taiwan's democratisation started in 1986, but the first general elections had to wait until 1996. The ruling party KMT had long dominated the national labour confederation, the Chinese Federation of Labour (CFL). The relaxation of labour codes saw the rise of the more independent Taiwanese Confederation of Trade Unions (TCTU) in 2000, but the dominance of the CFL has persisted. The sponsorship of the CFL by the KMT has become entrenched, while new political parties with labour association have largely failed to rally workers' support (Buchanan and Nicholls, 2003). Whereas the labour elite is closely associated with the KMT, the post-authoritarian Taiwanese labour movement in general has not been able to develop into a strong and active political actor. Chu (2001) postulates that labour's political quiescence derives partly from the economic affluence that workers enjoyed during the previous decades of economic growth. Welfare benefits delivered at the enterprise level created a model of enterprise paternalism and defined the terms of labour interests. The combination of an elitist democracy and material prosperity has created labour politics characterised by elite compromise and union cooptation (Buchanan and Nicholls, 2003).

The liberalisation of labour codes in Thailand took place officially in 1975 with the Labour Relations Law, but a succession of military coup d'etats saw limited application of the prescribed freedom. As Brown (2003) notes, despite almost three decades of guarantees of labour rights, organised labour in Thailand continues to struggle to play a key role in Thailand's elitist politics. Organised labour may have been legally entitled to a space in political negotiations, but the specific nature of the space and the continuing struggles over it prevent the development of meaningful organised labour, let alone labour parties. Powerful elements of capital and state have placed major obstacles in the way of aspiring trade unions.

In the Philippines, the Aquino and Ramos administrations (1986-1998) that succeeded Marcos practically sidelined trade unions in favour of market reforms. These governments pursued the enforcement of enterprise bargaining and the promotion of various labour market flexibility programmes which effectively depoliticised industrial bargaining (Hutchison, 2001). Moreover, Hutchison (2006) observes that the arrival of democracy in the Philippines has not fundamentally changed the elitist nature of the country's politics. Although progressive civil society organisations have thrived, these groups have found it difficult to consolidate so as to challenge established elites in electoral contests. The social union movement May 1st Movement (*Kilusang Mayo Uno*, KMU), which became prominent in its role in overthrowing Marcos, was unable to adjust to the new political environment. It even split accrimoniously into two groups in 1992. Philippine politics has continued to display shifting, short-term, tactical coalitions and alliances in the land where populism is a key means of bringing people into politics.

Democratisation and the restoration of political freedom have apparently failed to produce effective labour political participation in these countries. The legacy of repression has clearly had a disorganising effect on civil society movements, including labour. Decades of anti-communist rhetoric and ideologies have successfully sidelined leftist ideas which could otherwise help carve out some political space for interest-based issues. In addition, structural pressures at the onset of democratisation to introduce deregulation and labour market flexibility have derailed much of the potential political power of unions.

Election Fever

Under the New Order regime in Indonesia, the labour movement was tightly woven into the fabric of the regime's developmentalism. The regime obliged organised labour, just like any other functional or professional group in the state's corporatist structure, to channel its political aspirations through the ruling Golkar party. By doing so, the regime deflated any independent political ambition that the SPSI as an organisation had (Hadiz, 1997). In addition, any attempt to set up an independent trade union was met with a brutal crackdown.[2] This cooptation effectively amounted to the suppression of political unionism and left the union with only the socio-economic function of looking after the material interests of its members.

According to Ford (2005), this was an attempt by the New Order to restructure labour movements after a long period of very active political unionism begun after independence (1945-1965) or even before, in which labour organisations were likely to be associated with or to come directly under the influence of political parties and independence movements. This reorganisation was necessary because the military regime did not want to repeat what it portrayed as the "mistake of the past" in which political rivalries and "outside" (non-labour) interests prevailed over the welfare of members and national interests (Ford, 2005). Through its propaganda machine the regime managed to create an ideology that demonised labour political involvement as a hindrance to achieving workers' social economic welfare. "Pure" and "true" trade unions would only concern themselves with this goal and eschew political unionism.

In the post-1998 period, while most labour activists welcomed the freedom of association, the legacy of anti-political unionism somehow lingered on. Several scholars reported negative attitudes among labour activists and union leaders towards political partisanship early in this period (Törnquist, 2004; Ford, 2005). They reacted against the foundation and the participation of several political parties with labour connections in the 1999 general elections. Their suspicion of the true motive behind establishing such political parties was almost universal. Many union officials and labour activists interviewed for this paper in 2008 and 2009 still expressed at best an ambivalence towards political unionism. While they saw the need to be more politically assertive, they remained doubtful of electoral participation. They mostly reiterated the fear of "outside" interests and of unions being hijacked

for the political interests of their leaders. The fact that the leadership of three, out of four, labour political parties contesting the 1999 general elections came from sections of the SPSI legacy union's elite and New Order remnants did not help to dispel this suspicion (Hadiz, 2002).

Since that time three general elections and countless local elections have taken place and increasingly become an acceptable practice of political competition. Radicals and political pessimists may disagree and opt out of them, but various interest groups in society increasingly view electoral politics as offering a real chance of securing power. In particular direct elections of local leaders, which began in 2005, have opened up the political system in a way that allows those who are traditionally not part of the political class to contest public offices which possess a real power of policy making (Aspinall and Mietzner, 2010; Erb and Sulistiyanto, 2009; Rosser, Roesad and Edwin, 2005). Those whose jobs include demanding changes in government policy inevitably consider at least local elections as a sensible choice.

As far as trade union officials are concerned, they have quite a substantial membership base, and this offers them incentives to take part in a political game that relies on large numbers. Union membership should also be seen in comparison with many new presumptuous political parties, some of which are put together in haste when the election season approaches, thus the party memberships could be seen as untested and tenuous. According to official statistics, in 2007, around 28 million Indonesians were employed in the formal sector (out of a labour force of about 99.9 million), and of these around 12 percent were members of unions (Table 1). Moreover, their relative success in organising strikes, street protests and marches in the post-1998 era further increased their confidence to take part in electoral politics (Juliawan, 2011). Thus, despite doubts and initial reluctance, a number of trade union officials and labour activists have participated in electoral politics.

Modes of Participation

Since the first multi-party general elections in the post-Suharto era in 1999, labour participation in elections featured in four different ways. First of all, a number of political parties with labour connections were founded and participated in all three general elections. In the 1999 general elections, the National Labour Party (*Partai Buruh Nasional*, PBN), the Indonesian Workers' Party (*Partai Pekerja Indonesia*, PPI), the All-Indonesia Workers'

Solidarity Party (*Partai Solidaritas Pekerja Seluruh Indonesia*, PSPSI), the Workers' Solidarity Party (*Partai Solidaritas Pekerja*, PSP), and the People's Democratic Party (*Partai Rakyat Demokratik*, PRD) were among the 48 parties that took part. The PBN was founded by Muchtar Pakpahan, former chairman of the SBSI that was founded in direct challenge to Suharto's policy of a single union. Different sections of the national leadership of the SPSI decided to leave Golkar and formed the PSPSI, the PPI and the PSP.[3] The PRD developed their links to labour through the underground work of its activists during the Suharto's years. The results were poor, though, as the combined votes of these parties only totalled 365,205 or 0.35 percent of national votes cast and won no seats in the national parliament.

In 2004, the Social Democratic Labour Party (*Partai Buruh Sosial Demokrat*, PBSD) was the only labour party among 24 contestants that passed the verification stages and contested the elections.[4] This party was actually the reconstitution of the PBN which had failed to achieve the two percent threshold needed to maintain a party status in 1999. This time it attracted more votes, 636,397 votes or 0.56 percent but still failed to win seats in the national parliament. In the regions, however, the PBSD fared better with 22 seats in various districts and provinces, notably in North Sumatra, where many of its founding members came from. It won 14 seats that were distributed across nine districts in the province and one seat in the provincial parliament.[5]

This same party participated again in the most recent 2009 general elections under a new name, the Labour Party (*Partai Buruh*, PB), after again failing to maintain a party status in 2004. In the run-up to the elections it did not pass the verification by the electoral commission, and only after an administrative court appeal did it manage to contest the elections.[6] The short period between this court ruling and the election dates left little time for the PB to organise a successful campaign, and this limited preparation was subsequently blamed for the poor result of only 265,203 votes (0.25 percent). Another party with labour connections in the 2009 general elections was the curiously named Party of Indonesian Business People and Workers (*Partai Pengusaha dan Pekerja Indonesia*, PPPI). This party had intended to contest the 2004 general elections but did not pass the verification criteria. Led by a businessman, Daniel Hutapea, the PPPI did better than the PB, attracting 745,625 votes or 0.72 percent of the total vote. However, it also fell short of winning any seats.

Table 1. Labour Vote Gains in 1999, 2004, 2009 General Elections

1999		2004		2009	
PARTY	VOTES	PARTY	VOTES	PARTY	VOTES
PBN	111,629	PBSD	636,397	PPPI	745,625
PRD	78,730			PB	265,203
PPI	63,934				
PSPI	61,105				
PSP	49,807				
Total	**365,205**		**636,397**		**1,010,828**
% of National votes	**0.35%**		**0.56%**		**0.97%**

Source: Electoral Commission

Another form of labour's participation in electoral politics comes about through the nomination of labour activists and union officials as legislative candidates through individual contracts with political parties or on the basis of organisational partnerships. In the 2004 general elections, for example, the national chairman of the SPN contested a seat from West Java as a candidate from the PKS (*Lembur*, March 2004). The chairman of the Tangerang branch of the SPN was nominated for the Banten provincial parliament by the National Mandate Party (*Partai Amanat Nasional*, PAN). These individuals did not represent their trade unions but undoubtedly wished to reap support from the membership. Although none of them won, this had acted as precedence and paved the way subsequently for more formal partnerships between trade unions and political parties.

In the 2009 elections a new development came up, in which SPN and to a lesser degree, the Federation of Indonesian Metal Workers Unions (*Federasi Serikat Pekerja Metal Indonesia*, FSPMI) struck a deal with the Islamic party PKS to take part in the elections. Beginning in 2005, during their second party congress, the SPN had already perceived electoral politics as a possible avenue to take part in decision making. After some preparation and lobbying in 2007, it finally decided to channel their members' votes to the PKS in return for electoral nominations of its cadres. Likewise, in its congress in 2006 the FSPMI had already taken the decision to assign their cadres to contest the 2009 general elections. The union did

not specify which political parties candidates should affiliate themselves with, but eventually most of the FSPMI officials forged an alliance with the PKS, believing it was the only party that offered the union a real chance. Despite this unusual political manoeuvre, ambivalence towards political unionism refused to disappear completely. Both unions stressed that the partnerships did not imply subordination to the PKS or a permanent political affiliation, knowing that this would draw criticism from labour circles.[7] Nevertheless a number of commentators and labour activists were dismissive about the genuineness of their motives, accusing these officials of merely taking advantage of the union membership for personal enrichment. Despite the pressure from many corners, the partnerships went on. In Tangerang city and district, for instance, the PKS nominated five labour activists whereas in Semarang city and district two candidates from labour were put forward.[8] However, as it turned out, none of the labour candidates with the PKS ticket won a seat either in national or sub-national parliaments in the 2009 elections.

In Medan, the local union Indonesian Free Labour Union (*Serikat Buruh Merdeka Indonesia*, SBMI) formed a partnership with the PB for the 2009 elections and its five officials competed for seats in Deli Serdang and Medan municipal parliaments. For some sections of the union leadership it took quite some time to agree to this partnership, as they still had the idea of "pure" unionism, independent of formal party politics. Only after extensive consultation and when assured that no financial deals were behind this proposal did they give their support.[9] An SBMI official justified his candidacy by stating that he wanted to take part in the decision-making processes on behalf of workers. It was not enough to put pressure to win concessions; now was the time to follow the process closely by being part of it. In the end none were elected, and in fact even in its stronghold, North Sumatra, the PB fared much worse than its predecessor, the PBSD, had in 2004.

On the national scene, several well-known anti-Suharto activists with labour credentials came to the fore, notably Budiman Sudjatmiko and Dita Sari. Budiman Sudjatmiko had joined the Indonesian Democratic Party of Struggle (*Partai Demokrasi Indonesia Perjuangan*, PDIP) camp, having abandoned the leftist PRD. But the biggest shock was perhaps centred on the nomination of Dita Sari, another former PRD activist, by the religious

leaning Star Reform Party (*Partai Bintang Reformasi*, PBR). She had actually tried to establish, along with fellow activists associated mainly with the PRD, a leftist-populist political party, the People's United Opposition Party (*Partai Persatuan Oposisi Rakyat*, POPOR) for the 2004 election and the National Liberation Party of Unity (*Partai Persatuan Pembebasan Nasional*, PAPERNAS) for the 2009 election. The former was disqualified by the Supreme Court even before registering with the electoral commission, while the latter was constantly harassed by self-styled anti-communist youth groups and religious organisations that it eventually decided to disband.[10] While PDIP liked to portray itself as the tribune of the common man, the PBR was known as a front for a collection of disenfranchised former Islamic activists within the United Development Party (*Partai Persatuan Pembangunan*, PPP), the only Islamic party under Suharto's reign.

Third, in June 2005, local direct elections for heads of provinces and districts were introduced and these have generated a particular form of political cooperation between political parties and trade unions. Pairs of candidates who seek to draw labour support sign up for political contracts with trade unions. If elected, they promise to champion the cause of labour rights and welfare. The points of agreement in the contract are often short of details, mentioning only broad topics, such as an increase in regional minimum wages, the promise to discipline wayward employers, and the pledge to enforce existing pro-labour legislation. Most importantly, the contracts are not legally binding as they are not recognised in the Indonesian legal system. There are no penalties for either party if they fail to deliver their promises or to perform their duties. In spite of this, the unions boast that they can mobilise the votes of their members, having succeeded in organising large demonstrations and protests. Likewise, the candidates admittedly put their reputations at stake and therefore will not shy away from their promises. All the same, the signing ceremony is usually staged with much fanfare in public with journalists in attendance to guarantee as wide media coverage as possible, all to serve both the interest of the candidates in projecting a populist image and the interests of unions to draw the public in as witnesses in the absence of legal certainties.

Tangerang district, Tangerang city, Semarang city, and Central Java and North Sumatra provinces either had just held an election or would soon hold one when the fieldwork for this paper was conducted between January and

June 2008. In the run-up to the January 2008 election in Tangerang district, for example, the Jazuli Juwaini-Airin Diany pair (candidates for district head and deputy head) had signed a pact with a loose coalition of trade unions called *Koalisi Buruh Majukan Tangerang* (Coalition of Workers to Develop Tangerang). The pair was nominated by the PKS, and major unions represented in the district such as SPN, FSPMI, Federation of Indonesian Prosperous Labour Union 1992 (*Federasi Serikat Buruh Sejahtera Indonesia 1992*, FSBSI 1992), Konfederation of All-Indonesia Workers Union (*Konfederasi Serikat Pekerja Seluruh Indonesia*, KSPSI), Konfederation of Indonesian Prosperous Labour Union (*Konfederasi Serikat Buruh Seluruh Indonesia*, KSBSI), and six other smaller unions joined the coalition. In the publicised signing ceremony, one of the union leaders was quoted as representing 90,000 members in the region and would mobilise them in return for these promises.

> …to uphold labour legislation that consists of the Law No. 21/2000 on freedom of association, the Law No. 13/2003 on manpower, and the Law No. 3/1992 on labour social insurance. Secondly, to improve the welfare of workers, which is made up of quality health care, transport systems, and bylaws that will improve welfare and create a conducive investment climate. (*Radar Banten*, 7 January 2008)

In Medan, the union alliance Labour Alliance of Deli Serdang (*Aliansi Buruh Deli Serdang*, ABDES) was initially close to signing up with the Syamsul Arifin-Gatot Nugroho pair, the eventual winners, in the gubernatorial election, but then switched side to their rivals.

The popularity of this *kontrak politik*, as it is called in Indonesian, extended to the 2009 presidential election. Presidential candidates and their running mates filled the airwaves and pages of newspapers with their promise to uphold labour rights and fight for workers' welfare. Two pairs, out of three, were particularly active in marketing their concern for workers. While the Megawati-Prabowo pair promised to institute May Day as a national holiday and to abolish contract work (*Kompas*, 3 June 2009), the Jusuf Kalla-Wiranto pair pledged to abolish contract work and outsourcing practices (*Kompas*, 3 June 2009). The incumbent Susilo Yudhoyono and his running mate Budiono were rather quiet as polls showed that they were already in the lead and their records on labour issues were thought to be already established. The Legal

Aid Institute in Jakarta (LBH Jakarta) reported to have listed at least 19 trade unions and federations, which threw their weight behind Megawati and Prabowo, two unions supporting Jusuf Kalla and Wiranto, and one union endorsing the incumbent.[11]

Lastly, many labour activists and trade union officials were instrumental in a personal capacity in the elections by playing the role of fixers and middlemen. Being labour activists in the new political landscape of the post-1998 era has turned out to be a versatile profession. In a new democracy, where large numbers matter and crowds are guaranteed to intimidate political opponents, individuals who can claim a substantial following stand above the rest. Their experience in mobilising large crowds in strikes and street rallies and their wide networks of contacts place them in a position to exploit grassroots politics for electoral purposes.

Sumarsono, an NGO activist and a former Federation of Independent Labour Union (*Federasi Serikat Buruh Independen*, FSBI) leader in Semarang, had been involved in various campaign teams, or "success teams" as they are known in Indonesia.[12] His main political vehicle, the Organisation of Independent People (*Organisasi Rakyat Independen*, ORI), one of eleven organisations that he founded, was in the success teams of candidates contesting regional elections in Grobogan district, Demak district, and Pekalongan district, all in Central Java province. He was personally recruited in the success team that brought the reelection of Mayor Sukawi in Semarang city in 2005. He himself admitted that his experience in labour mobilisation had established his reputation and enabled him to play a role of electoral brokerage although he still maintained that he did this with good intentions and ultimately for the good of the people. This exposure to high-level politics has in turn enabled him to get in touch with local political dignitaries and even national politicians, mostly party chairmen. At one point he managed to start a new organisation that promotes interfaith dialogue under the patronage of the deputy mayor of Semarang. A similar story can be told of Rio Karyono, the chairman of the SPN Central Java chapter who joined PAN (National Mandate Party) for the 1999 elections, shifted to PD (Democratic Party) in 2004 and was recruited in the Yudhoyono's success team for Central Java during the presidential election. This allowed him the experience of dealing with high-level politics and extended his networks all the way to Jakarta.

He claimed that the governor of Central Java had now taken him seriously, and he could approach the governor to help the cause of workers.

All these deals were at best decided by the leadership of the unions, hoping that they could appeal to their members in the same way and with the same success that they had had with informal political mobilisation. We shall now move on to discuss how union leaders attempted to marshal their rank and file members to support their candidacy, and identify the networks that they mobilised. For this purpose, we look closely at the candidacy of several SPN officials in Semarang in the 2009 general elections.

SPN Electoral Experiment in Semarang

The deal between the SPN and the PKS is worth close inspection for several reasons. First of all, this is the first of its kind in the post-1998 era. It certainly breaks with the New Order's legacy of demonisation of political unionism in a public and institutional way. As identified above, individual labour activists have played various roles in electoral politics in their personal capacities or through quiet backroom deals. Yet this SPN-PKS pact was born of two organisations that pledged in public to support each other in order to reach a common goal. Second, this deal for once counters the impression of "Indonesian ballots as elite-engineered affairs with rich and powerful candidates either buying voters off or manipulating their religious or ethnic loyalties" (Mietzner and Aspinall, 2010), because the names of union leaders could now be on the ballots. Third, because of its institutional nature, it allows us to see how trade unions as popular organisations consolidate and mobilise their structures and how they deal with other political organisations. And lastly, if labour politics should tread the path of party politics, this partnership offers additional important lessons.

In December 2007, SPN was the largest trade union in Central Java province with Semarang city and district being two of its strongholds (Table 2). It had 114,239 members, and because of its unitary structure, SPN at the province level is comparable to other unions at their federation level. The organisation had been particularly active in these neighbouring regions both in terms of formal involvement in tripartite institutions and in the less formal activities of organising strikes and demonstrations. In Semarang city in particular, SPN had two different fronts serving two different purposes. The SPN leadership attended tripartite meetings and negotiations, while

Table 2. Trade Unions in Central Java Province, Semarang City and Semarang District (December 2007)

	TRADE UNIONS	MEMBERS
	CENTRAL JAVA PROVINCE	
1	SPN	114,239
2	FSP RTMM	113,055
3	PGRI	92,890
4	Others (42 unions)	277,274
	TOTAL	**597,458**
	SEMARANG CITY	
1	SPSI	22,942
2	SPN	13,531
3	SPTSK	9,375
4	Others (13 unions)	35,973
	TOTAL	**81,821**
	SEMARANG DISTRICT	
1	SPN	29,211
2	SPSI	11,988
3	SPKEP	2,016
4	Others (8 unions)	9,832
	TOTAL	**53,047**

Source: Semarang City Office of Manpower and Transmigration

under the name Semarang Labour Movement (*Gerakan Buruh Semarang*, GERBANG), it organised the more popular actions on the streets. Even with this active political background, some of the union's officials harboured some misgivings and when the fourth national congress was held in Bali in 2007, the union decided to forge an alliance with PKS for the upcoming 2009 general elections. Some union officials were totally dismissive about party politics, while others could not understand the choice of PKS, which is an Islamic party that is often suspected of being too fundamentalist in the Indonesian political spectrum and would be at odds with the union's secular charter.

At this point, a brief note on the party and its background is warranted. PKS started as a middle-class religious movement in the early 1990s when Suharto started to court Muslim support. Growing prosperity among urban Muslims and the relaxation of Suharto's policy of anti-political Islam created an environment for more cultural and political expression of Islamic identity in public. The inspiration for the set up of the party was said to have come in the 1970s from the *Ikhwanul Muslim* movement in Egypt whose main goal was to introduce an Islamic state through democratic processes and organised movements (Dhume, 2005). Under the New Order this movement was largely cultural and social-economic in nature, spreading its influence mainly through networks of student study groups in prestigious public universities and its own educational institutions. With the arrival of political freedom, on 20 July 1998 the movement emerged as a political party under the name the Justice Party (PK).[13] It gained only 1.4 percent of the national vote in the 1999 general elections and had to re-register under a different name to contest the next general elections. Renamed the Prosperous Justice Party (PKS), it was founded on 20 April 2003 and made impressive progress by attracting 7.3 percent of the national vote in 2004.

Under the slogan "Clean, Caring and Professional", the PKS, which had so far concentrated its recruitment efforts on its core young, pious, middle-class constituents, tried to broaden its appeal to the general Indonesian public. In a largely corruption-ridden political system, PKS stood out as a relatively clean party, and in addition to its ostensible Islamic identity, the party was also known for organising large, peaceful demonstrations or public gatherings at urban landmarks. This strengthened its image as a well-organised party with ideological coherence run by loyal cadres (Tomsa, 2011). In 2006, the party established a special division for workers, peasants and fishermen, three professions that were outside the party's traditional support base. This event was widely interpreted as an attempt to widen its support base in anticipation of the 2009 general elections. The determination was evident in the target of 20 percent of the vote or 110 seats in the national parliament that the party had confidently set for the 2009 elections (*Suara Merdeka*, 1 August 2008). The division, known as the Network of Labour, Peasants, and Fishermen (JABURTANI), was tasked to approach and to mobilise the popular classes starting with regional elections by signing *kontrak politik* with trade unions and eventually by offering parliamentary seats for union officials in 2009. This

broke with the party's reputation as a cadre-centred organisation, because it would effectively allow outsiders to cut corners and take over positions usually reserved for its loyal cadres. There was no doubt that some elements in PKS gave this decision a less than enthusiastic welcome.

Despite this mutually muted response, the decision in the end was not very surprising from the point of view of both organisations. Several officials in the SPN leadership from Jakarta all the way down to districts and factories had had a connection with the PKS. The national chairman, Bambang Wirahyoso was nominated by the party for the national parliament in the 2004 elections. The SPN Central Java chairman, Rio Karyono, had as a student been involved with the party in its infancy in the late 1990s when it was a religious movement. The image of a party of pious Muslims also appealed to some sections of the union. More importantly, however, PKS was the only party that offered SPN a concrete deal by giving their officials tickets to contest legislative seats. Several other parties, such as the National Awakening Party (*Partai Kebangkitan Bangsa*, PKB) and PDIP that had earlier showed interest in signing up the union, turned out to be not as serious as PKS. The party's rapid progress in electoral terms over the past nine years convinced many in the SPN leadership of its winning credentials. And yet, to calm further speculation on motives of personal enrichment, the candidates had been sworn to donate half of their salary as MPs to the union.

Thus, after an internal selection process and bargaining with PKS, 17 SPN officials from across the country were chosen to take part in the general elections under the party's nomination. The chairman and the secretary of the SPN chapter in Semarang city, Nanang Setyono and Heru Budi Utoyo respectively, ran for seats in separate local parliamentary elections. The former was for the parliament in Demak (DPRD Kabupaten Demak) district, whereas the latter was for the parliament in Semarang city (DPRD Kota Semarang). In Semarang district the chairman Sumanta was nominated for the local district parliament (DPRD Kabupaten Semarang). Of these three, only Heru Budi Utoyo admitted to have sympathy with PKS and had voted for it in the previous elections. Conversely, as an SPN official known for leading the street-wise labour front GERBANG, Nanang Setyono initially encountered difficulties with the PKS leadership, especially due to his unruly and thuggish appearance.[14] Nanang Setyono kept long hair and sported earrings, two physical accessories that were frowned upon by pious Muslims.

Another SPN official in Semarang district, Ucok Sutrisno, was actually given the ticket, but when he found out that he would be listed as candidate number seven in the provincial electorate, he declined the appointment.[15] He then switched to the obscure National People's Party of Concern (*Partai Peduli Rakyat Nasional*, PPRN) when offered him number five on the candidacy list in direct violation of his union's exclusive deal with the PKS. That Sutrisno's move went unpunished suggests organisational indiscipline or persistent reluctance to enforce the deal on the part of SPN.

The SPN success team calculated around 15,000 potential votes from the union membership in the Semarang city and found that a significant number hailed from the neighbouring Demak district and therefore would vote in their hometown. This was why Nanang Setyono, who had initially been nominated for the Central Java provincial parliament, was shifted to Demak district to benefit from the support of his SPN comrades. If all SPN members had voted for their legislative candidates, it would have been enough to bring them to power. In Sumanta's electorate around 10,000 SPN members were registered to vote, only one third of which was necessary to get him elected. The SPN leadership knew very well that PKS might not be a natural choice for their members, especially since Central Java had always been a stronghold for the nationalist PDIP which had won the previous two general elections convincingly;[16] they therefore could not take these membership figures for granted. Demak was always a PKB territory on account of the dominant Islamic organisation *Nahdlatul Ulama* (NU) that founded the party, and was considered the arch-rival of PKS.[17]

SPN devised three layers of success teams to target votes at the provincial, district, and factory levels. Officials and activists were drafted to help the team with their local knowledge. In Semarang city, the success team focused its efforts on organising SPN membership meetings four times a month in the factories. They campaigned in the factory canteen during the meal break and used the otherwise routine SPN monthly training session for campaigning. In Semarang district the success team tried a new strategy of door-to-door campaigning that they had learned from following Obama's campaign on television.[18] It also targeted workers from other trade unions by approaching their leaders and encouraging them to pledge support in front of their members. Both teams visited commuters' pick-up points where workers congregated to wait for their transport home, and distributed leaflets and

stickers to passengers sitting on the bus. This was all in addition to printing posters, banners, stickers and T-shirts, which were standard during any campaign in Indonesia. Of course the candidates had wished to appeal to all members of the labouring population regardless of their unions, to vote en bloc as can be deciphered from their campaign slogans: "2009 elections, the day of struggle for workers", "A people's representative from the working class", "Workers choose their fighters from among the workers".[19] At the core of these efforts, however, the focus was inevitably to persuade as many SPN members as possible to vote for their own officials.

The PKS, on its part, lent a helping hand by including SPN candidates in their public meetings and printed campaign materials. Its more experienced field operators assisted SPN teams in organisinge their campaigns but otherwise did not interfere in SPN chosen strategies. In fact, the SPN teams admitted encountering some quiet rejection from among the PKS local leadership. Their outsider status in a party that was known for its rigorous cadre-centred organisation was the likely reason. Thus, the reluctance to fully engage in this partnership was apparently mutual. The same story was repeated by one female SPN candidate on the PKS ticket in Tangerang.[20] She observed that the PKS team looked uncomfortable working with outsiders like her and her SPN comrades. The polite and cautious demeanour of PKS cadres was often at odds with that of strike-hardened labour activists.

Campaign strategies were determined not just by ingenuity but also by the resources available. In this regard, SPN was short of financial resources just like any other trade union in the country, and this was particularly noticeable in a political event that was notoriously costly. Compared to candidates from privileged backgrounds who were supported by established political parties, SPN candidates were less visible because they could not afford to pay for more posters and other forms of printed advertisements, let alone electronic ones. Four sources of campaign funds were available: the individual candidate's purse, SPN coffers, PKS contributions, and private donations. Sumanta admitted to have laid out Rp 10 million (around US$ 1,100), while Heru Budi Utoyo was five million rupiah (US$ 550) poorer at the end of the campaign.[21] In either case, this would have been between five to eight months of pay in industries that paid an average wage of less than US$ 90 per month.[22] The SPN Semarang district office put Rp 12.5 million (US$ 1,390) into the campaign funds and organised a

Table 3. The 2009 Election Results for Three SPN Candidates in Semarang and Demak

CANDIDATES	ELECTORATE	INDIVIDUAL VOTES	TOTAL PKS VOTES IN THE ELECTORATE	RANKING IN THE ELECTORATE AMONG PKS CANDIDATES
Nanang Setyono	Demak district 5	945	6,748	2 out of 12
Heru Budi Utoyo	Semarang city 3	493	14,446	8 out of 12
Sumanta	Semarang district 2	252	5,736	7 out of 10

Sources: Local Electoral Commission in respective electorates

special fundraising campaign in which each member was asked to pay Rp 1,000 (US$ 11 cents) on top of their monthly dues. Around Rp 16 million (US$ 1,777) was raised, half the amount that the success team had expected and a telling sign of things to come. No private donations were recorded by the Semarang district team apart from its own national chairman who was also running for the national parliament in one Central Java electorate.[23] The Semarang city team had tried to solicit donations from local elites and the management of companies where SPN members worked, but to no avail. For both the Semarang city and Semarang district teams, PKS did not contribute cash but helped to provide posters and banners with the party logo and often with one or two other PKS candidates on the same poster. This was already a significant contribution given the fact that most, if not all, political parties were in constant temptation to solicit donations from their candidates in return for the ticket to compete and not the other way around.[24] In the end, the Semarang district success team spent Rp 52.22 million (US$ 5,800) from its war chest.[25] The Semarang city success team did not publicly report its expenditure, but it would not have been less than that spent by its district counterpart.

When the campaign was over, it emerged that the amount that the SPN teams spent was paltry in comparison with that paid by more resourceful candidates. In Semarang district a PDIP candidate from a modest background who eventually won a seat admitted to have spent in the region of Rp 243 million (US$ 27,000), and he knew a rival, a local businesswoman, who had spent two or three times as much.[26] Previous elections had always been expensive, but this recent election was even more so reportedly because of

the range of tactics employed by candidates to buy votes. Needless to say, it highlights the severity of the competition in financial terms and the extent of the candidates' determination to win almost at any cost; these are two "qualities" necessary to win elections, which are simply beyond the means of trade unions at the moment.

The results were disappointing even if not totally unpredictable. None of SPN candidates won a seat, although Nanang Setyono came close as the eventual winner on the PKS ticket in his electorate only won nine more votes than he did. In any case the votes he got were far from the estimate of 5,000 potential votes from among workers. Heru Budi Utoyo attracted only a third of the estimated labour votes in his electorate. Sumanta's votes fell short of even the most conservative estimate calculated by his team; his team had hoped to get votes from family members of around 200 SPN officials (member's representative rank) in his electorate. That would have translated into at least twice as many as this figure if their spouses or one immediate family member of each official had followed the official's choice. Therefore, he was sure that not even all of his fellow officials had voted for him. As far as PKS was concerned, the SPN candidates in general failed to bring a significant number of votes. Nanang Setyono's votes accounted for 14 percent% of the party's votes, and the other two contributed less than 5 percent of votes for the party in their respective electorates.

In fact, across the country none of the SPN and FSPMI candidates who ran on the PKS ticket won a seat. Not even the national chairmen of both unions, Bambang Wirahyoso of SPN in Central Java and Said Iqbal of FSPMI in Batam, could secure enough votes to get them elected. Two FSPMI officials in Gorontalo, North Sulawesi, were elected but as candidates from PAN. Dita Sari (PBR) could not mobilise enough support to win a national parliamentary seat despite her labour credentials, while Budiman Sudjatmiko (PDIP) won a seat as the only prominent name with labour connections in Jakarta.

One major factor that was responsible for the defeat was the choice of political partner. Despite the bold target of 20 percent, PKS in the end only won 7.9 percent, a marginal increase from the 7.3 percent it secured in 2004. In several regions, the party actually did worse than 2004, losing several seats including some in Tangerang city and Medan. PKS in Semarang city added one more seat to its previous ones, while Semarang district lost one. The

winner in the 2004 elections in both Semarang regions, the PDIP, also suffered a large loss of two or three seats although it remained on top. Nationally, the 2009 general elections were a sweeping victory for the Democratic Party (PD), with 20.8 percent of the vote, a spectacular rise from just 7.4 percent in 2004. This win has successfully undermined the established strongholds of other parties in the regions, practically quashing any hope of other parties to expand the number of seats they previously had. Thus, although PKS still gained an increase, albeit very small, its appeal to labour is clearly very limited and this was clear from the outset. Its strong Islamic ideology and its traditional middle-class constituency do not strike a chord with the marginal classes in general, let alone with organised labour that has been traditionally secular or at least not ostensibly religious.

What Does It Mean for Labour Politics?

These electoral defeats quickly brought home the reality of Indonesian politics to organised labour. They confirmed the observation shared by many of the elitist character of the new democracy quoted at the beginning of this paper, and highlighted a number of factors that characterise organised labour and the realm of labour partisanship.

These experiments exposed the absence of three necessary conditions for successful labour electoral participation. First, the trade unions involved did not have the organisational structures and capacities necessary to mobilise their rank and files into a voting bloc. Union and labour activists may have been relatively efficient in organising street marches, yet their hope of translating this into a more formal political campaign resulted in defeat. The head of the SPN success team for Semarang city and Demak district summed it up well, "We may have been able to mobilise (*mengerahkan* in Indonesian) the labour masses, but we have yet to direct (*mengarahkan*) them."[27]

The inability to direct members to follow the union line can certainly be attributed to the organisational characteristics of Indonesian trade unions. Many scholars have observed among unions the poor capacity to conduct what is considered to be a union's core business, such as to collect membership fees, to conduct collective bargaining, and to defend their members in disputes (Quinn, 2003; Isaac and Sitalaksmi, 2008; Kelly, 2002). Such poor services by the organisations clearly did not inspire loyalty among

the rank and file to identify themselves with the organisations and their stated goals. In addition, democracy was often paid only lip service in the internal running of unions. At face value the leaders of most unions were elected at every level of the organisations and they then became representatives at higher levels. The manner of the election, however, was often anything but democratic, at least in established unions (Caraway, 2008).

On the part of members, their loyalty to and identification with the organisation cannot be described just in terms of voluntary and contractual relationships. Different kinds of loyalty and patronage networks, such as ethnic ties (Elmhirst, 2004) and customary relationships (Mather, 1985; Warouw, 2006) which derive from survival strategies in urban industrial jungles, permeate the modern structures of unions. Competing identities based on places of origin, religion, and ethnicity aggravate the faultlines commonly found among the working population such as divisions in work status (formal and informal), industrial sectors, skills (blue collar and white collar), and gender. Research into the full array of relationships that unions and their members mutually develop will be a significant contribution to understanding this phenomenon. Suffice to say at this point that the intersecting loyalties did not facilitate the kind of loyalty that was necessary to mobilise labour votes.

Second, the alliances between trade unions and political parties at national and regional levels were at best fragile and fractious, indicating an unfamiliar partnership. This was a far cry from the heyday of labour partisanship in the first few years after independence. During the period of Liberal Democracy (1949-1958) organic links between labour and political organisations were common. In fact, political parties managed to establish an organisational sub-culture in society by which the community was stratified in organised groups, including labour, with certain political affiliations (Antlov, 2004). In 1955 there were a total of 1,501 national, regional and local unions listed by the Ministry of Labour, and SOBSI (All-Indonesia Workers Organisation), which was linked with the Indonesian Communist Party, claimed the largest membership (Hadiz, 1997). It was obvious, however, that after more than three decades of political repression the tradition of alliances between these two forms of popular representation had been effectively ended. To the possibility of renewing and building partnerships in the post-authoritarian era, these organisations had so far responded reluctantly.

A tradition of alliances means maximum organisational overlaps, wherein the structure of both organisations is interconnected at many different levels, sharing an ideological platform and organisational goals, ingrained habits of cooperation and established arenas of cooperation. These were very much absent in the almost impromptu alliances forged for most of the post-1998 elections studied here. The organisations had never previously embarked on any other form of sustained cooperation, and despite various MOUs and public shows of partnership, both the political parties and the unions still looked like two completely separate organisations which had to second guess each other in every decision from the top of the leadership to the bottom.

Lastly, the few votes won by labour parties and labour candidates highlighted the absence of a political space for a tradition of leftist ideologies and social movements in society. The tradition would have allowed some political leverage in the form of favourable institutional arrangements and public opinion. The absence of this tradition was observable in both the unions and the political parties. Established trade unions in particular adopted a more pragmatic framework in their charter and their approach to industrial disputes. Small and radical unions often couched their ideology in populist terms of anti-capitalism, but when it came to real demands such as wage they often had to combine it with a more pragmatic language.[28] They were clearly eager to reach out to the majority of workers who would otherwise associate leftist language with the forbidden Indonesian Communist Party. Leftist ideologies were strictly forbidden during the military dictatorship and their limited propagation took place only among opposition and academic circles. In the post-authoritarian era, leftist slogans could still easily be interpreted as endorsement for communist ideologies, which remained illegal in Indonesia if not explicitly stated, and might provoke religious and nationalist backlash in response.

Similarly political parties were not genuinely enthusiastic about embracing labour votes beyond the rhetoric of fighting for the poor, the *wong cilik* in Indonesian political parlance. Most of them preferred to define their ideological platform and to mobilise support along the line of either a secular nationalism or a predominantly religious Islamist language. The ethnic and religious diversity of the country, interpreted by the New Order as a constant threat to the unity of the nation, had created a condition that prioritises the creation of a harmonious society almost above anything else. Intended as

justification for repression by the New Order, the language of harmonious society has become an established political discourse, readily available to political actors eager to show their statesman credentials. Likewise, voters were concerned about who could maintain the peace and unity of the nation, and they were coached to focus on these issues. The difference between nationalist and religious ideologies hinged almost solely on the kind of normative prescription that is used as the ideological foundation of the country's unity, the state ideology *Pancasila* for the nationalist camp, or an interpretation of the Islamic law for the religious one. Specific social-economic issues, roughly versed in a broad concern for the poor, received only cursory attention in this discourse and only during election campaigns. Surely, the New Order legacy of political language continued to define electoral politics in a way that does not afford prominence to interest-based issues.

Concluding Remarks

Participation in electoral politics reflects the diversification of strategies among some sections of organised labour in their attempts to engage the state. The traditional focus on tripartite interaction in the framework of industrial relations remains, but trade unions have begun to seek to control the state and its system of policy formation by contesting elections or joining forces with political parties. Repeated exchanges with holders of power have gradually made trade union officials see as real the possibility of joining the ruling class. In spite of the defeat, the experiment may have started to undermine the legacy of economic unionism which was firmly institutionalised by the New Order regime.

However, labour electoral success still looks unlikely in the foreseeable future. Conspicuous is the absence of disciplined labour organisations and political partners in the form of genuinely labour-oriented political parties. This certainly does not help the general process of mobilising popular interests in the attempt to challenge the political elite in Indonesia. Organised labour will still face an uphill battle in the new democratic Indonesia.

Endnotes

1 Kong (2004) is more optimistic in arguing that the Korean state corporatism has been modified into 'competitive corporatism' similar to the model that has emerged in Japan and Germany. Buchanan and Nicholls (2003) are less convinced and argue that the Korean labour movement has at best turned into a lobby group in otherwise still largely exclusionary labour relations.

2 Three alternative trade unions were established in the 1990s, namely Solidarity Free Trade Union (*Serikat Buruh Mandiri-Setiakawan*, SBM-SK), Indonesian Prosperous Workers' Union (*Serikat Buruh Sejahtera Indonesia*, SBSI), and Centre for Indonesian Workers' Struggle (*Pusat Perjuangan Buruh Indonesia*, PPBI). For accounts of these organisations, see Ford (2009) and Hadiz (1997).

3 Hadiz (2002) and Ford (2005) note that the PSPSI and the PSP were rumoured to be closely connected to or even funded by the Suharto family.

4 Three other parties, the Party of Indonesian Businesspeople and Workers (*Partai Pengusaha dan Pekerja Indonesia*, PPPI) the Indonesian Workers' Congress Party (*Partai Kongres Pekerja Indonesia*, PKPI) and the Indonesian Labour Force Party (*Partai Tenaga Kerja Indonesia*, PTKI), also registered with the electoral commission but did not pass the final stage of verification (Ford, 2005).

5 Data provided by the North Sumatra Branch Office of the PBSD in Medan.

6 *Kompas*, 15 August 2008. The other three parties were the Indonesian Nahdlatul Ummah Unity Party (*Partai Persatuan Nahdlatul Ummah Indonesia*, PPNUI), the Free Party (*Partai Merdeka*, PM), and the Indonesian Society Party (*Partai Sarikat Indonesia*, PSI).

7 Interviews with SPN and FSPMI officials in Semarang and Tangerang.

8 For Tangerang see *Radar Tangerang*, 6 February 2009. As for the Semarang regions, the information was collected through interviews with the candidates themselves on 29 June 2009 and 3 July 2009.

9 Interview with Rachmansah Purba, a legislative candidate from SBMI on 16 August 2009.

10 For example, a group of people who called themselves Indonesian Anti-Communist Front (*Front Anti Komunis Indonesia*, FAKI) demanded the disbandment of PAPERNAS while the latter was holding its congress in Yogyakarta and threatened violence if the organisers did not heed the demand (*Kompas*, 19 January 2007).

11 Presented in a seminar in Jakarta on 2 July 2009.

12 Interview with Sumarsono, 12 March 2008.

13 See the party's website on http://www.pk-sejahtera.org/v2/main.php?op=isi&id=111 (accessed on 31 October 2009).

14 Interview with Slamet Kaswanto, the deputy chairman of SPN Semarang city and the head of SPN success team in the city, 6 July 2009. The author met Nanang on 12 April 2008, before he was named PKS candidate for the elections.

15 The initial regulation (Law No. 10/2008 article 214) gave an advantage to candidates with small ballot numbers but the Constitutional Court ruled this out in December 2008. This was after Ucok Sutrisno decided to decline the PKS ticket.

16 In 2004, PDIP won 14 seats in the Semarang district parliament while PKS only won five. The figures for Semarang city were 12 seats for PDIP and five for PKS.

17 In 2004 PKB won 10 seats in Demak district while PKS only had two seats.

18 One member of the success team, Ari Munanto, actually travelled to the US during the presidential election in 2008 as part of the international election monitoring sponsored by the US Embassy in Jakarta. Interview with Ari Munanto 3 July 2009.

19 These were written on posters, banners, stickers, calendars and T-shirt which were printed by the SPN team and PKS.

20 Interview with Siti Istikharoh, a SPN candidate for the Tangerang city parliament, 28 July 2009.

21 Interviews with Sumanta, 3 July 2009, and with Heru Utoyo, 29 June 2009. Siti Istikharoh in Tangerang spent around Rp 50 million (US$ 5,555) and this seems to be more realistic than the meagre amount admittedly paid by Sumanta and Heru Utoyo.

22 The two candidates were middle ranking employees, earning between one to two million rupiah a month (US$ 111-222) at the time. Sumanta, however, lost his job just after the election as his company was closed down.

23 The information available is only the amount he paid to the success team in Semarang district, i.e. Rp 3.5 million (US$ 390).

24 This was aggravated by Government Regulation No. 29 of 2005 which cut public funding for political parties to just Rp 21 million (US$ 2,330) annually per seat won in general elections. The previous regulation had granted Rp 1,000 (11 US cents) annually per vote won. A seat in the national parliament was worth up to 170,000 seats; therefore the new regulation significantly cut the amount received by parties (Mietzner, 2007).

25 The financial report of the success team of SPN Semarang district (dated 16 March 2009).

26 Interview with Agus Rujianto, an MP elect for Semarang district, 9 July 2009.

27 Interview with Slamet Kaswanto, 6 July 2009.

28 For example, one of the most high-profile radical union organisations at the moment, Congress of Alliance of Independent Labour Unions (*Kongres Aliansi Serikat Buruh Independen*, KASBI), campaigned to scrap the minimum wage policy and to replace it with a scheme called the "National Decent Wage". This campaign was part of its eight programmes

that were formulated in its second national congress in January 2008. The other programmes were to stop privatisation of state companies, to organise workers in primary industrial sectors, to support the development of a maritime industry, to oppose all tripartite institutions, to demand state protection for union activists at the enterprise level, and to call on workers at the local level to organise in what it calls a Workers' Council (KASBI, 2008).

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The Indonesian Trade Union Movement

A CLASH OF PARADIGMS

by SURYA TJANDRA

It has been argued that the trade union movement in both developed and developing Asia has generally adopted a market orientation ('business' or 'market' unionism), where unions are seen as generally economic actors pursuing economic goals, such as the welfare of their members. This is especially done through collective bargaining within the labour market, but with less focus on society (Zhu and Benson 2008: 261). However, unlike the conditions in developed Asia, this shift towards market orientated trade union movement in developing Asia has occurred practically without the availability of basic social and legal protection for vulnerable workers, which means the sustainability of a vibrant, progressive trade union movement is less promising in developing Asia than in developed Asia.

Therefore, efforts by the trade union movement to push for more sound social policies are important as they suggest the extent to which the trade union movement has positioned itself in society, which, moreover, might contribute to resolving the structural limitations it faces. In this regard, it is interesting to look at the case of Indonesia especially since the enactment of Law No. 40/2004 on the National Social Security System (*Sistem Jaminan Sosial Nasional*, SJSN) and the formulation of its implementing legislation, the Social Security Providers Bill (*Badan Penyelenggara Jaminan Sosial,* BPJS). These have coloured the emergence of a new kind of trade union

movement in an unprecedented way, and this has manifested itself in the Action Committee for Social Security (*Komite Aksi Jaminan Sosial*, KAJS–), a national alliance of unions dedicated to pushing for reforms of the universal social security system.

The SJSN Law, the BPJS Bill, and the KAJS

In response to the economic crisis that eroded the New Order, the need to develop domestic sources of funds and the desire to prove themselves different from their predecessors, post-1998 reform governments came up with one important idea: it was time for Indonesia to have a more thorough social security system for all its citizens. Given the proposal of the Supreme Advisory Council (*Dewan Pertimbangan Agung*) of the advisory branch of government, the 2002 General Session of the Indonesian People's Assembly agreed to amend the 1945 Constitution by specifically mentioning the people's right to social security and the state's obligation to realize it.

At least three Indonesian Presidents, i.e., President Habibie, President Abdurrahman Wahid, and President Megawati, all played a part in the eventual enactment of Law No. 40/2004 on National Social Security System (SJSN Law). The law was signed by President Megawati on 19 October 2004, just one day before newly elected President Susilo Bambang Yudhoyono (SBY) took office on 20 October 2004.[1] It took quite an effort to achieve the enactment as there had been great reservations from specific interest groups, most notably Jamsostek Ltd., the state company responsible for social security for formal workers, and Taspen Ltd., the state company responsible for managing pension funds for public servants. The two state companies considered the law a threat to the already established corporations.[2]

The SJSN Law was a breakthrough as it was the first ever law ruling that all Indonesians be covered by social security through five mandatory universal programs: healthcare benefits, occupational accident benefits, old-age risk benefits, pension benefits, and death benefits.[3] The law specifically aimed to correct the existing system of discriminatory and limited social security schemes. Two examples of how the existing social security schemes were discriminatory and limited are shown in two facts: Firstly, there were 139 million out of 230 million Indonesian people who did not have access to various healthcare schemes; and secondly, only public servants and military/police officials enjoyed a pension scheme. To address this situation, the law

Celebrating International Women's Day in front of the State Palace in Jakarta, 8 March 2014 (Photo by LIPS).

required implementing legislation and a slew of government regulations, since the law itself only provided the basic principles of the social security system that had to be developed but did not give the regulations on how the system would actually be administered. The technicalities about the kind of public institutions that should be established and how they should be run were left to the implementing legislation on Social Security Providers (BPJS).[4] It was in this context that the Bill on Social Security Provider (BPJS bill) was a necessity.

There were three critical features of the SJSN Law which radically changed the social security structure and administration. Firstly, four of the existing state-owned companies administering social security were transformed into public institutions. These were Jamsostek Ltd which is responsible for social security for formal workers in the private sector;[5] Taspen Ltd., responsible for managing pension funds for public servants;[6] Asabri Ltd., responsible for managing pension and healthcare for military and police officials and their families;[7] and Askes Ltd., responsible for healthcare for public servants and their families.[8] Secondly, universal healthcare for all Indonesian people was the first task at hand. Thirdly, a pension scheme for formal workers in the private sector to complement the

existing pension schemes for public servants was established. The system would be administered through a mechanism of social insurance, that is 'a mechanism of collecting funds from compulsory contribution to be used to provide protection against social economic risks that befall participants and/or their family members,' while the state would be responsible for covering poor people's contributions.[9]

It was a noble idea the obstacles to which came from the government itself, which was reluctant to implement it for several reasons, such as the fiscal impact of the system, the lack of readiness of the infrastructure to support it, etc.[10] Some observers believed, however, that the government's reluctance had to do with its losing access to the social security funds administered by the existing four state social security companies.[11] During President Yudhoyono's first term, from 2004 to 2009, cabinet members prepared various scenarios and 'road maps' for implementing the SJSN Law by October 19, 2009. These were actually put off and delayed until his second term from 2009 to 2014. When the deadline for the full implementation of the SJSN Law -- five years after its enactment on 19 October 2009-- was at hand, the government had not submitted anything to the House of Representatives. It was only then that the DPR submitted a draft bill on Social Security Providers (*Badan Penyelenggara Jaminan Sosial,* BPJS),[12] which would be discussed by the House in the 2010 legislative program. And even during discussions with the House later on, the government deliberately ignored the sessions several times and clogged negotiations set up to discuss the bill (with Parliament.[13] It was in this context that dozens of national labour unions and NGOs, farmers, fishermen, students organizations and professionals formed the Action Committee for Social Security (*Komite Aksi Jaminan Sosial,* KAJS), a civil society organisation dedicated to pushing for the implementation of social security reforms.

The establishment of the KAJS was formally agreed upon at a meeting facilitated by the Federation of Indonesian Metal Workers Union (*Federasi Serikat Pekerja Metal Indonesia*, FSPMI) at the Hotel Treva in Jakarta, from March 6 to 8, 2010. This meeting was important because in order to strengthen the workers' demands, the union leaders agreed to merge all groups supporting the social security reforms into one 'action committee'. The presidents and the secretary-generals of the confederations and federations were to be the main supporters with a collective leadership in the form of a

'presidium'. It was also agreed that the KAJS coordination would be carried out by the presidium which was to consist of several union and NGO leaders, namely: R. Abdullah of the Federation of Indonesian Chemical Energy and Mining Workers Union of the Confederation of All Indonesia Workers Union (*Federasi Serikat Pekerja Kimia Energi Pertambangan Konfederasi Serikat Pekerja Seluruh Indonesia*, FSP KEP KSPSI), Joko Hariyono of the National Workers Union (*Serikat Pekerja Nasional*, SPN), Achmad Munji of the Federation of Farming and Plantation Workers Union of the Confederation of All Indonesia Workers Union (Federasi Serikat Pekerja Pertanian dan Perkembunan Konfederasi Serikat Pekerja Seluruh Indonesia, FSP PP KSPSI), Indra Munaswar of the Federation of Textile Garment and Leather Workers Union (*Federasi Serikat Pekerja Tekstil Sandang Kulit Serikat Pekerja Seluruh Indonesia Reformasi*, FSP TSK SPSI Reformasi), Ali Akbar of the Federation of Publishing Printing and Media Workers Union of the Confederation of the Indonesian Trade Union (*Federasi Serikat Pekerja Percetakan Penerbitan dan Media Indonesia Konfederasi Serikat Pekerja Indonesia*, FSP PPMI KSPI), Timbul Siregar of the Indonesian Trade Union Organisation (*Organisasi Pekerja Seluruh Indonesia*, OPSI), Abdullah Sani of the Confederation of the Indonesian Prosperous Workers Union (*Konfederasi Serikat Buruh Sejahtera Indonesia*, KSBSI), and Surya Tjandra (TURC),[14] with Said Iqbal of the (FSPMI) as the Secretary-General. In the process, there were some replacements of the presidium membership: the SPN, FSP PP KSPSI, and KSBSI representatives withdrew their involvement, and Muhamad Rusdi from the Indonesian Workers Association (*Asosiasi Serikat Pekerja Indonesia*, ASPEK Indonesia) joined. In addition, it was agreed that a trade union/labour union alliances in the regions were to be formed to support the national leadership of the KAJS. These regional alliances had the tasks of organizing mass actions, lobbying and preparing counter-concepts, conducting seminars or workshops and public meetings on the issue of social security reforms, and expanding the networks of the KAJS to other unions and workers' organizations in order to advocate for the implementation of the SJSN Law and the enactment of the BPJS bill.

A series of demonstrations involving tens of thousands of workers in different regions were held. These were accompanied by direct public campaigns to workers in various industrial areas and mass media reports. The demonstrations and public campaigns were held to pressure national

and regional parliaments to issue a recommendation to support the implementation of social security reform in Indonesia.

A national rally was held on 5 April 2010 in conjunction with the opening of the House of Representatives plenary session.[15] This was followed by similar rallies across the regions in April 2010 – actions which came to a peak demonstration on International Labour Day on 1 May 2010, at the Presidential Palace in Jakarta. An estimated 150,000 workers joined the march from Hotel Indonesia square to the State Palace – the office of the President – in Central Jakarta. They had only one demand, the implementation of the SJSN Law and the enactment of the BPJS Bill.[16] All of the mass rallies and demonstractions demanded the immediate implementation of the national social security system based on the SJSN Law and the enactment of the BPJS Bill, with three main features: healthcare for all Indonesian people, pensions for all Indonesian people, and the establishment of social security providers (BPJS) as legal public entities based on a 'trustee' system. All these features were to be made manifest in the BPJS Bill that was under deliberation in the House of Representatives.

On 10 June 2010, the KAJS filed a citizen lawsuit against the Indonesian President, the Vice President, the Speaker of the House, and eight other ministers for their negligence in implementing the people's constitutional rights to social security.[17] The actions carried out by the KAJS had clearly disrupted the status quo, especially when the citizen lawsuit was filed at the Central Jakarta District Court which directly created trouble for President Yudhoyono himself.[18] And the court sessions, which were held weekly, also attracted media attention. At almost every court session, workers attended and sometimes demonstrated outside and inside the courtroom. The eventual victory of the plaintiffs of the citizen lawsuit on 13 July 2011 enhanced the confidence of unions and workers because it was clearly a legal confirmation of the legitimacy of their demands.[19]

During the intensive deliberations over the BPJS Bill begun in June 2010, the KAJS was active in monitoring the House special committee sessions. The KAJS had several people tasked with sitting in the balcony of the House meeting rooms.[20] These people were to closely watch the performance of the legislators. They often commented on the proceedings and provided input with short text messages sent directly to the legislators' mobile phones, particularly if there were any efforts to derail or hinder the discussion. Such

a strategy proved essential as the legislators knew that they were being watched by the public, and the KAJS could actually directly influence each of the Special Committee members on particular issues raised during the discussion. In order to make their impact even stronger, the short messages sent to each legislator were not just one or two, but often hundreds at the same time.[21] The instruction to send the text messages, including the formulation of the texts, was given through the KAJS Facebook account deliberately set up to support KAJS activities. The same Facebook account was also used to bring together various supporters of the KAJS in various regions, instantly informing them of any developments in the House, such as minutes of the parliamentary meetings, instructions in preparation for a rally, etc. Moreover, the Facebook account which had more than 6,000 members by mid-2011, and which was administered collectively by around 20 of the core team of the KAJS, was also becoming a site for discussions, debate, a sharing of knowledge and experiences, and anything related to social security issues or even general labour issues. For many workers with access to the Internet – and particularly Facebook,[22] which can easily be accessed through mobile phones – the KAJS account had become an alternative tool for mobilisation.[23] It definitely contributed to the KAJS's campaign and success, seen when the House and the government finally agreed to pass the bill into law on 28 October 2011.

However, even after the court verdict, the government had not yet shown its willingness to implement the court order. The government appealed to the Higher Court, which further prolonged the process. Moreover, in the parliamentary sessions, the government's representatives did not show good faith in finishing the BPJS Bill and they refuted several key points in the SJSN Law and demanded revisions to the SJSN Law before continuing with the bill. One particular point that the government strongly opposed was the transformation of the four existing state social security companies. The government argued that such an act would only harm the state's economy (*Media Indonesia*, 20 September 2010). These objections forced the KAJS to accelerate its own action. Probably the biggest labour demonstration ever held since the reform was the one planned for October 2011which would have closed several industrial areas and occupied the Indonesian Stock Exchange in Jakarta for a few days; both parliament and government were to be pressured even more.

The deadline for parliament to finish the sessions was October 28, 2011, and if not, that would have meant a deadlock and the deliberation of the bill would have to wait until the next elections when a new government and new parliament were brought in. Thus, for the KAJS this was a point of no return. The 21st October 2011 meeting between the government and the special committee was cancelled due to the government's plan to reshuffle the cabinet. No ministers were allowed by the President to make 'strategic decisions' (*Republika*, 12 October 2011). This was the third time President Yudhoyono reshuffled his cabinet. It was decided by the House as well that 28 October 2011 was indeed the final day for deliberation on the BPJS Bill. The KAJS then decided that this might be the moment to use all its resources to push for the reform. The KAJS planned to launch the biggest demonstration since the beginning of the struggle in 2010, with an estimated 50,000 workers and other social groups (peasants, students, NGOs, etc) prepared to besiege and, if necessary, occupy the House building and the Indonesia Stock Exchange building nearby.

On 28 October 2011, after a dramatic process of lobbying among House leaders, political party leaders, and government representatives,[24] coupled with a demonstration by thousands of workers who had stayed overnight outside the parliament building in Jakarta, the Indonesian parliament and government finally agreed to pass the bill on social security providers (BPJS).

Despite all the controversies, this was a historic moment, bringing in universal social security coverage for all Indonesian citizens. The new law stipulated that there would be two social security providers: Social Security Provider (BPJS) I and II. The BPJS I on healthcare would directly manage universal healthcare for all Indonesian people. This included the transformation of assets, participants, and the existing Askes Ltd., as well as the transfer of programs from the existing Jamsostek Ltd. and Asabri Ltd., which should start on 1 January 2014. The BPJS II on manpower would manage occupational accident, death, old age, and pension benefits for all workers in the formal sector, or the transformation of the existing Jamsostek Ltd., on 1 January 2014, and should begin operations in July 2015 at the latest (*Kompas*, 28 October 2011; *the Jakarta Post*, 28 October 2011). This was quite an achievement as for the first time Indonesia took the initial step toward a universal social security system for the entire population.

Pros and Cons of KAJS

As an organization trying to consolidate the powers of the trade union movement with such a serious and ambitious agenda as universal social security for all Indonesian people, obviously the KAJS interfered with the established, vested interests that had been benefitting from the situation. The most disrupted entity was the government itself, which had direct access to fresh social security funds administered by state-owned enterprises (SOEs) that had already been in existence for several decades. The most prominent of these SOEs was Jamsostek Ltd, which had accumulated assets from workers' premiums of more than Rp109 trillion by 2011. This sum included practically no government contribution as all the funds came mostly from workers' premiums. The total assets of Jamsostek Ltd administered amounted to Rp 648 trillion (*Detikfinance*, 12 August 2011).

The other groups that were disrupted were actually several national unions, and union federations and confederations, which for years had gained financial support from Jamsostek. through so-called 'operational cooperation ('*kerja sama operasional*',KSO).[25] The most prominent ones in this category were SPN, KSPSI (Kali Bata) and KSBSI. In fact, the chairman of KSPSI (Kali Bata), Sjukur Sarto, and the president of KSBSI, Rekson Silaban, were commissioners of Jamsostek, appointed by the government as 'representatives' of the workers to the Board of Commissioners of Jamsostek. These three unions were later those most active in opposing the BPJS Bill. This was because these KSO schemes might not be accepted under the new system which would become more transparent. The BPJS (including the one merged from Jamsostek) would be monitored by the public as the agency would be administering public trust funds.

Moreover, the KAJS was also considered by some confederation leaders to be causing more problems by its having directly taken over efforts to consolidate several national confederations after the Trade Union Meeting for Political Consensus Meeting (TUMPOC), held from 23 to 25 November 2009 in Sukabumi.[26] Despite agreeing to establish the National Assembly Forum (*Forum Rembug Nasional* – FReN) as a continuation of TUMPOC in February 2010, many of the same activists who supported TUMPOC later shifted their loyalty to KAJS which was formed only one month later in March 2010. Uncertainty over sources of funds for operations and doubts about the leadership of FReN were the main reasons for activists as well as

donors to shift their support to KAJS.[27] FReN's rather structural approach, where the leaders of the confederation would automatically be leaders of the alliance, was rejected by several national federation leaders who felt that they were the ones with real power due to their direct influence on and contact with workers. This might also be one reason for the lack of enthusiasm most of the confederation leaders had for the KAJS.

Personal competition among labour leaders also seemed to colour this reservation, in addition to the fact that some confederation leaders had developed their own vested interests. Especially objectionable to them were reforms by Jamsostek to the existing social security system for private formal workers. Note that Rekson Silaban, president of KSBSI, and Sjukur Sarto, chairman of KSPSI, were appointed, not elected, to become the commissioners of Jamsostek. They received hundreds of millions of rupiahs in bonuses every year for serving in their positions with no direct benefit for workers in general.[28]

Such a situation divided the confederations' responses – which in turn also affected the responses of the workers in general – on this issue and the consequences of the struggle to reform the social security system. The KSPSI, especially those in Sjukur Sarto's camp, was not involved with KAJS. Only a few individual leaders of the KSPSI joined KAJS and they were not so influential. Although KSPI President Thamrin Mosii did not reject the initiative, he did not support it either. In practice, the KSPSI was divided as some federations under the KSPSI actively supported and worked with the KAJS.

Meanwhile only one federation belonged to the KSBSI. This was the Lomenik (metal and electronics sectors), which was willing to have itself named as plaintiff in a lawsuit filed against KAJS. Other federations did not want to get involved. Early in July 2011, the founder and chairman of the Advisory Council of KSBSI, Muchtar Pakpahan, managed to 'force' the entire leadership of the federation under KSBSI – minus the President Rekson Silaban – to apply to the Constitutional Court for a judicial review. The review was of Law No. 3/1992 on the Workers' Social Security (Jamsostek) versus the 1945 Constitution and the SJSN Law. Such a move manifested a slight shift in the KSBSI attitude towards the demands for social security reform, because it started to participate in some KAJS activities. Later on, Rekson Silaban and Sjukur Sarto managed to get Thamrin Mosii to reject

the BPJS Bill, by urging a revision of the Jamsostek Law instead first, rather than the implementation of the SJSN Law (*Rakyat Merdeka*, 2 June 2010). Their demand was similar to the idea of the government, Jamsostek and Taspen. The KSPI accused Thamrin of being 'influenced' by Rekson and Sjukur.[29]

Despite the pros and cons and inter-union politics described above, the KAJS proved able to consolidate the labour movement to push for the social security reform agenda. In early 2010, not many union leaders understood this issue, let alone supported it. The success of deploying thousands of workers on 1 May 2010 and again on 1 May 2011, was covered by almost all media outlets and this made the issue of social security reform prominent.

In the absence of a political party that ideologically supported a social and political agenda like social security, the presence of KAJS changed the color of the political arena, especially in parliament as the KAJS was actively involved as a social watchdog. When before the end of the second parliamentary session in early 2011, some members of parliament expressed frustration with the government delaying the bill, the KAJS came up with the idea of the 'People's Forum for Social Security', which was held continuously for two weeks and became a means of consolidation and coordination before Labour Day on 1 May 2011. The forum had one unequivocal demand: 'Implement social security now, or out with SBY!' This was a message that, a few years ago, would never have emanated from mainstream labour unions. These unions, of course, became the main supporters of KAJS.

The political climate with interfaith leaders' allegation that the government intentionally deceived the public about poverty rates (*Waspada*, 13 July 2011), along with the Wikileaks controversial report revealing the abuse of power by President Yudhoyono and his family (*Sydney Morning Herald*, 11 March 2011), created a situation where such demands – particularly those coming from unions – combined with a threat of general strikes in the industrial areas would obviously be very influential within the existing political constellation.

The issues raised by the KAJS also constituted an important breakthrough. The traditional interests of workers in Indonesia in general were issues such as wages and unclear employment status. And unlike the action committees

that often arise in Indonesia, the KAJS by successfully surviving for almost two years since its creation, and remaining vibrant and consistent about the same issue, changing the environment of labour activism. With practically no rivals doing something similar and with similar working methods, the KAJS encouraged many enlightened trade unionists to make the struggle their own struggle, not merely due to influence or pressure from above. Responding to criticism from opponents of the SJSN Law and the BPJS Bill, the KAJS Secretary-General Said Iqbal, who was also the president of FSPMI union, simply said: 'Who am I to move so many trade unions in the KAJS who want to struggle for social security? Surely there is some kind of rationality in our demands, so as to produce a massive movement at such a level, involving so many trade unions in various regions.'

The existence of KAJS had also encouraged direct consolidation between labour activists of the central organisations at the grass roots level; and trade unions, at some point, managed to put common social interests above their organizational egos and interests.[30] This was indeed quite an important development for trade union movements in Indonesia.

A Clash of Paradigms?

Within a relatively short time, KAJS slowly but surely began to build its influence as a social and political force. The success in pushing the parliamentary plenary meeting to approve the BPJS Bill as a House initiative, the accomplishment of uniting the labour movement from the national to the local level, the acting as a catalyst which gave fresh impetus to the political stagnation seen in the BPJS Bill deliberation in the House, and the eventual passing of the BPJS Bill by the House, were a few concrete examples of the role and growing influence of the KAJS and thus trade unions in Indonesian society.

Nonetheless, not all unions appreciated such achievements. Several unions, most notably the SPN, were committed to opposing the reforms on social security as this would supposedly only 'harm workers' interests.'[31] When the BPJS Bill was finally passed by the House, they had also publicly sworn to continue their struggle to reject the reforms by any means (okezone.com, 3 November 2011), including by filing a judicial review against it.

Apart from the vested interests explained earlier, which might also have an impact on the resistance of these unions toward reform, they had several arguments supporting their position. Their arguments compared to the KAJS

arguments might generally reflect a debate between different trade union paradigms and orientations, i.e., regarding 'class', 'business' or 'market', and 'social' orientations. If managed properly, such a 'battle of paradigms' might actually be beneficial to the development of the trade union movement in Indonesia in the long term.

Based on the documents produced by these unions as well as public statements in the newspapers and various personal communications with their leaders,[32] it is clear that their resistance to the BPJS Bill was particularly focused on the transformation of Jamsostek from a state-owned enterprise to a public institution monitored by a board of trustees. Some of these unions, supposedly inspired by Marxist arguments, argued that contributions to social security should be entirely covered by the state which should take responsibility for it. Instead of collecting money from the people, social security costs should be covered by the national budget from taxes collected. Thus, 'social insurance' would only be a way of camouflaging the state's denial to fulfill its obligation to the people and the transfer of the obligation to the people themselves. Thus, the only way for workers and the people to enjoy social security was through nationalisation of foreign assets in the country and the taking over of all natural resources by Indonesian people to be used for Indonesian people.[33] Some other unions argued that such transformation would only harm workers' interests as the money collected would then be used for allIndonesians, not just for the benefit of the workers who had paid their premiums. This position might best be expressed in a statement made by one SPN regional leader: 'Should we workers and our money at Jamsostek Ltd. also be used for the benefit of the poor? Shouldn't the poor be the responsibility of the government? Aren't we, the workers, actually the poor themselves?'[34]

On the other hand, the KAJS took a rather different position, which evolved during the process of the struggle. Many of the KAJS leaders in the beginning actually agreed with the arguments that could be categorised as 'business' or 'market' oriented. Although they strongly supported the transformation of the existing state social security companies into public institutions controlled by the public, their main concern was Jamsostek and its responsibility to workers in the formal sector. Thus, one of the original demands was simply the transformation of Jamsostek into BPJS 'Jamsostek', with just one additional program on pensions for formal workers. There

seemed to be little interest in supporting pension schemes for other social groups that had not enjoyed it earlier, such as informal workers, or reforming the problematic pension schemes for public servants. The KAJS, nonetheless, remained firm from the beginning to the end in its support of universal healthcare for all Indonesian citizens. This advocacy was based on a belief that 'workers have families too, and they are not protected by any social security programs. Thus, it is our duty to fight for them, too.'[35] If the system is properly run, universal healthcare will benefit all citizens.

Such a variety of arguments of the opponents of social security reforms above, as well as the one from the KAJS, shows the kinds of trade union orientations existing in Indonesia. They are: 1) one that focuses on the people's rights to social security and the state's responsibility to provide these through the nationalisation of foreign assets in Indonesia (class-oriented); 2) one that focuses on their members' interests separated from the society as a whole (business-oriented); 3) and an increasing tendency of a focus on the workers and unions' role for society in general (society-oriented). Such a development, especially the evolution of societal orientation within the trade union movement in Indonesia, is important as it could become the foundation for building the necessary basic social and legal protections for vulnerable workers. This is beneficial for the sustainability of the well-being of both society and individual citizens in Indonesia, especially when Indonesia has adopted a neo-liberal policy framework characterised by decollectivized and individualised labour relations.

So far, the KAJS efforts had succeeded in 'pinching' the government, but this was not a fatal enough blow that could force the government to compromise and to be willing to implement the social security reforms agenda. The KAJS at the time was more like a disturber or disrupter of government. The biggest challenge for KAJS in the future – and also the Indonesian trade union movement, in general – is how to transform its movement into a political force to be reckoned with. This will require powerful leadership, trust from below, and energy strong enough to fight battles that will undoubtedly take a long time. This is not a simple job especially for an organization such as KAJS. Such action should have been more part of political party work, but unfortunately, there was no single party that ideologically and fully supported social ideas, such as social security in Indonesia.

Just after the bill was passed on 28 October 2011, the KAJS immediately set up the 'BPJS Watch' (*Kompas.com*, 29 October 2011) to monitor the implementation of the BPJS Law and the performance of the new BPJS. Its first task was to monitor the synchronization process after the bill was passed and its signing one month later on 28 November 2011. This monitoring was to avoid manipulation of the formulation of the provisions.[36] The BPJS Watch would also directly monitor the implementation of the BPJS Law in 2014 and 2015 (*Pelitaonline.com*, 2 November 2011). The KAJS was not done with its work yet. It had just begun.

In this situation, what slowly began to appear as well among the activists was a question related to KAJS's future. The struggle of KAJS would continue indeed, but what was the ultimate goal of all this? This was a big question that had not been answered in any real way by the KAJS. The hope was quite simple, though not exactly easy: To maintain the unity of the labour movement with a populist political and social agenda more systematically. Assessing whether or not the KAJS and the labour movement supporting it are capable of transforming the force into a social and political movement might need more time. Nonetheless, it will be very interesting to follow how all of this will develop in the future.

Endnotes

1 In total, it took four years to bring the bill from the drafting stage to its enactment, from 2000 to 2004, with 56 revisions from the first draft to the one enacted on 19 October 2004. As related by Sulastomo, the former head of the SJSN Team assigned to draft the academic paper of the social security law, the signing of the new law was done in an unprecedented special ceremony at the Presidential Palace. President Megawati invited all people involved in the making of the law.

2 Interview with Hasbullah Thabrany, a professor expert on social security systems and one of the drafters of the SJSN Bill in its early stage.

3 See *Handbook on Social Security Reform in Indonesia* (Coordination Minister for People's Welfare, 2006).

4 Apart from the BPJS Law, the SJSN Law also required the government to issue 11 government regulations and 10 presidential instructions by October 2009 to implement the five mandatory universal programs.

5 Established in 1992 based on Law No. 3/1992 on Manpower Social Security.

6 Established in 1981 based on Government Regulations No. 25 and 26/1981.

7 Established in 1971 based on Government Regulations No. 44 and 45/1971, Government Regulations No. 67 and 68/1991.

8 Established in 1992 based on Government Regulation No. 6/1992.

9 According to Sulastomo, the former head of the SJSN Team, when the SJSN law was drafted there had already been strong criticisms against it, particularly from foreign insurance businesses. He explained that the SJSN Team once got a letter from the USAID rejecting the SJSN bill on the grounds that it would only harm the operation of many American private insurance companies in Indonesia. Sulastomo also said that when the Law was finally enacted, he received a comment from a World Bank official in Jakarta that such a law was simply 'too good to be true' for Indonesia (interview August 2010). See also Afirianto (2006) arguing that there were some flaws in the SJSN Law that would actually worsen Indonesia's labour market conditions, combined with financial insustainability and added pressures on the state budget.

10 See various statements by the Indonesian government representative during the negotiations with the House of Representative special committee on the BPJS bill.

11 The employers tended to be in the position of 'wait and see', as they worried that the new system would burden employers more as the healthcare premiums would also rise (interview with Djimanto, Chairman of Apindo – Indonesian Employers Association).

12 In this regard the role of *Prakarsa*, an NGO based in Jakarta, was crucial as it had submitted the original draft of the BPJS bill and successfully persuaded the PDI Perjuangan party faction in the House to officially submit the initiating bill in 2009 for deliberation in 2010. To be accepted as the House bill, it had to be supported by all the political parties first through the plenary opening session of the House of Representatives, which was scheduled for 5 April 2010.

13 The debate was whether the BPJS bill would be 'mengatur' (regulating, or *regelling*) or simply 'menetapkan' (ruling, or *beschikking*). The government wanted it to be merely 'menetapkan' as that would mean simply forming new institutions without transforming the existing state companies administering social security; whereas the House wanted it to be 'mengatur', which would give the law legitimacy to force the transformation of the existing companies. Some experts, however, argued that these were merely semantic issues that were being exaggerated, as any law would contain 'regulation' as well as 'ruling' in it anyway, and the arguments suggested government's unwillingness to support the bill. See Minutes of the Meeting between the government and the House Special Committee on the BPJS bill which ended with a deadlock on 9 February 2011.

14 The author of this paper, Surya Tjandra of the Trade Union Rights Centre (TURC) was the only NGO representative in the presidium. At certain moments, especially when the logistics

to carry out meetings decreased, the lawsuit became only a means of consolidating the KAJS movements. The presence of TURC focused on trade unions empowerment and advocacy for legal issues gave confidence to the KAJS, especially when entering the proceedings in court. As an NGO, TURC was also able to present different perspectives from those of the trade unions, and provided flexibility and creativity without worrying about organisational competition that often arises between unions.

15 The opening of the House of Representatives plenary session on 5 April 2010 was crucial as it was the deadline for parliament to agree on whether or not to continue to discuss the bill. It was obvious that it was only because of the pressure of the workers' big demonstration in front of the House building, combined with the direct lobbying to the leaders of the House that finally the representatives at the plenary session officially agreed to accept the bill as the House's initiative bill.

16 The Hotel Indonesia square has always been the centre for public demonstrations in Jakarta as it is located right on the central business street of Jakarta, Sudirman Street, and is relatively close to the centres of powers, such as the Presidential Palace, only six kilometres away.

17 Indonesian law does not formally recognise the 'citizen lawsuit' where citizens have right to sue the government if they fail to fulfill their obligations to the citizens, but such a mechanism is repeatedly accepted by the courts.

18 Interview with one lawyer on the government's team of lawyers.

19 The KAJS citizen lawsuit was filed on behalf of 120 people from various civil society organisations, such as trade unions, NGOs, domestic workers' organisations, migrant workers, lawyers, informal workers, journalists, students, professionals, etc. The TURC was the leading institution supervising all activities related to the lawsuit (drafting the lawsuit, attending the court hearings, etc.) and coordinating around 20 lawyers representing advocacy divisions of the unions. The Central Jakarta District Court judgment No. 278/PDT.G/2010/PN.JKT.PST was reached more than a year later, on 13 July 2011 and said: 1. The Court sees the Defendants (President, Vice President, Spokeperson of the Parliament and eight related Ministers) guilty and derelict in their duty to implement Law No. 40/2004 on the National Social Security System; 2. The Court declares that the defendants must implement the social security law by: a. implementing immediately the UU BPJS – law on transforming the implementing body for social security system; b. drafting the regulations and presidential decree according to the UU SJSN; c. making adjustment of the four existing social securities companies according to the National Social Security System Law No. 40/2004; 3. The Court declines other accusation against the defendants (Rp 1,- compensation for the government negligence); and 4. The Court is sanctioning defendants to pay the proceeding cost of 2,1 million rupiah (USD 230).

20 Among the KAJS activists, they were known as the 'fraksi balkon' (balcony fraction), the informal watchdogs of the formal political processes in the House.

21 Several legislators complained about this, saying that their mobile phones were stalled due to the hundreds of text messages with the same contents being sent to them at the same time. 'I am with the workers, trust me, just please don't send me anymore messages. I got your point already,' said one legislator during a session break.

22 According to digital marketing agency iCrossing, in 2011, Indonesia had the second largest number of Facebook users at just over 35 million, second only to the US with 150 million. The same agency notes that users in Indonesia skew younger than any other region at just 23 years old (*The Guardian*, 6 April 2011).

23 A similar story might be found in relation to the demonstration to support the Corruption Eradication Commission (KPK) and its open conflict with some high-ranking police officials accused of corruption, wherein thousands of people gathered to defend the KPK.

24 It was reported that to reach the agreement Vice President Budiono had to hold an extraordinary meeting at his official residence on the afternoon of 29 October 2011, gathering all the ministers involved in the process, and lobbying the PDI Perjuangan chairperson, former President Megawati (*Tempointeraktif*, 29 October 2011, *Tribunenews*, 28 October 2011).

25 As explained by one SPN union leader, each member they could claim was valued at Rp 1,500 by the Jamsostek Ltd.; so if their members reached 400,000, as was the case of the SPN union, the national headquarters would get around Rp 600 million a year, which would then be used for the overhead of the national headquarters and some amount would be distributed to the branches. Officially, the money was supposed to be used for 'socialisation' of Jamsostek programs, and this was settled through a 'memorandum of understanding' between the leader of the union and the Jamsostek Ltd. director. Almost all the big unions received this deal from Jamsostek, which varied from mainstream legacy unions (KSPSI, KSBSI, and KSPI) but also one small leftist union (KASBI).

26 The meeting was initiated by the KSBSI, organized jointly with the KSPI and the KSPSI, and supported financially by the Friedrich Ebert Foundation (FES) and the American Center for International Labor Solidarity (ACILS). It was attended by around 50 activists from a number of organizations. It was reported that the meeting was aimed at building a more solid labour movement (*Kompas*, 23 November 2009). Among other issues discussed were those related to reforms on social security, labour inspection, and resistance against the contract and outsourcing system. A discussion on merging the three confederations was also rolled out (*Kompas*, 24 November 2011). This meeting was historic because it was carried out for the first time since the 1998 reform, in which many mainstream unions got

together and discussed the issues that had practically been excluded from the discourse of trade union activists: politics (see also Tjandra 2009).

27 Of the two TUMPOC's supporters, FES was the one which was very supportive of the KAJS. It provided funds for the socialisation of the KAJS to the regions and national seminars in Jakarta, whereas ACILS did not hold many activities with respect to the KAJS or social security issues in general.

28 Interview with several KAJS leaders and Jamsostek management.

29 As said by one KSPI leader, the rejection of the three confederations' leaders was delivered at a press conference at a hotel in Jakarta which was sponsored by Jamsostek Ltd.

30 One KAJS leader from Bekasi, noted that after the success of pushing the House and the government to agree on the passing of the BPJS bill, there were many unions from the grassroots approaching the KAJS to 'synchronize the perceptions' on various labour issues, such as social security, wages, etc. As he further noted: 'More people are hopeful for us, and whether we are able to fulfil their hopes' (interview with Obon Tabroni, October 2011).

31 Apart from SPN, other unions that opposed the social security reforms were KSPSI (Kali Bata), Sarbumusi, SBSI 1992, FSP BUMN (SOEs trade union), some factions in the KSBSI, FNPBI, KASBI, and GSBI. Apart from these union there were several other groups, such as the People's Health Council (*Dewan Kesehatan Rakyat*, DKR) – an NGO established by the former Minister of Health, Siti Fadilah Supari. The DKR used to be a watchdog organisation for the implementation of the 'jamkesmas', free healthcare program for the poor as part of the implementation of Health Law No. 36/2009 (article 171 subsection (1)) that stipulated a 5 percent allocation for healthcare from the national budget that went to the Ministry of Health (around Rp 60.1 trillion in year 2011, quite a large amount of money going to just one institution). Such a reform would certainly stop this, as later on the budget would go to the newly established BPJS as part of the universal healthcare system for all Indonesian citizens.

32 See 'Joint Statement of Indonesian Trade Union/Labour Union on the BPJS Bill' signed by ten union leaders from eight unions, dated 7 October 2011. It is interesting to note that the released statement was read in a press conference together with the Apindo (Indonesian Employers Association), such an extraordinary practice in Indonesian union culture.

33 Unions in this position were: FNPBI, KASBI, and GSBI.

34 Unions in this position were: SPN, KSPSI (Kali Bata), Sarbumusi, SBSI 1992, FSP BUMN (SOEs trade union), and some factions in the KSBSI. The quotation was from Rachmat of SPN Tangerang (October 2011), referring particularly to the old age funds paid by workers during their work. These were funds that could be accessed after they were dismissed or were no longer working.

35 Interview with Said Iqbal and Indra Munaswar, the Secretary-General and member of the KAJS Presidium (July 2010).

36 The KAJS deliberately referred to an accident related to the disappearance of the 'tobacco article' in Law No. 36/2009 on Health, which was originally supposed to be put under Article (2) Section 113. This article was supposed to read: 'addictive substances as referred to in paragraph (1) include tobacco, products that contain tobacco, solids, liquids, and gases that are addictive and its use can cause harm to themselves and/or community around him'. The provision disappeared in the final version of the Law. The scandal was reported as involving the chairperson of the House Commission on the Health bill, Ribka Tjiptaning. It was believed to be the result of lobbying by the cigarettes companies whose interests would be harmed by such a provision (*Tribunenews.com*, 20 Juli 2011).

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Disciplining Post Suharto-Labour Law Reform

by R. HERLAMBANG PERDANA WIRATRAMAN

Introduction

Labour law reform is one of the important legislation projects, aimed at creating a healthier investment climate. Under the World Bank's macro-framework programs, labour law reform was introduced to Indonesia after the financial crisis in 1997. The project indicates that the World Bank, although it was not directly involve in making the law in parliament, had hegemonic influences and softly hijacked the state and non-state institutions in Indonesia. This was done particularly through bridge institutions that obscure the power-relationship. These institutions have reproduced 'truth' and 'imperatives projects' under loan conditionality and under a legal framework for development and its doctrine of the rule of law.

By analyzing the three waves of labour law reform in Indonesia in the period following the Asian financial crisis (1997-2006), it will be shown that the World Bank has dominated the discourse of good governance and legal reform. The World Bank-led framework is injected through a 'good governance' machine, which favors a market friendly strategy, or in the case of labour, a so called 'labour market flexibility'. It will be shown that labour market flexibility has had a huge negative impacts on labour rights, especially as regards the issues of outsourcing, liberal minimum wage, long-term contract workers, and in restraining the role of the state in labour

dispute mechanisms. According to Tjandra (2008), this flexibility has become the greatest obstacle for the future development of strong unionism in Indonesia. In the legisprudence perspective,[1] legal reforms are found as tools to legitimize systematic human rights violations through legislation.

This chapter aims to critically examine the 'market friendly human rights paradigm' under the legal reform project. It focuses primarily on legislation, the written law, to highlight the context and the shift in legal outlook on regulating labour issues. It starts with an analysis of the general neo-liberal legal reform on labour to show the World Bank's interest in taming the power of labour. Then it follows with descriptions of the context of labour law reform in post-Suharto Indonesia and the three waves of the reform. It concludes with a discussion of the state of workers' rights after the implementation of the labour law reform. Under the rubric of this socio-legal approach, it argues that labour law reform introduced in the post-crisis period has been detrimental to workers' rights in Indonesia.

Labour and the Emergence of Neo-liberal Legal Reforms

In an interesting discussion on the neo-liberal agenda in the age of globalization, Pieterse (2004: 36) captures the essence of what globalization is through equations: "capitalism = imperialism, and capitalism = globalization, therefore globalization = imperialism." To discuss globalization is indeed surely inseparable from imperialism as well as capitalism.

Globalization is the latest stage in a long process of technological advancement which has given human beings the ability to conduct their affairs around the world without reference to nationality, government authority, time of day or physical environment. These activities may be commercial, financial, religious, cultural, social or political -- nothing is excluded (Longhorne, 2001: 2). One of the most negative consequences of globalization is enlarging impoverishment or the deprivation of socio-economic rights. Especially in terms of the economy, economic globalization constitutes an integration of national economies into the international economy through trade, foreign direct investment (of corporations and multinationals), short-term capital flows, international flows of workers and humanity in general, and flows of technology. These phenomena are defined and treated more fully below (Bhagwati, 2004: 3).

Workers gather in front of the State Palace during May Day rally in 2014 (Photo by LIPS).

The relevant question is how does globalization impact on human rights. For example, most transnational corporations (TNC) can achieve their objectives escaping sovereign control, through the economic influence of the type provided by the International Monetary Fund (IMF), World Bank, and World Trade Organization (WTO) regulations, along with lobbying and sponsoring political actors. Projects, such as water privatization, deregulation, and cheap labour wage policy or labour flexibility, have caused poverty in rural and urban communities, especially for small farmers and unskilled labour. Exploitation of natural resources and human life, monopoly of public utilities, and deprivation of rights can be seen clearly in the context of globalization. Impoverishment could easily result from the capital accumulation facilitated by a globalized system.

In the context of labour law reform, the situation is also inseparable from the ways in which the main or dominant institutions, such as the World Bank,

IMF and WTO, have been playing an increasingly important role in financing development in Indonesia. The World Bank was one of the key initiators of the establishment of Inter Government Group on Indonesia (IGGI), a consortium of creditors and donors for Indonesian development consisting of donor/creditor countries in North America, Europe, Japan and other international financial institutions.[2] Legal reform under the World Bank projects is also emphasized in loan conditionality. The 'reform agenda' focused on institutional reforms, such as in the bureaucracy and judiciary, and in strengthening parliamentary, electoral, civil society participation in government as well as legal reforms. World Bank's conditionalities in the context of legal reform are injected through the legal framework for development.

Within such a framework, the law and its implementation are seen as important factors to strengthen economic growth and development. In supporting economic growth and the free market system, one of the principal elements of good governance is legal framework for development (World Bank 1992). The legal framework for development entails supporting the development of a set of rules securing property rights, governing civil and commercial behavior, and limiting the power of state. The rule of law is deemed the primary concept which is instrumentally and substantially important, because it concentrates on justice, fairness and liberty. The World Bank emphasizes a 'fair' legal system which tries to be conducive to balanced development (World Bank 1992: 29-30).

The bank's concern is with the law's procedural and institutional aspects (World Bank 1992: 51). The World Bank encourages borrowers to make new laws and regulations. In Indonesia, the Bank supports the promotion of: trade and investment law, labour law, anti-corruption law, and institutional reforms to support the effectiveness of debt disbursement. The idea of legal reform in this context is to minimize risk or uncertain property rights and to strengthen market processes, all of which can be immediately facilitated by designing a legal framework with substantial means.

Such reform underpins the principle of market liberalization, particularly in ensuring market efficiency. In legal thought, there are assumptions behind the market. First, everyone participates with an initial set of property rights. They cannot trade if they are uncertain about what they own. Second, each of them is an idiosyncratic individual, each having different tastes and preferences. Third, each is capable of consenting to voluntary transfers that

will transplant their property rights to others (Fletcher 1996: 157). This legal thought illustrates how the market and the legal system interact, or in other words, without a legal regime or legal authority that ensures a functioning legal system, the market cannot operate easily.

During the first two years after the crisis, 1998-2000, a lot of progress was made in the reform of Indonesia's legal system: (i) A new bankruptcy law was enacted; (ii) a new commercial court was established – with its first order of business being application of the Bankruptcy Law; (iii) a pro-competition law was passed and an institutional framework for administrating the law was in the works; (iv) a new banking law was issued and the central bank was made legally independent of the government; and (v) a secured transactions law was being prepared and the company law was under formal review (Baird 2000).

In a statement by Graeme Wheeler, the then vice president and treasurer of the World Bank, he said that in the context of government debt management, governance refers to the legal and managerial structure that shapes and directs the operation of government debt managers. It includes the broad legal apparatus (statutory legislation, ministerial decrees and so on) that defines goals, authorities and accountabilities. It also embodies the management framework, covering issues such as the formulation and implementation of strategy, operational procedures, quality assurance practices, and reporting responsibilities (Wheeler 2004: 49). Government debt management legislation, along with laws covering the operation of fiscal and monetary policy and the government's auditing functions, is a central element of the governance framework aimed at generating sound financial policies and clear accountabilities (Wheeler 2004: 50).

If such a legal framework is not an encouraging legal framework for 'development', but corroborates the idea of a legal framework for 'debt management', then, the primary goal of a legal framework stresses the importance of economic growth (macro-economic reform) through performing market liberalization rather than empowering the poor or reducing poverty. Although the World Bank has specific programs for reducing poverty, such as poverty reduction strategies papers (PRSPs), the means to achieve the prescribed macroeconomic reforms (that are underpinned by the legal framework for development) tare 'undiscussed' and indistinguishable from the previous macroeconomic frameworks focused

on deregulation, trade liberalization and privatization (Eurodad in Bello and Guttal 2005). Tshuma (1999: 93) also argues that the World Bank designs a legal framework for development which revolves around a procedural and institutional version of the rule of law and this version emphasizes formal equality in the market place which is appropriate for liberal capitalism. Legal reform in this framework has a negative impact or a disempowering impact on the livelihoods of large sections of society in developing countries.

In addition, this manner of law enforcement and legal reform could not address the fundamental problems of systemic corruption, a culture of lacking in legal obedience, the failure to deliver justice, and the lack of independence and just laws. These are the weaknesses of legal reform after 1998, and it shows that the problem of predatory corruption could not be solved through a neo-institutionalist approach which merely changes institutions. They do not deconstruct the power relations behind these institutions that maintain and secure the strong oligarchic network.

In short, the post-Suharto Indonesian legislation program has been primarily focused on the policy of neo-liberalism and of disciplining social-politics (Susanti et al 2003a, 2003b: 13-15, 2006: 63-64; Hadiz and Robison 2003: 1-2). The neo-liberalist character has been strongly influencing the legal reform processes. This means that much of the legislation has been aimed at a flourishing market liberalization. The target of legal reform in this context proposes a grand design of governance which is imposed by the World Bank and other donor institutions. Thus, it is very clear that without prioritizing legal reform based on people's needs, then such legal reform contributes to the deficiency of rights.

Indonesian Labour Reform: Why Is It Part of the Legal Reform Package?

The legal framework for development requires several pieces of legislation to be created and others reformed, including laws regarding labour. The World Bank has urged borrowing countries under loan conditionality to change their labour regulations, in accordance with promoting a market-friendly strategy (World Bank 1997b; World Bank 1999; World Bank 2002a). In the context of Indonesia, the World Bank has also been involved in shaping reforms on labour issues through many other documents, before and after Suharto stepped down in 1998 (World Bank 1997b; CGI 2003). In this context, labour

law reform as law projects is analyzed as an instrument of the ruling classes, also as an expression of the economic interests of classes that own the means of production and dominate the society (labour) through legal products. By analyzing the instrumentation of ruling classes, we can use Marxian perspective to check or examine whether labour law reform acts as an instrument of class oppression (Collins 1982: 17). The key questions are why has the World Bank subjected the labour sector to the legal reform package, and how has this been adapted to Indonesian labour policy reform.

ILO Jakarta office published a report, "Free From Poverty: ILO Contribution on Poverty Alleviation Strategy in Indonesia", and mentions a strategy to empower poor people by raising good governance in the labour market (ILO 2004: 25-36). Generally, as we have seen in the globalization phase, labour law reform has become a neo-liberal policy supporting market-friendly strategy. In this strategy, labour law reform has become a means to promote economic efficiency by, among other things, reducing costs through labour market flexibility. By promoting an efficient labour market, labour-intensive industries will be automatically expected to accumulate capital, investment, production, reproduction and profit-making.

For the World Bank, labour law reform is designed to support economic growth and to ensure efficiency leading to better competitiveness conducive for market liberalization processes. Greater investment, economic growth, and debt repayment are targets in labour law reform. As mentioned before, the World Bank report said, "Legal minimum wages, for instance, may be set too high. Unintentionally this makes it more difficult for unskilled and low wage workers to find jobs in the formal economy." (World Bank 1997: 48).

Labour law reform was introduced in World Bank loan conditionality, briefing papers and other documents. It seems that it was considered a part of a global strategy to maintain macroeconomic stability. After the financial or economic crisis in 1997, the World Bank scheme mentioned labour reform as one of the second generation instruments (See table 1).

As stated previously, labour law reform has become neo-liberal policy in supporting the market-friendly strategy. Legal reform was to be imposed to create a flourishing market. The most basic feature of neo-liberalism is the systemic use of state power to impose (financial) market imperatives, in a domestic process that is replicated internationally by 'globalization' (Filho-Johnston 2005: 3).

Table 1. First and Second Generation Reforms

	FIRST GENERATION	SECOND GENERATION
Main Objectives	Crisis Management: Reducing inflation and restoring growth	Improving social conditions and competitiveness, maintaining macroeconomic stability
Instruments	Drastic budget cuts, tax reform, price liberalization, trade and foreign investment liberalization, deregulation, social funds autonomous contracting agencies, some privatization.	Civil service reform, labour reform, restructuring of social ministries, judicial reform, modernizing of legislature, upgrading of regulations, capacity improved tax collection, large-scale privatization, restructuring of central-local government relationship.

Source: World Bank (1997: 152)

In the Indonesian experience, the importance of labour reform has been argued by the World Bank. In 1996, the World Bank evaluated and criticized the Indonesian government's labour policies, by stating that "the (Indonesian) workers are overly protected" and that "the government should stay out of industrial disputes" (*The Jakarta Post*, 4 April 1996). This statement was issued before the financial crisis in Indonesia, and it was a very clear statement reflecting the World Bank's pressure to reform labour laws and regulations that are unfriendly to the market. In response to the World Bank's statement, the Indonesian government passed new law, *Law Number 25/1997 concerning Manpower (Labor)*. This marked the first wave of labour law reform following the economic crisis, and it was passed because of pressure by the World Bank and IMF.

When the new legislation was passed, the market-friendly strategy in deregulating labour, particularly labor market flexibility in the context of labour reform in post-Suharto Indonesia, has actually shown a political configuration of how neo-liberalism influences legal reform. It also eschewed state intervention to support labour rights, proper wages, support to labour unions, and human rights-based regulation. Unsurprisingly, problems arising from the new legislation led to widespread protests by labour unions throughout Indonesia against the labour reform passed by the government and parliament. The most serious problem of the new labour reform (*Law*

Number 25/1997) was that it legalized a deterioration of labour rights.

However, even though it has been passed by the House of Representatives, the implementation of *Law Number 25/1997* was postponed. In addition to the World Bank and other donor institutions pressurizing the government to undertake labour law reform in Indonesia, investors and corporations were also involved. For instance, many investors have voiced their opinions on manpower regulations and the high minimum wage (ILO 2004: 25).

In line with earlier World Bank statements, documents released by the World Bank through the Consultative Group on Indonesia (CGI) in 2003 (World Bank 2003), under the scheme of 'legal framework for development' announced by CGI Policy Brief, particularly regarding proposals for the improvement of Indonesia's investment climate, state the importance of labour reform (CGI 2005). Susilo and Kusfiardi say similarly that if the reform policies were designed by the World Bank through the CGI, it meant that Indonesia should obey its policies in order to maintain economic cooperation, particularly with the World Bank and other development agencies. Here, the interests of capital obviously received preference over accommodating the people's concerns about liberalization projects, and the case of labour reform definitely showed this design.[3]

In this policy brief, CGI strongly encouraged the new administration to announce as soon as possible a plan for improving Indonesia's investment climate, which should include two elements: (i) a short-term package and (ii) a more comprehensive roadmap of medium-term prioritized action. Following this, the CGI stood ready to support the Indonesian government as it designed and implemented such a plan (CGI 2005). In this frame of planning, labour reform falls third among 'High Priority Policy Areas' that should be complied with by the government. Specific areas suggested by the Bank for improvement included: (i) dismissal regulations; (ii) severance allowance; (iii) contract workers (CGI 2005). Clarifying this message, the World Bank designed an 'Action Matrix for Labour', shown in the table 2.

By explaining this framework, which was sponsored by the World Bank, it is clear that after the financial crisis, labour reform was a prominent target for the sake of market liberalization. The CGI believed that open market principles would ensure that Indonesia had an opportunity to benefit from global economic integration and the government should strip away its protectionist policies, because these would negatively affect

Table 2. Action Matrix for Labour

	SHORT-TERM ACTION (WITHIN THE FIRST YEAR)	MEDIUM-TERM ACTION (2-5 YEARS)
A	Announce results of the review of the Manpower Law	Seek legislative approval of reforms to the Manpower Law designed to increase job growth
B	Establish more constructive mechanisms for determining minimum wages	Establish a national licensing system of specific skills through standardized national test.
C	Compile a "Customs Rule Book," a collection of laws and regulations in force to be updated annually	Establish public facilities and services including a public job information centre to improve labour productivity and flexibility.

Source: CGI (2005)

investor confidence (CGI 2005). This situation is actually expected by the World Bank in the course of maintaining liberalization through labor market flexibility.

The absence of labour market flexibility made social guarantees uncertain for the poor, particularly labour who would always be structurally victimized by the process of development or large-scale industries, national or trans-national corporations, and undemocratic policies. Protection was not basically intended for labour, but for the flourishing open market. This absence is very unfair in neo-liberalism which only focuses on market and economic growth. Arguments against labour reforms have been put forward by several scholars who believe that the neo-liberalism paradigm results in the undermining and exploitation of labour in the market. Filho and Johnston (2005: 5) say that under neoliberalism, economic growth rates have declined, the numbers of unemployed and underemployed workers have grown, inequalities within and between countries have become sharper, the living and working conditions of the majority have deteriorated almost everywhere, and the periphery has suffered greatly from economic instability. Munck (2005: 68) writes that neo-liberalism is not just a set of economic policies, or even an ideology, as focused on by its critics, but much more a strategy for governance of the complex global world we now live in.

In sum, labour legislation reform within the development framework projected by the World Bank would be reflecting law as a power or governance machinery that oppresses and enslaves the people smoothly. This is what is

usually called "modern slavery", with labour only seen as a small screw in the market machinery.

Three Waves of Labour Reform in Post-97 Crisis Era

In examining the role of international financial institutions (particularly the World Bank) in injecting reforms and the regime which adapted labour law reform into its policies, we can map out three waves of post crisis, labour law reform (Wiratraman 2007). The three waves took place between 1997 and 2006: The first wave from 1997-1998, the second from 2000-2003, and the third from 2004-2006. By focusing on these periods and legislation proposed in each period, we can make a comparative analysis of certain provisions, particularly on four issues: outsourcing, contract workers, the minimum wage policy, and labour union rights. These issues are important barometers to know how far the government intended to protect the workers during the globalization process.

It is important to note that before the waves of labour reform, Indonesia had various long-standing regulations on labour. In 1947, two years after the Proclamation of Independence in 1945, the government enacted *Law Number 33/1947 concerning Accidents* as the first labour law that had protective provisions, and was originally drafted by Indonesians.[4] A year after, in 1948, the government announced two other laws: *Law Number 12/1948 concerning Work* and *Law Number 23/1948 concerning Labour Affairs Monitoring*. From the perspective of labour rights protection, *Law Number 12/1948* was regarded as the most progressive in Southeast Asia at that time. For instance, the provision of working hours of 40 hours a week was much better than neighboring countries which had workweeks of between 44 and 48 hours a week. And also *Law Number 22/1957 concerning labour dispute settlement* was a very protective labour law produced under the Constitution of the United Republic of Indonesia (*Undang-Undang Dasar Sementara-Republik Indonesia Serikat*, UUDS). These regulations were promulgated before the Suharto came to power.

During the Suharto era, labour policy was designed to conform with economic and political stability as envisaged under developmentalist projects. In this context, in the 1970s, *Pancasila Industrial Relation* (HIP) was developed, as a concept of 'harmony' in industrial relations. Harmony in this regard was more conceptually focused on reducing the intense conflict

of labour-employer relationships, and in which the State could intervene through its repressive instruments (the military and police) for resolving industrial problems. Nevertheless, misuse of power often happens when the state intervenes to maintain conflict in the name of guarding 'development' or 'economic growth'. Under such a regime those who participate in a mass strike or protest, although it is done inside the company, are said to be 'against development or involved in the Communist Party'. Marsinah case in 1993 is the most notorious case that showed how this policy resulted in human rights violations.[5]

In short, before the reform waves begun in 1997, and regardless of the labour protection provisions existing at the time, there were many human rights violations in its practice. The *Law Number 25/1997* was promulgated during the crisis, but it has never been implemented because of the strong objection to it led by the labour movement. In this situation and to avoid the absence of law, labour law reform was systematically injected into the system by the World Bank. It was the time when the authoritarian rule of Suharto had collapsed and Indonesia was entering a new phase of reform in 1998.

The second wave of labour reform started when the ILO was assigned to evaluate Indonesia's labour legislation. Then the Indonesian government and the House of Representatives passed a package of 'three labour laws'. Tjandra writes that three labour laws were reform policies launched by the government and were supported by the ILO in 1998. They replaced *Law Number 25/1997 on Manpower* and the entire body of labour laws in Indonesia.[6] The endorsement only went through about a month after Daniel Citrin, senior adviser to the IMF, questioned its delayed ratification (Tjandra 2003). The second wave was not far different from previous legal provisions. While the ILO was an institution that was very much involved in initiating and designing the three labour laws, they still emphasized the market liberalization paradigm. In December 1998, the labour law reform program was adopted by the Ministry of Manpower with the signing of the Letter of Intent (LoI) with the ILO, and witnessed by then president B.J. Habibie (Jakarta ILO press release, Dec. 23, 1998, in Tjandra 2003).

The ILO was quite influential and significant in the second wave of legal reform in Indonesia, but in the context of paradigms, it was still based on similar or in the line with the World Bank paradigm, namely 'labour market flexibility'. For instance, the ILO emphasized the importance of recovering

market trust in pushing for healthier competitiveness and supporting sustainable investment in Indonesia. Behind this provision, according to its report, the ILO also promoted and escalated good governance as a consensus, particularly the strategy to reform labour regulations. The ILO stressed that law and justice reform should be the most essential strategy in creating sustainable climate investment development (ILO 2004: 26).

Three labour laws in this scheme are *Law Number 21/2000 on Trade Union*, *Law Number 13/2003 on Manpower*, and *Law Number 2/2004 on Labor Dispute Settlement*.[7] Many labour unions protested against these new laws, because these acts contained a number of articles which potentially undermined the rights of the worker, in particular they noted the issues of unsecured contract workers and outsourcing. According to labour unions and labour rights defenders, labour rights would deteriorate further after those laws were passed since they basically only promoted the interests of investors or capitalists.[8]

During the second wave of labour law reform, in order to provide regulation for labour rights protection, the administration of Abdurahman Wahid through his cabinet enacted Manpower Ministerial Decree (*Kepmenaker*) *Number 150/2000*. These regulations strengthened the provision of labour union rights, provided by *Law Number 21/2000*. This ministerial decree outlines a settlement mechanism for labour dismissal processes and better allowances. The improvement in provisions that can be seen from its articles include giving a worker who resigns the rights to get an allowance based on his/her work tenure and remuneration. A worker who is dismissed because of serious contravention of the law has the right to get remuneration, also based on his/her work tenure.

This ministerial decree, however, was changed with the enactment of two new decrees, *Kepmenakertrans Number 78/2001* and *Number 111/2001*. The reason was, the old *Kepmenaker* was viewed as unfriendly towards foreign investment, as mentioned by Abdurrahman Wahid himself. He said that Kepmenaker Number 150/2000 weakened investment, and he did not want to change his mind (*Kompas* 13/6/2001; 24/6/2001). Wahid made this statement after inviting the All-Indonesia Labour Union (*Serikat Pekerja Seluruh Indonesia*, SPSI)) in Jakarta on 12 June 2001. It seems that the influence of investors was very powerful, particularly in pressuring the government to enact new regulations supporting their interests.

The claims that the *Kepmenaker Number 150/2000* threatens foreign capital or investment are insufficiently substantiated. Investment intentions have been more influenced by insecurity, legal uncertainty, political instability, systemic corruption, and unsynchronized coordination among ministries responsible for deciding policies. *Kepmenakertrans Number 78/2001* and *Number 111/2001* were in reality a conspiracy between the government and corporations, wherein the government sought to secure the "trust" of the free market and foreign investment in Indonesia.

After these controversial policies in 2001, the Indonesian government passed new a new law on Manpower and Industrial Relations Dispute Settlement. This law, particularly *Manpower Law Number 13/2003*, deprives labour of several rights, the most serious concerns being those regarding outsourcing and the contract labour status. These provisions potentially threaten the protection afforded labour under earlier laws. *Law Number 13/2003* clearly legalizes outsourcing which will relieve the employing company of the need to bother about minimum wages, allowances, insurance and other social security benefits, which will be easily commercialized as commodities in transactions between the first company and the firm recruiting outsourced labour. This is what the KAPB and other labour unions have described as a tendency toward 'modern slavery' (KAPB 2006; *Judicial Review against Law Number 13/2003*). Labour market flexibility, in the context of outsourcing and contract labour status, is a strategy for responding to the new world economic order which emphasizes the global cheap labor economy (Chossudovsky 2001: 75-98).

On the other hand, *Law Number 2/2004 concerning Industrial Relations Dispute Settlement* also contained problematic provisions or weaknesses. As analyzed by Tjandra (2003), the weakness of the Industrial Relations Dispute Settlement Law is, that the Manpower Law shifted the mechanism of labour dispute settlement from the central and regional settlement committees (P4) to the industrial courts -- a branch of the public courts of justice. Thus, employers will no longer need permission to dismiss employees. Labour unions and employers are accommodated through a bipartite ad-hoc judicial system, while most complaints will be handled by 'voluntary arbitration' through a 'bipartite forum' between employers and workers as individuals in their workplaces. If the process of settlement uses the 'bipartite forum', the role of labor unions is automatically reduced, especially collective

negotiations which is their main function. Also the existence of the joint working consensus will be weakened, as seen in the labour reforms in South Korea (Tjandra 2003; KAPB 2006:138-143; Mizuno 2006: 143-149; FGD Surabaya 2006; Tavip 2006).

These two pieces of legislation were actually influenced and sponsored by the World Bank in its brief report for CGI. The World Bank report stated:

> "The government should resolve the current impasse between labour and business on the pending labour laws because it has resulted in a lack of clear rules for handling industrial relations and increased legal uncertainty for business…. The Government must consider what type of labour conditions it wants to bring to the negotiating table between employers and employees, realizing that labour market flexibility has been one of Indonesia's strengths in the past." (World Bank 2003: 26).

Then, this policy was adopted by National Development Planning Agency (*Bappenas*) through its 'white paper' analysis report,[9] entitle "Employment Friendly Labour Policies". According to this report, "…required labour market policy is flexibility labour market policy in supporting employment opportunity through labour intensive industries" (Bappenas 2003). In supporting this reform, Widianto, Director of Manpower and Economic Analysis of Bappenas, says that the major causes of labour inflexibility are the following: wages increase too fast, recruitment regulations, dismissal regulations, and excessive protection (Widianto 2004). But for Tjandra and Pranowo, the 'white paper' which was designed by Bappenas, actually followed the model of 'market-friendly labour regulation'.[10]

In this second wave of reform, the interests of investment, free market reform assistance, and labour market flexibility are preferred over the protection of labour rights. Although it has been viewed as an important factor in deterioration of labour rights, the government has never changed its position of facilitating free market policies while adopting labour market flexibility.

Similar to the second wave, the third wave of reform also used the role of international financial institutions, particularly the World Bank through

the CGI. This was seen when the new *Manpower Law* was proposed in 2006. This was designed in 2005 when the World Bank and investors required the government to reform *Law Number 13/2003*. They pressured the government to reform regulations in *Law Number 13/2003* because it was still seen as unfriendly with labour flexibility, and would negatively impact on investment interest. The report "Creating Jobs through Investment: Suggestions from Donor Community on Improving Indonesia's Investment Climate" clearly stated the interest of donor community to reform labour regulations, especially *Law Number 13/2003 concerning Manpower* (CGI 2005).

The importance of labour reform can be seen in more detail from the 'High Priority Policy Areas' that government should comply with. Specific areas suggested by the World Bank for improvement include: (i) dismissal regulations; (ii) severance allowance; (iii) contract workers (CGI 2005). In that report, the Indonesian government is required by the CGI to announce the results of the review of the *Manpower Law*. After this meeting in 2005, *Bappenas* has been involving non-governmental organizations and labour unions through its 'research' and 'meetings'. It has published the report entitled, "Suggestions for Manpower Policy Reform" (Bappenas 2005). Bappenas' suggestions on reforming labour law were made by facilitating most CGI members, particularly in creating labour market flexibility. It contains a matrix for labour regulation reform, in which the most significant reform exacerbates the rights of labour through provisions on outsourcing and long term contract workers.

The role of non-governmental organizations in this context is also interesting. SMERU, for instance, was involved during the process of labour reform, especially in revising *Law No. 13/2003 on Manpower*. Wirahyoso said that when he had a meeting with Bappenas, SMERU was involved during the consultation process. The revised draft was also based on SMERU's research. Bappenas often quoted SMERU documents or research results.[11] After these processes, finally, Bappenas gathered the results of consultation process and compiled the draft recommendations.[12] The Bappenas draft was really bad in terms of labour protection. Almost all of the suggestions were aimed at improving the investment environment rather than labour protection. Wirahyoso said that he and his union suspected the role of Bappenas and its interest behind the revision, including the 'think tank' behind Bappenas.[13]

This significantly marked the third wave of labour reform in Indonesia since the crisis. Ironically, these provisions were adopted and suggested in the *Presidential Instruction Number 3/2006 concerning Policy Package of Investment Climate Recovery* (which was supported by the Coordinating Ministerial on Economy). Then, it has been followed by drafting a revision of the Manpower Law (Revised Draft of Law Number 13/2003). Uniquely, this revised draft—which was initiated by the government, particularly Bappenas, Coordinating Minister on Economy, and Erman Soeparno (Manpower and Transmigration Minister)—is not included in the National Legislation Program of the 2006 Priority Legislation Draft (DPR 2005).

Table 3 shows that the role of international financial institutions, particularly the World Bank, has as always significantly influenced labour reform in Indonesia since the crisis. The three waves of labour reform successfully created labour market flexibility models, by legalizing outsourcing, permitting long-term contract work, reducing the state's role in dispute settlement, and promoting a more flexible minimum wage. These were major labour law reforms required in the context of World Bank's legal framework. In this regard, the World Bank has successfully shaped legal reform in Indonesia from the financial crisis to the fourth transitional post-Suharto regime.

Indeed, the World Bank did not directly attend official meetings or sessions at parliament during the legislative processes. However, the World Bank was very influential at various levels of the bureaucracy.

Concluding Remarks on Legal Reform and Labour Rights Protection

Labour rights protection is guaranteed under several international legal documents, such as Article 23 of the Universal Declaration of Human Rights (1948) which strongly emphasizes the right to work, to free choice of employment, to just and favorable conditions of work, and to protection against unemployment; in Part III (Article 6-8) International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966) which stipulates labour has the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and to take appropriate steps to safeguard this rights; and in numerous specific ILO Conventions that provide labour rights protection and which the Indonesian government has

Table 3. Three Waves of Labour Reform, 1997-2006

	1ST LABOR REFORM	2ND LABOR REFORM	3RD LABOR REFORM
Regime	**Suharto and Habibie**	**Abdurahman Wahid and Megawati**	**Susilo Bambang Yudhoyono**
Legislation Machinery	Law Number 25/1997 [14]	Law Number 21/2000; Law Number 13/2003; Law Number 2/2004	(2006) Revised Draft of Law Number 13/2003 [15]
Pre-Drafting Documents/ Regulations		Bappenas White Paper: "Employment Friendly Labour Policies" [16]	Investment Climate Reform in Indonesia: A Progress Report Presidential Instruction 3/2006; Bappenas document on "Suggestion for Manpower Policy Reform"; RKP/ Government Work Plan 2006, Chapter XXII. [17]
Legal Framework designed by donors through its documents/ statements	World Bank (1995) World Development Report: Workers in an Integrating World, Oxford University Press, New York; World Bank statement: "the (Indonesian) workers are overly protected" and that "the government should stay out of industrial disputes" (The Jakarta Post, April 4, 1996)	World Bank Briefing Paper for CGI (2003)	World Bank-CGI Briefing Paper (2005); IMF Statement for CGI (2005)[18]
Objectives	Labour market flexibility in the frame of reducing inflation and restoring growth	Labour market flexibility in the frame of maintaining macroeconomic stability.	To create a more flexible labour market

Table 3. Three Waves of Labour Reform, 1997-2006

	1ST LABOR REFORM	2ND LABOR REFORM	3RD LABOR REFORM
Regime	**Suharto and Habibie**	**Abdurahman Wahid and Megawati**	**Susilo Bambang Yudhoyono**
Exacerbating major reform	Outsourcing and contract workers	Outsourcing, contract workers, reducing the role of state in labour dispute settlements, limitation of the right to strike	Reducing pension rights; allowing and liberalizing foreign workers; long-term/more flexible outsourcing and contract workers; flexible minimum wage and reducing state roles in determining wages
Status; enactment	Passed by Parliament, but postponed and could not be implemented	Passed and exist	Drafting process

ratified, including ILO Convention Number 87 and 98 (Freedom to associate), ILO Convention Number 100 and 111 (Discrimination), ILO Convention Number 29 and 105 (Forced Labor), and ILO Convention Number 138 and 182 (Child Protection). The articles of these international legal documents are clearly breached by neo-liberalism legal reform, especially as introduced by the World Bank through labour law reforms.

The World Bank's reports, "Workers in an Integrating World" (World Development Report 1995) and "From Plan to Market" (World Development Report 1996), promote what a more market-driven and integrated world meant for workers. World Bank provides practical policy recommendations for major areas of labour policies, which should be applied to domestic labor market policies. It also had this to say about Indonesia's labour policy:

> "as in Indonesia, they have responded to pressures for independent unions by directly raising standards, such as the minimum wage, potentially at the cost of employment. Government do need to establish the rule of labour management negotiations, spelling out the rights of workers and firms, establishing disputes resolution mecha-

nisms, and promulgating basic health and safety regulations, which unions can monitor" (World Bank 1995).

The Indonesian government has followed and changed labour policy in response to these major requirements of a market-friendly strategy. And it was marked by the enactment of *Law Number 25/1997 on Manpower* and *Manpower Regulation Number 3/1997 concerning on Wage Suspension* and then it has been followed through labor reform waves until the recent policies in 2006.

As mentioned above, the major reforms are the long-term/more flexible outsourcing policy, regulations on contract workers, the reduction of the role of the state in labour dispute settlements, flexible minimum wage, limiting the right to strike, and reducing the state's roles in determining wages. According to labour union activists interviewed in 2006 and 2007, such as Jamaludin and Ahmad Dimyati from Surabaya and Bambang Wirahyoso, Launa and Timboel Siregar from the Asian Labor Network on International Financial Institutions (ALNI) in Jakarta, those reforms would potentially reduce their legal rights, as well as violate human rights provisions (Wiratraman 2007).

Law Number 13/2003, for instance, will permit long-term outsourcing and allow outsourcing in many work areas. Hence, outsourcing is basically against human rights law which protects the rights of everyone to be promoted in his employment to an appropriate higher level, and the right to just and favorable remuneration for himself and his family.[19]

Another problem is reducing the role of state in settling labour disputes, and with shifting the mechanism to the court system. For labour, the court mechanism will limit the role of labour union in defending their members and negotiating rights or dispute resolution. Furthermore, a court environment requires specialized legal knowledge which is not easy to find, or is otherwise too expensive for a worker to hire. The defending functions, which originally was borne by the union, will be eroded by the court mechanism in settling industrial relation dispute.

The key word for labour reform in this illustration above is 'labour market flexibility'. By using a legisprudential approach to the law, the most important notion in the human rights discourse is whether labour legislation through the three waves of labour reform has been used to legitimize the oppression, particularly legalizing human rights violations.

If such legislation has resulted in human rights violations, then it can be called a 'legislation-based human rights violation', since this legislation was adopted and represented by the dominant power, rather than strengthening the weak position of labour in industrial relations. There are three possibilities in this context: First, the majority of the legislators are people who have interest in creating oppressive labour law; and the majority of the legislators in this role are also involved as oppressors. Second, the legislators are pressured by a systematic process of oppressing machine and hegemonic power, which legislators could not resist that authority and make or reform legislation freely and independently. In this scenario, the oppressor defeats the legislators and hijacks their role of lawmaking role. Third, this is a combination of both legislators-as-oppressors and extra-legislators (oppressing machine and hegemonic power) acting together to design oppressive labour laws.

Unsurprisingly, there have been continously widespread labour demonstrations throughout Indonesia against 'labor market flexibility'. It is simply due to the role and effect of neo-liberal development agendas which have sought to discipline legal reform and thereby promoted a steady erosion of the rights of labour.

Endnotes

1 Legisprudence is defined as a rational theory of legislation. Legisprudence has as its object legislation and regulation, making use of the theoretical tools and insights of legal theory. Wintgens (2002: 2) notes that "Legisprudence enlarges the field of study... to include the creation of law by the legislator". Advocating legisprudence, Cohen (1950) criticizes American and Scandinavian legal realists that were primarily concerned with judicial law-making and lack of attention to legislation, though it was "one of the prime sources of policy-making."

2 This donor/creditor consortium was chaired by the Dutch government. In 1992, the Indonesian government dissolved IGGI and established the Consultative Group on Indonesia (CGI), chaired by the World Bank. Both IGGI and CGI played very important roles in financing development in Indonesia.

3 Interviews with Wahyu Susilo (INFID) and Kusfiardi, in Jakarta, 9 May 2006.

4 This Law replaced the private legal system under Dutch legacy, especially *Article 1601-1603 of Burgerlijk Wetboek*.

5 For discussion of the Marsinah case, see: Hadiz, 1997; Avonius, 2008.

6 The involvement of the ILO in redrafting labour reform was actually begin with the first pending for the enactment of *Law Number 25/1997*. *Tjandra* (2003) explained that in August 1998, the government received a direct contact mission from the ILO assigned to evaluate Indonesia's labour legislation and draft a program for the country's labour law reform (Jakarta ILO press release, August 25, 1998). According to a 1999 ILO report, the labour law reform program covers "the review, revision, formulation or reformulation of practically all labour legislation with a view to modernizing and making it more relevant to and in step with the changing times and requirements of a free market economy". Earlier an ILO official in Jakarta said: "The ILO stands ready to provide technical assistance requested by the government in redrafting its labour legislation" (Jakarta ILO press release, August 18, 1998).

7 The original name of Law Number 2/2004 is *Undang-Undang Penyelesaian Perselisihan Hubungan Industrial* (Law of Industrial Relations Dispute Settlement), but in this paper it is translated as 'Labour Dispute Settlement'. The word "Industrial Relations" obscures the real conflict between labour and employers.

8 Interviews with Jamaludin (FBS/MBH) in Surabaya, 11 April 2006; Ahmad Dimyati (SBPD) in Surabaya, 26 April 2006; Bambang Wirahyoso (SPN) in Jakarta, 3 May 2006; Herry (Labour group, MBH) in Surabaya, 11 April 2006; Andie Hermawan (MBH) in Surabaya, 2 May 2006.

9 The report, *Laporan Analisa Pasar Kerja*, resulted from research studies done by the Directorate of Manpower and Economic Analysis, which mentioned "working and dialogue results with many parties during two years".

10 Interviews with Surya Tjandra (TURC) in Jakarta, 2 May 2006; Liest Pranowo, in Jakarta, 3 May 2006.

11 SMERU was established in 1998 with Aus $810,000 and was at first sponsored by Australia to monitor the impact of the economic crisis and making of policy recommendations. For a complete profile, see http://www.smeru.or.id (accessed on 7/5/2006).

12 See "Usulan Reformasi Kebijakan Ketenagakerjaan" (Suggestion for Labour Policy Reform), Bappenas 2005.

13 Interview with Bambang Wirahyoso, Chairman of the National Workers' Union (*Serikat Pekerja Nasional*, SPN) in Jakarta, 3 May 2006.

14 This Law was postponed by several legislations, namely: Law Number 28/2000 on the Decree of Government Regulation of Law Substitution Number 3/2000 on The Revision of Law Number 11/1998 on Revision of the Existence of Law Number 25/1997 on Manpower.

15 This Law was to have been promulgated in April 2006, but because of the strong protest movement - especially from labour unions and NGOs, the president through his minister

postponed the enactment of Revision Draft of Manpower. The latest status of revision plan, the President has given direction to review the revision of Law on Manpower, by pointing five universities (University of Indonesia, University of Padjajaran, Gadjah Mada University, Hasannudin University, and Sumatera Utara University) to do academic reviews or studies. It was decided during a meeting with the Coordinating Minister of Economic, 17 April 2006 (Indonesia's Coordinating Minister of Economy 2006). Timboel Siregar, vice general secretary of the Banking Workers Association (ASPEK) argued that the instruction given to the five universities to make a review of Revision Draft of Law Number 13/2003 raised many questions, including why only five universities were chosen to do so, and why Airlangga University, despite its proximity in Surabaya and Sidoarjo, was not involved (2006: 6). He was also disappointed with Padjajaran University that has produced a study on allowance matters as given in *Law Number 13/2003*: One of its recommendations stated that allowances in Indonesia were too high and need to be adjusted in order to improve investment in Indonesia.

16 Liest Pranowo, chairman of the National Labour Defender Forum (*Forum Pendamping Buruh Nasional* FPBN), said that Bappenas has published a 'white paper' which proposed labour market flexibility, including cutting the minimum wage, permitting firing arbitrarily, and allowance compensated on wage. After reading this 'white paper', FPBN made a counter-proposal to protect workers' rights (Interview with Liest Pranowo in Jakarta, 3 May 2006).

17 According to Jhony Juanda of the Directorate of Manpower, Bappenas, the process of revising on *Manpower Law No. 13/2003* was strongly influenced by The Government Work Plan 2006 (Rencana Kerja Pemerintah, RKP) (Interview with Jhony Juanda in Jakarta, 5 May 2006).

18 In the CGI Meeting on 19-20 January 2005, an IMF representative supported Indonesia's economic policy priorities, by stating that the IMF agreed with the government's focus on improvements to the investment climate, in particular good governance, legal and judicial reforms, and competitiveness of labour market issues that are critical to improve the investment climate (IMF 2005: 3).

19 These provisions are clearly stated in Article 23 Section 3 of the UDHR; and Article 27 Section 2 ("Every citizen shall have the right to work and to earn a humane livelihood") and 28D Section 2 ("Every person shall have the right to work and to receive fair and proper remuneration and treatment in employment") of the Indonesian Constitution; Article 7 ICESCR (ratified by Indonesian Government under *Law Number 12/2005*). Reforming wage structures has been a common strategy in many countries, which has been imposed by multilateral agencies. Rationalization of the remuneration structure has also been popular, particularly in reducing the proportion of non-wage benefits in remuneration, for examples housing, transportation, and food ratios.

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"Grebek Pabrik" in Bekasi

RESEARCH NOTE ON UNIONS' MOBILISATION STRATEGY

by ABU MUFAKHIR

Introduction

Over the eight months from May to October 2012, a number of factory raids *(grebek pabrik*) took place in Bekasi. The factory raid has been considered as one of union's strategies to counter the increasingly widespread use of subcontracting/outsourcing employment practices in the factory. The factory raid combines various existing strategies that include on-site strikes in the factory, factory occupation, ad-hoc monitoring of compliance with regulations and on site checking inside the factory, and building workers' solidarity across factories. The labour movement sees the factory raid as an effective strategy to defend workers' rights when the official channels to settle labour dispute do not work as expected. Often conducted spontaneously once complaints are received from workers, the factory raid was initially effective in reducing the number of subcontract/ outsourced workers who were surreptitiously employed in the factory and by forcing the factory management to comply with the law regarding this issue. However, until very recently, the factory raid has received serious attention from factory management in the Bekasi area who in response to it, have devised certain counter-measures. These counter-measures include breaking up of labour rallies in public areas, union busting in the factory, accusations of criminal activities by union members

("*kriminalisasi*"), prolonging of the negotiation process and calling any outcome of it non-binding ("pseudo negotiations") and increasing control of the state apparatus in Bekasi that limits the space for unions to invent further strategies.

While there are certain factors that help explained the spread of the factory raid in Bekasi such as the rise of labour brokers in the area,[1] the main factor is that Bekasi as an industrial zone located within metropolitan Jakarta has grown in size and with its increasing population is having (under-) employment problems. In 2008, only 6.49 percent of jobseekers in Bekasi could manage to get employment, while the rest had to carry on unemployed or under-employed.[2] The penetration of capital for labour intensive industries in Bekasi apparently could not accommodate the growth of the labour force and provide decent, full employment. In that situation, subcontracting/ outsourcing employment practices have become common and most "acceptable" employment status for many jobseekers to escape being jobless.

Against this employment situation in Bekasi, the factory raid as a strategy firstly includes an on-site visit to the factory that allegedly employing subcontracted/ outsourced workers (or, violate certain provisions of *Manpower Act no. 13/2003*). This visit is usually organized by several unions from nearby factories. During the visit, union activists could inspect the working conditions of the factory, and if they find any violations of labour law - as is usually the case, they would then close down the factory's operations and occupy the factory. In some cases, they even take "hostage" the management to demand the appointment of subcontracted/ outsourced workers as permanent workers as required by the law. A factory raid usually lasts for one to three days, but in some cases it could last more than 10 days when negotiations with the management fail to come to any solution.

More than just a union strategy in the local Bekasi area, the factory raid has become a source of social contention with broad implications for industrial relations. As unions have gained more experiences since the legalization of freedom of association in 1998, they are becoming more organized at defending their rights and interests. For the general labour movement, the factory raid extends labour's collective experience beyond street level actions. With the factory raid, a union brings the chance for real change to the bargaining table; and the union itself is more emancipated and

Massive workers' protest during general strike at Tanjung Priok Port, Jakarta, 31 October 2013 (Photo by LIPS).

has a better standing in front of the employer. As such, it has also forced the emergence of new concessions between union, capital, and the state (and the often overlooked communities around the factory). As for the changes in the political constellation in Bekasi, it questions the security approach that has been one of the pillars in maintaining industrial peace in the area. Thus, the factory raid becomes a "game-changer" in the process of the reconfiguration of industrial relations in Bekasi.

Employers in Bekasi have noticed the growing use of the factory raid and have been observing its practices. They have a clear understanding of its implications on the employment situation in the area.[3] According to a representative of the Association of Industries and Factories in Bekasi in their formal complaint to the Minister of Industry in October 2012, there were at least 100 factories raided and occupied by workers. The use of the

factory raid has grown and become a spectre for employers in the area. The association was of the opinion that the factory raid has created problems that have disturbed industry and threatened the country's investment climate.[4]

This paper is an attempt to contribute to the discussion on the factory raid that has been used widely in the Cikarang Industrial Estate, Bekasi, from the perspective of the labour movement. It will identify major factors that gave raise to the factory raid, how the factory raid as a strategy is practiced, the social-political challenges workers face when they decide to take this action, and how the employers' association and other business groups havee consolidated against it. The description here is based on the author's observations, some of which have been participatory observations, and from interviews with some union stewards from two local labour unions in Bekasi: Forum for Communication and Information (*Forum Komunikasi dan Informasi*, FKI-SPSI) and the Federation of Indonesian Metal Workers Unions, Bekasi (*Federasi Serikat Pekerja Metal Indonesia*, FSPMI Bekasi), and other union activists.[5] Both unions are the largest and most active unions in the Bekasi area. Although most of the cases mentioned in the paper are cases dealt by the two unions, the author has also gathered some related information from other smaller unions in Bekasi. It is worth noting that there are some differences in the practice of the factory raid as unions in Bekasi do not share the same degree of organizational skills and capacities, and also they face different situations on site when dealing with the management. Nonetheless, as this paper will describe, there is a common pattern of factory raids, since unions have learned from each other's successes and failures.

Origin of The Factory Raid

Although its origin is difficult to identify, one of the first factory raids was initiated by the Committe of Indonesian Workers (*Majelis Pekerja Buruh Indonesia,* MPBI) after a massive union rally on May Day 2012.[6] During the rally, the unions demanded the abolishing of subcontracting/outsourcing practices and low wages (known as "*Hapus Outsourcing dan Tolak Upah Murah," Hostum*), and it was then that the factory raid was considered as a tactic in the unions' struggle to realize their demands. The factory raid was seen as means for unions to act, and not just organize rallies, in their

common concern over the widespread and illegal practices of subcontracting/ outsourcing jobs on the factory floor. It combined existing union strategies of solidarity across factories (in some cases, across union federations and also across industrial areas), factory occupation/ blockade, and real-time on-site coordination among union activists mobilizing members. In one case, a union mobilized more than 2,000 members in less than two hours.

The first case of a factory raid occurred after a workers' demonstration organized by the union of the PT Hero Supermarket, Cibitung (the union of supermarket-chain workers) with support from the Union of Assorted Industries (*Serikat Pekerja Aneka Industri*, SPAI) of the FSPMI on 22-23 May 2012 (see: Sherr Rinn, 2012). The union of PT Hero Supermarket organized the demonstration after the supermarket management decided to unilaterally sack 514 subcontracted workers, most of whom had worked for the company for between five and eight years. The union found that the company had no just cause to dismiss these workers. The only reason for the dismissal was that the supermarket management had had a disagreement with the subcontracting company that supplied the workers. The union soon organized workers for a march to the local Manpower and Transmigration office in Bekasi (*Disnakertrans Bekasi*) to demand for an official note (*Nota dinas*) that would obligate the company to reinstate all the dismissed workers and employ them as permanent workers, as required by the law. An official note was issued on the same day, and it granted all the workers' demands. The company, however, responded that it would only consider the contents of the note. It appeared that the company did not have any intention or make any promise to implement it. Disappointed with the company's response, the union soon called for a demonstration at the company's headquarters in Jakarta on 23 May 2012. The rally received generous support from some union activists of FSPMI, who had been in solidarity with the union since the case began. Once they arrived at the headquarters, the workers soon occupied the management office and blockaded the warehouses. Workers took control of the headquarters for the whole day until midnight, when the union's demands were finally acknowledged by the management.

The struggle of the PT Hero workers' union inspired other unions to undertake a similar strategy against the outsourcing practices in their factories. As the success story of PT Hero workers' union spread among

union activists, unions in Bekasi demanded that companies appoint subcontracted/ outsourced workers as permanent workers. They were no longer too timid to mobilize workers, including those from other factories, to come together to join hands to occupy a factory that illegally employed subcontracted/ outsourced workers. With the means of a factory raid, unions could halt production and the management could not prevent or avoid it; it forced management to attend negotiation with unions (as it always refuses to attend) and make on-the-spot decisions and come to an agreement with the union.

The Factory Raid in Practice

Although the factory raid is organized by a union, it often takes place in a factory that does not have a union. A worker's employment status as a subcontracted/ outsourced worker puts him or her in a vulnerable position, in some cases, impossible to organize collective action. As such, the absence of a union in a factory is part of the management's strategy to undermine the workers' position in negotiations. It is often the case that subcontacted/ outsourced workers (who are not yet organized into a union at their workplace) learn about the success of other subcontracted/ outsourced workers at a different factory who managed in their struggle to become permanent worker. In the process, they develop contacts with union activists and ask for guidance or assistance. A union office or secretariat could be the first place they went to for help.

In addition to union offices, in Bekasi there are two well-known union shelters: "Workers' House" (*Rumah Buruh*) and "Labour's Grotto" (*Saung Buruh*) - both are built and managed by FSPMI Bekasi. Their location in the middle of Bekasi's industrial area makes both shelters crucial for the labour movement in the area, as they provide a space for meetings and information exchanges among union activists from different backgrounds. Aside from that, the informal nature of these shelters makes them socially approachable for non-union workers to learn about organizing for the first time. Many non-union workers learn about these shelters by word of mouth or suggestions from fellow workers, and visit them to meet and establish contact with union activists. Many of them also join the informal training these shelters often hold for workers in the Bekasi area on current local issues, union building strategies, labour law and many other topics.

This early contact with fellow union activists in the shelters would often lead to some consolidation attempts to organize workers in their workplace. Workers would meet regularly and gather more fellow workers to join their struggle for a common concern – to become a permanent worker. Union activists would provide suggestions or directions in this process. Although at this point a union is not always immediately established, workers learn to come together and act collectively.

From this point, the workers can prepare themselves for negotiations with management. In many cases, non-union workers are accompanied and assisted in the negotiations by some experienced union activists (or union stewards) who would act as their proxy in the negotiations. As the negotiations always centers on the workers' employment status (as well as some other minor issues in the workplace), management is often forced to end subcontacting/outsourcing practices in the factory. If the negotiations fail (as is often the case), workers are ready for a factory raid - and given their vulnerable non-unionized situation, the raid is often done in solidarity with assistance from unionized workers in other factories. In some cases, management even refuses to sit at the negotiation table. In such cases, workers would take recourse to the factory raid as a way to put pressure on the management to negotiate. Thus, for non-unionized workers the factory raid is seen as an effective strategy to firstly consolidate themselves as a collective and then, bring the management to negotiations.

In a unionized workplace, however, workers rely on their union organization (and its activists) to take necessary steps to settle issues in the factory with the management, either through regular meetings or negotiation. Many union activists see the recent rise in the number of subcontracted/ outsourced workers on the factory floor (as many factories in Bekasi area now prefer to recruit new workers as subcontracted/ outsourced workers) as a threat to their organization to extend membership and develop its strength. Given the urgency of the issue, union activists usually demand management limit or even halt the recruitment of subcontacted/ outsourced workers and appoint the already recruited workers as permanent workers. If negotiations with management fails, union activits would contact their affiliation (regional, and national federation) to ask for support to defend their position and as a way to put pressure on the management. Additionally,

organizational support from their union affiliation is important if they are preparing to conduct a factory raid. Thus, for unionized workers a factory raid is considered as a means to raise their barganing position and put it on a level with the management; it warns the management that the union is always ready to take a more drastic step to defend their interests.

A case of FKI-SPSI illustrates this practice of factory raid. When negotiations with the management failed to reach a decision, local union activists of FKI-SPSI contacted their affiliation for advice and further guidance. Most often, workers would instantly go on strike and occupy the factory. When the union decided to conduct a factory raid as a strategy, they coordinated the plan with the affiliated's heading organ (known as *Presidium*) that consisted of seven officers, a coordinator (known as *Pangkorlap*) and a secretary general. Together they would plan and coordinate the factory raid to make it an effective strategy. The coordinator (*Pangkorlap*) has a crucial role in coordinating and organizing members, both from the local union and other different unions. He would issue organizational instructions that are distributed via mobile phone's SMS and on a Facebook page to the local union's members and also, the chairperson of all affiliated unions. Aside from that, specific instructions would also be delivered to FKI volunteers (*Relawan FKI*), and to FKI-SPSI's wing organization that was composed of union members who carry out instructions for some direct actions in the case of a strike, factory raid or other solidarity activities. Members would follow the coordinator's instructions to support the factory raid.

The coordinator's instructions might be delivered during the working hours. In that case, the members would join the factory raid after work; they often came together riding their motorbikes directly to the troubled factory. If the time for meeting was outside their working hours, workers would gathered at the FKI's head office (known as "*markas besar*") to receive their first briefing from the coordinator. Once coordinated under the coordinator, FKI-SPSI activists would usually visit the trouble factory all together and with the coordinator leading the crowd in his "command car" (*mobil komando*) that is equipped with loudspeakers. In the factory, the striking workers would wait for further instructions from their union leader to coordinate their action with the incoming crowd from other factories. Once the crowd reached the factory and the command car parked in front of the factory gate, workers would come and join together. With that, union leaders would

alternate delivering some speeches from the car, expressing their views on the working conditions, the negotiation process, or their solidarity with the striking workers, and so on. In addition, some popular music (*dangdut* musics) would be aired from the car - and with that, workers would dance and chant their demands. Meanwhile, union leaders would consolidate and discuss further possibilities to defend their interests, including gathering more evidence of the illegal employment practices in the factory.

If the raid lasted through the night (or even for days), the crowds that gathered at the factory site would come and go in shifts, as arranged by the union leaders, to maintain a sizeable crowd at the factory site. Usually the crowd would be small during working hours, then the tide workers would swell after the working hours. Those who came after working hours usually tended to stay overnight at the factory, and this practice is often associated with the cultural habits of staying up (*begadang*) and night watch (*ronda*). Most of the time, many workers would visit the troubled factory, bringing with them some provisions and refreshments, such as mineral water, instant coffee, instant noodles, convenience food (*nasi bungkus*), and packs of cigarettes. Spending the night together at the factory site is considered as part of the bonding of solidarity ties among workers in Bekasi.

Many among those who come to support the factory raid are rank-and-file union members who have had previous experience in other factory raids. They know how difficult negotiations with management could be and what is at stake when a union (or, a group of non-unionized workers) decide to take in a factory raid as part of their strategies to defend their demands. By visiting the factory, they could share their experiences with fellow striking workers. By sharing experiences, workers learn that they are struggling against the common issue of social-economic exploitation at the workplace. They come to understand that workers from different factories in Bekasi have faced a similiar issue of employment status - and it is instructive for their common struggle to reject subcontacting/ outsourcing practices as imposed by the management. In addition, by sharing experiences workers encourage each other; that their struggle for better a employment status is worth fighting for and that the factory raid is a way to defend their collective interests as workers. Sharing experiences on the factory raid illustrates the bond of working class solidarity that union activists are building across factories in Bekasi.

Union activists are aware that timing is important to have a successful and effective factory raid. It starts with the timing of the strike that usually proceeds the factory raid. Not only union activists need to know if all of their members are ready to go on strike (and how long they can afford it), but also whether the management is inside the factory site. This is because many factories in Bekasi have their head office outside of Bekasi where the managament is located. Thus, the perfect time to go on strike is when the management is in the factory. As such it would force the management to sit down at the negotiating table or make an immediate decision on the workers' demands. The pressure from the striking workers and the sense of being under threat (as felt by the management) is a vital element to raise the workers' bargaining position during the negotiations.

It is often the case that management refuse or are unable to make any decision and therefore call for a lawyer to intervene and sit in on the negotiations or on their behalf. Union activists learn that the presence of a lawyer in the negotiations and the legal process introduced by the lawyer would only derail the resolution of their issues at workplace; it would also reduce the shock effect of their strike and make it meaningless as a negotiating tactic. Therefore, union activits always bar the presence of any lawyer when they are on strike, and to maintain their bargaining position, they would push for a quick, yet detailed decision from the management that they can write down as an agreement achieved from the negotiations. As such, an effective factory raid will produce an agreement that favors the workers' demand for a better employment status.

The factory raid can also be seen as an extension of workers' solidarity across factories in Bekasi. When a union decides to go on strike and conducts it on the factory site, workers from nearby factories would instantly know about it. As mentioned above, workers from different factories would gather and give their support to fellow workers who are on strike, such as by delivering support speeches, providing food and refreshments, spending the night with the workers in the factory, and sharing experiences. These immediate actions bring workers to an understanding that their struggle on the factory floor requires the support of fellow workers, especially those whose workplaces are within the area. Union activists have also learned that the close proximity of factories is a deciding factor for successful mobilization and coordination of workers from different factories.[7]

This solidarity and concerted action by workers from different factories and with different employers also implies that the struggle of workers in one factory would affect or bring certain implications on other workers from different factories. When union activists (or group of workers) decided to conduct a strike to start the factory raid, they must have learned about the struggle of workers in different factory in the area, workers that have faced similar issues at their workplace. As such, workers' solidarity in any single factory raid in Bekasi means that workers are working together to improve the working conditions in not just onefactory but all other factories in the area.

While the factory raid is considered by many union activists as an effective strategy to defend workers' interests, it is important to note that not all union activits agree with it and the way it has been conducted. There are two main objections to the factory raid. First, it disrupts the industrial harmony in the employer-worker relationship. Second, it requires a strong and committed union that is organizationally and ideologically ready to conduct it.[8]

For a number of union activists, industrial harmony as emphasized in the New Order regime's concept of Pancasila Industrial Relations (*Hubungan Industrial Pancasila*) is still an important guiding principle to reach mutual consensus between the employer and workers. This is despite the fact that rank-and-file workers have reported how the practice of industrial harmony during the regime's iron rule suppressed the rights and interests of the worker. Within the concept of industrial harmony, there is supposedly no conflict between employer and workers because both are in an equal partnership to manage the workplace. It assumes both employer and workers have the same mutual interest in their relationship: The company gains more profit and this in return would bring better welfare for the workers. Any attempt at negotiations should be conducted with such awareness; workers should approach the negotiations with goodwill, aiming at keeping the company running and profitable.

As such, the factory raid, and strike that proceeds it, are considered a threat and disrupt the industrial harmony in the workplace. Instead of conducting a factory raid as a strategy, these union activists advocate "mutual understanding"; that union must deliver "rational argument" in presenting their demands during negotiations with the employer. It means the union must acknowledge that every company has different economic capacities; not every company can offer permanent employment for its workers and

therefore must recourse to subcontacting/ outsourcing practices when hiring workers. Thus, they reason that by conducting a factory raid to force a company to hire workers in permanent employment could lead to the dismissal of workers or even worse, factory closure.

Other union activists have a different reason for restricting the practice of the factory raid. A factory raid requires serious planning and coordination from the union (or the workers) to yield the expected result that would benefit its bargaining position in negotiations with the employer. They observe how some factory raids in Bekasi, although they yielded the desired result for workers, i.e., better employment status, were in fact, not carefully planned and were more like reactionary misconduct. As such, they are afraid that a factoy raid has become too common, and that as a union strategy, it would lose its meaning and effectiveness. The recent widespread use of the factory raid in Bekasi could create boomerang on the labour movement, that its overuse would weaken the union's ability to build its institutional capacities and negotiation skills. Therefore, they suggest that the factory raid should be reserved for only dire cases when the union has tried all other available channels to resolve a dispute and still employer refuses to sit at the negotiation table with the union. They also warn that not all factory raids yield the desired result for the union, and thus, a union must financially and ideologically prepare to experience the worst scenario which is management's retallion against the participants.

These objections against the use of the factory raid show a deep-seated tension among union activists within the labour movement itself. On one side are union activists who believe that the union must rely on negotiations with the employer to resolve any issue or dispute. This negotiation route includes formal and informal mechanisms, and the most common one is through the collective bargaining process. Agreement resulting from the collective bargaining is respected and both parties could maintain industrial harmony in the workplace. On the other side are the union activists who question the effectiveness of the negotiation route when the union does not have the same bargaining power as the employer has. Defending workers' interests should not be limited only to the negotiating table, especially when the employer has refused to negotiate. A union needs to mobilize its main resource, i.e. its members, to push for better conditions in the workplace.

Despite the tension, nonetheless, both sides agree that there are pertinent employment issues in Bekasi that need to be immediately resolved for the sake of workers' rights and welfare. In confronting the prevalent practices of subcontracting/ outsourcing in the factory and its abuses by employers, workers are showing that they increasingly no longer have trust in the written laws as stated in the *Manpower Act no. 13/2003*. As such, the emergence of the factory raid (and its widespread use) in Bekasi is closely related to the weak enforcement of this labour law. Thus, the factory raid is meant to balance the lengthy and uneven legal-formal mechanism of dispute settlement.

Factory Raid as Provisional Law Enforcement

The widespread use of subcontracting/ outsourcing practices and their abuse by the management to undermine the employment status of workers has become a matter of deep concern for labour movement since *Reformasi* 1998. The promulgation of *Manpower Act No. 13/2003* that gives way for outsourcing practices in the factory was legally challenged by the labour movement through the lodging of a judicial review with the Constitutional Court (see: Mufti, 2012) Unfortunately, the Court did not rule in favor of the union's demands. At the regional level, unions in the major industrial zones of Bekasi, Tangerang, Depok, Sukabumi and Bogor are working together as an alliance that has urged the local governments to issue a regional regulation (*Peraturan Daerah*) that would restrict the use of subcontracting/ outsourcing employment practices. In some other areas, there is also a move by local unions to limit the presence of labour broking companies. Despite all these pressures from the labour movement, the national and regional governments could not do much to monitor and control subcontracting/ outsourcing practices as regulated by the law.

At the factory level, unions in Bekasi have been fighting against these degrading employment practices through formal means. They have sent reports of illegal practices of subcontracting/ outsourcing in the factory to the local Manpower and Transmigration office (*Disnakertrans Bekasi*) in hope that the office's inspection and law enforcement units could protect the rights and interests of the worker. However, whenever the union reports any illegal employment practices in a factory, the response from the local Manpower and Transmigration office has often been quite late and slow. It

has been only in a limited number of cases that labour inspectors manage to find the time to visit the factory to inspect the working conditions and confirm union's report. The results of this inspection, however, have been far below the workers' expectations, and labour inspectors have been losing credibility factory employees.

It is in under such conditions that the factory raid as a pre-negotiation strategy has gained momentum. Faced with ineffective legal mechanisms and inadequate protective measures from government's institutions, the factory raid offers a way for the labour movement to act decisively and apply its muscle to end the degrading employment practices experienced by its members. Amir Mahfuz, a union activist of FSPMI, claimed that as a result of factory raids held during May-August 2012, the FSPMI has made significant progress in a relatively short period: Around 23,000 temporary workers were taken on as permanent workers.[9] Similar to this immediate progress in unionism, a union activist of FKI-SPSI Bekasi mentioned that the union has conducted factory raids on at least 60 companies, resulting in thousands of outsourced workers being taken on as permanent worker.[10] As such, the factory raid not only undercuts the lengthy formal mechanism but also expresses workers' collective efforts to have the existing law itself enforced.

The issue of weak law enforcement is also related to the institutional problems of the dispute settlement mechanism. As regulated by the law, bipartite negotiations between the employer and workers is the first step in settling disputes. But if it does not produce any agreement, either party can ask for a voluntary mediation, presided over by a mediator from the local Manpower and Transmigration office. Unions in Bekasi have observed how a number of mediators from the local Manpower and Transmigration office are far from neutral and tend to be biased in favour of the company's position. Rumors of bribery are common. Although unproven, the rumors have weaken workers' trust in the formal mechanism when having a dispute with the management. Some union activists even claim that they could predict the outcome of a case just by knowing who the mediator is. The Industrial Relations Court, as the court of first instance if mediation fails, also does not have a good record with union activists in Bekasi. [11] These institutional problems within the formal mechanism have persuaded workers in favour of the factory raid as the only way to settle any dispute in the factory.

The loss of workers' trust and hope in formal mechanisms is one factor that may explain the widespread use of the factory raid in Bekasi. It shows how workers are actively looking for better ways beyond the formal mechanism. In their search, they rediscover the power of collective action through the factory raid. It raises their confidence to reclaim a fair and just mechanism of dispute settlement, so that their demand for a better employment status can be guaranteed. In this context, the shift from formal mechanism to the factory raid can be seen as workers' way to claim effective law enforcement – regardless of how provisional it might be.

Factory Raid and Union Democracy

One important feature of the formal mechanism of labour dispute settlement is that it points up knowledge and experiences on how the system works. Knowledgable or experienced union activists would not have much difficulty handling a case in the mediation process and the Industrial Relations Court, compared to rank-and-file union members who have little knowledge of the system. Aside from that, as mentioned above, knowing who the mediator would be in a case is crucial in predicting the outcome of the mediation process. In the system, the specialization of union stewards as "legal or advocacy officer" is inevitable, and they are supposed to master the process and prepare to do their best to defend their members. As such, unintentionally, rank-and-file workers are often expected to rely on their union stewards; they are positioned as the victim (or worst, only as the audience) during the mediation or in the Court without really understanding the issue at stake. The formal mechanism creates a dependent relationship between the union stewards and the rank-and-file members. Such a relationship affirms the iron law of oligarchy in the administration of the labour movement and thus, would be harmful for union democracy in the long run.

In contrast to the formal mechanism that emphasizes union elitism, the factory raid requires members' direct participation at every level of the process. It starts with the common issue of the employment status that every worker is worried about. Regardless of their position or job in the factory, each worker is affected by the widespread use of subcontracting/outsourcing practices. Workers understand that they need to join together to demand their right for a better employment status. With that, they come to learn together about the nature of their employment status. It is a learning

process that allows workers to assess their working conditions, especially their employment status, in a context that goes beyond the factory gates. As mentioned above, the workers in Bekasi learned about their conditions as subcontracted/ outsourced workers through informal meetings with fellow workers at the union shelters. Knowledge and information are shared. As such, workers are brought to the realization that their case is not an isolated one but part of a reflection of the inequality of the general employment situation where manual workers are forced to accept minimal security and protection at work just to keep their head above the water. Once workers are informed about their situation, they can decide if they are ready to assemble together. For union members, it is an important process that they are no longer kept blind to their situation. Thus, from the start information regarding any potential action and the decision to make a factory raid come from among rank-and-file members.

Union activists may make the call to hold a strike or rally or demonstation in the factory, but the decision to join in it is made by each worker and seen as part of their common struggle. The same process holds true for the factory raid. As noted earlier, a factory raid could only be fruitful if there is good coordination among all rank-and-file members in the factory. Their involvement is an important building block that determines the success of the raid. As the manifestation of workers' collective efforts, the factory raid becomes the concrete example of union's activity that is decided, arranged and coordinated by and for its members. Thus, it assembles union members to fight together for their rights; union members are not just sitting passively as in the formal process but are able and actively taking part to determine their own fate.

Putting all these features together in the frame of union democracy shows that by planning and coordinating a factory raid, union members are becoming actors in the process. And in the process union stewards and rank-and-file members are bound together on equal terms, Every union member is as important as another. It democratizes the union hierarchy for the workers' common struggle. In that way, the union is not simply a "service organization" where union stewards are always ready to serve their members in times of trouble. With members' active participation, the union is extending its capacity to be more flexible and accomodating in defending workers' rights in general.

In relation to that, in the planning and coordinating of a factory raid workers learn the power of labour solidarity. In the process, far from being caged in union bureaucracy, the workers can allude themselves, develop contacts, and share information and knowledge with other unions in the area. And since workers understand that their struggle for better working conditions is a common struggle, they are not hesistant to support a factory raid organized by fellow workers from different factories. In terms of union democracy, labour solidarity in a factory raid means that workers' participation is acknowledged as one of the ingredients that makes the union strong and relevant in defending workers' rights in the workplace. Thus, it can be said that a factory raid facilitates the formation of labour solidarity across factories and industrial lines in Bekasi.

Employers' Counter-measures Against the Factory Raid

Employers in Bekasi have taken the threat of a factory raid seriously and have tried to coordinate themselves to strenghten their position. They understand that a factory raid is not a simple strategy by the union which disrupts the production process. It is also a fundamental attack on their power and position.

The fact that many factories in Bekasi are operating as part of a supply chain network in the area means that a halt in production caused by workers' factory raid on one factory would affect the production process in another factory and so on. Management understands how devastating the situation could be, especially after noting what had happened in the recent case of PT Samsung Indonesia. Workers at two factories in the chain of electronics component factories, PT Samoin and PT Wooin, jointly conducted a factory raid. When production was halted in both those factories, it disrupted operations at PT Samsung Electronic Indonesia (SEIN). As noted above, employers in Bekasi realize that a factory raid could threaten the entire industry as well as the general investment climate if they do not do something to tackle the issue. Thus, it forces employers to develop certain counter-measures against the factory raid.

There have been at least five common counter-measures developed by employers to undermine the factory raid. They are by no means new strategies, but these counter-measures are coordinated and in some cases

were conducted as a retaliaton against workers' activism with the eventual goal of creating union-free workplaces in the Bekasi area.

Firstly, management would look for ways to invalidate or deny any agreement that is made during the factory raid. As noted above, during the factory raid workers would push the management to accept their demands and draft a written agreement that is signed by both parties. Workers would take this agreement as the end result of their factory raid and expect management to implement it. Not all employers, however, are willing to implement the contents of the agreement. Instead, they would reason that they were under pressure to sign the agreement and thus, the agreement is invalid. Management usually would hire a lawyer to assist them in pursuing a legal cancelation of the agreement through the Civil Court. [12] When such a situation happens, the union has no option but to fight the case in court. If the union is not ready to do so, they could organize a second factory raid. But this path is rarely taken, because union activists understand the factory raid will lose its meaning in this second action - and more likely, management is already prepared to break it. In this counter-measure, that is, taking the case to Civil Court, the management's purpose is simply to rollback any upgrading of the workers' employment status, and return the workers to subcontracting/ outsourcing status.

Another way management seeks to break the agreement is by approaching community leaders or village heads around the factory. It is part of a common pattern of patron-client relationships, in this case between the company and the village heads, that the company calls on the village head to tame and discipline workers in their daily lives outside of the factory gates for the benefit of the entire community. The purpose of this counter-measure is also to strenghten the company's presence within the local community, so that the community would support company's position rather than the workers' strike. In the Bekasi area, some companies have accomodated a number of village heads and with that, a group named United Community of Bekasi (*Masyarakat Bekasi Bersatu*, MBB) was formed. The group consists of eight village heads from the Cikarang district which lies within the Bekasi industrial area. On 29 October 2012, MBB members harrassed workers who were on strike in front of the factory gate and tore down some of the workers' tents that were in use. They also chased down a number of workers who were running to safety in the workers' shelter *Saung Buruh.*

At the *Saung Buruh*, they smashed and reduced the semi-permanent construction of the shelter to rubble. A number of workers were injured in this incident, and as result the workers were forced to abort the factory raid they were conducting.

Thirdly, management would employ thugs (*preman*) to harrass union activists in public. The purpose of this counter-measure is to spread terror and fear in the Bekasi industrial zones. There are some cases where union activists were randomly stopped in the street and forced from their motorbikes by thugs. These union activists or members were easily recognized, especially if they were wearing union signas on their clothing or had a union sticker on their motorbikes. Although this harrassment does not cause physical harm, it has served to make activists more cautious about their union activities in the public space. It definitely serves to undermine workers'efforts to reclaim the public space as theirs.

Fourthly, the new police chief of Bekasi requires unions to submit a notice of a strike, rally, or demonstration with the name of the coordinator at least five days prior to the event, and also to include a copy of one worker's identification (ID) card for every 20 participants (Thus, it requires copies of 100 ID cards for 2,000 participants). Union activists in Bekasi find the requirements unreasonable and also a contradiction of the labour law on the basic rights of workers to hold a strike. There is little doubt that the purpose of this requirement is to control workers' strikes and to limit what can be considered a legal strike. The police think they have the last word on whether a strike is legal or not. The requirement also conveniently accomodates management's desire to sack any worker who participates in an illegal strike, rally, or demonstration. Participation in such industrial action amounts to the sackable offense of abandoning or not performing his or her work.

Fifthly, management would mark a worker's employment reference letter (known as "*paklaring*") with a special mark, especially those who are union activists or active union members who have participated in a strike. The purpose of this mark is to identify who are the "troublemakers". If they are fired, it will make it difficult for them to get a job at any other factory in the Bekasi area. Factory managers in Bekasi would notice this special mark on a worker's reference letter. Allegedly similar to the special code stamped on the ID card of anyone associated with to the Communist Party of Indonesia

(PKI) during the New Order regime, this "troublemaker" mark excludes any worker from the job market in Bekasi and thus, forces him or her to look for a job oustide the area. Without a reference letter, or if a worker refuses to show the reference letter, a worker would be considered inexperienced for the job on offer and thus have less chanceof being recruited.

Conclusion

This research note describes the factual conditions of the factory raid and its widespread use in the Bekasi area since the second half of 2012. As a strategy, the factory raid has been developed by the workers to defend their rights for better employment status in response to the subcontracting/ outsourcing practices favoured by employers. Beyond its purpose as a union strategy, the factory raid allows opportunities for mutual learning and information sharing among union members, a crucial element for the formation of union solidarity in Bekasi. It also empowers unions to develop their institutional capacities and helps in the enforcement of the labour laws which protect their rights as workers. It also contains important features for union democracy that benefit the labour movement in Bekasi in their struggleto gain equal footing with the employer. In response to this development, employers are trying to maintain their power and position by devising certain counter-measures to limit the factory raid and reduce its impact on the general employment situation in Bekasi. As such, the factory raid has reconfigured the industrial relationship between unions, employers and the state in Bekasi. We have yet to see how this reconfiguration will change over time and who will get the upper hand.

Endnotes

1 In 2012, there are at least 12,000 labour broker companies, of which only 6,300 companies were listed with the Ministry of Manpower and Transmigration. The number of workers as reported amounted to 338,505. The remaining unlisted 5,700 companies are seen to be operating illegally. The mushrooming of subcontracting/ outsourcing practices has reduced the number of permanent workers. According to one ILO report (2012), from 2006 until 2011 the number of permanent workers in Indonesia has been decreasing and now amount to only 35 percent of all workers in the formal sector. See: http://finance.detik.com/read/20

12/11/09/155030/2087380/1036/duh-5000-an-perusahaan-outsourcing-beroperasi-secara-ilegal

2 See: http://phki.pl.itb.ac.id/sip/index.php?option=com_content&view=article&id=42&Itemid=122

3 Between May and November 2012, many factories in Bekasi displayed banners on the main gate or fences that said the company no longer used subcontracted/ outsourced workers, or it does not use the services from any labour broker company. These banners show that companies in Bekasi are concerned that they may become a target of a factory raid.

4 See: http://bisniskeuangan.kompas.com/read/2012/10/17/07584379/100.Perusahaan.Terganggu.Buruh

5 The names of the persons interviewed are kept confidential; anonymity is important for the continuation of their union activities.

6 MPBI is a coalition forum of three union federations: KSPSI, KSBSI, and KSPI.

7 There are about 2,500 factories located in seven major industrial estates in Bekasi. Many union activists acknowledge this concentration of factories in Bekasi area has eased the mobilization process of workers across different factories. See: http://disperindag.bekasikab.go.id/data/kawasan

8 Some union activists also warn that the practice of the factory raid has become "morally unacceptable" as it gives an excuse for workers to dance with loud music and stay up all night; some workers were found drinking alcohol and racing their motorbikes in the street, thus creating a public disorder in Bekasi.

9 See: *Lembur* no. 30 (June-August 2012). Ari Lazuardi, *Lembur*'s editor, later confirmed that there had been a misquote from its interview with Amir Mahfuz. The correct number is 23,000 workers.

10 Interview, January 2013. Another union activist of FKI-SPSI Bekasi, however, mentioned that the union has conducted factory raids at 45 factories. Although there is always a written agreement as the result of factory raid, the author managed to get copiesof agreement from only 12 factories. Union's poor record keeping makes it difficult to analyze all agreements, thus we could only get a rough idea of the substance of this agreement.

11 Interview with union activists, January 2013. The case of Judge Imas Dianasari of the Industrial Relations Court in Bandung was often cited during the interview as an example of how corrupt the formal legal system has become.

12 The FSP PPMI-KSPI Bekasi (Paper and Media union federation) is still fighting a legal case of this kind. It is now on appeal.

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Workers' Education in Post-Authoritarian Indonesia

TOWARDS POLITICAL CONSCIOUSNESS*

by RITA OLIVIA TAMBUNAN

> '*Only an education facilitating the passage from naïve to critical transitivity, increasing men's ability to perceive challenges of their time, could prepare the people to resist the emotional power of the transition.*' (Freire 1973:32).

Introduction

As a representative of organised labour, trade unions can play a key role in defending and advancing popular socio-economic interests. As they represent the majority of society, namely working-class people, their interests actually represent the wider popular interests in the society. History records that while defending their interests, trade unions have been always challenged to provide significant contributions in establishing socio-democratic institutions in the state (Rueschemeyer, Stephens & Stephens, 1992; Krauss, 2007; Beckman et al, 2010).

Following the 1997 Asian financial crisis and the fall of the authoritarian New Order regime in 1998, Indonesian labour was reintroduced to the free labour movement: Being controlled under this strong exclusionary-corporatism labour policy for 32 years, Indonesian workers were reintroduced

to the concept and practice of freedom of association. Since then, tens of trade unions have been established. Whereas previously there was only one state-controlled union, the latest official data recorded show that in 2007 there were 86 federations, within three confederations of trade unions, at national level and tens of thousands of trade unions at the company level.

Soon after 1998, Indonesian trade unions were faced with the challenge of proving themselves as a political force in post-authoritarian Indonesia. While they were abled to stand up for their interests, as there was more freedom in terms civil and political rights, the economic downturn set some hurdles on the effort. Trade unions needed to smartly engage in such a situation; they needed to focus their members' interests on wider, popular interests. In order to do so they needed to be able to politicise their socio-economic interests. But first, they of course needed to consolidate their members' strength and consciousness.

It is then worthy to note and examine how workers' education played a role in encouraging trade unions' involvement in building a democratic society. How does workers' education help workers to make sense of their work life experiences in a broader socio-economic perspective? How does workers' education, starting with the trade union members, contribute to the process of awakening the political consciousness of the working class? Is it important to encourage trade unions to be socially and politically influential? These are some of the questions and issues that will be discussed in this article.

What is Workers' Education?

When one mentions workers' education, some would think about courses and training for workers on subjects related to labour issues, while others might argue that the dynamics of working life and the workers' struggle in gaining their basic rights at workplace are in itself an education for workers. Both contribute factors to the definition of workers' education that we want to build in this article. Workers' education is a learning process for adults in their capacity as workers, especially as members of workers' organisations, on issues related to one's working life (Hopkins, 1985:2; Spooner 2001). In addition to upgrading one's knowledge or skill through vocation programs, the basic purpose of workers' education is to promote workers' understanding of democratic life and then enable them to exercise

Workers' demonstration on International Women's Day at Taman Ismail Marzuki in Jakarta, 8 March 2014 (Photo by LIPS).

their social and political responsibilities (Ryklief, 2009:2). So that any daily experience that enhances a worker's understanding on the realities of his or her life, including experiences involving inactions in demanding their rights, is considered as a valuable part of workers' education. In short, workers' education should always be considered in attempts to understand the larger context of what social conflicts and changes do for workers (Welton, 1991:25).

But workers' education can also be an important tool to raise workers' political consciousness. When, as an outcome of the learning processes, workers change their way of thinking about their society and thus put forward some attempts to change their society, it can be said that there is a rise in political consciousness. Moreover, through workers' education, trade unions can actualise the meaning of democracy in the daily life of ordinary citizens (ie workers). Political consciousness enables workers to understand that their political participation should not be limited to the establishment of a well-managed representation system; they need to understand that the institutions of democracy (such as free and fair elections, law enforcement, and impartial legal justice) are also essential, but their existence should be

tools for '*demos*' (= people) to take control over matters of common concern in a society (Tornquist, 2004: 201). David Beetham explains it in a nice way: "Democracy without them [civil and political rights] would be a contradiction in terms, since the absence of [them] would make elections a façade and render any popular control over government impossible." On the other hand, "the widespread absence of such [socio-economic] rights compromises civil and political equality, the quality of public life, and the long-term viability of democracy themselves; democracy, on the other hand, constitutes a necessary if not sufficient condition for the protection of economic and social rights" (Beetham, 1999: 114).

The current world of neoliberal globalisation has intensified the hegemony of capital (Cumbers et al, 2008). Capital has become more powerful and the dynamic even goes beyond a state's authority to govern it. While the current market system is more focused on its expansion, the governing authorities lack the ability to limit and mitigate the unequal impact of the market system and therefore release unequal and unjust outcomes into society (Gereffi and Mayer, 2006). The market, disembedded from society, thus constitutes a threat to workers, society, and even nature (Polanyi, 1944).

Trade unions should gain an ability to significantly influence political processes. Trade unions should move from traditional 'business unionism' to become 'society movement unionism'; trade unions should be able to represent larger popular interests as a way to direct the key public issues that are being harmed by harsh neoliberal policies –such as the issues of privatised public services or poor social security. Trade unions should thus build the ability to translate the economic interests of the workers into a broad understanding of rights and entitlements goals. In doing this, trade unions should regain their political influence; they should be able to aggregate the factory issues into broader popular interests and apply a broadened perspective and comprehensive strategic focus (Turner 2004:2). In other words, trade unions should be able to speak on behalf of the unprivileged-yet-majority of population to promote the common interests of development, equity and justice.

In order to have such a progressive kind of organisation, trade unions should encourage their members to be conscious that the working class is alienated by hegemonised capitalist ideology and thus encourage members –together with trade unions– to challenge the system of alienation.

The experience of Indonesia suggests that workers' education plays an important role in shaping the trade union's character. Neglecting workers' education, as seen during the New Order regime, led to a weak trade union movement. In the current *Reformasi* era, there are efforts to revive the importance of workers' education, especially within trade unions. The accommodation of conscientization or critical consciousness in workers' education would shape workers' political consciousness and thus encourage a radical and progressive trade union movement. This tendency or trend will be seen in the following brief overview of the shifting character of Indonesia's labour movement and its impact to workers' education. Then, through a closer look at a case study of workers' education by a particular Indonesian labour NGO, this article will explore the efforts to revive Indonesia's trade union movement by raising political consciousness.

Indonesia's Trade Union History

Colonised by the Dutch for many years and then occupied by the Japanese for 3.5 years, the big archipelago in the Southeast Asian region finally gained its independence in 1945. The Indonesian trade union history started even before the country gained its independence. The first Indonesian trade union was formed in the tram and railway sector, VSTP (*Vereeniging von Spoor –en Tramweg Personeel in Nederlandsch-Indie*). The foundations of trade unions in other economic sectors, such as teachers, public servants, dockers, and sugar plantation workers followed. During the 1920s and 1930s, trade unions became an important vehicle in raising political consciousness by combining their struggle for better working conditions with the nationalist struggle for independence (Tedjasukmana, 1958). Closely tied to Western-educated nationalists, trade unions became 'important training grounds for middle-level leaders of nationalist parties' (Ingleson, 1986: 5). Many leading trade unions at that time persistently put specific emphasis on the relationship between working class interests and politics into their education programs (Tedjasukmana, 1958; Sandra, 1960). These education programs seemed to work well and during this period trade unions became the largest mass-based organisations in the country, even larger than the political parties (Ingleson in Ford, 2009: 21).

During the first 20 years of independence from 1945 to1965, trade unions remained vital in the civil society movement. The importance of trade unions

was reflected in their membership: In 1958, it was said that there was about five million members of trade unions, while the labour force at that time was about 32 million with only 2.5 million workers employed in formal sectors (Hawkins, 1963: 260; Ford, 2009:25). During this period, many large trade unions had close links with the political parties, directly or indirectly (see Tedjasukmana, 1958; Trimurti, 1975). While this relationship with political parties influenced the character of the trade unions, most of them seemed to maintain their independence by being able to convince the political parties to support their economic struggle within the necessary dual economic and political objectives of trade unionism.

During this period, political consciousness seemed to frame the trade union education program. Existing trade unions at that time held fundamentally leftist ideologies. A wide range of literature was available, aimed at a worker readership, including translations of Marxism, Leninism, and the history of socialism in Europe (Ford, 2009: 39-44; Tedjasukmana, 1958). There were also some books by Indonesian trade unionists which dealt with religious approaches to labour relations.

It is interesting, however, that despite the differences in the ideologies, including Communist and Muslim ideologies, trade unions were able to keep their class-consciousness, albeit for Muslim unions it was the case only "to the extent that these ideas and aims are derived from the Qur'an" (Tedjasukmana, 1958:47). Scholars argue that such attitude reflected a traditional Java –where the labour movement was most developed– concepts of the nobility's duty to the marginalised people (Ingleson 1986: 5-6). Trade unions were using strikes and other industrial action to achieve their economic demands, as well as socio-political ones. At the grassroots level, trade unions also provided education programs to help combat poverty and illiteracy. The trade unions' coherent education programs, their mass actions, and their ability to articulate leftist ideology/political consciousness into concrete working class interests helped them gain popularity. Trade unions also had gained strong influence over the state's political process. For examples, they were invited to work together with the relevant state ministries in setting up social policy programs (Elliott in Ford, 2009:27) and to sit on the National Council, a body set up to reinforce the authority of the cabinet (Ford, 2009:28).

The New Order regime (1965-1998), which came to power through a military coup,[1] practically suppressed the organised labour movement under

the pretext 'unions were deeply influenced by communism ideology'. The bloody military coup resulted in the arrests, executions and disappearances of many unionists, especially from the SOBSI, the union affiliated with the Indonesian Communist Party (PKI).[2] The new government banned any left-leaning political parties and any link between civil society groups and political parties. There was a 'floating mass' policy, which forbade Indonesians to engage in a political activities except during election time. The government only allowed one national federation of trade unions, later known as FSPSI, whose aim was to support national economic development rather than the individual or collective interests of its members. The government also limited the presence of trade unions, mostly to blue-collar secondary industries while restricting workers from exercising their labour rights.[3]

The New Order regime systematically shifted the union movement from political to economic unionism by eradicating the references to class and class differences and dictating that national economic development was the main goal of the existence of organised labour. The concept of *karyawan*, which derives from the Sanskrit word *karya*, meaning 'purposeful activity', was thoroughly promoted to replace *buruh*, meaning worker, which was embued with the connotations of class conflict (Leclerc, 1972). The regime also introduced the so-called Pancasila Industrial Relations in 1974 to impose labour corporatism and state intervention –including military intervention– to maintain industrial stability.[4] Later on, the term *pekerja* was officially introduced to replace *buruh* because "[t]he use of the word *buruh*, which has negative connotations, does not encourage the development of a familial atmosphere, mutual cooperation and consultation in a company. Consequently, the term *buruh* must be replaced and a term must be found that reflects the spirit of Pancasila Industrial Relations." (Ford, 2009: 55-58).

This policy of the New Order regime had nevertheless incited radical student groups and labour NGOs to stand up and give support to the working class struggle. Although it was difficult and often met with harsh challenges, starting in the 1980s, there were a number of student groups and labour NGOs that provided support to the working class struggle by organising and advocating on behalf of workers. On a practical level, these non-workers labour intellectuals groups provided advice, legal aid and moral support to the workers' groups and independent unions at the grassroots level. They

also provided training and education to workers in order to raise their class-consciousness and radicalise workers' way of thinking; such as on issues of workers rights, the triangle relationship of workers-capital-state, and labour policy (ibid., 82-106). Some student groups and labour NGOs also helped plant-level unions to develop a progressive character by assisting the unions' grassroots organising work, assisting them in systematising their campaigns in cases of labour oppression, and putting them in contact with international labour communities to tackle labour rights violations (ibid.).

However, these radical student groups and labour NGOs found themselves in direct opposition to the New Order regime rhetoric and policy on the labour movement.t. The regime aggressively sanctioned labour NGOs or student groups that challenged the one-union policy or business unionism with the criminal charge of being subversive. The regime tried hard to keep the trade unions away from progressive non-worker intellectuals by co-opting the recognised union leaders (ibid., 62-81). As the result, at the national level, workers' education in general was undermined as the program was simply aimed at indoctrinating labour with the regime's rhetoric and policies. Except for the clandestine programs of some progressive student groups and labour NGOs, there was practically no chance for radical education, as seen during 1945-1965, to enlighten workers on their rights, not to mention raise their political consciousness.

Since the beginning of the *Reformasi* era in 1998, however, the economic, social and political environment in Indonesia has undergone dramatic changes, and such changes have also impacted the labour movement. When the New Order dictatorship was toppled, there was a second chance to revive the labour movement in Indonesia. Freedom of association has been granted as a legal right and thus encouraged the establishment of various new federations and confederations of trade unions.[5] The institutional support for union rights has opened a window of opportunity in creating political space for trade unions to regain their political character (Krauss, 2007:262).

However, despite the new government's commitment to a 'democratic Indonesia', the 1997 Asian financial crisis forced Indonesia to apply a neo-liberal policy. A series of Structural Adjustment Programs dictated by the IMF and World Bank resulted in tight fiscal policies, cuts in public expenditures, privatisation and the flexibilisation of the labour market. International competitiveness became an economic priority and foreign

direct investment was welcomed at whatever price the people had to pay. These economic policies created new problems and challenges for the newborn Indonesian labour movement. While it struggled to regain support from the working class, trade unions were weakened by downsizing, outsourcing, subcontracting and privatisation. The profile of trade union membership changed: If in the 1945-1965 period, trade union members were skilled and educated workers in public service and heavy industry, membership post-1998 is drawn from a low-skilled workforce in light manufacturing industries (such as garments, footwear, etc.) –many of whom had no organisational experience and were mainly struggling with low wages and employment insecurity (Ford, 2009; Manning, 2008). This situation, to some extent, represents a challenge to revitalise genuine unionism. On the other hand, the absence of leftist ideology[6] to some extent has made the union movement are directionless. This is a troublesome situation for it may encourage unions either stay in their traditional role of business unionism or even worse, to adopt the more reactionary idea of communalism (Tambunan, 2010).

Workers' education has been affected by these factors in many ways. As freedom of association has just been reintroduced after 32 years of being banned, trade unions really need to reintroduce the basic information of the essence and importance of the organisation to the workers. Trade unions also need to actively promote basic training on trade union administration. This is not an easy task, especially in some Indonesian regions where communities were severely traumatised by the 1965 massacre. In these areas, the previous regime had really been successful in stigmatising the trade union as a communist organisation.

Since 1998, however, there have been efforts to develop workers' education. International labour communities, including foreign and international trade unions and labour NGOs, provide extensive support to Indonesian trade unions to develop larger and more structured education programs. The programs provide training on practical skills, such union leadership and administration, collective negotiation and grievance procedures. There are also courses on labour law, political economy and an introduction to international trade unionism.

Yet, despite all these endeavours, the current trend in workers' education is not considered enough to support efforts to radicalise the labour movement

(LIPS, 2006). There have been education programs to encourage gender emancipation and members' active participation in union activities, but internal democratisation of unions seems to have improved only very slowly. It is also a concern that education programs do not really accommodate current labour situations, so they do not encourage workers to go beyond workplace issues (ibid.).

The above review of the Indonesian trade union situation and corresponding changes in workers' education programs might generate an impression that workers' education in Indonesia is in stagnation. It might also raise concerns as to whether workers' education can accommodate an urgent need to promote trade unionism by raising workers' political consciousness. Has there been any effort made to revive radical education traditions within the labour movement in Indonesia?

Labour NGOs and Labour Movement in Indonesia

As indicated above, labour NGOs cannot be separated from the history of the Indonesian labour movement. During the New Order regime, reacting to systematic state repression against independent trade unions, labour NGOs took an active role in facilitating workers' expression of class-consciousness. Labour NGOs tried everything to encourage the formation of genuine workers' groups, including becoming 'substitute trade unions born of necessity in a climate where independent unionism was not possible' (Hadiz, in Ford, 2009: 83) to providing all kinds of support for workers to form alternative trade unions. In short, labour NGOs amalgamated themselves with the labour movement during the New Order period (Ford, 2009).

Since the *Reformasi* era, freedom of association and the flow of support from international labour communities have encouraged the formation of various independent trade unions, at national and regional level. This has resulted in changes in the relationship between trade unions and labour NGOs. Where previously labour NGOs took the role as speakers on behalf labour, post-1998 they continue to play a crucial role in supporting new-born trade unions in a more collegial partnership role in many ways, including organising joint public advocacy campaigns, providing legal aid for union activists, and helping trade unions in areas of on-going weaknesses such as research and education programs (ibid., 172-176).

An in-depth look at one particular labour NGO, the Trade Union Rights Centre (TURC), which runs its own workers' education program, will show that there have been efforts to revive radical education traditions, although not always in very visible and organised forms.[7] Data presented in this case study were gathered mostly through distance interviews[8] and document analysis, and combined with desk research, all during March-August 2012. The writer's personal experiences and reflections as a labour activist, previously involved in this NGO's education activities, will be used to enrich the analysis.

Pedagogy for Trade Union Officials

The Trade Union Rights Centre (TURC) was established in 2003, in the midst of popular democratisation and widespread discourse on human rights in Indonesia at that time, and dared to declare itself as dedicated to labour issues. The establishment of the TURC was in fact the realisation of a recommendation made at a workshop attended by union leaders from different confederations, labour lawyers, and NGO representatives. It recommended the establishment of a specific labour research and education centre to support the labour movement and make itself available to all unions (TURC rationale, 2003).

Since its establishment, education programs have become a major part of the TURC's activities. While they include various issues that are related to labour rights, such as collective bargaining, wages, gender equality, and international unionism, the centre uses the labour law and actual labour policies as tools for the workers in their education programs, (ibid.). This approach is taken with the consideration that the existing labour law and policies reflect the level of the working class' political consciousness; the more politically conscious trade unions become, the more they will be encouraged to participate in labour law and policy making processes, thus have a better chance to draft pro-people labour law and policies. The choice of this specific approach is also based on pragmatic reasons: Many Indonesian trade unions need to update their knowledge of the new labour law system, and the main staff of the centre itself are labour lawyers. The latter part of this paper will elaborate on the reasons for using this approach.

The labour law education programs are aimed at developing union members' organisation and legal advocacy skills, raising workers' critical

consciousness on the existing labour law and policies, and encouraging workers' cooperation on a joint agenda in advocating for better labour law and policies (ibid.). The education materials therefore include critical analysis on the labour law and policies, labour movement history, Indonesia's and the global political economy and globalisation to help participants understand that there are various factors that influence the making of labour law and policies. The programs are designed to accommodate active participation of adult participants and consist of class seminars, group workshops, and review of case studies and simulations, i.e., role-playing. For each program event, the centre usually invites three to four speakers (scholars, labour activists, union leaders, politicians, government representatives) to present their ideas and opinions, based on their expertise on certain topics. There is also a facilitator team ready to help participants summarise and sharpen their understanding of the key points of each session. The facilitators' main task is to ground and sharpen a critical reflection of participants on a class-based identity, so that they would be confident in transmitting the working class view when challenging questionable labour law and policies.

The centre's law education programs are specifically targeted at trade union leaders, specifically union leaders at lower levels (at plant-level unions and district level), believing that they are the key figures in the concrete process of union revitalisation and consolidation in Indonesia. In each of its labour law education programs, the centre usually invites different trade unions to send their two representatives, while limiting the event participants to a maximum of 25-26 persons. During the event the participants are encouraged to share ideas and experiences. It is hoped that such interaction would help different trade unions understand each other and thus create wider opportunities for them to initiate future joint activities. This point, according to one of the centre's staff, is important considering these leaders come from different trade unions, and have limited chances to meet and talk to each other, especially those from the lower levels of the organisation. Providing a forum for them to meet and interact helps reduce any tensions that sometimes exist between different unions. It is also expected that in this kind of meeting the leaders of different union organisations will find and agree on a common ground to arrange joint activities.

Currently the centre has two main events in its labour law education programs, namely the Labour Law Course (LLC) and the Labour Law

Enforcement Workshop (LLEW). The latter is considered a continuation of the former with a specific objective of encouraging and supporting participants in initiating a joint activity of legal advocacy in their specific region (TURC, 2008). In the early years of its establishment, the centre used to arrange two Labour Law Courses per year and each was an intensive five-day course where participants were asked to fully participate. With much positive feedbacks on the LLCs from participants and despite its limited sources, the centre holds three to four LLCs per year and cut the length of the course to three full days. In addition, the centre organises the Labour Law Enforcement Workshop twice a year and each workshop is also a three-day event. A list of the activities of the TURC shows how the centre is focusing its energy on education programs (See Table 1).

The Praxis of Labour Pedagogy

Paulo Freire has argued that in educational circles it should be well understood that no one is ignorant of everything, but no one knows everything (Freire, 1973). Every participant in an educational process – both the educators and students– is in possession of certain knowledge. Therefore, for Freire learners, to some extent should be regarded as 'intellectuals' as they have already been in possession of certain knowledge gained from their daily experiences (Roberts, 2010).[9]

TURC adopts such an understanding in delivering their labour law education programs. One of the educators explained that the centre thinks it is important to 'learn the experience'. In preparing an LLC event in one region, the centre would find an actual local labour issue or case. Throughout the course, the facilitators would encourage the participants to analyse the issue and, if possible, respond to it as a working class group. For example, in one LLC in Makassar in South Sulawesi, there was a case wrongful dismissal of several local union activists. During the course, the facilitators stimulated a discussion on the case where participants were encouraged to explore their ideas on how the case should be addressed. Based on their own knowledge and experience, they were also persuaded to explore every possible advocacy step for that specific case. After that, the participants were given a chance to construct their written recommendations for the dismissed union activists with the advocacy steps for such a specific case. All participants then also agreed to support and provide the activists with a joint-statement addressed to the local authority. Through this kind of activity, according the centre's

Table 1. List of TURC Education Program Activities

EDUCATION PROGRAM	2009	2010
Labour Law Course for Trade Unionists (LLC)	5 times in 5 different provinces (West Java, East Java, North Sumatera, Lampung, and East Kalimantan)	4 times in 4 different provinces (West Java, Jakarta, North Sumatera, and Central Java)
Labour Judges Capacity Building	3 times in Jakarta	5 times in Jakarta
Training and Advocacy on the Minimum Wage in the Regions	4 times in 4 different regions within 2 different provinces (Bandung, Serang, Karawang, and Sukabumi)	6 times in 5 different provinces (Jakarta, Central Java, Lampung, West Java, and South Sulawesi)
International Labour Standard Course	One time in Jakarta with specific theme of Social Security System	2 times in 2 different regions in West Java
Labour Law Enforcement Workshop	6 times in 5 different provinces (Batam, South Sulawesi, Jakarta, and Banten, and North Sumatera)	One time in East Java
Trade Union Movement Workshop	-	8 times in 4 provinces (Jakarta, North Sumatera, South Sulawesi, and East Java). Two meetings were national meetings with the specific themes of national social security system and minimum wage policy.
Voters' Education for Trade Unionists	2 times in two different provinces (East Java and Jakarta)	-
Quarterly Labour Discussion	3 times at TURC office	4 times in 4 different provinces (Jakarta, Banten, North Sumatera, Central Java)
Journalism Training for Workers	One time at TURC office	3 times in Jakarta
Plantation Workers Meetings	-	3 times in North Sumatera

Table 1. List of TURC Education Program Activities

EDUCATION PROGRAM	2009	2010
Freedom of Association Networks	-	2 times in Jakarta and Banten
Seminars & Workshop	4 times in Jakarta with various topics on labour and law	6 times in Jakarta with various topics on labour and law
Total Participants	**777 persons (151 women) from 129 plant-level trade unions**	**1,340 persons (170 women). No data available on number of plant-level trade unions involved.**

Sources: TURC Annual Reports 2009 and 2010; author's own calculations.

facilitator, LLC participants are encouraged to realise that they all are actually in possession of certain knowledge and ability in trade union advocacy work and that through their interaction with other union members they can sharpen their sensitivity on such work and issues.

In another LLC session in Jogjakarta, the facilitators organised a visit to the Jogjakarta Labour Court where the participants had a chance to sit in on a court hearing of a dismissal case against a union activist. After the court session, the facilitators organised two short meetings for the participants. The first meeting was with the dismissed union activist and the second with the judges. During the first meeting, the participants were given a chance to ask questions around the case, while they also had a chance to offer their sympathy and support to the activist. At the second meeting, the participants heard the judges' explanation on the Labour Court's functions and legal procedures in handling such cases. After the court visit, the facilitators organized another discussion among the participants on their thoughts and impressions on the visit and the specific case they learned about during the visit. Through this series of activities the centre also aims to let the participants see the limitations of the existing formal legal procedures in the fight for workers' and unions' rights. Then, followed by and combined with other sessions on LLC, it is hoped that the participants would institute the important role of trade unions in fighting for working class interests.

According to one of the centre's educators, this method helps participants to grasp the idea that every expression of struggle against labour oppression can be used to raise workers' political consciousness. This educator said that he does not need to preach about political consciousness; the participants' experience of sitting in a court hearing, using their own words to formulate a statement, their feelings of solidarity with comrades in trouble, and their signatures on the statement itself have taught the importance of having political consciousness. When some participants come to him at the end of the session and say that they now understand why workers and trade unions need to consolidate their movements and jointly intervene in the process of making labour policy, this educator said that he would feel that his mission with the LLC has been accomplished.

While the Labour Law Course introduces the importance of legal advocacy, and is structured as an advanced step in the TURC's education program, the Labour Law Enforcement Workshop (LLEW) is designed to facilitate trade union leaders seeking a common platform for joint-legal advocacy work. Through this workshop, the centre encourages the participants to take concrete steps to intervene in the labour law and policy making process. Thus, the LLEW is designed as a forum for trade union leaders to exchange trade union experiences in doing labour advocacy and to stimulate discussion among participants on current labour issues in the region. The centre expects that through the LLEW trade unions will be encouraged to pool their efforts, take their struggle from the factory level to the regional level, and work hand-in hand with different trade unions for better labour policies.

Usually LLEW is organised at the regional level and thus the centre invites existing trade unions in the region to send their leaders or other representatives. The main method used in LLEW is to invite certain union activists from other regions to share their experiences and strategies in doing labour advocacy –either on a legal case or in influencing the labour policy making process. During the session, the presenter is encouraged to supply the participants with detailed explanations as well as supporting materials (documents, newspapers clips, photos, etc.). The facilitators then invite the participants to share their ideas and discuss the case and finally prioritise their concerns on certain labour issues in the region. After that, facilitators encourage participants to reflect on the experience previously presented and

discuss the possibility of organising joint legal advocacy on certain labour policies in their local region.

Again, here the centre persuades trade union activists to critically view the labour issue from different angles; daily workplace experiences could have deep impact in raising workers' class-consciousness. Learning from others' experiences of labour advocacy may prove more effective than a lecture on theoretical issues. For example, in some LLEWs organised in 2009, the centre invited several trade union leaders from Surabaya in East Java, to share their successful experience in legal advocacy in a case of union busting.[10] Apart from sharing their strategies, those Surabaya union activists also shared that the success had raised their unions' integrity and deeply affected the militancy of their members. Some participants of LLEW admitted that the story of East Java unions' labour advocacy inspired them to be more sensitive in analysing and conceptualising their daily grassroots experience.

Another important aspect of TURC's labour law education program is its non-neutrality. In contrast with other labour NGOs in Indonesia, TURC has explicitly stated its position as a part of the Indonesian labour movement (TURC, 2003; Ford, 2009: 103). By establishing an institutional link with the trade union movement, the centre provides assistance to strengthen trade unions' weaknesses, such as labour law and policy research and education programs. In many instances, the centre has positioned itself as a provider of 'food for thought' for trade unions. In doing this, the centre does not take a 'neutral' position of only facilitating the discussion. Instead, the centre directly expresses its ideological and political position. For example, at the beginning of the LLC, the facilitators would ask participants 'What do you think is the problem with labour law in Indonesia?' After some discussion with participants, the facilitators would explain the centre's position that labour law is a product of ideological and political struggle in the state; the weaker the ideology and political influence of the working class, the weaker the legal protection afforded workers by the law. The facilitators would argue that the current problems of labour law enforcement in Indonesia are because the capitalist system is very influential in the state's politics, and therefore it is urgent that the union movement take action.

In another session in its labour law education program, the centre's educator stimulated a discussion by asking participants why the [regulated] minimum wage is so low? After hearing the various opinions and ideas

of participants, the educator then explained how the minimum wage is annually reviewed. The educator would draw participants' attention to the importance of trade unions in influencing the tripartite Regional Wage Council's recommendation. Here the educator would emphasise the importance of trade unions to strategise their policy advocacy work and how trade unions' collective action –including strikes and rallies– are powerful means to persuade capital and the state to fulfil the working class' demands.

Collective Action to Raise Political Consciousness

Until 1998, the government only recognised one legacy trade union –FSPSI– and the union was dominated by an elitist and politically conservative leadership attached to the New Order regime (Hadiz, 1997). With the start of the *Reformasi* era, freedom of association became a legal right, and new trade unions sprouted up all over Indonesia. Nowadays, there are about a hundred federations of trade unions at national level and many more at regional level. Though this can be seen as a sign of the revival of the union movement, some frictions and tensions among existing trade unions have the potential to obstruct development of a progressive and strong union movement (Rokhani, 2008). TURC believes that inviting different trade unions to strategise and conduct joint-advocacy missions, could stimulate a remarkable union's internal transformation.

Two recent success stories in which the TURC played an active role demonstrate the fruits of this strategy and show how different federations of trade unions agreed to put away the differences between them and prioritise working class' interests.

In the first case, the three biggest confederations of Indonesian trade unions concurred that the establishment of a national social security system[11] was of utmost importance and agreed to do joint advocacy work on this issue. After several meetings and much discussion, in early 2010 they agreed to establish an advocacy network for a national social security system and called it Action Committee for Social Security (*Komite Aksi Jaminan Sosial,* KAJS).) Soon afterward, KAJS became a collective movement of about 64 organisations, including trade unions, women's groups, human rights NGOs, and student groups, all of which actively strategise a series of advocacy actions (parliamentarian lobbying, mass protests, strikes, etc.) to push forward their demands. The initial actions of KAJS were in Jakarta

–the capital city of Indonesia, but it became a catalyst for workers in many Indonesian regions and a model for similar actions at regional level. Workers' growing political consciousness led to the consolidation of the union movement and vice versa; while there is a bigger space for different trade unions to sit together and exchange their ideas and experiences, they help each other in sharpening their political consciousness. The centre is one of the initiators of the establishment of the KAJS and has been one of the KAJS' official representatives.

The second example is the success story of the HOSTUM movement. HOSTUM stands for '*Hapus Outsourcing Tolak Upah Murah!*' meaning Eradicate Outsourcing [working system], Refuse Cheap Wages!. The movement was declared on May Day 2012 by the three biggest confederations of Indonesian trade unions.[12] Workers 'and unions' dissatisfaction with the state's cheap wage policy and repeated disappointment over the annual adjustment (or the lack of adjustment) in the minimum wage inspired the establishment of this movement.[13] The founders of the HOSTUM movement agreed that it was time for trade unions to stand up and challenge the government to improve these fundamental labour interests. The idea is to challenge and demand improvement in the cheap wage policy and eradication of the outsourcing (working) system. The main demands of HOSTUM movement were clearly stated: a) Improvement of national legislation regarding the annual minimum wage arrangement[14], and b) eradication, or at least stricter limitation, of the outsourcing working system in accordance with the decision of the Constitutional Court in January 2012[15]. TURC has been actively involved in initiating and supporting the HOSTUM movement.

Since its establishment, it is evident that HOSTUM has inspired different trade unions to organise collective action. Since May 2012, a wave of mass protests by trade unions has swept through many vital industrial areas throughout the Java Island, the most important island in Indonesia. There was also a major mass protest on 12 July 2012, where tens of thousands of workers paralysed the business activities in Jakarta capital city and 15 other provinces and called upon the working class of other islands to give their attention and support to the movement to end outsourcing.[16] While representatives of union leaders explicitly announced their intention to hold discussions with government representatives over the demands, the HOSTUM movement

planned another mass protest for sometime in September-October 2012 to put more pressure on the state government.

HOSTUM has acted as a catalyst for workers and unions to take action at the local struggle and gave them confidence to confront management. In many leading industrial areas in Indonesia, such as Bekasi, Purwakarta, and Surabaya, trade unions initiated collective bargaining, followed by strikes and protests, to demand wage increases and improvement in working conditions. In these local struggles, the trade unions consistently linked their actions to the national agenda of HOSTUM. This tendency, in itself, showed the growth in workers' political consciousness that has been brought by the revitalisation and radicalisation of the union movement.

Schools of Labour or Labour's Schools?

Analysing the case study above, one may put a reflective question: If we want to use workers' education as a tool to sharpen worker's political consciousness, should we focus only on that provided in the classroom? Welton once argued that workers' education is actually not limited to the classroom. Once we talk about workers' education, we find that it is not easy to delineate the boundaries, because it includes the dimension of workers' politics and culture (Welton, 1991: 25). He nevertheless argues that we can still draw a boundary between "schools of labour" and "labour's schools". Welton defines labour's schools as spaces where workers can open up reflection on the meaning of their work and culture. He then categorizes specific educational programs provided by trade unions or other institutions, as well as workers' forums and media, as labour schools. On the other side, following Karl Marx' idea, Welton defines work places as schools of labour, because they are 'embedded in economic, social, and political control' (ibid.). In addition to technical skills, workers gain important socio-political and ideological learning experiences at workplaces, because it most likely becomes the second most important place where workers spend their days.

Following this definition, one may say that schools of labour are places where workers gain some understanding of their being through their experiences. The daily exchanges with employers and colleagues may teach them how being workers they are put in a certain class in society. Interaction with authorities, especially when seeking justice for unfair treatment in

labour relationship, may increase that sense. That is why, perhaps, Welton specifically classifies strikes as "the most important learning occasion directly linked to the work site" of schools of labour (ibid.).

Other scholars are of a similar opinion that strikes and protests provide worthwhile lessons on workers' class consciousness. Based on a specific case study done in 1999, Saptari is of opinion that workers' ideas of their class identity emerges first of all through workplace grievances (Saptari, 2008: 34). Daily difficulties caused by undelivered rights and poor wages stimulate workers to become more conscious of their position in the socio-economic sphere. Collective action, such as strikes or protests, and getting involved in various activities –such as theatrical productions or giving or listening to speeches during such events, in the effort to fight against the unjust situation, combined with unpleasant experiences of confrontations with the authorities, awaken workers' class-consciousness (Saptari, 2008:35). On the other side, Juliawan argues that labour protests, especially when delivered in public spaces, help individual workers to regain their collective identity. Congregating in large numbers and voicing particular demands enable workers to regain the confidence that they are valuable human beings and valuable as a political force (Juliawan, 2011: 365). Trade unions also unleash their political force by unravelling the stable relationship between politics and business. Supported by intense media coverage and other systematic advocacy strategies, trade unions may use such street-protests to push authorities to fulfill workers' demands instead of business' interests (ibid., 365-367). The stories of KAJS and HOSTUM have conveyed such lessons.

Observing a virtual 'Facebook' group set up by KAJS activists, it is interesting to see how the collective actions of the KAJS and HOSTUM have become 'learning ground' for workers and shape their growing political consciousness and militancy. Interactions in this specific Facebook group, with about 8,000 members from all over Indonesia, has given a strong impression that workers experience collective protests, strikes an other action as powerful learning experiences, and union leaders have also used these actions to cast out tensions which previously existed between different trade unions and bring the focus to the common interest of working class struggles. Ordinary members' political consciousness grows, while such collective action helps them understand the connection between their daily

economic struggles and unions' political demands. One worker in this group posted the following comments:

> Dulu, hanya para mahasiswa-lah yang memberontak, tetapi sekarang ribuan dan puluhan ribu kaum buruh telah bangun di semua kota besar. Mereka kebanyakannya berjuang menentang majikan-majikan mereka, menentang pemilik-pemilik pabrik, menentang kaum kapitalis. Kaum buruh mengadakan pemogokan, semua buruh di satu pabrik berhenti bekerja dengan serentak dan menuntut jangan dipaksa bekerja sebelas atau sepuluh jam sehari, tetapi bekerja hanya delapan jam saja. Kaum buruh juga menuntut bermacam-macam keringanan lain dalam kehidupan seorang buruh. Mereka menghendaki supaya bengkel-bengkel diperbaiki dan supaya mesin-mesin dilindungan dengan alat-alat yang khusus guna mencegah mesin-mesin itu membikin cacat kaum buruh; mereka menghendaki supaya anak-anak mereka dapat pergi ke sekolah, supaya yang sakit mendapat pertolongan yang selayaknya di rumahsakit-rumahsakit; mereka menghendaki supaya tempat tinggal kaum buruh itu menyerupai rumah manusia dan bukannya kandang anjing
>
> [Before, there were only students protesting; now there are tens of thousands workers awakened in all the big cities. Workers are fighting against managements, against factory owners, against capitalists. Workers organise strikes, do collective action to stop their work at factories and refuse to work 11 or 10 hours a day but only 8 hours aday. Workers demand improvements for a decent life. Demand enhancement of factory machines, so there won't be any more injured workers; demand access to education for their children; demand free access to health treatment; demand decent humane housing, not the dog's bed].

Another worker wrote:

> kebijakan upah apakah bukan produk politik?
> outcoursing apakah bukan produk politik?
> apakah kita cuma dari pabrik ke pabrik mau sampai kapan?
> kenapa buruh takut berpolitik?

[Isn't the wage policy a political product?
Isn't outsourcing [working system] a political product?
Do we want to fight only from factory to factory, until when?
Why are we afraid to politicise [our demands]?].

On 'Facebook' page, "Buruh Bekasi Bergerak" (Bekasi Workers Stand Up), similar views were being voiced. Set up as a follow-up of KAJS and HOSTUM movement in the Bekasi industrial area, this group has become an effective place for ordinary members and leaders of different trade unions to interact and exchange their thoughts and opinions. With around 16,000 group members, the cyber discussions are very dynamic and deal with different issues, from information on job vacancies to debates on workers' relations with politics and economy. It is interesting to observe how the workers express their understanding on politics. One worker expressed the following:

> Banyak Kawan yg berkata, "sya jd heran koq serikat pekerja iku-t2an politik, jd kayanya sdh melenceng dri tujuan sebenarnya".. Saya Jawab.. Anda anggota SP, anda bagian dri SP… kalo ya anda bagian dri politik, keanggotaan anda akibat adanya ad/art SP, ad/art SP krna adanya UU ttg SP, dan UU lahir karena Politik…Jadi jgn hujat Kawan kami yg terjun ke Politik dan Kami yg mndukung Mereka, tanpa masuk ke dlm Politik Kita sdh bagian dari Politik.. Salam Juang.
>
> [There are many comrades who say, "I am wondering why trade unions are involved in politics; it deviates from the unions' true goal".. I said, you are a union member, you are a part of a union… if yes, you are also a part of politics; your union membership is due to the existence of the trade union, the existence of trade union is due to the Trade Union Law, and the Law comes from politics… So don't condemn our comrades who go into politics and us who support them. We are actually a part of politics… In solidarity.]

It is workers' education, in and outside of the classroom that helps the construction of workers' political consciousness. The combination of education programs, trade unions' collective action, the existence of communication

media to exchange experience and ideas, and the consolidation of the union movement help ordinary workers to see the connection between capitalist labour policy and workers' conditions of poor wages and a repressive outsourcing system, and the absence of social security.

Conclusion

Paulo Freire's concept of conscientization or critical consciousness begins with a conviction that a human being does not simply exist in the world, but her or his main role is to engage in relations with the world; through acts of creation and re-creation, a human being is a subject that can change her or his cultural reality through active engagement in her or his environment (Freire, 1973: 43-44). For Freire, education is supposed to raise conscientization; to help human beings become aware and be sensitive of their context and their situation as human beings, as Subjects and then take action against the oppressive elements of their lives. At that point the learners would become politically conscious and take their instrument of choice to change their realities (Freire, 1972; Freire, 1973). Therefore, an educator's fundamental role is to enter into dialogue with the learners about their concrete causal and circumstantial situation and then offer them the instruments with which they can teach themselves to respond and act towards their situation (Freire, 1973).

Through this specific Indonesian workers' education case study, it can be seen that while neoliberal globalisation has been accompanied by massive attacks on all fronts of the Indonesian labour movement, there is an effort to revive radical union movement through radical workers' education tradition. The style of education should not be a 'top-down' method., but rather one which tables the situations in workers' daily reality and offers them alternative instruments with which they can reflect and then consider themselves what they can do to participate in the working class' struggle.

In its education program for union officials, TURC has made significant attempts to encourage trade union officials to reflect on labour law and policy, then integrate the trade unions' political perspective with their members' experiences. TURC therefore offers study of the labour law and policy to be used as a perspective for trade unions to revitalise and strategise the union movement. The participatory and non-neutrality character of its education programs, combined with the centre's mission of supporting the union

movement, allows officials from different trade unions to freely express their ideas and opinions on issues, exchange their experiential knowledge with one another, and then together find common ground for joint advocacy work. Collective action, including filing lawsuits, lobbying parliamentarians or government representatives, as well as mass protests and strikes, have allowed union members to learn and understand the nature of economic and political power, as well as provided a path for different trade unions to join forces and revive the union movement in Indonesia.

Of course there are still questions on the sustainability of workers' education. Workers' education should mainly be the trade unions' responsibility, and the main concern is how the trade unions themselves will distribute and sustain or even improve education for their members. Trade unionism in Indonesia, is relatively young, reborn after the re-granting of freedom of association in 1998, and is facing the hard challenges of aggressive privatisation and flexibilisation of labour that will be harmful to their members. Trade unions also need to overcome internal challenges of democracy and members' control, as trade union elites struggle to prevent fragmentation and the creation of factions among members. However, the awareness-raising and the ability to integrate experiential knowledge with the unions' political perspective should create a fertile milieu from where more organic intellectuals will arise. In that sense, the partisanship of union movement labour NGOs, such as TURC, could provide valuable support for trade unions.

Endnotes

*The article is a revised version of a case study submitted for Global Labour University (GLU) Research Group on 'Workers' Education' (August 2012).

1 It happened in 30 September 1965 as a result of conflict of power in the armed forces. About 1.5 million people were detained and sentenced without proper trial, while many others were killed or missing. There is no official data on the victims. See, for example, Roosa (2008) for detail discussion.

2 It is estimated that around 55,000 union activists were killed prior to the coup (ILO, 1967).

3 Led by Minister of Manpower Admiral Sudomo, the government even banned any kind of industrial strikes in the period 1983-1988. Later on during New Order regime, partly as the result of international pressure, the government allowed strikes as long as they were held

'in accordance with the legal procedures'. This meant sending an official notification of the planned strike to the authority with the names of responsible leaders of the strike and the numbers of strikers.

4 Pancasila Industrial Relations rhetoric and practice rejected any type of industrial action (including strikes and lockouts) and preferred 'consensus conducted according to the family principle'. Somehow, this 'family principle' was interpreted such that workers were seen as children who could be disciplined by the parents when children were 'naughty'.

5 Trade Union Law No. 21/2000 acknowledges the importance of trade unions as a workers' organisation. The Law gives strong protection for the existence of unions by stating that any violations of freedom of association will be punished as a criminal act with a maximum sanction of five years in jail. The new Labour Law also guarantees protection of basic workers' rights, including wages, working hours, and health and safety at work.

6 The state still officially bans communism. Any organisation, including a political party, is not allowed to use communism as their ideology in any official document. Ironically, the current government, even though it claims to be democratic and open, still bans some books that discuss the 1965 mass killing tragedy. John Roosa's book on the issue, for example, was still banned as of the end of 2009.

7 This particular study of TURC was chosen partly because of the centre's unique approach to workers' education which will explained in the later part of the paper and partly because of the writer's personal involvement with the TURC. The writer is a co-founder of TURC and was the NGO's Executive Secretary (2007-2009).

8 The interviews were conducted from mid-May to August 2012 with two TURC staff; two former TURC officers of labour law education programs; two officers of LIPS, another labour service NGO based in Bogor, Indonesia; and several trade union officials who have participated in TURC labour law education programs.

9 See also how Gramsci defines 'intellectuals'. While admitting that there are certain qualifications or criteria for a person to be called an 'intellectual', Gramsci says, "All men are intellectuals, one could therefore say; but not all men have in a society the *function* of intellectuals." (Gramsci in Hier, 2005: 51).

10 It was a case of union busting in one automotive factory in Bangil, East Java. In 2008, following a deadlocked collective bargaining negotiations, the management sacked four trade union leaders. Several trade unions in the region then strategised a joint legal advocacy in accordance with Trade Union Law No. 21/2000 (Art. 28 of this Law says that union busting is a criminal act –unfortunately, though there are lots of union busting incidents, due to weak law enforcement and corrupt judicial system, and no single case

had been brought to criminal court until this case in Bangil). Through a creative strategy, including media coverage and several massive protests, in early 2009 the Criminal Court indicted the company manager and sentenced him to five years in jail for his union busting. The case is recorded as the first criminal sentence against union busting in Indonesia.

11 Indonesia had no national social security system until 2004, when the government published *Law No. 40/2004*. This law mandates the State to establish and implement a national social security system by October 2009. However, it was delayed due to the lack of political will. In mid 2010, TURC, on behalf of 120 trade union leaders and social movement activists, filed a lawsuit against the Indonesian President, charging him with the unlawful delay of the implementation of *Law No. 40/2004*. A year later, Central Jakarta Civil Court announced its decision and ordered the Indonesian government to work on the establishment and implementation of a national social security system.

12 They are KSPI, KSBSI, and KSPSI.

13 In Indonesia, the minimum wage is annually announced at regional level and is based on the recommendation of the Regional Wage Council, a tripartite body. However, in many instances, there is evidence that minimum wage determination is very poor, due to the weak bargaining position of trade unions and strong collusion between government and employers' representatives on the council.

14 According to *Minister of Manpower Decree No. 17/2005*, the Wage Council shall base its recommendation on the cost of 46 daily necessities. HOSTUM is of opinion that these 46 items are not enough to assess the true cost of living of a single worker, not to mention for a worker and his/her dependants. Based on an independent union survey, HOSTUM demanded that the decree should be amended to cover 86 to 122 items, and that the fluctuation in the price of these items would better reflect the size of adjustment required in the minimum wage.

15 The Indonesian Constitutional Court, following a judicial review filed by several trade unions, ruled that the legal arrangement of outsourcing working system must be restricted so that outsourced workers would not be denied their constitutional rights of a decent wage and job protection. The court also ruled that employers and labour agencies shall share the responsibility of ensuring the legal protection of outsourced workers.

16 HOSTUM: National Action Stop Outsourcing and against Low Wages! http://sekberijp.wordpress.com/2012/07/10/hostum-national-action-stop-outsourcing-fight-against-low-wage-12-july/#more-365.

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Worker Activism after Reformasi 1998

A NEW PHASE FOR INDONESIAN UNIONS?

This book intends to bring together discussions on the progress and current state of Indonesian labour movement after the collapse of the Suharto's New Order regime in May 1998 that brought up the Reformasi. In the context of state-labour relationship, it allows more rooms for workers to organise and join into unions. However, it has also delivered neo-liberal challenges for workers' collective efforts to defend their economic interests in the workplace.

The changes and challenges of Reformasi, however, do not prevent Indonesian labour to adapt, struggle and develop strategies to maintain its independent organisations. Although under the pressure of the market in globalisation and the constant control of the state, labour is crafting its paths - with trials and errors in some parts of the way, to defend members' interests. With these persistent efforts, we are witnessing the formation of independent and mature labour movement in Indonesia.

ISBN 978-962-7145-47-9

ASIA MONITOR RESOURCE CENTRE