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Indonesia

# Indonesian class struggle; the bosses retaliate

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**The recent strike movement in Indonesia gave new proof of the potential power and strategic role of the working class movement. Several months of struggles, mainly in industrial zones in Bekasi, West Java, culminated in a 24-hour strike in 80 industrial estates, spread over 24 cities. [1]** The movement won significant pay rises and restrictions on outsourcing in Indonesia.

The movement also forced the parliament to pass the law on the Social Security Organizing Body (BJPS in the Indonesian acronym) that would implement social security and healthcare for workers and the poor. [2] The trade union movement is divided in its assessment of the governments' plan which is based on the model of private commercial insurance and would mean an increase in workers' taxes. But the huge political impact of the recent movement cannot be denied.

Never since the fall of Suharto in 1998 has Indonesian workers had a stronger sense of their own power. The bosses know this and slowly but surely they are organizing a counter-offensive. Activists are looking to the KSPI (Confederation of Indonesian Trade Unions, one of the country's major union federations) and particularly its founding member, the Indonesian Metal Workers Union Federation (FSPMI) who organized a large part of the participants in the strike of three October, to organize a response.

Crucial demands

The recent wave of workers' struggles demanded a living wage, an end to outsourcing and contract based work, an end to union busting and the criminalization of trade union leaders and a fairer social security and healthcare system.

These demands are crucial in changing the national balance of forces in favor of the workers. The Indonesian economy has seen on average six per cent growth in the last two years, a growth made possible by a large domestic market, low production costs, a cheap and flexible labor-force, and large and varied natural resources. Indonesian's strong economic growth while large parts of the world are struggling with economic difficulties is making the country an increasingly important capitalist power.

Meanwhile, attacks on union rights are continuing. Media companies for example prohibit unions in the workplace and numerous trade-union leaders have faced false charges in court. Despite the economic growth, real wages have declined since 1998. Minimum wages are based on an assessment of workers' needs, the so-called 'wage components', like food, housing, clothing et cetera. Because the cost of living varies strongly in different parts of the country, the minimum wages are set per region. But these assessments severely underestimate the cost of daily life. The increase in minimum wages won by the movement is a significant step forward but still doesn't guarantee a decent standard of living, especially considering the impact of inflation.

## Steps forward

The significant raise of provincial minimum wages (between 7 and 60 per cent), is good news for all Indonesian workers. The highest raises are in cities with the most active and militant workers organizations and are the result of a series of workers protests that demanded a recalculation of the cost of living.

But soon after a 44 per cent raise was won in Jakarta, the Indonesian Chamber of Commerce (KADIN), lobbied the government for 'exemptions' particularly for labor intensive industries like foot-wear, garments and textile. [3] The

demand was accompanied by threats that companies will close, investors will leave and massive layoffs could take place. In short, all the classical arguments against wage increases. [4] The ministry of Industry has approved the exemption. [5]

This is especially a blow against female workers since they are in the majority in these sectors.

Sixty companies in the KBN (Nusantara Bonded Zone) Cakung, which employ at least 80.000 workers (of which 90 per cent are unorganized, contractual female workers), declared a 'postponement' of the wage increase. [6] The unions are powerless against this; the companies base themselves on an assessment made by a 'public accountant' who supposedly judged their financial capabilities. There are no procedures through which the unions can verify or contest this assessment.

As this article was written, the union Across Factory Labor Forum (FBLP) was organizing a picket in KBN Cakung against two companies that forced their workers to sign agreements exempting them from the wage increase. The FBLP is also organizing weekly rallies and protests against the 'exemptions' of the wage increases.

The fight for an end to outsourcing and contractual labor will need to continue. The KSPI claimed as a success that the Ministry of Labor decided to limit outsourcing to five sectors: catering, security, driving, cleaning and support services in mining sites. But in fact this restriction was already put in law in 2003. [7]

The real achievement was that solidarity pickets (called 'geruduk') won permanent jobs for at least 40.000 workers. [8] The KSPI and the Sekber Buruh (Joint Secretariat of Labor, an alliance of radical left unions) are still pushing the demand to restrict outsourcing. [9]

## Counter-offensive

The recent steps forward by the Indonesian workers movement are a source of headaches for the government of President Susilo Bambang Yudhoyono (popularly known as SBY). The Indonesian Employers Association (APINDO) was among the first to react to the prolonged protests of workers and threatened to lock out workers. [10] Prior to that, companies in several industrial zones in Bekasi formally asked the Indonesian Police and Army for 'protection', claiming management was threatened by the ongoing solidarity pickets in Bekasi. Employers are complaining about 'violent union activists' and claim that their properties need protection.

At the same time, companies hired thugs to attack workers. The first large scale attack was on a picket-line of Samsung workers. Samsung is infamous for its anti-union activities and criminal activities. FSPMI is among the first unions that dared to take on the company.

On November 8th, after several serious attacks and threats, some trade unions in Bekasi, including FSPMI, signed an agreement that called for 'industrial harmony'. The agreement was signed by the mayor of Bekasi, the head of the regional parliament, the head of police, the local military command, the employers and businessmen associations and trade-union representatives. The heads of villages near the industrial zones also signed. The agreement mischaracterizes the employer-instigated violence as a mutual confrontation and was severe setback. It legitimized the repression of future movements in Bekasi, and ended the solidarity pickets, the main form of workers' struggle in the zone.

Meanwhile, the criminalization and firing of union activists is continuing and some companies that agreed to give

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workers permanent contracts are now violating the agreement. Strikes still take place but solidarity pickets have become more difficult to organize. The Sekber Buruh recently organized a big protest in front of the National Police Office against the intimidation taking place in Bekasi. [11]

Given the increased pressure from the bosses, it is harder to maintain the vibrancy of the movement. The KSPI seemed reluctant to organize solidarity pickets after attacks by company thugs. The head of KSPI, Said Iqbal, is somewhat of a media-darling, the acceptable face of labor activism – but despite his high profile, he did not speak out against the constant attacks on unionists in Bekasi.

In 2013 two bills are scheduled to be passed that might severely harm the democratic rights of Indonesian workers; the national security bill (RUU KAMNAS) and the 'bill on mass organizations' (RUU ORMAS). Workers organizations understand this political threat very well, and are preparing a fight against the proposals.

The Indonesian capitalist class seems determined to turn the tide and tame the growing workers movement. To resist, the union movement needs to build on the experiences and confidence won in the last few months of struggle.

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[1] In Chinaworker.info [Indonesia: Massive strike against outsourcing.](#)

[2] In Inside Indonesia [A new tactical toolkit.](#)

[3] The Jakarta Globe [Minimum wage rise undermines cooperative dispute resolution business.](#)

[4] The Jakarta Globe [With Jakarta's minimum wage to rise 44 bosses warn of job cuts.](#)

[5] The Jakarta Post [Industry ministry pushes wage hike exception.](#)

[6] The Jakarta Globe [Firms call for delay to minimum wage hike.](#)

[7] The Jakarta Globe [Indonesian workers demand an end to outsourcing.](#)

[8] International Viewpoint [Hightide for the Indonesian workers' movement](#) and [Report: National strike called in Indonesia for October 3.](#)

[9] The Jakarta Globe [Workers rally against Indonesia's outsourcing system in Jakarta protest.](#)

[10] The Jakarta Post [Businesses vow to lock out workers.](#)

[11] Beritahukum.com [Mabes Polri Didemo Ribuan Sekber Buruh.](#)