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Labour law and development in Indonesia

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4 Trade unions and the law in Indonesia

With all their faults, trade unions have done more for humanity than any other organization of men that ever existed. They have done more for decency, for honesty, for education, for the betterment of the race, for the developing of character in man, than any other association of men.

Clarence Darrow (1909), *The Railroad Trainman*

1 Introduction

The evolution of labour regulations under the authoritarian New Order (1965-1998) was a reflection of the changing economic and political strategies of the regime; while, the evolution of labour regulations during the *Reformasi* (from 1998 onwards) is generally considered the result of liberalising the labour market, a reflection of the government's lack of active enforcement of legislation, and employers' disinclination to comply with labour laws. Such development, it is argued, is rooted in the general weakness of the labour movement, which prevented it from having a significant influence.[1] The smaller, yet essential, chapters in the Indonesian labour and trade union movements history,[2] however, sometimes tell a different story. Having benefited from the protective legislation and having survived the changes to labour law since the *Reformasi*, the Indonesian labour force and its unions have continued to fight. This fight has not been easy, and has been less about large successes than about many small achievements. Yet it demonstrates the efforts and willingness of organized workers in Indonesia to participate in the implementation and enforcement of social and labour rights, after a long

1 Some researchers cite the legacy of the authoritarian New Order as a reason why many labour activists have failed to take advantage of the opportunities available post-reform. The high level of fragmentation within the trade union movement is also proposed as a weakening factor, with personal rivalries between a handful of elite unions helping to make unions split. Both these factors contribute to the labour movement remaining weak in Indonesia, despite the recent increase in freedom (see, e.g., Hadiz 2007; also Chapters 1 and 2 of this study).

2 The term 'labour movement' is used here as 'a broad term for the development of a collective organization of working people, to campaign in their own interest for better treatment from their employers and governments, in particular through the implementation of specific laws governing labour relations' (Wikipedia.org). Trade unions are 'collective organization within societies, organized for the purpose of representing the interests of workers and the working class.' Both terms are used in the chapter to encompass and explore the rights-related activities of workers and trade unions and their supporters, including intellectuals, NGOs and some sections of government (see Spooner, 2004 for a general discussion of the labour movement; and Ford, 2009 for the case in Indonesia).

hibernation under a harsh and sometimes violent repression by the state. This is an achievement worth exploring and understanding.

This chapter discusses labour law in practice in Indonesia since the *Reformasi*, focusing on the legislation of trade unions, and the legal, social and political implications of this legislation for labour. It examines the trade union as one of the few institutions capable of promoting some measure of equity and social justice in Indonesia, and the role they have played in organizing their collective powers and strategies in support of the country's new democracy. In doing so, this chapter is divided in two parts. The first part, sub-chapter 2, examines developments since the enactment of the Trade Union Law No. 21/2000; a law which provides a legal basis for the development and functioning of independent trade unions. The chapter's second part, sub-chapters 3, discusses recent findings concerning the unprecedented growth in trade union movements at both regional and national levels, as unions seek to use new opportunities to position themselves more strongly in the political and social arenas.

The Trade Union Law No. 21/2000 was the first legislation focused specifically on unions enacted in Indonesia in more than three decades, over which time unions had been restricted and controlled under state corporatism (see the previous chapters). Although this law has provided new foundations for the development of trade unions in the country, their position is still generally weak. The state's recognition of the existence and rights of unions in law does not necessarily lead to sufficient acknowledgement by employers, there is a lack of enforcement of the law by government, and ignorance or deliberate disregard of the law by employers. In addition, conflict and fragmentation among unions themselves remains a problem, hampering the strengthening of the position of unions within Indonesian society.

While the overall observation has been one of continuing trade union weakness following the enactment of Law No. 21/2000 on the Trade Union, field research has also revealed some extraordinary developments within the union movement, at both regional and national levels. At the regional level, this has included the development of regional trade union alliances; and at the national level, Indonesia has seen the formation of an alliance of unions, the KAJS (*Komite Aksi Jaminan Sosial* – Action Committee for Social Security Reform). The various regional alliances have served to unite unions, and have filled the gaps left by weak central union organizations, which have struggled to function as uniting forces. The KAJS's struggle to promote reforms in Indonesia's social security system also highlights the potential for unions to develop greater unity at the national level, and reflects a paradigm shift within the trade union movement, from a 'market' or 'business' approach towards a more 'social' orientation and focus (see also Chapter 1). These developments are timely after the decades of state suppression and cooptation of the trade union movement under the New Order, whose legacy

lasted for more than a decade following the *Reformasi*. The new developments provide the strongest indication yet that the trade union movement has a strong future and an important role to play in Indonesian society.

2 The regulation of trade unions

The regulation of trade unions in Indonesia has evolved in an *ad hoc*, confused and unstructured way. Various provisions pertaining to the regulation of the role of unions in labour relations have appeared over the years, in various pieces of legislation and government regulations, and in a number of ministerial decrees and regulations.[3] At the level of legislation and government regulations, changes to the provisions were infrequent – but at the ministerial level, regulatory changes occurred often, with provisions replacing one another in quick succession, as a reflection of changing government strategies and the social and political situation at the time. During the New Order era in particular, ministerial level regulations determined almost every aspect of labour relations in the country; changes at this level were considered more effective by the regime, given that such changes could be made at the discretion of the minister, without the need to consult Parliament. The New Order government's heavy hand also ensured that new regulations were enforced with little resistance. Since the reforms of 1998, however, the tendency to use ministerial level regulations has subsided, as they are no longer backed by such a controlling state, and there is strong encouragement for workplace regulations to be negotiated directly by the parties involved – the employers and trade unions. This section of the chapter will examine the evolution of trade union regulations in Indonesia, and the corresponding situations for trade unions; in particular the situation since the enactment of Law No. 21/2000 on Trade Unions, one of the most important outcomes of the labour law reforms between 1998 and 2006.

2.1 Trade unions and their regulation before 1998

The first legislation to define the legal position of trade unions in Indonesia was Law No. 21/1954 on Labour Agreement between Trade Unions and Employers. This law was based on articles 36 and 89 of the Provisional Constitution of 1950,[4] and established the first rules of agreement regarding the terms of labour between trade unions and employers. The law was

3 Here the term 'decree' correlates with the Indonesian term 'keputusan', and 'regulation' correlates with the Indonesian 'peraturan'.

4 The Provisional Constitution of United Indonesia in 1950, which replaced the Constitution of Federal Indonesia in 1949, is considered the most democratic constitution that Indonesian has had, and contained many chapters on human rights and the welfare of Indonesia's people. President Soekarno later abrogated it in 1959, under pressure from the military (see Ricklefs 2001: 285).

considered democratic, and reflected the situation in Indonesia of the time: a time in which multi-unionism existed and ideological contestations among unions were very much alive. The two implementing regulations of the Law were Government Regulation No. 49/1954 on guidance for making and managing labour agreements; and Minister of Labour Regulation No. 90/1955 on labour union registration. The latter was important, as it stipulated that any trade union or combination of trade unions could be registered, with few formal or material requirements that could hinder the freedom of workers to form and register their unions. To be registered, a union simply needed to provide its constitution, its leadership structure and a list of members' names; there were no minimum requirements associated with numbers of members, coverage of regions, or organizational structure (see also Rajagukguk, 2002: 44).[5]

This early positive approach to trade unions did not last. By the time Soeharto took power in 1965-6, and with the formal establishment of the New Order government in 1968, the government's policy towards the trade union movement was to remove it from politics, and force unions to focus only on small-scale social and economic issues. The government sponsored several national seminars on 'the renewal of labour movement paradigms and the labour relations system in Indonesia', which resulted in a number of plans for the future of the trade union movement (Cahyono, 2003). These included that the labour movement should be united in one independent structure, free from the influence of political parties; and that the personal political interests of union officials should not be brought into the unions, but should be channeled through political parties (Soegiri, 2003). Further, the labour movement should be financially independent, rather than dependent on other sources of finance, especially from abroad.[6] With regard to this last point, it was stated that union members' fees would be collected through a check-off system (COS), which would facilitate unions' financial security[7] and free the labour movement to determine and implement the organizations' policies (see Sofyan, 2009). However, as argued by Herlina (2001: 75), the COS system was not in fact intended to support unions, but to give more

5 According to Kertonegoro (1999: 12-15), this regulation was also influenced by the fact that the country's first general election was approaching (in 1955), and political parties were looking for support from labour groups, including forming labour unions as their *onderbouw* (substructure) in order to recruit members which could deliver votes.

6 In 1969, Minister of Manpower Regulation No. 1/1969 concerning Foreign Assistance for Labourer/Worker/ Employee Organization in Indonesia was released, which set new rules to control and restrict foreign assistance to trade unions.

7 A 'check-off system' is defined as: 'a system whereby an employer regularly deducts a portion of an employee's wages to pay union dues or initiation fees' (www.legal-dictionary.com). Invented in the early nineteenth century by anthracite mine operators in the US (Córdova, 1969), the COS is attractive to unions, as the collection of dues can be costly and time-consuming. It prescribes the manner in which dues are paid by deductions in earnings rather than through individual cheques sent directly to the union. Unions are thereby assured of the regular receipt of their dues.

power to employers by allowing employers to manage unions' sources of income and further entrench the government's grip on the unions.

Following these new proposals for unions, the MPBI (*Majelis Permusyawaratan Buruh Indonesia*, Indonesian Labour Consultative Council) was established on 1 November 1969, supported by 21 sector unions. This council was the first attempt to unite different federations under a single national leadership. Two years later, on 21-28 October 1971 in Tugu, Yogyakarta, a seminar which aimed to establish a single national labour organization was organised by the MPBI, with the support of the Indonesian Manpower Foundation (YTKI – *Yayasan Tenaga Kerja Indonesia*) and the Friedrich Ebert Stiftung, a German foundation. The seminar provided the opportunity for the MPBI to be transformed into the FSBI (*Federasi Buruh Seluruh Indonesia*, the All-Indonesian Labour Federation), the first united union federation since the New Order, which was established on 20 February 1973.[8] Agus Sudono and Soewarto were elected as the first President and General Secretary respectively,[9] with a term of office between 1973-1980. On 11 March 1974, the FBSI was confirmed as a single union by the Director General of Manpower Protection and Maintenance of the Ministry of Manpower (Cahyono, 2003: 36).

The government's efforts to unify trade unions had remained gradual to this point. In particular, the laws and regulations established during the 1950s and 1960s, which supported a multi-union system and were in essence pro-labour and pro-union, still existed. To address this, in 1975 the government released a new regulation to revoke Minister of Labour Regulation No. 90/1955. This new regulation, the Minister of Manpower, Transmigration and Cooperatives Regulation No. PER-01/Men/1975 on the Registration of Labour Organizations, stated that union federations were only permitted to organize collective agreements if the federation included at least 20 provinces and at least 15 trade unions. The corporatist ideology of 'Pancasila Labour Relations' (*Hubungan Perburuhan Pancasila*) was, moreover, introduced in the form of a regulation for the first time – although the concept had been dominant since the beginning of the New Order in the mid-1960s.[10] The next regulation, Minister of Manpower, Transmigration and Cooperatives Regu-

8 Presidential Decree No. 9/1991 stated that 20 February was to be 'Indonesian Workers Day', and that this 'represents a milestone of the united workers in Indonesia,' and would replace International Labour Day (1 May), which was associated with the leftist labour movement.

9 Agus Sudono was the former President of Gasbiindo, a Moslem union; Soewarto was an ex-official for the Opsus OPSUS (or 'Operasi Khusus' - Special Operations) (see Cahyono 2003: 35-36). The inclusion of former security personnel in the unions was aimed at identifying and dealing with any potential destabilizing developments in the labour movement, and became a common feature of the New Order's treatment of unions (see Tanter, 1990).

10 See also Chapter 2 of this dissertation.

lation No. PER-2/MEN/1978 concerning company regulations and negotiations on the drafting of collective labour agreements, stipulated that only registered trade unions could undertake collective bargaining. These two regulations together did much to support the government's plan to reduce the number of registered unions.

During this time, public servants were in most cases prevented from joining unions, and Presidential Decree No. 82/1971 further stipulated that there was to be one single organization for civil servants, the KORPRI (*Korps Pegawai Negeri Republik Indonesia*, the Republic of Indonesia Public Servant Corps).[11] Three years later, Government Regulation No. 6/1974 further stipulated that the definition of 'public servants' had been expanded to include all state employees at both national and regional levels, as well as all employees working in enterprises owned wholly or partly by the State. This definition was expanded again, by Presidential Decree No. 3/1984 on the approval of KORPRI's constitution and KORPRI's rules and statutes, which stated that public servants also included all persons working in private companies in which the Government owned a share. This resulted in public servants having no opportunity to organize themselves into unions, and as the situation extended to workers in state-owned enterprises, it led to situations in which organizations such as the PGRI (*Persatuan Guru Republik Indonesia* – Teachers United of the Republic of Indonesia) – the only organization to which public and private school teachers were able to belong – had no rights to negotiate terms and conditions of employment.[12]

International influences

The international community saw Indonesia's new policies towards collective bargaining as a violation of the international standards to which Indonesia was a signatory.[13] In December 1987, the International Confederation of Free Trade Unions (ICFTU) officially complained to the International Labour Organization (ILO) about the violations, arguing that the policies were 'in conflict with obligations placed on the Government under the provisions of Article 4 of Convention No. 98, namely to encourage and promote collec-

11 This regulation has never been repealed, and is still valid at the time of writing.

12 The PGRI had been one of the founders of the MPBI and the FSBI, but the PGRI's 12th congress in Jakarta in 1973 ruled to forbid PGRI members from joining unions, and the PGRI became merely a professional, rather than a workers', organization. From that point, the PGRI's national leadership was guided in its duties by an advisory council, consisting of the Minister of Education and Culture, the Minister of the Interior, and the Ministry of Religion (accessed at http://www.scribd.com/doc/10758374/Kesimpulan-Kongres-PGRI).

13 At this time, Indonesia has not ratified the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); but it had ratified the Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

tive bargaining.'[14] The complaint forced the Indonesian government to reply at the next ILO conference, at which it claimed that Indonesia had its own system, '*Pancasila* Industrial Relations', which was based upon 'globally acceptable principles adapted to meet the national ideals, cultural heritage and overall policies of the Republic and its indigenous population,' whereby 'a mutual working agreement or collective agreement should be developed as the means of implementation for all rules and regulations.' The government further stated that in the context of trade union mandates for public servants, collective agreements were not applicable because 'the conditions of employment, including wage structures, for public sector workers are regulated by special laws and regulations.'[15]

The ILO's committee of experts generally accepted these claims, but recommended that 'all workers, without distinction whatsoever, should enjoy the right to establish organizations to further and defend their interests'. The ILO also requested the Indonesian government 'to supply more information on the activities of the KORPRI, the PGRI and any other associations set up for public and para-public servants to protect their interests, e.g., in collective bargaining, grievance procedures' and 'to review the legislative monopoly situation establishing KORPRI as the sole association for civil servants so as to permit civil servants to join organizations of their own choosing.'[16] This international pressure forced the Indonesian government to address the issues, at least on paper. In 1990, the Minister of Manpower, Cosmas Batubara, on behalf of the Indonesian government, asked the PGRI and KORPRI to register as the 'teachers' union' and 'public servants union', to free the Indonesian government from the ILO's pressure and demonstrate that democracy was supported in Indonesia (Ramadhona, 2009). However,

14 See 'Complaint Against the Government of Indonesia Presented by the International Confederation of Free Trade Union (ICFTU),' Report No. 259, Case No. 1431.

15 All quotations in this and the following paragraph with regard to the Indonesian government's responses to the ILO are from the 'Complaint Against the Government of Indonesia Presented by the International Confederation of Free Trade Union (ICFTU),' Report No. 259, Case No. 1431.

16 According to Presidential Decree No. 82/1971 on KORPRI, KORPRI 'is the only place to gather and develop all government employees outside their official duties' and its goal was to 'maintain and strengthen the political stability and social dynamics in the country.' In practice, however, under the Soeharto government, KORPRI became a political tool to support the regime. In Law No. 3/1975 on Political Parties and Functional Groups, and Government Regulation No. 20/1976 on the Membership of Public Servants to Political Parties, KORPRI was forced to become the main supporter of the government's political party, Golkar (Golongan Karya – translated as Functional Groups), with the introduction of the 'mono-loyalty' concept of civil servants to GOLKAR. Later, after the 1988 reforms, Government Regulation No. 5/1999 forbade the participation of public servants in political parties, and in its congress in 2003 the KORPRI took a neutral political position (www.korpri.or.id).

this is generally considered to have been merely an attempt to deflect international pressure.[17]

In 1980, the first FBSI congress led to the establishment of a more definitive structure for the organization over the next five years. Agus Sudono was re-elected as President. In the second FBSI congress in 1985, several radical structural changes occurred (Sofyan, 2009), the objectives of which were to turn the unions into a single, hierarchical organization that could control the grassroots workers. The term 'buruh' (labourer), which was considered too 'radical', was changed to the more neutral term of 'pekerja' (worker). The name FBSI was also changed, to 'SPSI' (*Serikat Pekerja Seluruh Indonesia* – All-Indonesian Workers Union), and the structure was transformed from federated to unitary, with a single central command established at the DPP (*Dewan Pimpinan Pusat* – Central Leadership Council); while the leadership of the 21 sector unions within the federation was transformed into nine departments. Between the nine departments and the various subdepartments (bureaus and sections) of the national leadership, there was no effective coordination or links to the councils at the provincial level or to those at the district level, let alone any links to the plant level unions. Moreover, the authority of the sector unions to run their own administration was abolished; while at the plant level, the unions were transformed to become a 'work unit' (*unit kerja*) under the command of the council at the district level.[18] In 1985, Agus Sudono, who had led the FBSI since 1973, was replaced by Imam Soedarwo,[19] a businessman who obtained the position with the support of Minister of Manpower, Sudomo (*Tempo*, 7 December 1985). These changes were resisted by the sector unions who established the 'Joint Secretariat' (*Sekretariat Bersama*) of the SBLP (*Serikat Buruh Lapangan Pekerjaan* – Industrial Field Labour Union), to which we will return later.

The government's efforts to control unions through regulations continued throughout the 1980s. Minister of Manpower Regulation No. Per-05/Men/1984, for example, gave employers the right to collect union members' dues

17 In fact, it was not until the 1998 reforms that the PGRI dared to declare itself again as teachers' union (www.pgri.or.id). In 2003, the PGRI was involved in the establishment of the KSPI (*Konfederasi Serikat Pekerja Indonesia* – Confederation of Indonesian Trade Unions). KORPRI, in contrast, has continued not to declare itself as a union, and government employees have remained unable to join unions, with the exception that workers of the BUMN (*Badan Usaha Milik Negara* – state owned enterprises) – also by definition members of KORPRI – are generally able to join unions.

18 These changes made it easier for the government to control union leadership from top to bottom, reducing the potential for unions to organize strikes. Prior to the changes, the government could only effectively control the national leadership, which allowed the sector unions some autonomy in administering their activities.

19 Imam Soedarwo was a member of parliament for Golkar, the New Order political party, as well as the Director of PT Karwell Indonesia, a garment factory established in 1979 and operated in the Bonded Warehouses Indonesia (BWI), Tanjung Priok, Jakarta. He also chaired the Indonesian Textile Association (*Tempo*, 7 December 1985).

via the check-off system, enabling employers to control unions by administering unions' sources of income from dues. Minister of Manpower Decree No. Kep-1109/Men/1986 limited the establishment of unions at the plant level, forcing discussions about union formation to be conducted through 'counseling' sessions; to be held with government officials, the SPSI branch, and the employers association Apindo. Moreover, Minister of Manpower Regulation No. Per-05/Men/1987 further increased the difficulty of registering unions and bargaining collectively, by requiring labour organizations to have at least 20 provincial level structures, 100 district level structures, and 1,000 plant level unions before they could be registered. Together these regulations entrenched the position of the government-sanctioned union SPSI as the dominant union, and made it almost impossible for alternative unions to compete, or even exist.

In 1986 the government's control to labour union activities was expanded further, through the implementation of new labour dispute settlement mechanisms.[20] Minister of Manpower Decree No. 342/Men/1986 on the Guidelines/General Instructions for Conciliation of Industrial Relations Dispute, explicitly permitted government mediators from the Regional Manpower Office to collaborate with the Regional Government and Police Resort or Military District, to deal with any physical violence in the case of a strike (this approach was also confirmed by a military regulation, the Commander of Bakorstanas Decree No. 02/Satnas/XII/1990 on the Guidelines for Countermeasuring Industrial Relations Cases[21]). Two further decrees were Minister of Manpower Decree No. Kep.1108/Men/1986, which required all disputes to go through a dispute resolution procedure, overseen by the Manpower Office and Minister of Manpower Decree No. Kep.120/Men/1988, which established a 'code of conduct' for workers which forced striking workers to go back to work or face sanctions and police or military interventions. Together they greatly restricted the right to strike and entrenched the

20 The procedure for resolving disputes during collective bargaining was outlined in Law No. 22/1957 on Labour Disputes Settlement. This law was promulgated to limit strikes and lockouts, and in effect also established compulsory arbitration. As noted earlier, Law No. 22/1957 was replaced by Law No. 2/2004, which introduced the Industrial Relations Court – which will be examined in detail in Chapter 6.

21 The Bakorstanas (*Badan Koordinasi Bantuan Pemantapan Stabilitas Nasional* – the National Stability Establishment Aid Coordinating Body) was established by President Soeharto through President Decree No. 29/1988. The organization's tasks were 'to coordinate the efforts of government's departments and agencies in the recovery, maintenance, and establishment of national security, in response to any obstacles, challenges, threats and harassment (article 2 (1)). The organization was headed by the Chief of the Army, with a secretariat consisted of representatives from the Coordinating Ministry of Security and Defense, the Army, the Police, the Attorney General Office, and the National Intelligence Agency (article 4(2)). Its broad powers ensured that the Bakorstanas could become involved in any issue that it considered to relate to 'national stability', including labour issues. After the *Reformasi*, President Abdurrahman Wahid, through Presidential Decree No. 38/2000, dissolved the Bakorstanas in 2000.

military's intervention in labour affairs, and further undermining the capacity of workers to organize and act collectively (see Caraway, 2004, also Nayar, 1993). Arguably the most shocking outcome of these policies was the murder, reportedly by the military, of a female worker and activist from Marsinah in 1993; an event which led to global protests (see previous chapters).

Indonesia's policy of military intervention in labour disputes generated strong criticism from both the local and international community. The Indonesian Legal Aid Foundation (YLBHI) conducted an investigation into the Marsinah murder, and filed a judicial review against Decree No. 342/Men/1986 to the Supreme Court. Internationally, Asia Watch and the International Labour Rights Education and Research Fund sent a petition to the United States Government in 1992 citing Indonesia's gross violation of workers' rights and concerns about the non-existence of independent trade unions in the country. This petition led to Indonesia being placed under review by the US Trade Representative through the US's Generalised System of Preferences (GSP) program.[22] Facing the threat of a possible loss of tariff concessions on some of its exports to the US under the GSP, the Indonesian government responded by increasing the minimum wage for workers, but maintained its other repressive labour policies (Tjandra, 2002). The above ministerial decrees were later repealed and replaced by Minister of Manpower Decree No. Kep.15A/Men/1994, concerning the Industrial Relations Dispute and Dismissal at the Plant Level and the Minister of Manpower Mediation Procedures, which abolished direct intervention by the military in labour disputes.

However, the Indonesian government persisted with its single-union policy into the early 1990s, retaining its efforts to ensure that the SPSI was the only legal union in the country. Minister of Manpower Regulation No Per-03/Men/1993 on Registration of Workers' Organization reinforced this, particularly with Article 2 of the regulation, which stated that unions and combined unions could only register if they comprised at least 100 plant level unions, spread across at least 25 districts and at least 5 provinces. For more localized or area-restricted industries and types of work, such as mining, unions needed required at least 10,000 members prior to registration. Article 1a of the regulation also stated that a union must be set up only 'by and for workers', which was intended to deny recognition to groups which included members or organizers who were considered by the Ministry of Manpower to be non-workers, in particular lawyers or human rights activists who may have

22 See Fehring & Lindsey, 1995: 7; also Human Rights Watch/Asia, 1994: 22-7. For further discussion of the GSP process, see Glasius, 1999.

been supporting the group.[23] In addition, as stipulated in Minister of Manpower Decree No. Kep-438/Men/1992, for workers to form a trade union at the company level they were required to obtain written permission from an existing workers' organization at the branch level – which in effect meant the SPSI, given there was no other 'existing trade union'; and the SPSI would be unlikely to grant permission. In yet another constraint on unions, the enactment of Law No. 8/1985 on Social Organization meant that in order to be recognized as a union, a workers' organization was required to register as a 'social organization' with the Department of Home Affairs – and all social organizations in Indonesia were required to adhere to the Government's official ideology of *Pancasila*.[24]

Nevertheless, provisions in Regulation No. Per-03/Men/1993 and Decree No. Kep-438/Men/1992 did offer the possibility of changes to the SPSI's structure. In September 1993, the SPSI claimed to be initiating a transformation from a unitary (centralized) structure to a federated (decentralized) structure (although in fact changes had started with the SPSI's 3rd Congress in November 1990, when its nine departments were altered to become 13 sectoral unions, each including a chairman and a general secretary who were elected during the congress). The SPSI's further changes in 1993, however, were not significant; the union's structure remained effectively centralised. In October 1993, the union reported that 12 of its 13 industrial sectors were registered as independent unions. In response, in 1994 the US Department of State's review on Indonesia's human rights situation during 1993 observed: 'However, [for registration of unions] to become final, the SPSI's constitution must be altered. This can only be done at a SPSI congress; the next one is scheduled for 1995, or a special congress could be convened before then.' Apparently responding to this US report, the SPSI's Leadership Meeting on 3-8 October 1994 committed to reform and restructure the SPSI, from a unitary structure back to a federation. The name SPSI was changed to FSPSI (Federation of SPSI), and the 13 sectors within the union were developed into 13 industrial field workers' unions. The union's transformation was confirmed officially through the amendment of its constitution, during the 4th Congress on 14-19 November 1995, to acknowledge the new FSPSI and its 13 Member Unions (DPP SPSI, 1995).

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23 This was no doubt related to the fact that NGO labour activists had played a large part in establishing the two other unions of the time, *Serikat Buruh Setia Kawan* (the Solidarity Labour Union, also known as *Serikat Buruh Merdeka* or the Free Trade Union); and *Serikat Buruh Sejahtera Indonesia* (SBSI, Indonesian Workers Welfare Union). Although both unions were well established unofficially, government regulations prevented their registration and they were therefore illegal.

24 The Law gave the government the power to disband any organization it believed to be acting against *Pancasila*, and forbade any organization from accepting funds from foreign donors without prior government approval – a regulation that greatly hindered the work of many local humanitarian organizations.

Both Regulation No. Per-03/Men/1993 and Decree No. Kep-438/Men/1992 had been strongly criticized by various countries and international institutions. In June 1993, the International Confederation of Free Trade Unions (ICFTU) filed an official complaint against the Indonesian Government, to the ILO. The ILO's Committee on Freedom of Association, which had already sent a direct contact mission to Indonesia on 21-27 November 1993[25] to examine these issues, noted in its 1994 Committee of Expert on Freedom of Association's report that 'there was an absence of specific and detailed legislative provisions to protect workers against acts of anti-union discrimination at the time of recruitment and during the employment relationship, as well as acts of interference by employers to their organizations.' (ILO, 1994: 268). The report concluded: 'Legislative measures should be taken to repeal the provisions, and in particular article 2 of [Minister of Manpower] Regulation Per-03/Men/1993, which prevent workers from engaging voluntarily in collective bargaining and concluding collective labour agreements through freely chosen representatives.' (ILO 1994: 268). The Indonesian government responded to this suggestion by issuing Minister of Manpower Regulation No. Per-01/Men/1994 concerning the Establishment of Trade Unions at the Enterprise Level**.** This regulation appeared on the surface to provide a concession, by allowing company level unions to be established outside the structure of SPSI – but any concession was immediately negated by the regulation's requirement for such unions to affiliate with the SPSI within 12 months. The single-union regulations were therefore retained, until the wave of reforms hit Indonesia in 1998.

Despite such government resistance, the 1990s also saw a resurgence of labour activism in Indonesia. Several labour-based NGOs and activists established new unions in the early 1990s, to challenge the government-backed SPSI's monopoly,[26] despite these unions being unable to operate properly under the government's strict policies and repression (Hadiz, 1997). After 1994, no new unions were established, but Indonesia saw a rise in related groups and activities, including labour-oriented NGOs, pro-labour students and community groups in industrial areas; and awareness-raising about labour issues through education, cooperatives, and training and discussion groups for workers (Ford, 2001). The establishment of work-

25 The direct contact mission was initiated as part of the Indonesian government's efforts to calm international pressures, especially those associated with the GSP. Its task was 'to advise on better implementation of the Convention [No. 98, which Indonesia had ratified].'

26 Unions established in the 1990s include the SBM Setiakawan (*Serikat Buruh Merdeka Setiakawan*, Solidarity Independent Labour Union), founded in 1990; the SBSI (*Serikat Buruh Sejahtera Indonesia*, Indonesian Prosperity Labour Union), in 1993; and the PPBI (*Pusat Perjuangan Buruh Indonesia*, Central of Indonesian Working Class Struggle) and AJI (*Aliansi Jurnalis Independen*, Independent Journalists' Alliance), in 1994. For an extensive analysis on the relationship between workers and NGOs in Indonesia, before and after the *Reformasi*, see Ford, 2009. We will return to this topic later.

ers' groups and their activities helped to enhance workers' 'class' identity, and gave them at least some sense of unity and purpose, which sometimes manifested in organized strikes (Hadiz, 1997: 137-8). This was only possible for groups at the local and community level, where the New Order government had much less control; and this became the only organizing vehicle available for workers under the authoritarian regime. Following the 1998 reforms, these informal workers' groups retired from their roles as substitute unions, and some of them transformed into unions at the enterprise and regional levels (Ford, 2001: 111-12). These unions gave workers the chance to become more independent, including from the NGOs, which had helped to organise them before.

2.2 Trade unions and their regulation after 1998

The fall of President Soeharto on 20 May 1998 led to many progressive changes in Indonesia, including changes to the government's policies towards unions. On 27 May 1998, one week after Soeharto's fall, The Minister of Manpower of the transitional government released Regulation No. Per-05/MEN/1998 on the Registration of Workers' Organizations, which repealed and replaced the previous regulations on the same subject, and provided a foundation for any workers' organization to register. According to this regulation, even the SPSI had to register within a period of 90 days from the issuance of the regulation. The regulation initiated Indonesia's formal ratification of ILO Convention No. 87 concerning Freedom of Association and Protection of the Right to Organise, with ratification of the convention occurring on June 5, 1998, in conjunction with Presidential Decree No. 83/1998. Previously, in 1956 Indonesia had ratified ILO Convention No. 98 concerning the Application of the Principles of the Right to Organise and to Bargain Collectively by Indonesia. These two conventions were the most important conventions for the right of workers to form unions and bargain collectively.

On August 4, 2000, Indonesia enacted Law No. 21/2000 on Trade Unions.[27] Despite criticism from labour unions and NGOs during its formulation (see Chapter 3), the Law incorporated many of the requirements stipulated in ILO Conventions Nos. 87 and 98. Under the new law, Indonesian trade unions were given a legal basis that supported their traditional objectives of improving pay and conditions for workers in a 'free, open, independent,

27 The official name of the Law is 'Workers Unions/Labour Unions' (*Serikat Pekerja/Serikat Buruh*). As noted by Quinn (2003: 17), the name is an attempt to acknowledge the differences among workers' organizations as to the appropriate terminology. The New Order discouraged the use of 'serikat buruh' (labour union), which it considered to have a leftist/radical connotation. In the post-1998 era, the term began to be used again, especially by small new unions, while the more larger and more established unions tended to use the term 'serikat pekerja' (workers' union).

democratic, and responsible' environment.[28] The new law provided for two kinds of workers' organizations: trade unions within and trade unions outside enterprises. The law also provided for three levels of union organization: trade unions; federations of unions; and confederations of unions. The law permitted workers the right to form and become members of a trade union, and required only 10 workers to establish a union; membership of which must be open to all workers.[29] The law also protected union members from being discriminated against by employers, and made it easier to form a union; facilitating competition with SPSI. According to the law the functions of unions included the development of collective labour agreements; settlement of industrial disputes; representation of workers on councils and institutes dealing with labour issues; and defence of the rights and interests of their members.[30] According to Law No. 13/2003 on Manpower, only registered unions can conduct collective bargaining, and for these unions to act as the sole bargaining agent, they must represent 50 percent or more of the workers at the enterprise.[31]

Despite the early concerns about the new Law, its problems turned out to be far fewer than feared (see Quinn, 2003: 19). The requirement for the Regional Manpower Office to notify unions as part of the registration process, for example, had led to claims of bias and concerns that the office would refuse to register new unions; but in practice the office issued notifications smoothly once unions had fulfilled their formal requirements. One union, the PGRI, was reportedly refused registration as a teachers' union on the grounds that its members were 'not workers', since many of them were civil servants who were also members of KORPRI and therefore could not become union members (*Pikiran Rakyat*, 4 March 2005); but in general such reports were few (Quinn, 2003: 18). The PGRI, in fact, could have joined the KSPI confederation; and could also have become the only Indonesian member of Education International (the international union federation for teachers, which is also a member of the Global Union Federation). Under the new law it remained true, however, that workers in state owned enterprises, who were also members of KORPRI, were freer than civil servants to organize into unions.[32] Another early concern about Law No. 21/2000, regarding the provision to allow any group of 10 workers to form a union, which it was feared would lead to the problem of union multiplicity within a workplace, also turned out to be unfounded (Quinn, 2003: 19). The Law also ensured that once unions obtained their legal status from the government, which in practice

28 'Introductory part' of Law No. 21/2000.
29 Article 5 Law No. 21/2000.
30 Article 1(1) Law No. 21/2000.
31 Article 119 Law No. 13/2003 on Manpower.
32 When the BUMN Union was established officially in 2004, their members already included 92 of the 164 state owned enterprises (BUMN) in Indonesia (*Tempo Interaktif*, 17 June 2004).

was relatively easy, they remained legal and valid entities and could not be dissolved by anyone but themselves – or, in the exceptional case where they were found to breach 'the interests of the State and the general public', by a court decision.[33]

Although both the Trade Union Law and the Manpower Law were formulated with the involvement of trade unions and employers' organizations (Suryomenggolo, 2009), for different reasons both unions and employers experienced some disappointment with the laws, particularly in relation to outsourcing, contract workers, and severance payment and dismissal procedures (Isaac and Sitalaksmi, 2008: 242). The unions and their supporters argued that even though some protective aspects of the old legal system were preserved under the labour law reform program, the high degree of flexibility which was built into the new laws has limited both the scope of protection available and the capacity to implement what protection is mandated in the new framework (Tjandra, 2009). Employers and their supporters, on the other hand, complained that the Law granted workers a high severance payment, which made it more expensive for employers to dismiss their workers, and reduced labour flexibility (Manning and Roesad, 2006).

2.2.1 Legacy unions

Under at least some level of ongoing pressure from both employers and unions, and certainly from the international community, post-reform Indonesian governments have adopted a range of different and sometimes ambiguous positions to workers and their organizations; applying policies and approaches which vary depending on who holds the position of Minister of Manpower at the time. Under the presidencies of Abdurrahman Wahid and Megawati (1999-2004), although the government prioritized the need for economic recovery through such practices as reforming labour markets to increase flexibility, both governments tended to be relatively pro-labour in nature; with the Minister of Manpower playing an important role. Wahid's first Minister of Manpower, Bomer Pasaribu,[34] for example, was the Minister who released the controversial Decree No. Kep-150/Men/2000; while Megawati's Minister of Manpower, Jacob Nuwa Wea,[35] was the mas-

33 See Article 37 Law No. 21/2000. In one interesting case, a union was established within a workplace and then most of the union's founders were dismissed by the employer, leaving a single member (who was also the union leader). Despite this, the union remained legal and could not be dissolved; and later the union acquired new members and became active again (personal communication with Jejen Kaschev, referring to a case at PT Indonesia Monti in West Java).

34 Bomer Pasaribu was one of the SPSI leaders after the centralisation of the SPSI in 1985. In 1995 he became Chairman of the SPSI and was also a member of the national leadership of GOLKAR.

35 Jacob Nuwa Wea was the Chairman of SPSI who replaced Bomer Pasaribu in 2000. He was also a member of the national leadership of President Megawati's PDI Perjuangan political party.

termind behind the successful incorporation of several protective provisions within the new Manpower Law and the Industrial Relations Disputes Settlement Law (see Suryomenggolo, 2009; also Mizuno, 2005). In contrast, during Susilo Bambang Yudhoyono's presidency (2004-2014), the Ministers of Manpower[36] were not so influential in determining government policy towards labour; instead, they generally exemplified the power sharing approach of Yudhoyono's so-called 'rainbow cabinet'.

Despite the many differences between Wahid's and Megawati's Ministers of Manpower, Bomer Pasaribu and Jacob Nuwa Wea, both were Chairman of the KSPSI (Conferation of SPSI),[37] a position which they retained during their respective terms as Ministers. Both men also managed to ensure the survival and continuing dominance of the KSPSI, their 'legacy union', which they led under the new democracy (Caraway, 2008). As an example of Nuwa Wea's efforts to maintain the SPSI's dominance, in early 2002 he insisted on government verification of the number of national unions, and exact numbers of members. This led to a report in May 2002 which stated that there were 45 national unions registered in Indonesia, with a total membership of 8,281,941 workers, more than half of which (4,576,440 workers) belonged to the KSPSI. The report was unofficial, and did not clarify how the data had been collected. Despite this, its contents were circulated widely among national union leaders, and used by the government to allocate union representation on the tripartite national institutions – with, of course, the KSPSI gaining the most.[38] It was not until 2005 that the Department of Manpower, under Minister Fahmi Idris, undertook to verify the numbers, based on an investigation by the Manpower Office in the regions.[39] This official research showed that there were only 80 national unions, with a much lower total membership of 3,338,597 workers. The largest proportion still belonged to the KSPSI (1,657,244 workers), followed by the other two pre-reform unions, the KSPI with 793,847 workers, and the KSBSI with 227,806 workers.

It has been argued that it is important to understand the role of these 'legacy unions' in new democracies, in order to assess the extent to which independent trade union movements have developed since democratic reforms. As noted by Caraway (2008: 1372), the legacy unions are the 'state-backed unions inherited from the previous non-democratic regimes'. They normally maintain their non-democratic aspects and they can also be part of the reason why labour movements remain weak after democratic reform. As

36 There have been three Ministers of Manpower during this period: Fahmi Idris (2004-2005); Erman Suparno (2005-2009); and Muhaimin Iskandar (2009-2014).

37 As a way to accord with Law No. 21/2000 on Trade Unions, the FSPSI Federation of SPSI (FSPSI, Federation of SPSI) was transformed into the KSPSI (Confederation of SPSI, KSPSI). Similarly, the FSBSI (Federation of SBSI) became KSBSI (Confederation of SBSI).

38 Personal communication from Sahat Butar Butar, KSPI, 10 May 2006.

39 See Minister of Manpower Regulation No. Per.06/Men/IV/2005; this was the first regulation ever on this subject in Indonesia.

Caraway (2008: 1393) pointed out: 'Their dominant position in many new democracies provides part of the explanation for why labour movements are so weak. By crowding out new organizations and holding members captive, they limit the promise that democratization holds for unions to vigorously pursue improved working conditions and workers' welfare.' In Indonesia, several of the new unions established since 1998 attempted to challenge the SPSI's dominance, but as with previous efforts since 1992, these attempts were unsuccessful. Even when the KSPSI split in 2007, their dominance survived, having benefited from the well-structured organization from national to regional level that was developed during the New Order, as well as the established access to government officials, and access to funds from the check-off system and other sources; particularly from Jamsostek Ltd.[40] We shall discuss this further in the following section.

2.2.2 NGO supported unions

It is interesting to consider, at this point, the relationship between labour NGOs and the unions they facilitated prior to the *Reformasi* era; particularly given their later split due to the changing situation after the reforms. In some cases, the split was a relatively smooth process, such as in the case of the union GSBM (*Gabungan Serikat Buruh Mandiri* – Independent Labour Union Alliance) and its NGO organizer, the LPBH FAS (a labour advocacy NGO based in Jakarta). In other cases, the split caused direct conflict between the NGO leaders and the workers in the new unions, who were demanding more authority over their organization. The best known example was probably the disagreement between the SISBIKUM, a labour NGO based in Jakarta, and the GSBI (*Gabungan Serikat Buruh Indonesia* – Indonesian Labour Union Alliance), a union established from workers' groups in 1999 and previously organized by the SISBIKUM.[41] The workers, inspired by the reform movement, demanded more freedom in conducting their activities. Led by several former workers, they declared the establishment of a new union

40 Jamsostek Ltd. is a state owned company established under Law No. 3/1992 on Workers Social Security, and tasked to administer the compulsory social security scheme for Indonesia's formal workers, in which dues are collected from workers and employers. In 2010 the scheme's membership was around 9 million of the 30 million workers in the formal sector in Indonesia, with assets valued at more than Rp 100 trillion. With such huge assets and practically no government contributions, Jamsostek Ltd. has become a 'cash cow'for political groups, including some trade unions, which obtain financial support through so-called 'KSO' (*kerja sama operasional* – operational cooperation) between the company and unions. As reported by Joko Hariyono of the SPN union – one of the KSO's beneficiaries – a union could get Rp 1,500 per year for each member; meaning that the SPN, with around 400,000 members as verified by the Ministry of Manpower, could receive around Rp 600 million/year, sent to the national leadership. The money is used primarily for the union central operations (office rent and salaries for full-time staff) and for activities organised by the national centre; with some funds distributed to the union's branches around Indonesia. According to one SPN branch level leader in Jakarta, SPN has received around Rp 2 million/month from this scheme, or Rp 12 million/year.

41 Interview with Emilia Yanti from the GSBI union, Jakarta, June 2010.

called GSBI, supported by 27 workers' groups formerly organized by the SISBIKUM. They demanded the new union's independence from the NGO, or at least an equal partnership between the two, which involved sharing responsibility for the training and education of workers, as well as the organizing of work. According to workers, these demands followed after SISBIKUM's Director, Aris Merdeka Sirait, became involved with a political party: the Labour Party established by Muchtar Pakpahan for the 1999 election. The workers did not want to be 'used' by the NGO for political reasons. Aris Merdeka Sirait responded by threatening to stop supporting the union if it persisted with its demands. Following Sirait's threat, only 5 workers' groups from the original 27 chose to continue with the new union, given that it would face severe financial problems after splitting from the NGO.

Despite the potential financial problems, the new union GSBI managed to continue to work through the networks it had established. GSBI also benefited from its links with international NGOs, including close ties with consumer groups in Europe such as the Netherlands' Clean Clothes Campaign, which was working with workers to campaign against labour rights violations by *Adidas*, *Nike* and other famous brands in the shoe and garment factories in Indonesia (see also Sluiter, 2009). The GSBI survived by using these networks, which also enabled them to keep their members focused on several strategic enterprises, such as protesting against Panarub Ltd. in Tangerang, a producer of *Adidas*; and indeed expanding their membership into other sectors as well. In the context of international campaigns, despite their relatively small membership (a self-reported 12,000 members in 2010), the GSBI managed to compete well with the larger unions, such as SPN (*Serikat Pekerja Nasional* – National Workers Union), which had a membership of 400,000 and represented a similar sector to the GSBI. International NGOs considered the latter as an alternative organization, and preferable to work with; given that it combined the legitimacy of a workers' organization with the manoeuverable flexibility of an NGO, due to its relative small membership and simple organizational structure.[42]

But such survival stories are rare. More often, workers' groups established by labour NGOs disappeared if their NGOs ceased being able to continue their activities due to loss of donor support.[43] An example is the case of the SBK (*Serikat Buruh Kerakyatan* – People Labour Union) in Surabaya, which disappeared following the insolvency of the *Yayasan Arek* (Arek Founda-

42 Emilia Yanti, the General Secretary of the GSBI, is a well-known figure in international labour activism; she is often invited to international meetings of women activists, due to her role in campaigning for garment women workers' rights in factories producing international brands in Indonesia.

43 Since the 1998 reforms, fewer donor organizations have continued to support labour NGOs in Indonesia. Instead, funds tend to be directed to international unions that can actually work directly in Indonesia with their Indonesian affiliations

tion), which had supported the union. Similarly, the SBSU (*Serikat Buruh Sumatera Utara* – North Sumatera Labour Union) in Medan, North Sumatera, disappeared once its supporter, the KPS (a labour NGO based in Medan), shifted its focus from industrial workers to plantation workers. Some other unions managed to survive after losing their NGO support. These included the FSBKU (a union in Tangerang, formerly supported by the *Institute Sosial Jakarta* – Jakarta Social Institute, an NGO dealing with urban issues including labour); the GSBM (a union in Jakarta, formerly supported by LPBH FAS); and FSBI and SBJ (unions in Jakarta, formerly supported by Yakoma PGI, a labour NGO in Jakarta with close links to the Protestant Church). In 2002, some of these unions that had started with NGO support formed the KASBI (see also Ford, 2009). Althouth the GSBI was initially involved with the formation of the KASBI, in 2003 it withdrew its KASBI membership, citing concerns about the KASBI's growing alliance with a political party, the PRP (*Persatuan Rakyat Pekerja* – United Working People; later *Partai Rakyat Pekerja* – Working People's Party). It is interesting to note that of all the unions in the KASBI, which had previously been supported by NGOs, only the GSBI was able to survive independently; and as KASBI has developed, most of its member federations have declined.

2.3 Challenging the SPSI dominance

The SPSI's dominance among unions had been challenged several times since its peak in the early 1990s, both from within the labour movement and from without; but most challenges have ended with the SPSI's victory. As mentioned earlier, the first challenge to the SPSI occurred in 1985, with the establishment of the Joint Secretariat (*Sekretariat Bersama* – Sekber) of the SBLP (*Serikat Buruh Lapangan Pekerjaan* – Industrial Sector Labour Union) by union leaders whose unions had been forced to merge with the more centralized SPSI. The Sekber SBLP was led by Adolf Rahman, chairman of the SBE (*Serikat Buruh Elektronik* – Electronics Labour Union) and former Vice General Secretary of the FBSI (1980-1985); who was also a member of the board of the WCL (World Confederation of Labour). The Sekber SBLP conducted various union-related activities; but according to Komarudin (2009) they obtained particular success by campaigning abroad about how the SPSI had destroyed independent unions, which put international pressure on the SPSI and led eventually to reforms to the SPSI in the early 1990s. The Sekber SBLP's activities ended at that point, as many of its leaders re-entered the new SPSI leadership, following the third SPSI congress and associated reforms in 1990.

NGO activists and some sectors of the student movement led other challenges to the SPSI's dominance. In 1990, for example, the rival union SBMSK (*Serikat Buruh Merdeka Setia Kawan* – Solidarity and Freedom Labour Union) was established by several NGO leaders, including HJC Princen (the director of a human rights NGO in Jakarta) and Saut Aritonang (a former activist

of Sekber SBLP). SBMSK positioned itself as a competitor for SPSI's dominance. Two year's later, in 1992, several leading NGO figures including Abdurrahman Wahid[44] and Asmara Nababan[45] agreed to establish another rival union, the SBSI (*Serikat Buruh Sejahtera Indonesia* – Indonesian Prosperous Labour Union),[46] and Muchtar Pakpahan was appointed as its first President. Further, in 1994, several groups of leftist students, led by Dita Indah Sari, formed the PPBI (*Pusat Perjuangan Buruh Indonesia* – Centre for Indonesian Labour Struggle),[47] which similarly tried to to challenge the SPSI. But these three groups, SBMSK, SBSI and PPBI, were unable to pose a significant threat to the SPSI, since the strict government pressure imposed upon them restricted their activities. Indeed, both Muchtar Pakpahan and Dita Indah Sari were later jailed for several years because of their union activities.

After the 1998 reforms, several leaders from the industrial sector unions challenged the SPSI again. This challenge was significant because the challengers came from within the national structures of the SPSI itself, and they had strong support from international labour NGOs who were keen to promote the development of independent unions in Indonesia after the *Reformasi* (Caraway, 2008; La Botz, 2001). In a trade union workshop organized by the International Labour Organization on 21-23 August 1998, factions within 11 of 13 member unions affiliated with the FSPSI[48] declared that they and their entire plant level union membership would break away from the FSPSI and form a new federation, called the 'FSPSI Reformasi'. The leaders of the FSPSI responded by sending a warning letter to all unions that supported the withdrawal, threatening that they would be dismissed and could

44 At the time, Wahid was the leader of *Nahdlatul Ulama*, the largest Muslim organization in the country.

45 Asmara Nababan was a well-known human rights activist and member as well as Secretary General of Komnas HAM (National Commission on Human Rights) from 1993-2002.

46 In 2000, the SBSI became the KSBSI (Confederation of SBSI), in accordance with the new Trade Union Law.

47 After the 1998 reforms, the PPBI was changed to the FNPBI (*Front Nasional Perjuangan Buruh Indonesia* – National Front for Indonesian Labour Struggle), and became part of the PRD (*Partai Rakyat Demokratik* – Democratic People's Party). For more discussion about PPBI, FNPBI and its chairperson Dita Indah Sari, see La Botz (2001: 229-251).

48 The eleven unions which supported the reforms were: The KPI (Indonesian Seafarers Union); the SP LEM (Metal, Electronics and Machinery Workers Union); the SPTI (Indonesia Transport Workers Union); the SP RTMM (Cigarettes, Tobacco, Food and Beverage Workers Union); the FSP PP (Agricultural and Plantation Workers Union); the FSP KEP (Chemical, Energy and Mining Workers Union); the FSP TSK (Textile, Clothing and Leather Workers Union); SP KAHUT (Timber and Forestry Workers Union); SP PAR (Tourism Workers Union); SP FARKES (Pharmacy and Health Workers Union); and SP PP (Printing and Publication Workers Union). The two unions that rejected the reform initiatives were the SP NIBA (Commercial, Bank and Insurance Workers Union) chaired by Bomer Pasaribu; and the SP BPU (Building and Public Works Union) chaired by Sjukur Sarto. These latter two Chairs became the Chairman and General Secretary, respectively, of the old FSPSI in 2000.

not use any facilities belonging to the FSPSI for that purpose. The threat worked: supporters of the FSPSI Reformasi realized that being independent would mean financial problems, as the government would cease to support them. For the mid-level officials of the FSPSI Reformasi – many of who were retired Golkar or military officials – such a situation was not preferable. As a result, of the original 11 unions that had supported the FSPSI Reformasi, five returned to the FSPSI,[49] and only six continued to support the proposed new union[50] (Sofyan, 2009). As noted by La Botz (2001: 174), the support from the ACILS (American Center for International Labor Solidarity) was particularly vital at this time for the survival of FSPSI Reformasi. The ACILS provided funds to run the organization and an office, which was located in the same building as the ACILS office, in the Cik's Building, Cikini, Jakarta.

The FSPSI Reformasi was established officially at a congress in Cipanas, West Java, on 3-6 October 1998. Describing the new union's first congress outside the SPSI structure, La Botz (2001: 175) wrote:

> In a dramatic break with the past practice, about half of the delegates were plant level union representatives, rather than just middle- and top-level union staffers. Several international labour representatives also attended the founding congress, including Bill Jordan of the ICFTU's Brussels office, Takashi Izumi of the ICFTU-APRO office, several International Trade Secretariat representatives, and the Indonesia Director of the German Friedrich Ebert Foundation. Japanese, German, and US labour federations gave their blessings to the new independent SPSI Reformasi.

The congress elected Hartono of the SP PP (Plantation Workers Union) as the President, and Muhammad Rodja from the SP TSK (Textile Garment and Leather Workers Union) as the General Secretary; and a new constitution was adopted, to confirm the breakaway from the SPSI. Nevertheless, the success of the founding congress was followed by the reality of internal problems within the FSPSI Reformasi leadership. Despite the appointment of some lower level workers to the leadership of the new union, many of its leaders were former leaders of the previous government-backed union, bringing along with them the culture and tradition of bureaucratic and corporatist views of trade unionism (La Botz, 2001: 176). Many of them also faced issues of corruption and internal transparency from their time in the SPSI (Ford, 2006; Caraway, 2008: 1381). These problems led to rumours in 1999 about the possibility of amalgamating the larger union federations of

49 These five unions were: KPI (Indonesian Seafarers Union); SP LEM (Metal, Electronics and Machinery Workers Union); SPTI (Indonesia Transport Workers Union); SP RTMM (Cigarettes, Tobacco, Food and Beverage Workers Union; and SP PP (Agricultural and Plantation Workers Union).

50 These were: SP KEP (Chemical, Energy and Mining Workers Union); SP TSK (Textile, Clothing and Leather Workers Union); SP KAHUT (Timber and Forestry Workers Union); SP PAR (Tourism Workers Union); SP FARKES (Pharmacy and Health Workers Union); and SP PP (Printing and Publication Workers Union).

the FSPSI Reformasi into a new confederation, which was encouraged by the ICFTU (International Confederation of Free Trade Unions), especially the Asia Pacific Regional Office, controlled largely by the Japanese Trade Union Confederation (Ford, 2000: 8).

FSPSI Reformasi's rumoured need to amalgamate became reality, as one by one its supporters fell away. Two years later, on February 2, 2002, at a National Convention in Bogor, West Java, seven of the unions which had originally supported the FSPSI Reformasi, together with five other unions – PGRI (Teachers' Union); SP BUMN (State Owned Enterprises Workers Union); ASPEK (Indonesian Workers Union); SP ISI (Cement Industry Workers Union); and GASBIINDO (Amalgamated Indonesian Muslim Union) – declared the establishment of the new KSPI (*Kongres Serikat Pekerja Indonesia* – Congress of Indonesian Trade Unions), which was presented as the new national alternative to the SPSI. Rustam Aksam, the President of the SP TSK (textile, garment, leather) union, was elected the first President of KSPI. The SP BUMN and GASBIINDO later withdrew from the KSPI, and became independent federations without national affiliations. At the KSPI's second congress in February 2007, the union changed its name from 'Congress' to 'Confederation', following its formal acceptance as an affiliate of the ICFTU (later the ITUC or International Trade Union Confederation), in Indonesia. The KSBSI is also an affiliate of the ITUC, and its president normally sits as the Indonesian union representative at the Governing Body of the ILO.[51]

Despite the establishment of new unions and associated changes, none of the new confederations has become a champion of labour rights. The FSPSI Reformasi continues to exist, although it has not developed significantly since the split; while the KSPI is also stagnant, due to weak national leadership since its formation in 2002. The other confederation, the KSBSI, appears similarly inert. Despite relatively generous support from international unions and labour NGOs,[52] including support for the KSPI from the Japan Trade Union Confederation, and support for the KSBSI from the Belgium Christian Confederation of Trade Unions (ACV-CSV) and Dutch Christian

51 The ITUC is a merger of the ICFTU and the WCL (World Confederation of Labour), declared on 1 November 2006 in Vienna, Austria. Despite the amalgamation, in practice each confederation has still maintained its established structure and resources. For example, for union representatives in the Governing Body of the ILO from the Asia Pacific region, the WCL could have one union representative from the Asia Pacific countries that are part of the WCL. Since the KSBSI in Indonesia was the only WCL affiliate in the Asia Pacific region, the President of the KSBSI was normally also a member of the ILO's Governing Body for the region – despite the KSBSI's membership being smaller than the membership of KSPI, another affiliate of the ICFTU (personal communication with Shigeru Wada, the International Transport Workers Federation; see also Traub-Merz and Eckl, 2007).

52 See the Draft Concept Trade Union Support Solidarity Organizations – Global Union Federation Coordination Meeting Indonesia, Jakarta, April 27-28th, 2010.

Confederation of Trade Unions (CNV),[53] the unions have not played an important role as national centres.[54] Instead, their activities have remained limited, and have not had a significant influence on national policies or society. Part of the explanation may be that most of the unions' activities appear designed to follow agendas dictated by the government, or the agendas of donors – most of which come from outside Indonesia.[55] Even when the unions run activities focused on domestic labour issues, these activities usually stem from initiatives of either the Indonesian government or the ILO Office in Indonesia, which defines most of the unions' issues and agendas. This is due to the failure to collect membership dues from each union's member federations, so the national centres presently obtain funds from other sources, such as overseas donors. The lack of sufficient membership fees to support union activities is now becoming a problem, as many international donors, particularly from Europe and Japan, have started to reduce their financial support to the Indonesian confederations, due to economic crises in their own countries.[56]

When considering the relationships that the KSPI and KSBSI have with their member federations, it is clear that the two confederations are very different. In the case of the KSPI, its national centre has very little grip on its member federations, which seem more empowered than their central organization. One explanation for this may be that most of the KSPI's member federations are derived from industrial sector unions, which have direct member workers and therefore member dues to help pay for activities; while the national

53 The KSBSI has been a long-time partner of various Christian unions in Europe, particularly those from Belgium and the Netherlands. This is probably related to the fact that the union was founded by NGO activists who were also active in the Protestant churches in Indonesia, in particular the PGI (Indonesian Churches United). Many of the activists were from a Christian Batak background. There is an unwritten convention in the KSBSI that if the President of the union is from a Christian background, then the General Secretary, the second level of leadership, should be a Muslim, and vice versa.

54 Here I refer to the statement by Isaac and Sitalaksmi (2008: 249): 'The main function of the confederation or peak level is to formulate union policy and strategy, and to engage in political dialogue with the government, singly or in conjunction with other confederations. Discussions on legislation, the minimum wage and other matters affecting industrial relations take place at this level.' Confederations are tasked to do this because: '[They] are better equipped to handle national issues, using international links for advice and assistance. In some cases, where major sector-specific issues are in dispute with employers, the confederation may step in to provide stronger leadership than might be available at the regional level in resolving a dispute, often using government leverage and protests marches of workers in the process.'

55 One union activist from the KSPI, for example, questioned the direct benefit of a series of workshops about HIV-AIDS in relation to Indonesian migrant workers, given that the KSPI has no members who are migrant workers. Apparently the ILO funded the workshops, and the KSPI's involvement was due to a request from the ILO. Similar examples have been reported for other confederations, including the KSBSI.

56 The KSPI, for example, has had no office space since 2010, because the national leadership has not had sufficient funds to pay the rent.

centre does not. In addition, many of these member federations have their own financial support from international donors, especially through affiliations with the GUF (Global Union Federation).[57] In two of many examples of KSPI member federations which receive strong support, the FSPMI receives support from the International Metal Workers Federation and the FNV Mondiaal[58]; and the Kahutindo receives support from the International Building and Wood Workers Union and LO Finland (the Confederation of Trade Unions of Finland). Since member federations are generally able to work by themselves, the need for a national centre is also reduced. In the case of the KSPI, this has resulted in the same union having two categories of activists – those who are mostly active in the member federations, and those most active in the confederation – often without strong coordination between them.

In contrast to the KSPI, the KSBSI's national centre has more authority over its member federations, because in the case of the KSBSI, it is the national centre rather than the federations, which is the body with the authority to deal with international donors. This has led to the KSBSI having relatively weak member federations, relative to the KSPI; which influences their performance.[59] The KSBSI's national centre is at risk if international donors pull their support, as this would leave the national centre with the burden of running the entire organization given that the member federations are not sufficiently empowered.[60] The differences between the two confederations

57 The GUF Global Union Federation – GUF (see www.global-unions.org) is an international federation of national and regional trade unions, organized into specific industry sectors, and previously known as the International Trade Secretariats (ITSs). This generous level of international support is only bestowed upon federations that are GUF affiliates. Funds normally go through the GUF, particularly the regional offices, which then organize activities in collaboration with their national affiliates in each country. Few national unions are able to collaborate directly with donors, as the GUF encourages donors interested in supporting union activities in a particular country to work through the GUF, and discourages direct collaboration between donors and the unions in that country.

58 FNV Mondiaal is an international NGO belonging to the Dutch Confederation of Trade Unions (FNV).

59 For example, the Lomenik of KSBSI is much less influential than the FSPMI of KSPI, although both are with the same affiliates with the International Metal Worker Federation. Likewise the Kahut of KSBSI is much less empowered that the KAHUTINDO of KSPI, although both are members of Building and Woodworker International.

60 In 2010 and later, despite Europe's financial troubles, the KSBSI has continued to receive strong and exclusive support from the Christian confederations from Europe, particularly the Belgium ACV-CSV and the Dutch CNV. In the case of the Dutch CNV, this support may have derived from its competition with the other major Netherlands confederation, the Dutch FNV, which had long-standing contacts and networks with Indonesian labour activists, facilitated by well-known figures Tom Etty on the Dutch and Fauzi Abdullah on the Indonesian side. These figures were very active in campaigning against Indonesian labour rights violations during the 1980s and 1990s (see for example Etty 1990, 1994). The Dutch CNV's support of KSBSI may also be related to concerns that reducing support for Indonesian unions would mean that the European Christian unions have fewer contacts and less influence in a country with one of the world's largest Muslim populations.

discussed above demonstrate that there are also internal challenges within the confederations, which need to be addressed to enable them to reach their potential as functional national centres.

The existing weaknesses of the national centres and the fragmentation of the trade union movement since the reform, along with the new unions' inability to challenge the legacy unions of the SPSI, have contributed to the generally weak labour movement in post-reform Indonesia, despite the potential presented by the new system. Violations to labour rights have remained widespread (see Caraway et al., 2011 for the most recent report); and unions have generally struggled to challenge them. Law No. 13/2003 on Manpower, for example, limits contract-based employment to a period of no longer than two years, with an extension for no longer than one year. With regards to outsourcing work, the law provides 'minimum requirements' that this work must be separate from the core business – it must be limited to supporting operations. The law also stipulates that when such requirements are not fulfilled, the worker must become a permanent employee. In practice, however, there are massive violations of this law by employers (Isaac and Sitalaksmi, 2008: 247). Since the regional autonomy policy devolved responsibility for labour issues from the national to the district levels, the problems of weak labour inspection has also been exacerbated, and unions are not in a position to demand that the law's conditions be fulfilled (Hanggrahani and Tjandra, 2007; also Ford and Tjandra, 2008).

The current situation presents the need for a careful way forward. The weakness of the national centres currently limits the potential for labour groups to influence national labour policy-making, since it is the national centres, which usually have the legitimacy to represent Indonesian workers at national and international forums, such as the ILO conference. However, empowering member federations without also empowering the national centres could easily result in a similarly overall weak situation by further increasing the fragmentation of the union movement outside the SPSI, with each group focusing on its own issues at the expense of the whole. This would further weaken the national centres, with flow-on effects for the member federations and Indonesian workers in general. A solution may lie not within formal mainstream union structures, but somewhere outside those structures; while still retaining a connection to the formal structures, to enable internal reforms while at the same time being sustained. The following two case studies illustrate the trade unions' efforts to resolve Indonesia's problem of a weak trade union movement. The case studies highlight the complexities of the post-1998 Indonesian trade union movement, and their efforts to increase both their bargaining power with employers and government, and their influence in society. The first case study focuses on the growing trade union movement at the regional level, and presents some contrasts with the situation at the national level. The second case study focuses on the struggles of several national unions, united in the KAJS (*Komite Aksi Jami-*

nan Sosial – Action Committee for Social Security), to demand social security reforms for all Indonesian citizens. Before continuing with the case studies, it is useful to summarise the key features of trade unions following 1998, to enable data from the case studies to be put into context.

2.4 Post-1998 trade unions in Indonesia: key features

According to the figures available at the time of writing of this research, published by the Ministry of Manpower in 2007, there were 69 national federations and three confederations registered in Indonesia. The total membership of the three confederations together was 2,397,393. The KSPSI held the biggest membership, with 1,601,378 workers; followed by the KSPI with 458,345 workers; and the KSBSI with 337,670 workers. When combined with a number of national federations that were not affiliated with any confederations (with a total of 920,318 workers), and plant level unions that were not affiliated with federations (with 97,924 workers), the overall total number of Indonesian workers belonging to trade unions was 3,415,635 in 2007. In a more recent 2010 report, the number of national federations registered increased from 69 to 90, and the total union membership declined minimally, from 3,415,635 to 3,414,455 workers.[61]

Table 4.1: Membership statistics for Indonesian trade unions (2007)

No.	Name of trade union peak organization (e.g. confederation)	Number of federations	Number of enterprise unions	Members
1	KSPSI[62]	16	6,779	1,601,378
2	KSPI	7	973	458,345
3	KSBSI	12	1,559	337,670
4	Trade union federations not affiliated with confederations	34	2,028	920,318
6	Plant-level unions not affiliated with federations	–	437	97,924
TOTAL		69	11,776	3,415,635

Source: Ministry of Manpower 'Report of the Development of Workers Organizations 2007' (signed and stamped but never published)

61 See 'Worker/Labour Organizations July 2010', www.depnaker.go.id accessed in July 2010). This report does not provide the level of detail about confederation memberships that is provided in the 2007 report.

62 These figures represent the KSPSI as one organization. After the split in 2007, the two KSPSI still have similar structures and, indeed, similar names. In several sector unions the old KSPSI is bigger than the new KSPSI, and the other way round. It is not clear though, how many members each confederation actually has after the split, as the Ministry of Manpower has not provided such information yet.

Total union membership in Indonesia in 2010 represented 3.18 percent of the total labour force of 107.41 million people, and 10.1 percent of the total workers working in the formal sector, which included 33.74 million people.[63] Although union membership of 10.1 percent of formal sector workers is not small relative to other countries, the number of workers working in the formal sector is very low (the formal sector represents only 31.42 percent of the total labour force, while the other 68.58 percent or 73.67 million workers are in the informal economy) – and a much lower proportion of informal sector workers join unions, leading to the low overall level of union membership in the country. This low level of unionization may be related to the inhospitability of Indonesian labour law to unions. Although the law guarantees the right to join unions and includes penalty for violations of these rights, the legal process associated with investigating alleged violations is lengthy and complex (as exemplified by the King Jim case concerning the imprisonment of an employer for trade union rights violations – see Tjandra, 2010). Low levels of union membership may also be related to concerns that employers sometimes treat union-member workers more harshly, and this treatment often goes without sanction (Isaac and Sitalaksmi, 2008). Low union membership is also typical of less-developed countries, which tend to have high unemployment (the Indonesian unemployment rate was estimated at 6.7 percent in 2012), high levels of self-employed workers in the non-formal economy, and low productivity. These conditions will clearly influence the prospects for the development of trade unions in Indonesia.

As of 2007, the KSPI consisted of seven member federations, primarily from the industrial sector, six of which were affiliates of GUFs. The KSBSI had eleven member federations, six of which were affiliated with GUFs. The KSPSI had seventeen national federations, but only one of them, the KPI (*Kesatuan Pelaut Indonesia* – Indonesian Seafarers Union), was affiliated with the ITF (International Transport Worker Federation). International unions and donors have generally tended to avoid the KSPSI, out of concern that it is not an independent union.[64] Most international unions under GUFs work in Indonesia through their affiliates, but in some cases they also work directly; and some even have their own representative offices in Indonesia, such as the UNI (Union Network International (UNI), with ASPEK Indonesia) and the IUF (International Union of Food (IUF), with FSPM (*Federasi Serikat Pekerja Mandiri* – Federation of Independent Workers Unions). Each GUF member has its own policy concerning its relationship with its affiliates. The IUF, for instance, allows only one affiliate at the national federation (the FSPM), whose members range from hotel workers to plantation work-

63 See 'Keadaan Ketenagakerjaan Indonesia, Februari 2010' [Labour Situation in Indonesia, February 2010] (http://www.bps.go.id/brs_file/tenaker-10mei10.pdf)

64 Personal observations during the Trade Unions Support and Solidarity Organizations Coordination Meeting in Jakarta, 27-28 April 2010.

ers unions.[65] In contrast, the PSI (Public Service International (PSI) has Indonesian affiliates from many different sector unions at plant to national level, including plant-level unions SP Angkasa Pura (Airport Workers Union) and SP PDAM (Public Water Companies Union); and at the national level, the FSP Farkes (Federation for Pharmacy Workers Union). Each union is largely independent, and does not necessarily interact with the other affiliates of the PSI in Indonesia.

In 2007, the KSPSI split into two, following conflicts between the leaders of the organization.[66] Thus, the three major confederations at the start of the reforms grew to four in 2008. Apart from the four major confederations, there is also another union, KASBI (*Konfederasi Aliansi Serikat Buruh Indonesia* – Confederation of the Indonesian Labour Union Alliance), which claims to be a confederation. According to a report by the Ministry of Manpower in 2007, this group had 1,428 member workers, in 68 plant-level unions, primarily across Java.[67] Although their membership is much smaller than that of the other four confederations, they often gain media attention due to their radical approach to actions and demands. The KASBI is the most political of the confederations, openly supporting a socialist ideology and with close links to the PRP (*Perserikatan Rakyat Pekerja* – Working People Association),

65 The FSPM does not belong to any national confederation. It was founded following a series of pro-union activities organised in Indonesia by IUF officials Gerard Greenfield and Hemasari.

66 Sjukur Sarto, the Vice President, and several other leaders of the KSPSI wanted to replace Jacob Nuwa Wea, the incumbent President, before the end of his term in February 2008, due to his deteriorating health. Sjukur Sarto, supported by several other leaders, held an 'extraordinary congress' on 24-26 August 2007 in Jakarta, at which he was elected President. Jacob and his supporters rejected the result, and insisted that Jacob continue in his position until the end of his term. Following the congress, there were clashes at the national office (Secretariat) of the KSPSI in Pasar Minggu region, Jakarta, involving hundreds of people. Later, the office was sealed by the building's owner, Jamsostek Ltd. (a state-owned enterprise dealing with formal workers' insurance), to prevent its destruction by the protesting groups. After several years of lobbying, Jacob won use of the building, having benefitted from his networks as a former Ministry of Manpower. In the 2008 congress, Jacob was re-elected as President, while Sjukur continued as president of a separate faction, which also retained the name KSPSI. From that point there were two KSPSIs, with the split occurring from national to regional level, and both continued to use the same organizational structures, name, and logo. Informally, the two organizations were known as 'KSPSI Pasar Minggu' and 'KSPSI Kali Bata', referring to the location of their offices. Initially, the government was reluctant to recognise either of the divided organizations, but later both were recognised, and invited to return to the government's national tripartite meetings. The ILO, the main partner of Indonesia's confederations, followed the government's approach. This story is an example of the fragility of trade unions in Indonesia, with personal conflicts among leaders potentially resulting in the splitting of the whole organization.

67 This number was disputed by KASBI activists, who claimed that when the KASBI was established there was already a requirement, by the federations that joined them, that KASBI needed to have at least 5,000 members (personal communication with Emilia Yanti, General Secretary of GSBI, one of the founders of KASBI, June 2010).

a left-wing political organization supported predominantly by student activists affiliated with the international socialist movement. In 2011, the Indonesian government recognised the KASBI as a confederation, but, it remains relatively alienated from the activities of the government's national tripartite bodies, due to its small representation – although its members sometimes join the regional tripartite institutions.[68]

In addition to the confederations, the 2007 data show that there were another 34 national unions and federations that did not belong to any higher-level federations or confederations. The total membership of these groups was 920,318. There were also 437 enterprise-level unions, with a total of 97,924 member workers. Thus, while employers have been able to speak with a single collective voice – through Apindo[69] -, unions have remained fragmented in the form of tens of national unions and thousands of plant-level unions, often highly separated from one another (Quinn, 2003: 9). No national or industrial collective bargaining agreements have ever been concluded; most agreements continue to be made at the enterprise level. The number of collective bargaining agreements is also low relative to the number of unions: with 10,959 cumulated collective labour agreements concluded, compared with 44,149 cumulated company regulations registered at the Ministry of Manpower in 2010 (Ministry of Manpower, 2010). Further, the minimum wage has not functioned as a wage floor for workers at the lowest level; and formal workers in general remain dependent upon legislation to raise their wages – highlighting the continuing weakness of unions in collective bargaining for fair working conditions.

These political conditions, combined with the weakness of the unions' peak organizations and their inability, to date, to strengthen their political positions against government and employers through use of government leverage and protests (the 'political driving force of the trade union movement' [Isaac and Sitalaksmi, 2008: 249]), have prolonged the lack of influence of

68 In one example in East Java in 2009, a KASBI representative became a member of the tripartite body at the provincial level; but this was only after the KASBI had formed a coalition with several other small unions.

69 Although on paper any employer in Indonesia can have its own organization, there is only one employers' organization actively dealing with industrial relations issues: Apindo (*Asosiasi Pengusaha Indonesia* - Association of Indonesian Employers), as the industrial relations wing of the Indonesian Chamber of Commerce (KADIN). In a biography, Apindo's Chairman Sofjan Wanandi is reported to enjoy being referred to as a 'real activist' ('*aktivis sejati*', which is also the title of the book by Sanda et al., 2011). His activism included his direct involvement in the two big changes in Indonesian political history: the change from Soekarno to Soeharto while he was a student activist, and the change from Soeharto to democracy while he was a senior political activist. Never before in the history of Apindo has the organization played as strong a role as an advocate of employers' interests as it does today; it is now actively involved in almost all national initiatives concerning industrial relations, either with the government and unions through tripartite institutions, or with the unions through bipartite institutions.

trade unions in Indonesia, despite all the potential for improvement since the 1998 reforms. The challenges faced by Indonesian trade unions today remain twofold: to develop a united movement, and to strengthen their political and social bargaining power in society; with the second aim dependent on the first. To this end, as noted by Isaac and Sitalaksmi (2008), the present generation of Indonesian trade unions has several major goals that they want to achieve: 'to engage in collective bargaining, to obtain favourable terms of employment for workers, to be able to process worker grievances effectively, to secure a growing membership, and to influence the government to enact terms favourable to these objectives.' (Isaac and Sitalaksmi, 2008: 247). On this basis, Isaac and Sitalaksmi conclude that since 1998, the Indonesian trade union movement has been predominantly 'business' or 'market' unionism, as per Gospel's definition (see Introduction of this dissertation; also Gospel 2005, 2008; Zhu and Benson, 2008). It is in this context of Indonesia having had a form of 'market unionism' since 1998 that we will consider the two levels of the trade union movement, below.

3 The two levels of the trade union movement in Indonesia

There has been much debate about the reasons why organised labour in Indonesia has remained relatively weak, despite the opportunities presented since the 1998 reforms. Some researchers point to the legacy of the New Order's authoritarian atmosphere, which they suggest discourages union activists from taking advantage of the freedom of the existing post-*reformasi* situation (see, e.g., Hadiz, 2000), and maintains the dominance of the less democratic legacy unions (Caraway, 2008). Others blame the high levels of fragmentation within the trade union movement, exacerbated by personal rivalries among small numbers of union leaders that can split unions apart as in the case of KSPSI's split described earlier. Both issues likely contribute to the labour movement's ongoing weakness. Among activists and academics who are sympathetic to the labour movement, there is also a consensus that employers' violations of trade union rights as guaranteed by law may be a primary reason for the decreasing levels of participation in unions by workers (see, e.g., Saptorini and Tjandra, 2005; also Caraway, 2011). Anti-union actions by employers, including the (illegal) refusal to allow workers to form unions and negotiate collective labour agreements, along with intimidation and other pressure by employers on union activists, generates fear which discourages non-unionised workers from joining unions, and encourages those who have joined to withdraw their membership. Some observers have expressed concerns about the future of the trade union movement in Indonesia, at least in the short-term: '[the movement] may not grow much beyond its present infant stage for some time to come' (Isaac and Sitalaksmi, 2008: 253).

However, recent observations at both the regional and national level indicate the presence of unprecedented development of the trade union movement, despite the challenges. At the regional level, this is exemplied by the development of regional trade union alliances in several regions; and at the national level, an important development has been the formation of an alliance of unions, the KAJS (*Komite Aksi Jaminan Sosial* – Action Committee for Social Security Reform). These regional and national-level developments reveal that a new kind of trade unionism is emerging in Indonesia. At the regional level, unions are starting to recognize the needs to unite and form alliances, in order to fill the holes caused by the failure of their national-level, central organizations to function as uniting forces, and to raise the political bargaining power of the working classes at the local level. At the national level, the KAJS's efforts to reform the social security system reveal a paradigm shift within the trade union movement – from 'market-' or 'business-based' towards a more social orientation. These are timely developments, after decades of state suppression and the prolonged legacy of the New Order in the years since democratization. These developments, as discussed below, give cautious hope of a brighter future for the trade union movement and its role in Indonesian society.

3.1 Regional level: towards political trade unionism?

As described earlier, one factor contributing to the relative weakness of trade unions in Indonesia is likely the ineffectiveness of the peak organizations (confederations); including their inability to perform their duties as umbrella organizations. This in turn has generated mistrust in the leadership, by those at lower levels. Although in recent history the national unions have struggled with various internal problems, and have not demonstrated the ability to build a strong labour force for advocacy, in very recent years there have been examples of exactly the opposite occurring at the regional level, in a number of regions (Tjandra, 2010). At regional and local levels, the proximity to real problems, as well as the stronger communication and trust which are often inherent at those levels, have likely facilitated the observed increase in union networks and alliances. Increasing numbers of trade unions, from disparate organizations and backgrounds, are now uniting in regional alliances to advocate for common issues and support workers' interests in their regions.[70]

70 The field research in the regions was conducted in two provinces: East Java (the cities/districts of Surabaya, Sidoarjo, Pasuruan, Mojokerto and Malang); and the Riau Islands (cities/districts of Batam, Tanjung Pinang and Tanjung Balai), over a total period of 4 weeks in May, June and July 2007, together with Dr. Michele Ford from the University of Sydney whose observations have been incorporated into this section. Observations and interviews with the trade union alliances from various regions were conducted in February and March 2010. I also obtained information from a series of workshops titled 'Trade Union Movement Workshop', organized by the Trade Union Rights Centre on 26-28 February and 10-13 April 2010.

Although these alliances are not formally established organizations, and are largely self-financed and run without strict regulations and systems, they appear able to bring significant changes in their regions – unlike the branches of the confederations which exist in these regions. For example, in 2009 in Yogyakarta in Yogyakarta province, and Serang in Banten province, the local alliances ABY (*Aliansi Buruh Yogyakarta* – Yogyakarta Labour Alliance) and FSBS (*Forum Solidaritas Serikat Buruh* - Serang Labour Solidarity Forum) have lobbied successfully for the enactment of special regional regulations on employment; as implementing regulations of Law No. 13/2003 on Manpower, adapted to their regions. In Tangerang in 2010, pressure from the local union alliance *Aliansi Serikat Pekerja/Serikat Buruh Tangerang* (Tangerang Trade Union Alliance) led the Regent of Tangerang to increase the minimum wage to bring it closer to the figure demanded by workers – even though the wage figure had already been set for the year. In Pasuruan in East Java province in 2009, a massive campaign by an alliance of workers and unions against PT King Jim Indonesia produced an important precedent when, for the first time since the enactment of Law No. 21/2000 on Trade Unions a businessman was convicted and jailed for obstructing such activities.[71]

Most of these regional alliances have been established to address common issues of workers in the particular region. Common issues include minimum wage fixing processes (including actual wage figures and compliance); the unions' desire to jointly control their representatives on the Wages Councils[72]; and the implementation of minimum wages provisions. The operational financing of the alliances has mainly involved using the pre-existing resources from their own unions; for example, meeting locations are rotated between the offices of the unions involved. Alliances have also tended to include a wide variety of trade unions local to the area, regardless of their backgrounds, including independent unions which exist only at enterprise level; regional-level unions; and those affiliated with various confederations and national federations, including many representatives from branch leadership. For example, the local alliance *Forum Komunikasi Serikat Pekerja/Serikat Buruh Depok* (Communication Forum of the Trade Union of Depok), in Depok, near Bogor, was originally formed merely to facilitate meetings of plant-level unions affiliated with the FSP KEP (Chemical, Energy and Mining Workers Union). There was already a FSP KEP branch in the Bogor district, but this was considered less effective than a local alliance, as its scope was too wide, and there was a need for more effective communication among board members of the plant-level unions of this federation. During the development of the alliance, the FSP KEP affiliates in Depok formed a separate branch from the Bogor branch, and the 'Communication Forum' was extended to the various trade unions in the district of Depok, including

71 I have discussed this in detail elsewhere, see also Tjandra (2010).

72 The Wage Councils are tripartite institutions at both the national and regional levels. We will discuss these in detail in the next Chapter.

the FSPMI, the KSPSI and others.[73] Similarly in the Pulogadung Industrial Area in Jakarta, the alliance 'FOKUS' (*Forum Komunikasi Serikat Pekerja* – Communication Forum of Trade Unions) was established by the various plant level unions belonging to KSPSI Pasar Minggu in the area. Despite concerns that some of these unions would not work together because their national leaders were in conflict with each other, at the regional level the unions recognised the importance of uniting to raise their collective bargaining position. This was exemplified at the regional *Forum Buruh DKI* (Jakarta Labour Forum), where the two KSBSI and SBSI 1992, despite national-level conflicts, were present at the same forum.

Regardless of the variety of organizational and ideological backgrounds of the union supporters, most of these alliances have been established with a shared focus on the importance of mass action and direct participation. Joint action as part of an alliance is considered most beneficial, as this would strengthen the bargaining position of the unions collectively, especially when dealing with government authorities. A demonstration by a large number of workers from a single union is considered less influential than a demonstration by fewer workers but which includes representatives from several trade unions. In Semarang, an activist from the SPN union, which was part of the alliance 'Gerbang' (*Gerakan Serikat Buruh Semarang* – Semarang Labour Union Movement), explained that when SPN organized a demonstration they always requested the alliance members from the other unions to attend, even in small numbers; and to carry their own union flags. As he explained: it is a strategy. The goal is to demonstrate the involvement of various unions in the actions, which appears from the variation of the flags carried in the actions.'[74] Activists from Tangerang, Serang, Bekasi and Jakarta shared similar stories.

The initiative to establish the alliances has usually come from grassroots union members; often reformist union activists who believe that the inability of the central organizations to facilitate unions in the regions had led to the weakness at the regional level, especially against the government.[75] As stated by one union activist from the KSPSI in Yogyakarta: 'It is the failure of the confederations that makes us weak; instead of providing ways for different unions to work together in the regions, they merely focus on their own needs and have less attention for building unity among unions.'[76] Workers who had occupied positions in plant-level unions or in the branch-level organiza-

73 Interview FSP KEP, Depok, in August 2011.

74 Interview Gerbang, Semarang, in August 2011.

75 As mentioned earlier, due to the weak position of the trade unions in collective bargaining, many of them rely upon government protection, through the law and regulations, to fulfil workers' needs. Thus, pressure on the government is considered safer than direct confrontation with employers, which could end with the dismissal of union leaders.

76 Interview FPP Kahut – ABY, Yogyakarta in August 2011.

tions also initiated many of the regional alliances; they therefore already had some experience interacting with other unions. The top level of the unions (DPP), however, seemed reluctant to support such initiatives from the grassroots. They saw the formation of the alliances in the regions, outside their own structures, as potential threats; including the risk that their members may move to other organizations.[77] This concern was especially prominent in the legacy union, KSPSI[78]; but was also felt by the new unions established post-1998. One new national federation established in 1999, for example, found it necessary to request a 'notice' in advance, if any members wanted to invite their affiliates into the area for collaborative activities.[79]

Nonetheless, the growing confidence of the local leadership to challenge their top leadership has forced the latter to adapt to this new development in the regions. Instead of imposing sanctions against the alliance initiatives, the wiser leaders have accepted this reality, and simply request 'better coordination' between their affiliates in the alliance, with respect to structure. As noted, most regional alliances were informal in structure, without strict systems of works. According to the activists, such a liquid system was considered more useful, because it reduced unnecessary tension between union members of the alliance and their superior organizations; and more importantly it minimized potential conflicts within the alliance regarding, for example, who should become the leaders. Leadership was normally held collectively, through a 'presidium', and not hierarchical. Most of the 'system' within an alliance was built through personal ties between the activists themselves, enhanced by sharing the same regional area and holding frequent meetings, especially when there were issues to address, such as local minimum wage fixing.

One exceptional alliance structure was the structure of the FSBS (*Forum Solidaritas Buruh Serang*, Serang Union Solidarity Forum, or simply the forum), in Serang, Banten province, and its twin organization, the 'Serang Trade Union Alliance' (or the alliance). The alliance was considered the 'official' leaders of the affiliated unions in the region, and its members were the leaders of the unions, which supported it. It also represented local organi-

77 Sjaiful DP of FSP KEP, for example, complained about this alliance, accusing it of eroding the central organization's authority (personal communication with Sjaiful DP in August 2011).

78 It is interesting to note that of the three strategies employed by the legacy union KSPSI to maintain their dominance, ('stick', 'carrot', and internal reform; each of which is employed depending on the strength or weakness of the union's position at a particular place and time, Caraway [2008]), the latter strategy, internal reform, is currently the most frequently employed – pointing to a decline in the dominance of KSPSI's central organization at various level and regions.

79 Interview with TURC activists in August 2012. The TURC was very active in organising these alliances to meet and discuss national and regional issues, through its series of 'Trade Union Movement Workshops'.

zations of workers, helping to increase their bargaining position with the local authorities. In contrast, the forum was a more informal organization, in which various union officials may be involved in researching regional labour issues to support the alliance, either individually or in collaboration with relevant NGOs.[80] This strategy was deemed necessary to maintain the 'independence' and 'integrity' of the trade union organizations.[81] Of the two organizations, the alliance was the one which interacted with the political powers and authorities; while when dealing with other parties and networks, such as NGOs; it was the forum that appeared (see also Cahyono, 2010).[82]

Although there tend to be few strict rules within the union alliances, a generally acknowledged unwritten 'code of ethics' includes the point that unions within an alliance are not allowed to recruit new members from other unions within the alliance. On occasions when this may occur, for example if any union member at the enterprise level wishes to move to another union in the same alliance, the leadership of the union targeted tends to refrain from accepting the move, as they consider that the moving of members between unions within an alliance could harm its stability and integrity. This informal policy against taking another union's members is not shared by the non-alliance unions in the same region, which frequently practice 'fishing in the same pond'.[83] Given this, the existence of an alliance of unions may also be useful for the existing union structures, to help them maintain their membership and power. The problem is that sometimes such reformists' initiatives can be hijacked by the existing unions' oligarchs, who do not genuinely want reform, as noted by one labour activist.[84] One alliance leader from Semarang and Bekasi mentioned the need of the alliance union leadership to take over the oligarchs' positions through independent election within their unions, so that reforms can be more systematic.

80 The FSBS, for example, in 2010 had an agreement with national human rights NGO, *Demos*, to conduct a series of political education workshops for workers in Serang. For these activities the FSBS could obtain financial support, which could be used concurrently to support the alliance's activities.

81 Interview Kahar Cahyono, Secretary of the FSBS, August 2012.

82 Cahyono (2010) provided a case study of regional alliances in Serang region, Banten province.

83 This term was coined by Indrasari Tjandraningsih to explain this phenomenon in the Indonesian trade union movement post-1998 (personal communication in August 2012).

84 A labour NGO activist from TURC mentioned this.

Below is a list of the regional alliances established in fifteen regions of Indonesia as of 2012:

Table 4.2: Regional union alliances and their member unions (2012)

No.	Regional union alliance	Members
1	*Forum Buruh DKI Jakarta* (Jakarta Labour Forum)	FSPMI, ASPEK Indonesia, SPN, FSP LEM KSPSI, FSBI, SBSI 1992, KSBSI
2	*Aliansi Buruh Kawasan* (Industrial Zone Labour Alliance), Jakarta	FSBI, SPN, FNPBI, SBSI 1992, KSBSI
3	*Aliansi Serikat Pekerja/Serikat Buruh* (Trade Union/Labour Union Alliance), Depok	FSP KEP, FSPMI, FSP LEM, FSP FARKES Reformasi, FSP RTMM SPSI, SPN
4	*Aliansi Buruh Yogyakarta* (Yogyakarta Labour Alliance), Yogyakarta	Regional federations: SPN, FSP FARKES Reformasi, FSP KAHUT SPSI, FSP NIBA SPSI, FSP LEM SPSI, FSP RTMM SPSI; Plant level unions: SP Inna Garuda, SP Lintas Media; NGOs: Sekolah Buruh Yogyakarta (Labour School of Yogyakarta), Serikat Pekerja Rumah Tangga (Domestic Workers Union), FPPI, Sekretariat Bersama Perempuan Yogyakarta (Women Solidarity)
5	*Koalisi Buruh Sukabumi* (Sukabumi Labour Coalition), Sukabumi	Regional federation: FSP RTMM SPSI, KSBSI; Plant level union: SP Danone Aqua
6	*Aliansi Serikat Pekerja/Serikat Buruh Serang* (Serang Trade Union/Labour Union Alliance) *and Forum Solidaritas Buruh Serang* (Serang Labour Solidarity Forum), Serang	Regional federations: FSP KEP Reformasi (KSPI), FSPMI, SPN, FSP TSK KSPSI, KSBSI
7	*Buruh Bekasi Bergerak* (Bekasi Labour Movement), *Bekasi*	FSPMI, FSP KEP, PPBI, FKI Bekasi
8	*Forum Komunikasi dan Informasi (FKI* – Communication and Information Forum*) SPSI Bekasi*	Plant level unions belonging to the FSP KEP SPSI in Bekasi; also supported by other sectors such as commerce (FSP NIBA), metals and electronics (FSP LEM)
9	*Gerakan Buruh Semarang (Gerbang* – Semarang Labour Movement*),* Semarang	Plant level unions belonging to SPN
10	*Aliansi Buruh Menggugat (ABM* – Labour Accused Alliance*) Jawa Timur, Surabaya*	Regional union: FSPMI, KASBI; plant level: SP KFC
11	*Forum Komunikasi (Fokus* – Union Communication Forum*) SP Pulo Gadung, Jakarta*	Plant level unions belonged the KSPSI in the Pulo Gabung Industrial Zones
12	*Forum Komunikasi Buruh Bogor (*Bogor Labour Communication Forum*), Bogor*	FSP TSK SPSI, SPN, FSPMI, Gaspermindo
13	*Aliansi Buruh Bandung (ABB* – Bandung Labour Alliance*), Bandung*	FSP KEP SPSI, FSP TSK SPSI
14	*Perjuangan Rakyat Karawang (Perak* – Karawang People Struggle*), Karawang*	FSP KEP KSPI, SPOI, KASBI
15	*Aliansi Buruh Jember (*Jember Labour Alliance*), Jember*	Sarbumusi, SP Productiva, Serbuk, SBI PGTebu, SPKAI IX, Sarbupage, SP Mitra Tani.

With regard to advocacy, the regional unions' alliances have usually started by limiting themselves to labour issues, such as violations of minimum wages or union busting. But in some regions, such as in East Java, the unions alliance has lobbied not only on these traditional labour issues but also on broader social issues, such as the rights of disabled people and the state's obligation to provide health care.[85] In other regions there have been efforts to expand the alliance's activities for political purposes; such as in Serang, Banten province (Tjandra, 2010; Cahyono, 2010), where the alliance called for the abolition of anti-labour policies in the regions. In the case of Batam, several unions developed networks with political parties for the general election, and several union leaders became parliamentary candidates (Ford and Tjandra, 2008). This development is particularly interesting, as only a few years ago the separation between the labour movement and politics was still wide, and 'wage labourers, and many trade union activists too, [did] not see any relations between struggles in the workplace and those over politics' (Törnquist, 2004: 392; also cited in Ford, 2009: 179). Recent findings at the regional level, however, show that this separation has become more fluid. The increased regional autonomy since 2000, when authority over labour and various other issues was devolved from Jakarta to the district/city levels,[86] has forced unions to face more direct political realities and contests at the local level, encouraging union leaders to learn to cope with the current situation and opportunities. Indeed, trade union strategies to raise labour interests have shown increasing levels of political participation, particularly since the 2004 general election (Ford, 2009: 179). These developments have likely been triggered by the growing realisation, among political parties, that trade unions are an increasingly important political force in the regions.

Many trade union leaders who became well known publicly and among workers have been approached by political parties, to be drawn into party cadres, either as 'vote-gatherers' or as genuine legislative candidates. The most notable trade union to be approached by a political party was the FSPMI (Indonesian Metal Workers Federation), which was approached by the PKS (Justice Welfare Party)[87] in several regions, such as in Batam, Riau Island province.[88] In 2004, in an effort to avoid being seen as a substructure of the political party, but interested in an affiliation, the FSPMI Batam formed the JAS METAL (*Jaringan Simpul Pekerja Metal* – Metal Workers Network), which

85 The work of the ABM Jawa Timur (*Aliansi Buruh Menggugat* – East Java Labour Struggle Alliance) has been remarkable in this regard.

86 For further discussion on the social and political impacts of the regional autonomy policy in Indonesia, see Schulte Nordholt and van Klinken (2007).

87 The PKS gained the number four position in the 2009 election results, after the Democratic Party (President Yudhoyono's party), Golkar (formerly the New Order party) and PDI Perjuangan (former President Megawati's party).

88 Said Iqbal, the President of the FSPMI, was later a candidate for the PKS in the 2009 election for Riau Island. Several FSPMI leaders in other regions, such as Batam, Serang, and Bekasi, were also running for the PKS. This was agreed through a 'Memorandum of Understanding' between the presidents of the FSPMI and the PKS.

was designed as a kind of 'political wing' of the FSPMI Batam, to negotiate agreements with political parties.[89] In 2005, the JAS METAL was directly involved in the campaigns for the Mayor and Deputy Mayor of Batam city, supporting Ria Saptarika and Ahmad Dahlan, who were nominated by the Golkar Party and the PKS, and went on to win the election. Although the union claimed that this result would not directly benefit its workers, the union's involvement in the campaign clearly gave them more access to the elected Mayor and his Vice Mayor.[90] In the 2007 Jakarta regional election, the PKS put forward Adang Dorodjatun and Dani Anwar as candidates for Governor and Vice Governor. During the election, the FSPMI became part of the so-called 'Labour Work for Jakarta Coalition', in collaboration with other unions, such as ASPEK Indonesia, SPN, SBPMI (Ports and Maritime Union Indonesia), SBTNI (Indonesia's National Transport Labour Union), and FSP LEM KSPSI. On 16 July 2007 these organizations produced a political contract, signed by the two candidates and the leaders of the unions, which included a promise by the candidates that if elected, they would set the provincial minimum wage in Jakarta at Rp 1-1.5 million,[91] with housing for workers and other perquisites (*Koran Perdjoeangan*, July 2007). However, the two candidates were not elected.

It is important to note that the FSPMI's 'political experiment'[92] in Batam in 2005 was an initiative of the FSPMI alone, without links to other unions in the regions, although many activists from other local unions were also running as candidates for various political parties.[93] In contrast, the involvement of several unions in the Jakarta elections in 2007 was primarily an initiative of the PKS, which gathered the unions to stand for it in the election; rather than an initiative of the unions to gather themselves and negotiate with the PKS.[94] However, the increasing ability of the trade unions to make political demands and lobby strategically against political powers in the regions seems to have sometimes been a liability for the union regional alliances. In the case of the Jember Labour Alliance, for example, the alliance was almost

89 Interview with Ridwan Monoarfa, June 2007.

90 Interview, Nefrizal, June 2007.

91 The minimum wage in Jakarta at the time was only Rp 900,560 (USD 90).

92 This term was used by Said Iqbal, President of the FSPMI, personal communication in June 2007.

93 Said Iqbal of FSPMI had to compete against Eduard Hutabarat of Lomenik KSBSI, as both were running in the same election district but for different political parties; Hutabarat was from the Labour Party. Neither was elected.

94 It was reported that in 2006 seven union leaders, including Bambang Wirahyoso of SPN, Said Iqbal of FSPMI, Khairul Anam of Kahutindo, and Harjono of FSP LEM SPSI, were brought to the city of Mecca using PKS funds, to take the *Umrah* – the minor pilgrimage. Some labour activists were concerned about this initiative by the PKS, which 'however noble it is' was considered a form of 'bribery' to the union leaders, for the party's political interests (personal communication with several labour activists in Jakarta). In 2007 these union leaders were all involved in supporting the PKS candidates for Governor and Vice Governor of Jakarta.

destroyed when one of the union leaders 'sold' the alliance for his own political gain, by supporting a candidate for the Regent elections and claiming that he led an alliance of labour unions with thousands of members – meaning potential votes. The labour activists in Jember reacted against this event so strongly that they blocked future attempts to rebuild the union alliance in the region.[95] This exemplifies the challenges that unions that become involved in politics may need to appreciate (see also Ford, 2009: 180).

Despite the early successes of the regional union alliances, several challenges have been clearly evident. One has been the reluctance of the central organizations to support the development of regional alliances and their subsequent initiatives, which may be perceived as threats to the organization as a whole. Regional union alliances have tended to be initiated and driven by local union leaders, who may be seen by their superiors in the central organizations as dissidents. In the absence of strong leadership in the regions, these concerns from central organization may be sufficient to end the initiatives. Another challenge has been the different approaches to strategies within the alliance, which can become obstacles for further development of the alliance, and sometime even lead to its breakdown. Within many alliances there is also still a high dependency on individual leadership by reformist union leaders, who take the initiative and act as the driving force; these alliances need a system to ensure they are strong irrespective of individual players, and can be maintained over time. A final challenge is often the absence, within an alliance, of a clear and common goal; such a goal is often essential to maintain an alliance's direction and unity, and to ensure it supports the wider goals of the trade union movement. On this point, it is interesting to note that many regional union alliances have embraced the issue of social security reforms, especially since the enactment of Law No. 40/2004 on the National Social Security System and the deliberation over the Social Security Provider Bill in the parliament. This may therefore become a common issue that unites the trade union movement, and links their goals to those of a broader segment of Indonesian society. The presence of the KAJS (*Komite Aksi Jaminan Sosial* – Action Committee for Social Security), an alliance of various national trade unions specifically campaigning on this issue, is likely to encourage this unity and shift the orientation of the Indonesian trade union movement towards a new concern: social justice. We will discuss this in the next section.

3.2 National level: the battle of paradigms?

It has been argued that the trade union movement in Asia, in both developed and developing countries (see Introduction), has generally adopted a market orientation ('business' or 'market' unionism), in which unions are seen as

95 Interview with Mashur Saifudin of Jember Labour Alliance, February 2010.

economic actors pursuing economic goals, such as the economic welfare of members, especially through collective bargaining within the labour market; and that there has been much less focus on social welfare more broadly (Zhu and Benson, 2008: 261). However, unlike the situation in developed Asia, in developing Asia the market-focused approach has been adopted in the absence of basic social and legal protection for workers; and this leaves individual workers and society more vulnerable. Hence the importance of efforts by the trade union movement, particularly in developing Asia, to reconsider their commitment to the market-focused paradigm, and to advocate more strongly for sound social policies. Such efforts would demonstrate the extent to which the trade union movement has positioned itself strongly in society. With regard to unions shifting towards a social orientation, it is interesting to consider the situation in Indonesia since the enactment of Law No. 40/2004 on the National Social Security System, and the formulation of its implementing legislation, the Social Security Providers Bill. This period corresponded with the emergence of a new kind of trade union initiative, the *Komite Aksi Jaminan Sosial* (KAJS – Action Committee for Social Security), a national-level union alliance dedicated to pushing reforms for a comprehensive social security system. This new orientation within the trade unions movement, and the associated conflict between unions following market-oriented versus social paradigms, is described below.

3.2.1 The SJSN Law, the BPJS bill, and the KAJS

In response to the economic crisis which eroded the New Order and highlighted the need for a domestic source of funds, and at the same time to demonstrate their difference from the New Order, Indonesia's post-1998 reform governments advocated a new, more thorough social security system for all citizens. This was born out of a proposal by the *Dewan Pertimbangan Agung* (Supreme Advisory Council), in the 2002 General Session of the Indonesian People's Assembly, to amend the 1945 Constitution to specify the people's right to social security, and the state's obligation to provide it. Indonesia's subsequent presidents – Habibie, Abdurrahman Wahid and Megawati – each played a role in ensuring the eventual enactment of Law No. 40/2004 on the National Social Security System (the SJSN Law), which was signed by President Megawati on October 19, 2004, one day before the newly-elected President Susilo Bambang Yudhoyono (SBY) came into office.[96] The enactment was a considerable achievement, as the law had generated strong reservations within several interest groups, most notably Jamsostek Ltd. (the state company responsible for the social security for formal workers), and

96 In total it took four years (2000-2004) to draft the Bill through to enactment, including 56 revisions between the first and final draft. Sulastomo, the former Head of the SJSN Team assigned to draft the academic paper associated with the social security law, reported that the signing of the new law included an unprecedented special ceremony at the Presidential Palace, to which President Megawati invited everyone directly involved in the making of the law.

Taspen Ltd. (the state company responsible for managing pension funds for public servants), which both saw the Law as a threat to their existing corporations.[97]

The SJSN Law was ground-breaking. It is the first law to rule that all Indonesians must be covered by social security, through five mandatory universal programs — healthcare benefits, occupational accident benefits, old-age risk benefits, pension benefits and death benefits.[98] The Law aimed to correct the existing discriminatory and limiting social security schemes: for example, of Indonesia's 230 million people, 139 million or 60 percent did not have access to healthcare schemes; and further, only public servants, the military and police officials were able to access pension schemes. To address these issues, the Law requires an implementing law and a set of government regulations. Although the Law regulates and specifies the basic principles of the new social security system to be developed, it does not specify the ways in which the system must be implemented and administered – it provides no information about the kinds of public institutions to be established to facilitate the new system, nor how these should be run. These practical points were left to be resolved by the Bill on Social Security Provider (the BPJS Bill).[99]

The three most important features of the SJSN Law are: (1) the transformation of the existing four companies which administered social security, from state-owned companies to public institutions[100]; (2) universal healthcare for all Indonesian people; and (3) the establishment of a pension scheme for formal workers in the private sector, to complement the existing pension schemes for public servants. 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 the contributions of poorer people.

97 Personal communication with Hasbullah Thabrany, an academic professor and expert on Indonesia's social security system, who was also one of the early drafters of the SJSN Bill.

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

99 In addition to the requirements of the BPJS Bill, the SJSN Law also required the government to issue 11 government regulations and ten presidential instructions by October 2009, to implement five mandatory universal social security programs.

100 These were: (1) Jamsostek Ltd., responsible for social security for formal workers in the private sector (established in 1992, based on Law No. 3/1992 on Manpower Social Security); (2) Taspen Ltd., responsible for managing pension funds for public servants (established in 1981, based on Government Regulations No. 25 and 26/1981); (3) Asabri Ltd., responsible for managing pensions and healthcare for military and police officials and their families (established in 1981, based on Government Regulations No. 25 and 26/1981); and (4) Askes Ltd., responsible for healthcare for public servants and their families (established in 1992, based on Government Regulation No. 6/1992).

The Law was a major progressive step, but its implementation faced challenges from President SBY's government, which cited concerns such as the potential fiscal impacts of the system, and the capacity of infrastructure to support it.[101] While such concerns were important, other reports suggest that the government's reluctance to accept the Law may have been related largely to its impending loss of direct access to the social security funds administered by the existing four state social security companies; and to pressure from private insurance companies concerned about losing their markets.[102] In President SBY's first term (2004-2009), his cabinet prepared various scenarios and 'road maps' for the Law to be implemented by 19 October 2009 at the latest. SBY's second term cabinet (2009-2014), however, stalled or reversed most of these. Until just before the October 2009 deadline, the government had not submitted anything to the DPR. The DPR then initiated the submission of a draft bill on Social Security Providers (the BPJS Bill),[103] to be discussed in the House in the 2010 legislative program. During

101 See various statements by the Indonesian government representative during the negotiations with the House of Representatives Special Committee on the BPJS Bill, especially the meeting on 9 February 2011 (transcript prepared by Andriko Otang and Surya Tjandra).

102 According to Sulastomo, the former Head of the SJSN Team assigned to draft the Bill, when the SJSN Law was drafted there had already been strong criticism of the Law, particularly from foreign insurance companies. Sulastomo explained that the SJSN Team received a letter from USAID rejecting the SJSN Bill, on the grounds that it would harm the operations 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 'too good to be true´ for Indonesia (interview August 2010). See also Afirianto (2006), arguing that there were some flaws in the SJSN Law, which would worsen Indonesia's labour market conditions, decreasing financial sustainability and adding pressure to the state budget. In contrast, employers tended to adopt the position of 'wait and see', although they worried that the new system would burden them more, as healthcare premiums would rise (personal communication with Djimanto, Chairman of Apindo – Indonesian Employers Association in August 2010).

103 On this point, the role of *Prakarsa*, an NGO based in Jakarta, was crucial, as this was the organization which submitted the original draft of the BPJS Bill; and persuaded the PDI Perjuangan party faction at the House to officially submit the initiative Bill in 2009, to be deliberated in 2010. The PDI Perjuangan was persuaded partly by several members of parliament from the PDI Perjuangan, in particular Surya Chandra Surapaty; who was previously both Chairman of the Special Committee on the SJSN Bill (1999-2004) and Vice Chairman of Commission IX of the Parliament, responsible for welfare, manpower, and health issues. Surapaty was therefore personally interested in the issue; he also had substantial knowledge on the issue through holding a PhD in public health, with a focus on public healthcare (personal communication with MP Surya Chandra Surapaty, June 2011). Another key factor in the PDI Perjuangan's decision to submit the Bill was likely the common understanding that the SJSN Law was one of President Megawati's most important legacies at the end of her administration in 2004 (personal communication with MP Rieke Diah Pitalokaof the PDI Perjuangan, member of the Special Committee on BPJS Bill in June 2011). In order to be accepted as a House initiative Bill, the Bill first required the support of all the political parties, through the opening plenary session of the House of Representatives, which was scheduled on 5 April 2010. This support was received.

later discussions about the issue in the House, the government continued to be obstructive, including by impeding negotiations with the Parliament.[104] It was in response to these delaying tactics that dozens of national labour unions and NGOs, as well as farmers, fishermen, student organizations and individuals, formed the KAJS, as a civil society organization established specifically to push the implementation of social security reforms.

The establishment of the KAJS was agreed formally at a meeting facilitated by the FSPMI (Federation of Indonesian Metal Workers Union) at the Hotel Treva, Jakarta, on 6-8 March 2010.[105] This meeting was important, because in order to strengthen the workers' demands, the union leaders agreed to merge all the groups and individuals supporting the social security reforms, into a single 'action committee'. The chairmen and secretary-generals of the confederation and federations were to be the main supporters of the KAJS, with a collective leadership. It was also agreed that the KAJS would be coordinated by the Presidium, which was to comprise several union and NGO leaders,[106] including Said Iqbal (FSPMI) as the Secretary-General,[107] and

104 The debate was over whether the BPJS Bill would be 'mengatur' (regulating) or simply 'menetapkan' (ruling). The government wanted the Bill to be merely a 'ruling', which would create a new institution without transforming the existing state companies that administered social security; while the House wanted it to be 'regulating', which would give the Law legitimacy to force the transformation of the existing companies. Some experts, however, argued that this debate was simply about semantics issues; as any laws would contain both 'regulating' and 'ruling' components within it; and they suggested that this highlighted the government's deeper 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.

105 This activity was supported by the German labour support NGO, Friedrich Ebert Foundation Jakarta Office, which had been working with various labour unions and NGOs in Indonesia since the early 1970s.

106 These included R. Abdullah (FSP KEP KSPSI), Joko Hariyono (SPN), Achmad Mundji (FSP PP KSPSI), Indra Munaswar (KOBAR), Ali Akbar (FSP PPMI KSPI), Timbul Siregar (OPSI), Abdullah Sani (KSBSI), Said Iqbal (FSPMI), and Surya Tjandra (TURC).

107 Said Iqbal is the most important actor in the KAJS's involvement in pushing the social security reforms towards their eventual success, with the enactment of the Law on BPJS in 2011. He is a charismatic leader with strong public speaking skills, and was able to persuade people through a series of public gatherings held by his union, FSPMI, on behalf of the KAJS; in addition to his strong conceptual understanding of the issue. In acknowledgement of this, Said Iqbal and the FSPMI were awarded the 2013 FNV (The Dutch Confederation of Trade Union) Febe Elizabeth Velasquez Award. The award included a statement that he 'mobilized a rally, during which millions of people took to the streets demanding higher wages, a restriction on flexi labour as well as the introduction of statutory social security. As a result, access to health care for the very poorest and a pension for all working people was assured.' (http://www.industriall-union.org/fnv-trade-union-award-goes-to-said-iqbal). Iqbal also is one of the two central figures, together with a union leader from Colombia, in the FNV documentary 'Working Class Heroes', which premiered on 16 May 2013.

Surya Tjandra (TURC) as the NGO representative.[108] In the process there were some changes to the presidium membership: the representatives from SPN, FSP PP KSPSI and KSBSI withdrew their involvement, and Muhamad Rusdi from ASPEK Indonesia became a member. In addition, it was agreed that trade union/labour union alliances would be established in the regions to support the national leadership of the KAJS, and would undertake tasks including organizing mass actions, lobbying and preparing concepts from the unions perspective, conducting seminars, workshops and public meetings about social security reforms, and expanding the network of the KAJS to other unions and workers' organizations, to advocate for both the implementation of the SJSN Law and the enactment of the BPJS Bill.

To encourage national-level and regional governments to support the social security reforms, tens of thousands of workers participated in demonstrations across Indonesia, accompanied by direct public campaigns in industrial areas and through the media, to mobilise workers' support. On April 5, 2010, a national day of action in support of the reforms was held in conjunction with the opening of the House of Representatives plenary session,[109] followed by similar actions across the regions. These culminated in a demonstration on International Labour Day, May 1, at the Presidential Palace in Jakarta, when an estimated 150,000 workers marched from Hotel Indonesia Square to the State Palace and office of the President in Central Jakarta, to demand the immediate implementation of the SJSN Law and the enactment of the BPJS Bill. Demonstrators called for a new national social security system, based on the SJSN Law and the BPJS Bill, and including three key goals: healthcare for all Indonesian people; pensions for all Indonesian people; and ensuring that social security providers were public legal entities, based on a 'trustee' system. These three goals would be manifested in the BPJS Bill that was under deliberation by the House of Representatives. Despite the demonstrations, the government continued to stall, and so on June 10, 2010, the KAJS filed a citizens' lawsuit at the Central Jakarta District Court against the Indonesian President, the Vice President, the Speaker of the House, and eight associated ministers, for negligence and a failure to meet their obligations to

108 Surya Tjandra, the author of this dissertation, of the TURC (Trade Union Rights Centre), was the only NGO representative in the presidium. The presence of TURC, whose activities focused on trade union empowerment and advocacy for legal issues, gave the KAJS confidence, especially when entering into court proceedings. As an NGO, TURC was also able to present a different perspective from the trade unions, and was able to work with flexibility and creativity without the concerns about organizational rivalry that often arises between unions.

109 The opening of House of Representatives plenary session on April 5, 2010 was crucial, as it coincided with the deadline for whether the parliament would agree to continue to discuss the Bill. Pressure from workers, who initiated a large demonstration in front of the House, combined with direct lobbying of the leaders of the House, led the plenary session to agree to accept the Bill.

implement the people's constitutional rights to social security.[110] These legal actions by the KAJS clearly disrupted the government, and posed challenges for President Yudhoyono.[111] The court sessions were held weekly, and drew considerable media attention to the issue of social security reforms. The court sessions were typically attended by tens or even hundreds of workers, who sometimes demonstrated outside or inside the courtroom. The eventual victory of the plaintiffs on 13 July 2011 boosted the confidence of the unions and workers in general, and set a strong legal precedent for the legitimacy of their demands.[112]

After the court ruling, the special committee of the House began intense deliberations about the BPJS Bill, and the KAJS monitored these special committee sessions closely, placing several people daily on the balcony of the House meeting rooms to observe the debate.[113] This monitoring frequently included providing direct input, including sending text messages directly to legislators' mobile phones, particularly in response to comments from other legislators that were considered misleading or attempts to hinder the discussion. This strategy proved valuable; legislators were aware that they were being monitored, and the KAJS was able to influence directly each of the Special Committee members on particular issues raised during the discussion. To maximise the effectiveness of the messages to the legislators,

110 Although Indonesian legislation does not formally recognise the so-called 'citizen lawsuit' – in which citizens have rights to sue the government if it fails to meet its obligations to its citizens – such lawsuits are repeatedly accepted by the courts.

111 Personal communication with a lawyer from the government's legal team, August 2010.

112 The KAJS citizens' lawsuit was filed on behalf of 120 people from a number of civil society organizations and professions, including trade unions, NGOs, domestic workers organizations, migrant workers, lawyers, informal workers, journalists, other professionals and students. The TURC was the lead institution supervising all activities related to the lawsuit; including drafting the lawsuit, attending the court hearings, and coordinating around 20 legal representatives from the unions' advocacy divisions. The judgment, Central Jakarta District Court Judgment No. 278/PDT.G/2010/PN.JKT.PST, was reached over a year later, on 13 July 2011. The judgment stated: 1. 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. Court declares that the defendants have to 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 regulation 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. Court declines other accusation against defendants (Rp 1 compensation for the government's negligence); and 4. Court is sanctioning defendants to pay the proceeding cost of 2.1 million rupiah (USD 230).

113 Among the KAJS activists they were known as the 'fraksi balcon' (balcony fraction), as an informal watchdog for the formal political processes in the House. One member of the KAJS presidium, Indra Munaswar, was the most active one attending almost all meetings held at the House and he was the one informing all KAJS leaders about any development during the deliberations.

often hundreds were sent at the same time.[114] KAJS instructed its observers on how to best send the messages, including suggested wording of texts, through its Facebook Group account, which was established to support the organization's activities. The Facebook account was also used to consolidate and update KAJS's supporters in various regions, providing them instantly with any developments in the House, including the minutes of the parliamentary meetings, and instructions for preparing responses and action. The Facebook account was administered collectively by approximately twenty core members of the KAJS team, and with membership exceeding 6,000 by mid-2011, the site was also an effective vehicle for debates and the sharing of knowledge and experiences related to social security and broader labour issues. Given that many workers had regular access to the internet, particularly Facebook,[115] which could be accessed easily through their mobile phones, Facebook proved to be a highly effective tool for mobilizing workers,[116] and clearly contributed to KAJS's eventual victory, when the House and the government agreed to pass the BPJS Bill into law on 28 October 2011.

Prior to the victory, however, the government attempted some final tactics to oppose the Bill. Following the court verdict, the government appealed to the High Court of Jakarta, further prolonging the reform efforts.[117] In addition, during the parliamentary sessions the government's representatives rejected several key points in the SJSN Law and demanded a revision of the SJSN Law prior to continuing with the BPJS Bill – in direct contradiction to the directives in the court ruling. In particular the government strongly opposed the transformation of the four existing state-owned social security companies; arguing that this would harm the state's economy (*Media Indonesia*, 20 September 2010). These delaying tactics led the KAJS to increase

114 Several legislators were complaining about this, saying that their mobile phones were hanged because of hundreds of text messages with the same contents pouring into them at the same time. 'I am with the workers, trust me, just please don't send me any more messages. I've got your point already,' said one legislator overwhelmed during the break of the session.

115 According to digital marketing agency iCrossing, in 2011 Indonesia was the second largest facebook user in the world at just over 35 million, second after the US at 150 million (*The Guardian*, 6 April 2011).

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

117 In the early October 2013 the High Court of Jakarta released its decision annulling the decision of Central Jakarta District Court based on the argument that 'the Central Jakarta District Court was not authorized to examine such matter because the formation of the Act concerns the legislative authority and the Government', and that 'the BPJS Law was already promulgated by the legislative on 28 October 2011 and signed on 25 November 2011.' Although the decision would not affect the validity of the BPJS Law, the KAJS Lawyers Team nonetheless applied for cassation to the Supreme Court on 10 October 2012 arguing that the Higher Court of Jakarta had 'wrongly applied the law'.

its own efforts, including planning the largest labour demonstration since the reform, which was set for October 2011 and would close several industrial areas. Fifty thousand workers and people from supporting organizations were expected to participate. A second plan involved marching to and potentially occupying the House building and the nearby Indonesian Stock Exchange in Jakarta for a few days. The deadline for the DPR to finish its sessions was 28 October 2011, at which time a lack of resolution on the Bill would mean a deadlock, with further deliberation being postponed until after the next election. Thus, for the KAJS this was a point of no return. A week out from the deadline, a meeting scheduled for 21 Oct 2011 between the government and the special committee was cancelled due to a planned government cabinet reshuffle – during which time President Yughoyono forbade ministers from making any 'strategic decisions' (*Republika*, 12 October 2011) – however, this was the third recent cabinet reshuffle, and suspecting delaying tactics, the KAJS decided to use all its resources to increase its push for reform. At this point, aware of the demonstration plans, the House agreed that 28 October 2011 would be the final date at which a decision about the passing of the BPJS Bill would be made.

After a dramatic week of internal and external lobbying between the House leaders, political party leaders, and the government's representatives, and a parallel show of support for the Bill by thousands of workers who camped overnight in order to gather at the parliament building on 28 October, late that evening the the Indonesian parliament and government finally agreed to pass the BPJS Bill (*Tribunenews*, 28 October 2011).[118] This was a historic moment for all Indonesian citizens and an important step towards universal social security coverage. The new Law on Social Security Providers (BPJS) No. 24/2011, which was officially signed a month later on 25 November 2011, stipulated that there would be two social security providers running all social security schemes for Indonesians: the BPJS I on healthcare and the BPJS II on manpower. The BPJS I on healthcare would involve the transformation of the existing Askes Ltd., and would manage universal healthcare for Indonesian people, starting with the transfer of Askes Ltd.'s assets, members, and currently-managed healthcare programs (including those managed by Jamsostek Ltd. for formal workers; and by Asabri Ltd for military personnel). The Law stipulated that the BPJS I on healthcare should begin operation on 1 January 2014. The BPJS II on manpower would involve the transformation of the existing Jamsostek Ltd., and would manage occupational accidence, death, old age and pension benefits for all workers in the

118 The day after the BPJS Bill was, it was reported that Vice President Budiono held an extraordinary meeting at his official house in the afternoon of 29 October 2011, gathering together all the ministers involved in the process, including the PDI Perjuangan chairperson, former President Megawati (*Tempointeraktif*, 29 October 2011). The meeting was to discuss the consequences of the new Law for the government, and to consolidate the responses needed from the government.

formal sector; and was stipulated to begin operating on or before 1 July 2015 (*Kompas*, 28 October 2011; *The Jakarta Post*, 28 October 2011).

3.2.2 The KAJS: union support and opposition

As an organization trying to consolidate the powers of the trade union movement, and with such an ambitious agenda as universal social security for Indonesian people, the KAJS naturally encountered people and organizations with vested interests in opposing their agenda. The most significant opponent was the national government itself, which had enjoyed direct access to social security funds administered by the state-owned enterprises (SOEs) during the previous decades. Most prominent of the SOEs was Jamsostek Ltd., which had accumulated assets from workers' premiums of more than Rp 109 trillion in 2011, providing substantial income for the government. In 2011, it was estimated that the company's total assets were around Rp 648 trillion (*Detikfinance*, 12 August 2011). Among the other groups to oppose the KAJS were a few national union federations and confederations which had been receiving financial support from Jamsostek Ltd. through the so-called 'kerja sama operasional' (operational cooperation).[119] The most prominent of these union groups were SPN, KSPSI (Kali Bata) and KSBSI. In fact, KSPSI's Chairman, Sjukur Sarto, and KSBSI's President, Rekson Silaban, were also commissioners of Jamsostek Ltd., appointed by the government as 'representatives' of workers on the company's Board of Commissioners. These three unions were the ones most active in opposing the BPJS Bill, as the KSO schemes from which they benefited were not guaranteed under the new system, which included a more transparent monitoring system in which the BPJS (including the one formed from Jamsostek Ltd.) could be scrutinized by the public with regard to administration of their public trust funds.

Some confederation leaders were also antagonistic towards the KAJS because they perceived that it had upstaged and commandeered earlier joint efforts to consolidate the national confederations. An important meeting had

119 As explained by one SPN union leader, each of their members was valued at Rp 1,500 by Jamsostek Ltd. Therefore, the national headquarters of the SPN –a union with 400,000 members – received Rp 600 million a year, which went towards headquarters administration costs and was also distributed to the branches. Officially, the money was supposed to be used for the 'socialisation' of Jamsostek programs targeting the union's members, settled through a Memorandum of Understanding between the leader of the union and Jamsostek Ltd. directors. Most of the larger unions received this funding from Jamsostek Ltd., including the mainstream legacy unions (KSPSI, KSBSI, and KSPI); one small leftist union (KASBI) was also a beneficiary.

been held on 23-25 November 2009 in Sukabumi[120]; the Trade Union Meeting for Political Consensus (TUMPOC). Following this meeting, in February 2010 many unions and activists agreed to establish the *Forum Rembug Nasional* – National Assembly Forum (FreN) as a continuation of TUMPOC. However, one month later the KAJS was formed, and many activists and donors who had supported TUMPOC shifted their allegiance to KAJS, citing concerns about FreN's leadership and sources of operational funds.[121] FReN's proposed leadership structure had involved the leaders of the confederations automatically becoming the leaders of the alliance; and this approach was rejected by several leaders of the national federations, who believed that federation-level leaders wielded more power and direct influence over workers, and were therefore more appropriate as leaders of the alliance. This power battle between confederation and federation leaders may also help explain the lack of enthusiasm for the KAJS among the majority of confederation leaders. As noted above, certain confederation leaders also had vested interests in opposing reforms to the existing social security system for private formal workers, such as the workers associated with Jamsostek Ltd; with KSPSI's Chairmen, Rekson Silavan and Sjukur Sarto, directly appointed by government commissioners of Jamsostek Ltd. This position gave them bonuses of hundreds of millions of rupiahs every year, with little perceived benefit for workers.[122]

The differences between the various confederations' responses towards the KAJS led, in turn, to major differences in workers' responses towards both the KAJS and the struggle for social security reform. The KSPSI and its members, especially those allied with Sjukur Sarto, remained predominantly separate from the KAJS, although a few individual leaders from the KSPSI did choose to join. The KSPI and its members were more evenly split between those who did and did not support the KAJS; the KSPI's President, Thamrin Mosii, was ambivalent about supporting the initiative, but some federations within the KSPI, in particular the FSPMI, engaged actively with the KAJS. Within the third confederation, the KSBSI, only one federation chose to affiliate with the KAJS; the Lomenik (metal and electronics sectors). This federa-

120 This meeting was initiated by the KSBSI and organized jointly with the KSPI and the KSPSI. It was supported financially by the Friedrich Ebert Foundation (FES), and the American Center for International Labor Solidarity (ACILS). Around 50 activists from a number of union organizations attended. The meeting aimed to build a more solid labour movement (*Kompas*, 23 November 2009), and discussed issues such as social security reforms, labour inspection, and resistance to the existing contract and outsourcing system. A merger of the three confederations was also discussed (*Kompas*, 24 November 2011). This meeting was the first time, since the 1998 reforms, that mainstream unions had met to directly discuss political issues (see also Tjandra, 2009).

121 Of TUMPOC's original two main supporter organizations, FES and ACILS, FES was strongly supportive of the KAJS, and provided funds for the promotion of the KAJS's agenda to the regions and for national seminars in Jakarta. In contrast, ACILS remained uninvolved with the KAJS and associated social security issues.

122 Meeting between KAJS leaders and Jamsostek Ltd. Management, August 2010.

tion was willing to put its name as plaintiff in the lawsuit filed by the KAJS; while the KSBSI's other federations initially refused. Later, however, in early 2011, the KSBSI's founder and Chairman of the Advisory Council, Muchtar Pakpahan, managed to coerce the entire leadership of KSBSI's federations (with the exception of the President – Rekson Silaban) to apply to the Constitutional Court for a judicial review of Law No. 3/1992 on Workers' Social Security (*Jamsostek*). This led to a modest shift in the KSBSI's views towards social security reform, and the organization began to participate more actively in KAJS activities. Rekson Silaban and Sjukur Sarto, however, were able to persuade the KSPI's president, Mosii, to reject the BPJS Bill, by urging him to prioritize revising the Jamsostek Law, rather than supporting the BPJS Bill (*Rakyat Merdeka*, 2 June 2010). This proposal was very similar to the delaying tactics by the Government, Jamsostek Ltd. and Taspen Ltd.; and led to criticism of Mosii by those within the KSPI who were concerned that he had been influenced by Silaban and Sarto.[123]

Despite the inter-union politics described above, the KAJS proved able to consolidate the labour movement to push for social security reform. Their successful deployment of thousands of workers during the Labour Day protests of May 1, 2010, and repeated on Labour Day 2011, generated wide media coverage and ensured that the issue of social security reform went from being misunderstood and unsupported by union leaders and the public, to holding a central place in public debate. In the absence of a political party ideologically supportive of a social and political agenda like social security, the presence of the KAJS proved vital in the political arena, especially in parliament where it acted as a social watchdog. When some members of parliament expressed frustration at the government's unwillingness to discuss the BPJS Bill before the end of the second parliamentary session in early 2011, the KAJS organised a fortnight-long 'People's Forum for Social Security', which became a means by which to consolidate and coordinate reform efforts in the lead up to Labour Day, and included the demand: 'Implement social security now, or SBY down!' This level of resistance would not have been considered possible by the mainstream labour unions in earlier years; although they became KAJS's main supporters. The demands were well timed politically, coinciding with the voicing of concerns by interfaith religious leaders that the government was deceiving the public on poverty rates (*Waspada*, 13 July 2011), and the controversial Wikileaks report revealing the abuse of power by President SBY and his family (*Sydney*

123 As explained by one KSPI leader, the rejection of the three confederations' leaders was delivered at a press conference sponsored by Jamsostek Ltd. at a hotel in Jakarta (personal communication with Agus Toniman of the KSPI, June 2010).

Morning Herald, 11 March 2011).[124] In the wake of such revelations, strong union demands combined with the threat of industrial strikes were highly influential in the existing political constellation.

The KAJS also scored an important breakthrough with respect to expanding Indonesian workers' awareness, from the historic narrow focus on traditional interests such as wages and uncertain employment status, towards broader social issues. Unlike the action committees that had previously arisen in Indonesia, the KAJS was able to survive over the long term and remain vibrant and consistent on the same issue. With no other groups focused on the same issue or using the same methods, KAJS's success inspired many innovative trade unionists to adopt KAJS's struggle as their own; not because their superiors had directed them, but through personal choice. Responding to criticisms from the opponents of the SJSN Law and the BPJS Bill, the KAJS Secretary-General, Said Iqbal, who was then the President of FSPMI, said: 'Who am I to force so many trade unions to join the KAJS, who themselves want to struggle for social security? Surely there is some level of rationality to our demands, so as to produce this massive movement at such a scale, involving tens of trade unions across various regions.' The existence of KAJS also encouraged direct consolidation between labour activists in the central organizations and those at the grass roots level; and trade unions, at some point, managed to put common social interests above their organizational ego and interests.[125] This was a particularly important development for the trade union movement in Indonesia.

3.2.3 Battle of paradigms?

Within a relatively short time, the KAJS cemented its influence as a social and political force. Its success at persuading the parliamentary plenary meeting to approve the BPJS Bill as a House initiative, and its ability to unite the labour movement from national to local levels, allowed it to act as a catalyst to end the political stagnation prevalent in the House during the BPJS

124 Indonesian Vice-President Boediono visited Canberra on 10 March 2011 for talks with acting Prime Minister Wayne Swan and other relevant officials about reforming Indonesia's corrupt bureaucracy. At the same time, secret US diplomatic cables – obtained by Wikileaks and later reported in the *Sydney Morning Herald* – implicated Indonesian President Susilo Bambang Yudhoyono in extensive corruption and abuse of power, including intervening to influence prosecutors and judges to protect corrupt political figures, and pressuring his adversaries while using the Indonesian intelligence service to spy on political rivals – including a senior minister in his own government. The reports also accused the President's wife and her family of seeking to enrich themselves through their political connections.

125 One KAJS leader from Bekasi noted that after the organization's success with respect to getting the House and government to pass the BPJS Bill, many grassroots-level unions approached the KAJS to 'synchronize the perceptions' on various labour issues, such as social security and wages. This leader noted: 'Many people brought their hopes to us, and we hope that we can fulfil theirs.' (personal communication with Obon Tabroni, the FSPMI leader, October 2011).

Bill deliberations. As the influence of the KAJS grew, so did the influence of trade unions in Indonesian society. However, not all unions appreciated the KAJS's achievements. Several unions, most notably the SPN, had committed to opposing the social security reforms on the grounds they would harm workers' interests.[126] When the BPJS Bill was finally passed by the House, these groups swore publicly to continue to fight the reforms (okezone.com, 3 November 2011), including by filing a judicial review against them. This continued resistence was due in part to the vested interests mentioned earlier, and potentially also a reflection of the different paradigms and orientations held by different unions – whether they were class-oriented, business/market-oriented, or more socially focused.

Information in documents produced by the unions opposed to the KAJS, as well as statements in newspaper articles and direct personal communication with several of their leaders,[127] indicates that the resistance to the BPJS Bill was associated in particular with concerns about the transformation of Jamsostek Ltd. from a state-owned enterprise to a public institution monitored by a board of trustees. Some of these unions, seemingly inspired by Marxist arguments, argued that social security should be covered by, and the sole responsibility of, the state. They argued that instead of collecting money from the people, all social security costs should be covered by the national budget, from taxes collected; and they argued that without these costs being covered by the national budget, 'social insurance' was simply a way of camouflaging the state's denial of its obligations to the people. Thus, the unions argued, the only way for workers and Indonesian people in general to enjoy full protection was through the nationalisation of foreign assets and the government-take over of all natural resources to be used for the common good.[128] Some other unions argued that such changes would harm work-

126 In addition to SPN, other unions, which opposed the social security reforms were KSPSI (Kali Bata); Sarbumusi; SBSI 1992; FSP BUMN (SOEs trade union); and some factions within the KSBSI, FNPBI, KASBI and GSBI. Several other non-union groups also opposed the reforms for their own ends, including the DKR (*Dewan Kesehatan Rakyat* – People's Health Council), an NGO established by the former Minister of Health, Siti Fadilah Supari. The DKR had acted as a watch-dog organization for the implementation of the 'jamkesmas', a free healthcare program for the poor which was established as part of the implementation of Health Law No. 36/2009 (article 171 subsection (1)), and which stipulated that five percent of the annual federal budget for healthcare should go to the Ministry of Health. This equated to around Rp 60.1 trillion in 2011; a huge amount of money for a single institution. Under the proposed reforms this funding would cease, as the health budget would be redirected to the newly-established BPJS, as part of the new universal healthcare system.

127 See, for example the 'Joint Statement of Indonesian Trade Union/Labour Union on the BPJS Bill', signed by ten union leaders from eight unions on 7 October 2011. It is interesting to note that this statement was read out at a press conference held jointly by unions and Apindo, at the Apindo's headquarters in Jakarta – such collaboration was highly unusual practice at the time.

128 The unions that adopted this position were FNPBI, KASBI, and GSBI.

ers' interests, as the money collected would then be used for all Indonesian people, rather than exclusively for the benefit of workers who had paid their premiums. This position might best be expressed in a statement of 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 itself?'[129]

The KAJS adopted a different position – but this evolved markedly during the struggle. To start with, many KAJS leaders supported a 'business' or 'market' orientation to unionism. 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 Ltd. and its responsibility for workers in the formal sector. Their original demands, therefore, focused on the transformation of Jamsostek Ltd. into BPJS 'Jamsostek', with the establishment of just one additional pension program, for formal workers in the private sector. They had little interest in supporting pension schemes for other social groups, such as workers in the informal economy; nor any interest in reforming the problematic pension schemes for public servants. Only as the parliamentary deadline neared did the KAJS publicly support a new universal pension system for all citizens, which meant that formal workers would contribute to others; as well as the 'mutual cooperation' principle in the SJSN Law. The KAJS did, however, always publically support the proposed universal healthcare scheme for Indonesian citizens, 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.'[130]

The range of arguments for and against the social security reforms, by both the KAJS and other union groups, highlights the range of orientations held by trade unions in Indonesia today. These vary from those that focus on people's rights to social security and the state's responsibility to provide those rights, for example through nationalising foreign assets in Indonesia (class-oriented); to those that focus on union members' interests while keeping unions separate from broader society concerns (business-oriented); to an increasingly-popular focus on the positive roles of workers and unions in broader society (social-oriented). The growing social orientation of Indonesia's trade union movement is important, as it provides the foundations for building basic social and legal protection for vulnerable workers, with the

129 The unions which adopted this position were: SPN; KSPSI (Kali Bata); Sarbumusi; SBSI 1992; FSP BUMN (SOEs trade union); and some factions in the KSBSI. This quote was from Rachmat of SPN Tangerang (October 2011), and referred to the old age funds paid by workers during the employment, which could be accessed after they were dismissed or retired.

130 Personal communication with Said Iqbal and Indra Munaswar, Secretary-General and member respectively of the KAJS Presidium (July 2010).

goal of ensuring sustainable well-being for Indonesian society and individual citizens – especially in the context of the adoption of a neo-liberal policy framework characterised by decollectivism and individualisation of labour relations (see Chapter 1).

In the lead-up to the passing of the BPJS Bill, the KAJS's efforts, while sufficient to disturb the government's plans, were not necessarily sufficient to induce the government to implement the social security reforms agenda. The biggest challenge for the KAJS in the future – and for the Indonesian trade union movement in general – remains how to transform its movement into a strong political force. This will require strong leadership; trust from member unions and individual members; and sufficient energy to sustain the battle over the long term. This is not a simple task; particularly for a relatively informal and flexibile organization like KAJS; the battle would arguably be better fought by a political party, but none of Indonesia's existing political parties has fully supported progressive social concepts such as social security.

Following the passing of the BPJS Bill on 28 October 2011, the KAJS immediately set up the 'BPJS Watch' to monitor the implementation of the law (*Kompas.com*, 29 October 2011). The first task of BPJS Watch was to ensure that there was no manipulation of the formulation of the provisions, between when the Bill was passed on 28 October 2011 and when it was signed on 28 November 2011 – as had occurred sometimes in the past.[131] BPJS Watch was also tasked to monitor the implementation of the BPJS Law, in particular the operation of the BPJS I on healthcare in 2014, and the BPJS II on manpower in 2015 (*Pelitaonline.com*, 2 November 2011). At the same time, many activists in the KAJS began to question the future of the KAJS. As one member of the KAJS presidium queried: 'The struggle of KAJS might continue, but what is really the ultimate goal of all this?'[132] This was a big question, and one which was not answered directly by the KAJS. The answer was relatively simple, although not easy to achieve: the goal was to maintain and strengthen the unity of the labour movement, both within itself and with the popular political and social agendas.

131 On this point, the KAJS referred in particular to an incident that occurred during the passing of Law No. 36/2009 on Health, in which certain references to tobacco disappeared from the final version of the law. The originally agreed wording of the law included, in article (2) Section 113, the words: 'addictive substances as referred to in paragraph (1) include tobacco, products that contain tobacco, solids, liquids, and gases that are addictive and which if used can cause harm to the user and/or the community around them'. The absence of this provision from the final version of the law was reportedly due to the actions of the chairperson of the House special committee on the Health Bill, Ribka Tjiptaning, following intense lobbying from the tobacco industry (*Tribunenews.com*, 20 Juli 2011).

132 Personal communication with Indra Munaswar, November 2011.

The establishment of the Council of Indonesian Labour (*Majelis Pekerja Buruh Indonesia*, the MPBI) on 1 May 2012, in association with the International Labour Day celebrations, was originally intended to help address the questions about Indonesia's labour movement's long-term goals. Said Iqbal, the Secretary General of the KAJS and Chairman of both the FSPMI (Indonesian Metal Workers Federation) and KSPI (Confederation of the Indonesian Trade Unions), approached the chairs of the two other largest confederations, the KSPSI (Pasar Minggu) and the KSBSI,[133] to develop an informal umbrella organization to represent Indonesia's labour movement, by uniting the largest confederations and several national-level federations. The announcement of the formation of the MPBI and the declaration of the confederations' united front occurred at the Bung Karno National Stadium, the largest stadium in Jakarta, in front of 80,000 workers.[134] An office for the MPBI, with two full-time staff, was established in the most important district in Jakarta – Thamrin street – in the historic *Sarinah* Building, 'so that labour could have its own pride,' as explained by Andi Gani Nena Wea, President of the KSPSI.[135] Since its establishement the MPBI has overseen several unprecedented achievements, including a successful national strike involving over two million workers from 14 industrial districts on 3 October 2012, and many rallies which have brought tens of thousands of workers onto the streets of Jakarta, to draw the public's attention to labour issues and goals.

The MPBI's success at mobilising massive labour demontrations has also strengthened labour's position with the government. Following the demonstrations, the government agreed to revise several existing regulations, including revising one Minister of Manpower regulation on acceptable living standards to include 14 more components, based on market surveys[136]; and releasing another Minister of Manpower decree to limit outsourcing practices to only a few categories of work.[137] Meetings between the MPBI and the Minister of Manpower became more frequent; and the MPBI also promoted labour issues to key international institutions in Jakarta; including the US Embassy, whose ambassador invited the MPBI leaders to meet with

133 Like the KSPI, the KSBSI is also an affiliate of the ITUC (International Trade Union Confederation). The KSPSI is not.

134 See 'Manifesto MPBI', 1 May 2013.

135 Personal communication with Andi Gani Nena Wea, President of KSPSI, May 2012. Andi Gani Nena Wea is a son of Jakob Nuwa Wea and also an entrepreneur in the coal mining industry.

136 See Minister of Manpower Regulation No. 13/2012 on the Components and Implementation of the Steps to Achieve Decent Living Conditions.

137 See Minister of Manpower Regulation No. 19/2012 on the Terms for Subcontracting Components of Work to Other Enterprises.

him.[138] Arguably the MPBI's most significant early achievement was when President Susilo Bambang Yudhoyono invited the council, and several other union leaders, to the President's Palace on 29 April 2013 to discuss labour issues. At this event, the President gave a 'present' to the delegates – in the form of an announcement that 1 May would become an official holiday in Indonesia, starting in 2014 (*Kompas*, 30 April 2013). This decision was formalised on 29 July 2013, through President Decision No. 24/2013.

Unlike the KAJS, the MPBI established a more formal leadership structure, with leadership controlled largely by the chairmen of the three confederations, and with leaders of the smaller unions being placed on the organising committee. This rigid hierarchical structure was critcized from the beginning by several union leaders within the MPBI, who were concerned that it threatened the 'togetherness' and 'collegiality' of the alliance, given that most decisions were imposed from above rather than decided collegially like in the KAJS.[139] These fears appeared validated when conflicts emerged between MPBI's three leaders, especially between Said Iqbal and the other two, associated with different ideological perspectives concerning demands for higher wages,[140] as well as direct personal competition.[141] These conflicts threatened to end the MPBI, particularly as Said Iqbal and his union were the largest force driving the MPBI, as their ability to mobilise members was much greater than that of the other two confederations. Although never formally dissolved, after these conflicts the MPBI gradually became inactive.

138 The increasingly strong bargaining position of the labour movement has also generated interest from the American Chamber of Commerce in Indonesia. Its website, under the title 'Newsmaker Interviews', has presented a series of interviews with the three Presidents of the three confederations, consecutively: Mudhofir (http://www.amcham.or.id/nf/features/4225-newsmaker-interview-mudhofir), Andi Gani Nena Wea (http://www.amcham.or.id/nf/features/4208-newsmaker-interview-andi-gani-nena-wea), and Said Iqbal (http://www.amcham.or.id/nf/features/4256-newsmaker-interview-said-iqbal).

139 Personal communication with Indra Munaswar of SP TSK Reformasi and Timboel Siregar of OPSI. Both were active in the KAJS as presidium members, and in the MPBI as organising committee members.

140 At the time of writing, Iqbal wanted to continue to take a more 'militant' approach, by demanding a wage increase of 50 percent in 2014, while the other two wanted to take a softer approach, by leaving such decisions to be made at the company level. In an interview with *The Jakarta Post* (1 May 2013), Iqbal clearly advocated 'the militant way' in order to raise labour interests under the current system, as he was quoted: 'Labor unions have forcibly taken the militant way because other ways and roads to settle unresolved major labor issues have been closed down.'

141 Said Iqbal was recently awarded the Febe Elizabeth Velasquez (FNV) Award in combination with the production of the documentary film about the labour movement in Colombia and Indonesia. In the documentary, Iqbal was presented as the main labour movement figure for Indonesia, which increased tensions among the MPBI presidium. The other two members of the presidium accused Iqbal of claiming undue credit by not acknowledging, in the documentary, the contributions of the other two leaders to the union movement. Although these allegations were rejected by Iqbal, arguing that the film was made by the FNV and he had no control over the content, the issue led to deep cracks in the MPBI leadership.

In 2013, its role as an umbrella organization was replaced by a new alliance, the National Labour Movement Consolidation (*Konsolidasi Nasional Gerakan Buruh*, the KNGB), again initiated by Said Iqbal and his unions. The new organization was officially announced on 30 September 2013, in Jakarta's historic *Gedung Joang* ('Struggle Building'), a monument to Indonesia's revolution for Independence.

Despite the recent progress, the future of the Indonesian labour movement remains uncertain. Said Iqbal has proposed the idea of establishing a 'rumah rakyat' (people's house), as a venue and an organization for facilitating and consolidating advocacy between labour organizations and other civil society organizations.[142] According to Iqbal, the organization associated with the 'rumah rakyat' would be a political mass organization but not a political party – although it would consider the possibility of becoming one if needed. Iqbal also mentioned that 2014 would be an appropriate year for the rumah rakyat to commence. Iqbal explained his vision as: "[Unlike political parties] we will focus on advocacy and addressing people's problems, rather than focusing on acquiring power. But we could only become such an advocate if the people we help support us to do so.'[143] The question as to whether the efforts of the KAJS, the MPBI, the KNGB, and perhaps the proposed rumah rakyat and the labour movement supporting it, will together prove capable of transforming labour into a long-term social and political movement, will need more time to be assessed.

4 Conclusion

Labour law has long emphasized the protection of the individual, through trade union membership and collective bargaining. This means that while recognizing the importance of collective bargaining, based on the collective strength of unions to determine the rules applicable in their workplace or

142 The term 'rumah rakyat' was inspired by the existence of a similar gathering place in Bekasi (an industrial city near Jakarta) which was established primarily by the local FSPMI members . This site, named 'Rumah buruh', was located on an unfinished bridge which was intended to link two industrial zones, EJIP and MM 2000, but which was abandoned by the government and the zones management, due to ongoing conflict over the land with the community surrounding the bridge. The site has been used by the local unions as a place for consolidation, training, planning of demonstrations and other activites, and has become a symbol of the labour movement in Bekasi and other regions. The term 'rumah buruh' originates from the terms 'omah tani' and 'rumah tani' (peasants' house), from Batang, Central Java – where similar peasants advocacy movements have occurred previously.

143 Personal communication with Said Iqbal, June 2013

industry,[144] the law also emphasizes the need for effective statutory protection, in order to protect workers and their unions from undue power from their employers.[145] Consequently, labour law is often designed with provisions to protect workers: for example, protection from unfair dismissal; a requirement to employ 'good faith' during collective bargaining; and the involvement of workers and union representatives in labour dispute settlement mechanisms. Trade union law in particular might contain provisions to protect union autonomy from encroachment by employers and the state (Hepple, 1995), including: provisions to support collective bargaining, such as providing unions with legal avenues if an employer refuses to recognize the union for collective bargaining despite strong workplace support; provisions to ensure that strike action is protected from liability in tort; and provisions to ensure that regardless of strike action, union funds are safeguarded during any subsequent legal actions. In many countries, labour legislation often also includes provisions on the 'closed shop' system, a term used to describe a workplace in which all employees are required to be members of a particular trade union (Davis, 2004: p.11-12).[146]

In Indonesia, however, trade union regulations have been used to control labour, rather than support labour as a collective power for sound industrial relations. This control occurred particularly during the three decades of the authoritarian New Order era, during which time, the government supported a single union, SPSI, which functioned as the state's subordinate. The *Reformasi* in 1998 provided opportunities for new independent unions to develop alongside the legacy union SPSI; and numbers of unions mushroomed from the single union in early 1998, to 90 national unions registered in 2010. Despite this, the position and influence of the unions is considered to have remained weak, hindered by the ongoing dominance of the legacy unions and the inability of new unions to challenge them, due to internal structural problems, which discourage unity and coordinated action. This study's recent findings, however, have highlighted recent positive developments for trade unions at both regional and national levels, offering hope

144 This is related to the so-called 'collective *laissez faire*', coined by Kahn-Freund to explain the situation in Britain, where labour law played a relatively minor role in managing labour issues (compared to its role in other industrialized countries), and where instead most workplace and industry rules were left to be decided through bargaining between trade unions and employers.

145 These values associated with labour law are found in various publications written by key scholars in the field, including for example Hepple (1995), with his famous article 'The Future of Labour Law'; Wedderburn (2000); Barnard *et al*. (2004); and Klare (2004).

146 These long-held values of labour law are, arguably, being challenged by the globalization of economies, which, according to some, requires a more flexible labour market to enable companies to compete globally (Conaghan *et al*. 2004). In many developed and developing countries, a more global market focus and associated claims about the need for flexibility have forced recent changes to labour law systems, generally characterized by a decline in trade union strength, and a reduction in collective bargaining (Hepple 1995; also Dae-oup 2006).

for the future of the trade union movement in Indonesia. Having learned that the solution might not lie within the structures of the existing national workers federations and confederations, several unions at both regional and national levels have developed alternative strategies, through the formation of regional and national alliances. The various regional alliances are dealing with local labour issues, such as regional minimum wage determination, as well as with local politics and how political involvement can be used to benefit labour. The national alliance with the KAJS extends even further beyond traditional workers' issues, focusing its struggle on reforming Indonesia's social security system for the benefit of all citizens. Together these alliances represent the recent and unprecedented development of the trade union movement in Indonesia, lending hope that the future includes the more active participation of unions in Indonesian society.

Change does not come from Jakarta, change comes to Jakarta. The presence of various alliances of trade unions across different regions raises optimism for more involvement of unions in developing regional and national-level policies. Change may begin in the regions, but it will never be enough if it is confined to the regions. Therefore the empowerment of union alliances in the regions should be combined with empowerment of trade union centres, especially at the confederation level. The confederations would be ideally positioned to become the voice for the union movement when negotiating with the state. However, for this function to be realized, the trade union movement requires real and genuine unity within itself, at both regional and national levels. To this end, the regional alliance of unions and the national union alliance of the KAJS and the MPBI, despite recent challenges, could be important starting points. One crucial agenda for the trade union movement in Indonesia is to develop its social and political powers, to act as a countervailing force in society against the existing powers of employers and capital. Any changes in favour of labour and society will depend largely upon the effective political organization of these forces, and these changes may involve, as they did in Europe, a long and potentially violent process, including a struggle for law reform.