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Labour law and development in Indonesia

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Propositions relating to the dissertation:
Labour Law and Development in Indonesia

by Surya Tjandra

1. After Indonesia became independent in 1945, the development of labour law was strongly influenced by organised labour until the mid-1960s. This led to legislation which offered much protection for workers.
2. The New Order's labour policies (1965-1998) promoted economic growth, but burdened workers with low wages, poor working condition, and high rates of informalisation of labour.
3. The key to pro-worker reform of labour law after the fall of Soeharto was that the transitional government of President Habibie needed to legitimise itself, and because of the economic crisis had to be open to international influence, including from the International Labour Organization.
4. At present, trade unions are the strongest counterforce against neo-liberal and market-oriented labour law reforms in Indonesia.
5. The fact that the trade unions played a key role in pushing for the enactment of the Social Security Executing Agency Law of 2011, which provides the foundation for the development of universal social security coverage for all people in Indonesia, demonstrates that the trade unions are part of a broader political movement rather than pursuing a narrow agenda.
6. In Indonesia 'minimum wage' means the effective wage. This gives the government a major role in industrial relations.
7. Strikes and demonstrations are useful as tools to obtain immediate results, such as increasing the nominal value of wages, but profound change requires dialogues between workers and employers.
8. The challenge for Indonesia today is to harness the energy of workers and employers to develop a more productive system of negotiation that will promote efficiency-prosperity on the one hand, and social justice-fair distribution on the other. A precondition for such a system is the effective enforcement of labour law.
9. One of the major challenges of labour law in developing countries is to extend its reach from the formal to the informal sector.
10. Labour law in Indonesia should be understood as the result of the struggles between different social groups and competing ideologies, rather than as a technical effort by the government – as it is often portrayed by both the government and legal scholars.
11. Studying labour law in developing countries provides unique insights into societal conflict from the grassroots to the global level.
12. Labour law's main task is to create a more level playing field for labour to counter the power of global capital.