Workplace and community: workers' politics of representation in Semarang and Pekalongan, Central Java

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PART III PEKALONGAN: UNIONS, WORKERS AND COMMUNITIES

Chapter 5
Industrial Working-class in an Urbanised-Economy

Introduction

The industrial city of Pekalongan presents a different landscape from Semarang. Unlike Semarang, where globally recognised company names are displayed on boards in front of large and modern factories, are concentrated in a specific area, Pekalongan's industrial scene is more dispersed. In this city, the majority of the factories are spread out over a larger area and are integrated into the densely populated residential areas in the eastern and northern sectors of the city. Small-scale home industries are scattered throughout the city's kampungs. Workers in uniforms traverse the entry and exit points of factories, but their numbers do not seem as numerous as those in Semarang. In contrast to Semarang's larger factories, Pekalongan's industry consists mainly of small and medium-scale enterprises with smaller labour force.[152] Despite these characteristics, Pekalongan remains an industrial city, with a longer history of industrialisation than that of Semarang. Its historical significance has deeply influenced the city's social structure and culture, transcending the smaller size of its industrial labour force.

This chapter describes the specific context that has shaped the dynamics of working class and labour movement in the city. The central question of this chapter: how have the social conditions within the city been constructed throughout an extensive historical trajectory marked by shifts in political and economic regimes, which have then contributed to the establishment of a social ground on which local labour movements have cultivated as detailed in the forthcoming chapter?

152 Industries were also scattered in the regency separated from the city. They were almost twice as big as those in the city of Pekalongan. However, they were generally small-scale industries with a small number of employees. In fact, comparatively speaking, the number of workers in the two regions were still much smaller than that of labour in Semarang. Over the past three years, it has only accounted for less than 35% of the total workforce in Semarang. For almost a decade, from 2008 to 2016, the number of industries and workers in both Pekalongan's regions was relatively stagnant, even slightly decreased. It was different from the industrial and the workforce growth in Semarang, which increased rapidly in the same period. (See figures A1 and A2 in the appendix).

The first part of this chapter explains the historical roots of the formation of the urban industrial working-class. Despite changes in the industrial economy from the colonial era to the present, the social structure and culture of the working class have been passed down from generation to generation. The second part of the chapter discusses the development of the working class in relation to the growth of urban industrial economy, which largely depends on domestic markets and production chains, while also being influenced by the dynamics of the global economy. The following two sections focus on the emergence of working-class organisations, which development coincided with political changes in the city during the Reformation era. This provides the context for understanding how the region provides political opportunities for unions and labour activists to extend their activism beyond the workplace.

5.1. The emergence of industrial workers

The introduction of the industrial economy into the social life of Pekalongan began in the mid-19th century. Two sectors that drove this transformation were sugar and textile production. Sugar industrialisation was initiated by the Dutch Governor-General Van den Bosch in 1830, employing the *cultuurstelsel* (cultivation) economic system, which forced indigenous cultivation of sugar cane plantations for pro-colonial sugar manufacturing (Wasino and Hartatik 2017, 40). Unlike the textile industry that emerged afterward and continues to develop today, the sugar industry in Pekalongan declined after the end of Dutch colonialisation. Nevertheless, the sugar industry has laid an important historical foundation for the emergence of industrial labour force in the region.[153]

The advent of the sugar industry and sugar cane plantations in Pekalongan, including other regions in central and eastern Java, marked the integration of local economy into the international economic order in the colonial era (Sulistyo 1995, 10-30). Its presence was driven by the Netherlands' need to generate more revenue to overcome the domestic economic crisis and secure a prominent role in the increasingly competitive European markets. Sugar became one of the strategic commodities in the markets. Through a coercive *cultuurstelsel* system, the Dutch colonial state assumed the central role in managing directly the economic

153 The literatures of the history on socio-economic structures and social movements that arose in Pekalongan during the colonial era generally present the heyday of the sugar production economy. The works of Knight (1993) and Lucas (2019), for instance, show the enormous influence of the revival of the industry at that time, especially in the Residency of Pekalongan. Meanwhile, literatures on the rise of the textile industry generally represent studies of postcolonial Indonesian economic development, as found in the works of Achwan (2011), Chotim (1994), and Wasino and Hartatik (2017).

production of colonial regions. Native farmers were forced to convert their rice fields into sugarcane fields for leasing and periodically submitted the yields to the colonial government at low prices (Knight 1993). Thanks to the expansion of plantation, this system resulted in a substantial capital accumulation for the Netherlands, making Java one of the world's second largest sugar producers after Cuba in the first two decades of the 20th century.[154]

The practice of the *cultuurstelsel* system in regards to sugar production, as a form of state monopoly capitalism, intensely transformed the social structure of Pekalongan. The system shifted the production relations of farmers from being independent food producers to becoming industrial plantation labourers working on their own lands for the Dutch (Wasino and Hartatik 2017, 37-47; Cahyono 2001, 91-93). Through collaboration with the European and the Chinese owners of sugar factories processing plantation products, the Dutch colonisers controlled the entire production chain – from agricultural land to factory processes – along with European market channels (Sulistyo 1995, 29). Local feudal lords, known as *Bupati*, who were indigenous employers and competitors in the same sector, were gradually displaced from their production base through colonial political pressures. They were even incorporated into the colonial production structure by being placed in charge of the production of plantation (Wasino and Hartatik 2017, 43-44).[155]

This process of capital accumulation mobilised extensively indigenous people, compelling thousands of labourers in Pekalongan, including those employed in sugar factories, to engage in the system (Sulistyo 1995, 25-30). This growth created a massive proletarianisation of indigenous people. The exploitation subjected workers and farmers to extreme poverty, significantly impacting the socio-economic life of sugar plantations and factories in Pekalongan, including other regions in central and east Java. The oppression ignited immediately widespread collective resistance, ranging from small scale protests to strikes and volent uprisings, like the murder of the Dutch in Pekalongan in 1864 (Lucas 2019, 3).

154 Until the first decade of early 20th century, there had been 17 sugar factories established in Pekalongan (Lucas 2019)

155 Heads of villages and districts were also often part of Dutch colonial production regime as they expropriated people's lands and earned income from the colonial government by tenancy. The *cultuurestelsel* excluded the ordinary people from their own economic resources and increased segregation between the people and the local feudal.

Despite the Ethical Policy launched by the Dutch in 1901 to curb excessive state exploitation in the colonies (see Chapter 2), social conditions in the sugar industry saw minimal change. Labour exploitation persisted as the management of sugar industry shifted from the state control to private hands. Poverty remained prevalent following the development of the sugar industry across Java. The Ethical Policy, on the one hand, highlighted the effects of proletarianisation on the segregation of social classes intersecting with racial identities. The social hierarchy ranged from indigenous landless farmers and factory workers and land tenant farmers as the lowest social class. Above them were indigenous people who held higher feudal positions, while Chinese entrepreneurs held privileged positions, and Europeans occupied the highest social positions.

The Ethical Policy, on the other hand, also provided a political opportunity that transformed violent social conflicts into widespread uprisings, fostering the emergence of movements organised by the Islamic association, *Serikat Islam* (Islamic Union), both its right and left wings (see chapters 2 and 3). The movements were inspired by the influence of the Dutch leftists advocating for a class based anti-colonial resistance that spread in Pekalongan and various regions in central and east Java.[156] Lucas (2019, 36) has argued that the proletarianisation of the labour population and this organised resistance, played crucial role in shaping the character of Pekalongan's militant working class, despite the movements failing to establish sustainable political power.[157]

As the dominance of the sugar industry in Pekalongan waned with the decline of the Dutch colonial era, the development of textile industries, particularly in batik making, began to replace economic dominance. Although batik making had been present in this region since the mid-1800s (Savirani 2015: 92-93), the rapid growth of these industries gradually changed the regional socio-economic structure (Wasino and Hartatik 2017: 171-181). The ethical policy, in this context, provided an opportunity for the collaboration between the European bourgeoisie and local businessmen in this sector (Achwan 2011).[158] The introduction of new

156 Sarekat Islam was often generally divided into two groups: the rightist led by Cokroaminoto and the leftist led by Semaun. In Pekalongan, the left Sarekat Islam formed Sarekat Rakyat (People's Union) which led resistances and rebellions in sugar cane plantations and sugar factories.

157 Lukas intriguingly demonstrates that the revolutionary consciousness of the oppressed class in the colonial era was not solely constructed from social conflicts in colonial and racist production relations. It also emerged through cultural elements, including the introduction of egalitarian language used overtly as a tool of class resistance, the portrayal of leftist leaders in puppetry, the incorporation of Islamic values into leftist doctrines and political discussions, and the creation of traditional songs that encapsulated resistance to oppression and colonialism (Lucas 2019, 230-241).

158 Textile products had existed in Pekalongan since 18th century when the local middle class the colonial

weaving machine technology by the Dutch colonial administration marked a significant milestone for the emergence of textile factories run by the indigenous middle class, enhancing production capacity (Achwan 2011).

Initially, the bourgeoisie, comprising individuals from various cultural backgrounds such as Chinese, Arab, and local indigenous middle class, reaped benefits from collaborating with Dutch entrepreneurs in developing the batik economy. However, a notable shift occurred, transferring the dominant position to indigenous entrepreneurs affiliated to Islamic associations when the Japanese took over colonial rule from the Dutch. Under the Japanese colonial regime, these Muslim entrepreneurs took control over textile production and markets (Achwan 2011, 38-40).

Despite the brief period of Japanese occupation (1942-1945), the Muslim bourgeoisie maintained their dominance as Indonesia gained independence on 17th August 1945. In the early independence period, their influence even expanded, attributed to the economic protectionism policies of the young and nationalistic Indonesian government, aimed at dismantling socio-economic colonial legacies (Achwan 2011, 48). This policy was intended to protect indigenous entrepreneurs from the dominance of Chinese-descent's businesses, who had been accused of leveraging the Dutch colonial regime to control access to production raw materials since the era of the sugar industry (Savirani 2015, 94; Achwan 2011, 57).[159]

The protectionist policies spurred the growth of the textile industry in Pekalongan and other textile-producing areas in Java (Setia 2013, 303), becoming a crucial source of livelihood for the local population. Jobs in batik-making, involving weaving and other manual labour, including the lowest category of labour, such as coolies, were in high demand. Before the New Order came to power and established a state-bureaucratic hegemony over national socio-economic life, working in the batik industry held a higher level of respect than civil service (Achwan 2011). Some individuals today still recall how their parents would

Dutch collaborated in the production (Savirani 2015). VOC, the Dutch multinational company, sought to monopolise the commodity of batik by producing and expanding its trade in Europe in 17th Century, however it ended with failure for poor quality and lack of attractiveness in European markets (Boow 1988).

159 Nevertheless, Achwan has written: "Ironically, the ethnic Chinese, who were politically and economically cornered by the Sukarno government, managed to consolidate their capital and emerged as members of the elite circle towards the end of era. The Chinese ability to enter the power elite has been considered as an important precondition for the growth of Chinese conglomerates in the present Suharto period" (Achwan 2011, 41-42).

threaten to marry them off to civil servants if they did not obey their parents' orders.[160] While employment in batik-making improved the socioeconomic status of the urban middle class, the income that it generated was often limited to sustaining the daily lives of the working class. The abundance of jobs in this industry, however, did serve as a preventive measure against long-term unemployment.

The contrast between the social conditions of the textile industry and that of the sugar industry raises the question of whether severe social unrest similarly appeared in the textile industry. It is hard to find historical records of the extent to which social unrests, radical resistance, and working-class consciousness in the heyday of the colonial sugar industry permeated the lives of workers in textile industry in Pekalongan both in the colonial era and the postcolonial periods. This difficulty parallels the scarcity of studies outlining the massive transfer of farmers and workers from the declining sugar economy, especially to other economic sectors like textile production, after the end of Dutch colonialism. Most historical records and social studies of Pekalongan textile industry are dedicated to the organisation of production in textile economy and the bourgeoisie class. (Achwan 2011; Chotim 1994; Wasino and Hartatik 2017).

Some studies suggest that the absence of marked social unrest in the traditional textile industry, predominantly in batik production, can be explained by the typical structure and culture of production relations in this sector. In batik production, the family plays an essential role in shaping production relations, with industrial labour frequently comprising family members, and sometimes even having familial ties to the employers (Achwan 2011, 101-102; Chotim 1994, 59-63). The personal social relations embedded within these production relations differ from the structure of relations in textile factories in West Java, which rarely rely on kinship or family relations (Setia 2013)(Tossin and S 1979). Such social relations in Pekalongan might significantly contribute to reducing potential conflicts, explaining why radical consciousness and leftist movements of the sugar industry did not extend to the working class in the traditional textile industry.

During the New Order era, the likelihood of conflicts was even smaller, given the state oppression of labour movements. Thus, it was not only the social and cultural elements within the traditional textile industries that kept Pekalongan workers relatively calm in the field of industrial relations, but also political

160 My own field note of 15 October 2010 from previous research: taken from my conversation with Amin, the chair of Pattiro branch of Pekalongan, a branch NGO on local budget advocacy.

silencing by authoritarian state. Some studies have pointed out that textile and garment industries, across regions, actually enjoyed the export-oriented economy endorsed by the state policy during the eighties. However, there had been extensive criticism of the increasing gap between the economic gains of the sector and the distributive advantages that the workers were supposed to enjoy as the real everyday producers. The New Order's cheap labour policy combined with the political silencing led to workers marginalisation (see Chapter 2). As the New Order's authoritarian regime approached its end in the nineties, the heyday of textile economy gradually declined due to increased international market competition (Achwan 2011; Wibisono 1989). This placed workers in a more vulnerable condition. It also cultivated growing discontents, however, creating potential for transformation into resistance under changing political regime.

5.2. Industrial workers in an urbanised economy

After the fall of the authoritarian New Order in May 1998, Indonesia experienced another stage of economic transformation. During this time Pekalongan's economic structure became more complex. The post-authoritarian regime's extensive liberalisation policies opened the door to new investments from various regions, including foreign investments (Savirani 2015: 84-85). While domestic capital remains dominant and textile industries continue to play a crucial role to Pekalongan's economy, this city has developed into a modern urban economy characterised by diverse economic sectors. Traditional economies coexist with modern textile and garment production, food manufacturing industries, and various modern service sectors such as trade and finance.

The city currently displays a more diverse physical landscape. Approaching the city centre from the west side, three-star modern hotels line the road near the old Dutch colonial-era train station. On the opposite side, there is the prominent Sri Ratu department store which was founded by Chinese- Indonesian entrepreneurs from Semarang. Other significant stores surround the city square. Slightly to the south is Carrefour, a large supermarket under French license established in the early 2000s. Various hotels, banks, smaller franchised supermarkets, restaurants, and company offices are scattered along the main roads connecting to the provincial roads in the north coast. Factories are dispersed in different parts of the city. Along the north coast, canned seafood factories established by South Korean investors coexist with the villages of fishers, whose fresh fish supply chains are crucial for these companies. Medium-scale textile and garment factories, established by local Chinese descents since the New Order era, are

located in the centre and east, while both medium and small-scale factories are integrated with residential areas.[161]

While various service sectors have expanded gradually, the development of manufacturing industries, particularly in textile production, have grown only slowly. Following the fall of the New Order's economic forces, the democratically elected governments have enthusiastically expanded national economic liberalisation, intensifying competition in textile production. Small-scale industries, especially in batik textile and garment production, faced tight competition with large-scale producers from other cities in Central Java, particularly Yogyakarta and Solo, which dominate major batik markets in Indonesia. Although Pekalongan producers managed to survive, they could not compete as strongly as during the previous golden era of protectionism. The situation became even more pressuring for large-scale non-batik textile industries, especially after Indonesia, within the ASEAN framework, agreed to implement the ASEAN-China Free Trade Agreement (ACFTA) in 2010.[162] Domestic markets and production in textile and garment continued to decline (Satya 2018, 18-19).

The burden even increased due to the lack of government's protection of the sustainability of the local production. Local entrepreneurs in non-batik textile production, with limited capital for technological modernisation and transformative management capacity (Satya 2018, 26), the invasion of low-price China's products, narrowing their market niches (see Photo 11). Consequently, some producers are slowly forced to streamline their workforce to reduce economic burdens. Between 2009-2014, several medium and large companies shut down their factories as they could no longer survive in the competition (see also Chapter 6). This stagnation made the situation of textile industries in Pekalongan somewhat less positive when compared to other cities in the Central Java. Since the decline of Suharto's economic policiies, there has been no significant increase of new textile factories. Moreover, some large industries, such as canned seafood factories, which had opportunities to grow in the first

161 The Central Bureau of Statistics defines a large-scale industry as an enterprise with at least one hundred workers; while, a medium-scale industry is a business with twenty up to ninety-nine workers; and small-scale industry is the one with five to nineteen workers, and home industry is smaller than small-scale industry. while the ministry of Industry, Trade, Cooperative, Small-medium scale enterprises (ITCS) make definition based on the scale of investment. The large-scale industry refers to enterprises which has at least five billion Rupiah investment, the medium scale refers to those with two hundred million to less than five billion Rupiah, and small industry are those with smaller investment.

162 ASEAN (Association of Southeast Asian Countries) and China agreed to implement the ACFTA in 2010, and Indonesia ratified the agreement in 2011. (see https://kemlu.go.id/index.php/portal/id/read/118/halaman_list_lainnya/kerjasama-asean-dan-mitra-wicara#!).

decade, began to face economic threats, particularly after the government policies that prohibited massive fishing at sea, resulting in disruption of production.[163]

This slow growth in Pekalongan had raised concerns among locals regarding its impact on the decline in job opportunities.[164] This city alone has smaller labour force than other industrial regions in Central Java such as Sukoharjo, Kudus, Semarang.[165] Even when combined with the number of workers in Pekalongan Regency, they remain the smallest.[166] This contrasts with the labour population in Semarang (Regency) which is much larger and continues to rise with the development of the industrial economy.

Photo 11: A female worker operates a weaving machine at a textile factory in Pekalongan. The industry faces significant pressure to compete in the market due to outdated technology.

163 In order to save the environmental habitat of ocean, the ministry of Maritime and Fishery banned the use of large fishing boat, called *cantrang* (https://nasional.kompas.com/read/2015/02/24/183642526/NaN). While securing the environmental sustainability, it created a pressure on maritime industrial chains, threatening the unemployment of among others the labour of canned fish factories.

164 This sluggish growth is seen from the number of industries, its contribution to the urban economic, and its employment capacity to absorb the labour (see figure A.2 and A.3. in the Appendix)

165 Workers in this case refers to those who are working in establishments. This is categorically more specific than the labour force which covers all categories of labour, including those who are working independently as individual free lancers, or working in informal economy like street vendors.

166 The combined population of Pekalongan City and Regency surpasses that of Sukoharjo, Kudus, and Semarang Regency. Nonetheless, the number of workers who worked in establishment remains the smallest. The gap between size of population and the workers might shows that a considerable portion of workforce in Pekalongan is engaged in informal economy without any formal establishment. There is no reliable data on the existence of this economy. However, the economy appears vividly in the everyday life of people in the city. Every morning street vendors almost everywhere open stalls selling foods, drinks, cigarettes and any personal needs. They close during the day and open again in the afternoon to late night.

The local government's statistics of 2012 indicate that the population of industrial workers in Pekalongan covered 69.5% of the total workforce of the region.[167] However, nearly 74% were workers in small industries, most of which are not strongly linked to the production chain of the larger industrial economic structure - especially the modern factories. Most of the workers are casual labour without any written contracts, with high labour turnover (Chotim 1994, 50). On the other hand, those working in large and medium-scale modern manufacturing industries constitute only around 25% of the industrial workforce. This number has even stagnated for nearly two decades. There are only five large enterprises each employing only hundreds of workers and rarely recruiting new labourers. Small increase occurred only in middle to lower scale enterprises employing short-term contract workers.

The working classes in Pekalongan can be divided into two categories – those who are employed in modern large enterprises and those who are in traditional small establishments. This creates a dual labour market. The life of a few large and modern establishments in the textile industry of Pekalongan runs alongside hundreds of traditional small industries without stable institutionalised linkages between them. The chains of production primarily circulate only between the same small-scale establishments, except for the supply of undyed clothes from factories to the batik industries (Achwan 2011, 58-60). Large and medium-sized companies, especially those in textiles, send their products to broader markets and do not primarily rely on local batik producers. The chains of production are relatively separable, relying on broader labour markets.

Large companies usually recruit workers who have graduated from junior or senior high school for operator positions and a smaller portion of workers who have graduated from universities for upper positions such as supervisors or administrative personnel in management.[168] These workers are generally employed on permanent or short-term contracts, subject to minimum wage regulations, and other protection systems such as social insurance, severance pay, and trade union membership. This contrasts with the conditions in small textile industries, which generally involve informal work relations with thousands of unskilled casual labourers, using piece-rate and an informal wage system, excluded from the minimum wage system and standard labour protection. The

167 Kota Pekalongan dalam Angka, Badan Pusat Statistik Kota Pekalongan 2012, 62.

168 The Young generation was no longer interested to maintain their work in Batik industries as their parents did in the past. Most of them were interested more to work in the factories as they offered better wages than working in traditional industries (Chotim 1994, 49-50)

recruitments in small establishments often rely on interpersonal relationships between relatives and friends.

Photo 12: A traditional labour market in the district of Buaran, Pekalongan. Young men predominantly occupy the roadside, awaiting offers for short-term jobs typically found in home industries

The small establishments producing batik depend on the availability of unskilled labour for manual work from the daily labour market. This labour market is a real market in the district of Buaran, where young people, mostly men, sit on the roadside, waiting for the others to offer short-term jobs (see Photo 12). This differs from the canned fished industry in the north coast. The Korean-owned modern production relies on the economy of the fishers' small-scale businesses. However, both have completely different labour markets. Similar to textile factories, canned fish factories also use formal labour, rely on formal recruitment with written contract and follows national labour regulations; while the economic life of the industry's workers range from fully informal to semi-formal business.

Beyond the segmented labour markets, another informally traditional labour market intersected with the labour market of the modern large and medium companies. Known as *Pasar Tiban*, this long-existing informal market consists of street vendors in Pekalongan selling daily household and personal needs, including affordable foods. This non-taxed market operates only in the afternoon to evening, utilising pedestrian streets or one-third sections of the roads in several districts of Pekalongan City. Since the early 2000s, this market has served as a crucial safety valve for laid-off industrial workers (see Chapter

6). During unemployment, they spent severance payments to sell goods on the side of roads. Some of them stay on the roads for an extended period, others view it as a transitional phase before securing a new job, and the rest are active employed workers seeking additional income. Thus, in recent years, this market has played a significant role in labour market circulation in the formal economy—not only for accommodating laid-off workers but also as a support system against low wages and limited wage increases amid continuous economic pressures in Pekalongan.

While wages in Pekalongan are not the lowest in the Province of Central Java, they rank the lowest among the major industrial regions in this province.[169] In 2013, the minimum wage in Pekalongan was 980,000 Rupiah (60 Euro) per month, whereas the Semarang Regency had reached a higher figure, of 1.051 million Rupiah (65 Euro) per month. Despite a 53% increase in the minimum wage in Pekalongan in 2016, it did not change Pekalongan's position relative to Semarang.

Photo 13: Colouring is a fundamental step in batik making, often performed by casual labourers who receive low wages in doing so.

The minimum wage serves as a vital benchmark for workers to assess the extent to which they can cope with economic burdens. The capacity is particularly limited for new employees, as most companies seldom pay them more than

169 See further Provinsi Jawa Tengah dalam Angka, Badan Pusat Statistik, 2015.

the minimum level, considering it a "standard normal wage" rather than a real minimum requirement. Similarly, longer-employed workers also experience only small increases in their wages. The more precarious condition is felt among workers in small-scale industries in Pekalongan, where most establishments follow an informal employment system instead of complying with national standard regulations.[170] Analysing the trend of the minimum wage for nearly a decade since 2009, the minimum wage in Pekalongan consistently remains lower than that of Semarang. Although the trend indicates annual increases, the gap between both regions is progressively widening. This emphasises the limited capacity of businesses in Pekalongan to implement significant wage increases and other welfare incentives, such as increases in transportation fees and overtime pay.

Unions in Pekalongan face significant challenges in advocating for wage increases and other welfare benefits. The fluctuation of annual minimum wage growth in Pekalongan over nearly a decade is more dynamic than the relatively linear increase observed in Semarang (see figure A.4 in the Appendix). This reflects the intense contestation between employers and workers in Pekalongan. While employers strive to reduce production costs due to increasing market pressures, particularly in textile production, workers fight to ensure that annual minimum wage increases surpass the standard of Decent Living Needs (KHL). The statistics from 2009 to 2018 reveal only marginal increases in the minimum wage each year. Unions and workers persistently pressure the local government to establish a higher minimum wage, despite resistance from employers.

Wage issues often lead to prolonged labour disputes between workers and employers, and these disputes, in turn, can result in mass layoffs, sparking broader industrial conflicts. Local statistics and newspapers from 2009 to 2015 indicate that disputes related to layoffs were even more prevalent than wage disputes. In some instances, these disputes were triggered by company shutdowns, as employers found it economically unviable to continue under increased market pressures. Since 2009, workers demonstrations have occurred at numerous companies. One of the most significant cases was the dispute at the Mujatex textile factory, which laid off more than nine hundred workers at once in 2010 (see also Chapter Six). Another notable case involved the sackings at Sri Ratu, a large local department store that continued to incur losses and could not withstand the competition from larger-capital competitors with

170 For example, a worker in the lowest hierarchy in batik production, like 'buruh keceh' (manual cloth-colouring labourer), is paid on a daily basis, earning 40 thousand Rupiah (2.4 Euro) per day for only a one to two-week informal employment contract.

modern management from Jakarta like Borobudur Department Store, Matahari Department Store, or foreign franchise companies like Carrefour Supermarket. These cases began in 2010 and concluded in 2015 with corporate shutdowns and the layoffs of hundreds of workers (see also Chapter 6). Similar cases occurred during the years, including disputes in textile factories like the Retota Case, as well as in other factories such as Blue Sea, Maya Food, etc. (see Chapter 6).

5.3. Labour movements and social unrests

Local labour disputes ignited by wages and layoffs often led to intense labour unrests. The local statistics recorded at least 68 cases of industrial disputes involving 4,701 workers between 2009 and 2011.[171] The disputes involved various organised actions, either on a massive scale or orchestrated by small groups. Demonstrations took place in factory yards, on the streets, in front of government offices or the local parliament building. The workers and unions also engaged in blockading the North Coast highway in 2013 to demand minimum wage increase.

The mass actions were not just response to disputes; they were also attempts to show their collective force to entrepreneurs, local governments and the public. Some workers' collective actions even expanded beyond traditional labour issues as they joined the social protests organised by local coalitions of various groups in the grass-roots. These protests addressed issues like electricity tariff increases and street vendors' rights in 2016. The workers also joined a peasant's rally in 2012 that was followed almost a thousand participants, protesting the land appropriation, in Batang, the neighbouring regency. Their engagements indicated the diverse interest of their activism (see further Chapter Six). Workers also held public demonstrations as a means to publicise their situation. Street actions organised by workers captured local people's attention and media coverage, presenting the Pekalongan workers in front of the locals as more "radical" compared to local religious movements.[172] Thus, the workers' public exposures both on the streets and the media have created accumulation of

171 Not all disputes led to strikes. Only specific disputes triggered mass strikes. However, there are no reliable official statistical records on the strikes. Most information about strikes were collected from the local mass media which covered extensively such events.

172 A correspondent journalist from a national private TV broadcasting station shared insights how the locals compared a local militant union with FPI (Islamic Defenders Front) which was notoriously considered radical. He said, "FPI might be powerful in Jakarta and people are often afraid of them. But here, the SPN is more powerful than FPI". In conversation with a local correspondent of RCTI on 5 June 2010

knowledge among the locals not only about workers as labour but a local active social movement.

Although the number of workers involved was smaller than those in traditional small industries, the workers in modern and larger companies played a crucial role in organising local workers' movements. Trade unions at these modern companies, particularly the two major ones in the city, SPSI and SPN, were key players in organising protests and demanding pro-labour policies and working conditions. While SPSI, the larger organisation, displayed less militancy in collective actions; the newer organisation, SPN, born in the era of reformation, in contrast, took a more active role in workers' actions.

Similar with the union development in Semarang (see chapters 3 and 4), the emergence of this new labour union in Pekalongan was influenced by changes at the national level. The split of the old SPSI during the early reformation period paved the way for new organisations, with SPN having the most significant opportunity to grow in the city. Enabled by the large number of textile workers within SPSI during the authoritarian regime, they became the embryo of this new organisation in the democratic era. Starting first with SPTSK-Reformasi as the new union in 2000, it evolved further into SPN in 2003.

The membership of SPN in Pekalongan, although initially dominated by textile workers, gradually diversified with workers from food industries and various service sectors joining. As of 2009, SPN had a membership of more than 8,000. The educational background of its members slightly varies, with a few holding university degrees, but the majority were high school graduates and lower educational levels. Many SPN members have roots in industrial working-class environments, and some belong to families with a hereditary connection in the batik textile industry, serving as either labourers or batik makers. Despite the absence of social unrest in the batik industry, the dynamics of this economy have exposed modern industrial workers to various issues concerning production relations.

The emergence of SPN broke with the tradition of peaceful negotiations with employers by adopting a contentious bargaining. Since its formation, SPN has played an active role in addressing labour issues, especially wage increase, layoffs, and other grievances. The local tripartite body became an annual arena of contestation as SPN continuously pushed for higher minimum wage demands until the Government Regulation no.78 (PP.78) of the Central Government

curtailed their aggressiveness, undermining the negotiation system in minimum wage stipulation. [173]

Nonetheless, the prominence of the Pekalongan labour movements, led by SPN, is not solely attributed to their militancy in the conventional labour issues illustrated earlier, but also recognised for their broadening activism that has been unfolding since the early period of Reformation.[174] While unions elsewhere primarily focused on workplace-based issues, unionists and workers in Pekalongan, extended their activism to address social issues that involve workers' rights as citizens of the city such as public healthcare, urban poverty, and local budget monitoring. The peak of such non-traditional labour activism was their involvement in electoral politics, relying on their own organisation as a political machine. This political experiment began during the General Elections of 2004 and gained increasing boldness in subsequent Elections. As a result, the union's base transformed as its constituency encompassed various groups beyond workplace membership, such as fishers, street vendors, and other local urban poor.

5.4. Labour movements and Urban politics

The character of labour movement in Pekalongan has been shaped not only by the internal organisational development and the local economic structure, but also by its urban politics. As I described previously, Pekalongan had been one of the historical hot spots of social conflicts in central Java since the heyday of the Dutch sugar industry. It is important to note the difficulties in finding sources of the social history of Pekalongan that correlates directly to all tensions spread along a historical time line from the colonial to the post-colonial eras. Nevertheless, Pekalongan stands out as one of the few regions in Central Java labelled '*daerah sumbu pendek'* (literally, a region with short-fuse), prone to socio-political conflicts in the post-colonial periods, particularly during the New Order era (Basyar 2004, 53).

173 Statistics of wage in Pekalongan shows that the minimum wage growth always fluctuated before 2015. However, since the implementation of Government Regulation no.78 of 2015 with mathematical calculation of annual minimum wage decision, the fluctuation disappears and the local wage growth is declining.

174 Top SPN leaders in Semarang admitted humbly the prominence of SPN in Pekalongan, expressing their admiration for the militancy of their fellows in Pekalongan. Despite having small size in membership, they were able to cover various issues and most importantly they had strong bargaining position in dealing with the local governments and local employer association. Interview with Catur 31 March 2015; Sumanta 5 May 2015; Nurdin 12 December 2017

Two significant incidents of violent social conflicts marked the end of the New Order period in Pekalongan. The first, in 1995, involved a racially ethnic clash between Javanese Muslims and Indonesians of Chinese descent. Triggered by a case of religious blasphemy, where a schizophrenic local resident of Chinese descent tore the Qur'an, the incident on November 22, 1995, sparked outrage among Javanese Muslims, leading to a citywide riot two days later. (Rahayu 2016). Indonesian Chinese-owned shops and two large textile factories, Kismatex and Lokatex, were damaged and burned by residents.

The second incident, in 1997, was more extensive and coincided with 28 other riots across Indonesia, signalling heightened national social and political tensions a year before Suharto's fall. The 1997 riots in Pekalongan resulted from fierce competition among political parties during that year's elections. Major riots on March 24 and 26, 1997, during the unofficial campaign period, saw supporters of the Islamic party (PPP) destroying Golkar Party's campaign attributes throughout the city. This led to the destruction of Golkar's political campaign stage, provided by the local Golkar officials for famous a famous artist and a popular preacher sent by the Golkar Central Office in Jakarta to win sympathy for the Islamic base of in Pekalongan. The peak was the destruction of the locals' houses, and the burning of dozens of Indonesian Chinese-owned shops and banks by the Islamic party supporters (Trijono 1997, 28-35).

Despite their brief duration, the two riots are consistently documented as significant socio-political upheavals in the New Order era. They reflect three key aspects: firstly, the enduring socio-political influence of Muslims in the city, a power dynamic established since the Dutch and Japanese colonial eras; secondly, the social tensions mirror the historical structural changes in Pekalongan, involving conflicts among diverse social groups; and thirdly, the transformation of Muslim social forces into political entities, embodied by political parties, underscores the connection between grassroots movements and local political elites.

As I have outlined above, the rise of economic power for the Javanese Muslim middle-class in Pekalongan was propelled by the textile industry's growth following the collapse of the sugar industry and early post-colonial economic protectionism in Indonesia. This transformation not only benefited the local bourgeois middle-class but also extended to business groups of Indonesian Chinese and Arab descent, along with the local working class. The shift occurred gradually as Indonesian Chinese expanded from controlling raw material trade routes for batik cloth production to establishing more extensive batik printing factories (Rahayu 2014). This expansion exerted pressure on the traditional

textile market dominated by hand-written batik products of the local Javanese Muslim group. The resulting competition acc racial sentiments, a phenomenon not unique to Pekalongan but widespread during the New Order era due to the dominance of small groups of Chinese businesses protected by elites (Chong 2018, 36-37). The outbreak of riots in Pekalongan in 1995 reflected this structural tension, manifesting through symbolic processes such as allegations of religious blasphemy.

The flamability of the "short fuse" to explosive reactions emerged two years later during the 1997 General Elections when Muslim groups felt threatened economically and politically at once. The strong political base of Muslims in Pekalongan at the end of the New Order era was undeniable. Despite Golkar undemocratic victories nationwide under the Suharto regime, this political machine failed to secure the winning in Pekalongan in the last two elections in the New Order era: 1992 and 1997 (Trijono 1997, 31). The Golkar party continued to face defeats in Indonesia's first democratic elections in 1999 (Basyar 2004, 51). The 1992 and 1997 elections saw victories for the rival party, PPP, which was supported by the majority of Muslims in Pekalongan primarily organised by Nahdlatul Ulama - the largest local branch Muslim mass organisation.

Significant changes marked Pekalongan's political landscape during Indonesia's democratic. The PPP's initial triumph shifted in the 2004 democratic elections, with Golkar seizing victory by exploiting disruptions in the PPP's base due to political reforms. The PPP, which had been supported the NU base, experienced internal divisions as the effect of the emergence of new Islamic parties. This benefited the "new" Golkar in Pekalongan. Golkar's populist campaign successfully countered the image of Suharto's authoritarianism, attracting votes from the local working-class and urban poor groups who previously supported Islamic Parties (Rahmah 2019). Since then, Golkar has succeeded in regaining control of the political arena in Pekalongan.

Photo 14: During the 2014 Elections, numerous campaign billboards and posters of legislative candidates from various political parties were erected along the roadsides in Pekalongan, indicating intense political competition also for unionists wishing to engage in this event.

Social unrest and political changes in Pekalongan showed how the dynamics of the local economy in Pekalongan did not stand apart from political influences. Muslim bases, especially organised by the NU, played an important role as a symbol of challengers as well as social and strategic political forces to face against the New Order's political and economic power.[175] The strength is also amplified by racial sentiment over the dominance of Indonesian business groups in Pekalongan who generally gave political support to Golkar during the New Order era (Rahayu 2016). However, this local political map has changed significantly in the era of Indonesian democracy (see Photo 14). The Muslim base is no longer monopolised by one political party. In fact, Golkar's populism in the first decade of reform managed to attract widespread support. Muslim groups shared their support for this party. Ideological ties were no longer the only essential political capital. Moreover, the practice of vote buying also influenced the elections in the Indonesian Reform era (Aspinall and Berenschot 2019, 35), excluding the ideological ties for pragmatic relations between constituents and the legislature, leading the Islamic base divided. The former leader of the Pekalongan DPR described this situation by saying, "in this election, an area that has been green [base dominated by PPP] so far could suddenly turn blue [base

175 Despite the lost in undemocratic elections in 1992, 1997, Golkar, in collaboration with military and bureaucracy – known as the ABG coalition [ABRI-Birokrasi-Golkar] remained in power in Pekalongan. The military had a tradition of taking the position as the local major and the chair of parliament was always held by a representative from Golkar.

dominated by new Islamic Political Party, PAN]. The blue one could turn green or red [based dominated by PDIP]".[176]

The shift in the political landscape provides a strategic advantage for local trade unions, particularly SPN, in garnering political support. The internal divisions within local Islamic parties have a limited impact on them, as they were not reliant on these parties. The populist approach of local Golkar party leaders offered an avenue for them to initiate political experiments. Despite the absence of dependency on Islamic parties, personal and group relationships between union leaders and organisations under NU persisted, rooted in traditional connections within Pekalongan's daily life. This situation serves as valuable social capital for expanding union organisations into broader arenas.

Summary

Pekalongan, known for its extensive labour history, has undergone many significant transformations that make it challenging to assert that present-day traditions of labour movement directly replicate historical patterns. The authoritarian rule of the New Order era disrupted radical labour movements, severing connections between the existing movements and those prior to the New Order. Despite extensive labour unrests during the colonial period, their impact on subsequent movements, even during the peak of the textile industry, seems limited.

Nevertheless, Pekalongan's history reveals critical political-economic shifts that influence the current labour movement. Firstly, the economic transformation in Pekalongan, particularly the growth of the textile industries, has established a prolonged concentration of the industrial working class. This has shaped a working-class culture grounded in production-based relations across diverse industries. Industrial works have embedded within their life. However, changes in the industrial economy, especially following a decade of strengthened economic liberalisation post-authoritarian regime, have significantly influenced the local working-class: stimulating increased labour unrests, but also providing opportunities for them to develop responses through alternatives of activism.

The second transformation refers to social developments that shape local political practices. Since the end of Dutch colonialism, Pekalongan has experienced the continuous adaptation of socio-economic and political forces from Muslim groups to changes in national and local political regimes. The process of

176 Interview with Bowo, the chair of DPRD of Pekalongan City, 23 January 2014.

industrialisation has given rise to a robust Muslim middle class and entrepreneurs, but also fostering the flourishing of Islamic traditions as a collective identity – even among the working-class. While social structures have evolved during the Reformation period, these influences persist at the grassroots level, impacting social relations, including the labour movement and its networks, as I discuss further in Chapter 6