Playing Politics

Labour Movements in Post-Authoritarian Indonesia

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By

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I hereby certify that this thesis is the result of my own work except where otherwise indicated and due acknowledgement is given

Playing Politics: Labour Movements in Post-Authoritarian Indonesia

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Abstract

Since the collapse of the New Order regime in 1998, democratisation and economic liberalisation have combined to create both opportunities and constraints for the revival of organised labour in Indonesia. The picture of post-authoritarian labour movements painted by various scholars is almost universally bleak, portraying helpless trade unions in the face of economic impasse and the undemocratic remnants of the old forces. Being overtly cautious of the new democracy, this line of analysis has not done justice to Indonesian labour movements. It overestimates the ghost of the old dictatorship and underestimates the power of budding organised labour.

Using trade union as the unit of analysis, this dissertation seeks to offer a different view of Indonesian labour movements. It looks at shifting political opportunities in the regions and the agency of trade unions which constitute a political force that is far from being consolidated but has certainly made a significant contribution to the broadening of democratic politics. In negotiating pressures that originate from an increasingly liberalised economy, trade unions have adopted a strategy which is called ‘playing politics’ in this dissertation. The term means that in the absence of significant market power, trade unions enter into the realm of power politics primarily by organising labour as social movements and attempt to ally with political elites, exploit the conflicts that emerge within state institutions and between the state and business, and try to join the ruling classes.

In developing this argument, this dissertation makes two contributions to the study of labour politics in Indonesia: its reassessment of the historiography of the first ten years of post-authoritarianism and its offer of insights into possible future directions of labour politics.

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ABBREVIATIONS

ABDES	*Aliansi Buruh Deli Serdang* (Labour Alliance of Deli Serdang)
ABM	*Aliansi Buruh Menggugat* (Alliance of Challenging Labourers)
ACILS	American Centre for International Labour Solidarity
APINDO	*Asosiasi Pengusaha Indonesia* (Indonesian Employers' Association)
ARDIN	*Asosiasi Rekanan dan Distribusi Indonesia* (Association of Business Partners and Distribution)
ARP	*Aliansi Rakyat Pekerja* (Alliance of Working People)
ASEAN	Association of Southeast Asian Nations
BAKUMSU	*Bantuan Hukum dan Advokasi Rakyat Sumatra Utara* (People's Legal Aid and Advocacy in North Sumatra)
Bappenas	*Badan Perencanaan Pembangunan National* (National Development Planning Agency)
BMB	*Benteng Masyarakat Banten* (Bastion of Banten People)
BPPKB	*Badan Pembina Potensi Keluarga Banten* (Board for the Development of Banten Brotherhood Potentials)
BWI	Business Watch Indonesia
DAU	*Dana Alokasi Umum* (General Allocation Fund)
DAK	*Dana Alokasi Khusus* (Special Allocation Fund)
DPD	*Dewan Perwakilan Daerah* (Regional Representatives Council)
DPR	*Dewan Perwakilan Rakyat* (House of Representatives)
DPRD	*Dewan Perwakilan Rakyat Daerah* (Regional House of Representatives)
FBSI	*Federasi Buruh Seluruh Indonesia* (All-Indonesia Labour Federation)
FITRA	*Forum Indonesia untuk Transparansi Anggaran* (Indonesian Forum for Budgetary Transparency)
FKUB	*Forum Kerukunan Umat Beragama* (Forum for the Harmony of People of Faith)
FMJK	*Forum Masyarakat Jasa Konstruksi* (Citizens' Forum of Construction Service)
FNPBI	*Front Nasional Perjuangan Buruh Indonesia* (National Front for

	Indonesian Labour Struggle)
FORKAGAMA	*Forum Komunikasi Hak Asasi dan Umat Beragama* (Communication Forum for Human Rights and People of Faith)
Forsbis	*Forum Solidaritas Buruh Independen Semarang* (Forum of Independent Labour Solidarity in Semarang)
FPBN	*Forum Pendamping Buruh Nasional* (National Forum of Labour Activists)
FSBI	*Federasi Serikat Buruh Independen* (Federation of Independent Labour Unions)
FSBJ	*Federasi Serikat Buruh Jakarta* (Federation of Jakarta Labour Unions)
FSBKU	*Federasi Serikat Buruh Karya Utama* (Federation of Virtuous Work Labour Unions)
FSPSI	*Federasi Serikat Pekerja Seluruh Indonesia* (Federation of All-Indonesia Workers' Unions)
FSPTSK	*Federasi Serikat Pekerja Tekstil, Sepatu, dan Kulit* (Federation of Textile, Footwear, and Leather Industry Workers' Unions)
GAPENSI	*Gabungan Pelaksana Konstruksi Nasional Indonesia* (Indonesian National Association of Constructors)
GARUK KKN	*Gabungan Aksi Rakyat untuk Konstitusi dan KKN* (Association of People's Action for Constitution and Anti Corruption, Collusion and Nepotism)
GASBIINDO	*Gabungan Serikat Buruh Islam Indonesia* (Association of Indonesian Islamic Labour Union)
GASBUMI	*Gabungan Serikat Buruh Muslim Indonesia* (Association of Indonesian Muslim Labour Unions)
GERBANG	*Gerakan Buruh Semarang* (Semarang Labour Movement)
GMPP	*Gerakan Masyarakat Peduli Pilkada Pemilu* (People's Movement Caring for General and Local Elections)
Golkar	*Golongan Karya* (Functional Group)
GSBI	*Gabungan Serikat Buruh Independen* (Association of Independent Labour Unions)
GSBM	*Gabungan Serikat Buruh Mandiri* (Association of Autonomous

	Labour Unions)
ICMI	*Ikatan Cendekiawan Muslim Indonesia* (Association of Indonesian Muslim Intellectuals)
IGJ	Institute of Global Justice
IPK	*Ikatan Pemuda Karya* (Association of Functional Youth)
IRE	Institute for Research and Empowerment
ISJ	*Institut Sosial Jakarta* (Jakarta Social Institute)
JABSU	*Jaringan Aliansi Buruh Sumatra Utara* (Network of Labour Alliance in North Sumatra)
JABURTANI	*Jaringan Buruh Tani dan Nelayan* (Network of Labour, Peasants, and Fishermen)
Jamsostek	*Jaminan Sosial Tenaga Kerja* (Workers' Social Security Scheme)
KAB	*Komunitas Advokasi Buruh* (Community of Labour Advocacy)
Kadin	*Kamar Dagang Indonesia* (Indonesian Chamber of Commerce)
KASBI	*Kongres Aliansi Serikat Buruh Indonesia* (Congress of Alliance of Indonesian Labour Unions)
KBC	*Komite Buruh Cisadane* (Cisadane Labour Committee)
KFM	*Kebutuhan Fisik Minimum* (Minimum Physical Needs)
KHL	*Kebutuhan Hidup Layak* (Decent Standard of Living)
KHM	*Kebutuhan Hidup Minimum* (Minimum Standard of Living)
KOSBI	*Kongres Buruh Islam* (Congress of Islamic Labour)
KPPOD	*Komite Pemantau Pelaksanaan Otonomi Daerah* (Committee for Monitoring Regional Autonomy Implementation)
KPS	*Kelompok Pelita Sejahtera* (Prosperous Lamp Group)
KSBSI	*Konfedersi Serikat Buruh Sejahtera Indonesia* (Confederation of Indonesian Prosperous Labour Unions)
KSPI	*Konfederasi Serikat Pekerja Indonesia* (Confederation of Indonesian Trade Unions)
KSPSI	*Konfederasi Serkiat Pekerja Seluruh Indonesia* (Confederation of All-Indonesia Trade Unions)
LAAI	*Lembaga Advokasi Anak Indonesia* (Indonesian Institute of

	Advocacy for Children)
LBH	*Lembaga Bantuan Hukum* (Legal Aid Institute)
LEC	Labour Education Centre
LIB	*Laskar Islam Banten* (Islamic Militia of Banten)
MPR	*Majelis Permusyawaratan Rakyat* (People's Consultative Assembly)
MUI	*Majelis Ulama Indonesia* (Indonesian Council of Ulemas)
OKP	*Organisasi Kemasyarakatan Pemuda* (Organisation of People's Youth)
OPPUK	*Organisasi Penguatan dan Pengembangan Usaha-usaha Kerakyatan* (Organisation for the Empowerment and Development of People's Initiatives)
ORI	*Organisasi Rakyat Independen* (Organisation of Independent People)
PAD	*Pendapatan Asli Daerah* (Locally Generated Revenues)
PAN	*Partai Amanat Nasional* (National Mandate Party)
PAPERNAS	*Partai Persatuan Pembebasan Nasional* (National Liberation Party of Unity)
PBB	*Partai Bulan Bintang* (Moon and Star Party)
PBDI	*Persatuan Buruh Demokrasi Indonesia* (Union of Indonesian Democratic Labourers)
PBN	*Partai Buruh Nasional* (National Labour Party)
PBR	*Partai Bintang Reformasi* (Star Reform Party)
PBSD	*Partai Buruh Sosial Demokrat* (Social Democratic Labour Party)
PD	*Partai Demokrat* (Democratic Party)
PDIP	*Partai Demokrasi Indonesia Perjuangan* (Indonesian Democratic Party of Struggle)
PKB	*Partai Kebangkitan Bangsa* (National Awakening Party)
PKI	*Partai Komunis Indonesia* (Indonesian Communist Party)
PKS	*Partai Keadilan Sejahtera* (Prosperous Justice Party)
PM	*Partai Merdeka* (Free Party)
POPOR	*Partai Persatuan Oposisi Rakyat* (People's United Opposition

	Party)
PP	*Pemuda Pancasila* (*Pancasila* Youth)
PPBI	*Pusat Perjuangan Buruh Indonesia* (Centre for Indonesian Labour Struggle)
PPI	*Partai Pekerja Indonesia* (Indonesian Workers' Party)
PPMI	*Persaudaraan Pekerja Muslim Indonesia* (Brotherhood of Indonesian Muslim Workers)
PPNU	*Partai Persatuan Nahdatul Ummah* (*Nahdatul Ummah* Unity Party)
PPP	*Partai Persatuan Pembangunan* (United Development Party)
PPPI	*Partai Pengusaha dan Pekerja Indonesia* (Party of Indonesian Business People and Workers)
PPPPD/P	*Panitia Penyelesaian Perselisihan Perburuhan Daerah/Pusat* (Regional/Central Committee of Labour Dispute Settlement)
PPPSBBI	*Persatuan Pendekar Persilatan Seni Budaya Banten Indonesia* (Indonesian Association of Banten Martial Arts and Culture)
PRD	*Partai Rakyat Demokratik* (People's Democratic Party)
PRP	*Perhimpunan Rakyat Pekerja* (Association of the Working People)
PSI	*Partai Serikat Indonesia* (Indonesian Society Party)
PSP	*Partai Solidaritas Pekerja* (Workers' Solidarity Party)
PSPI	*Partai Solidaritas Pekerja Indonesia* (All-Indonesia Workers' Solidarity Party)
Repelita	*Rencana Pembangunan Lima Tahun* (Five Yearly Development Plan)
RT	*Rukun Tetangga* (Household Group)
RW	*Rukun Warga* (Neighbourhood Group)
SARBUMUSI	*Sarikat Buruh Muslimin Indonesia* (Indonesian Muslim Labour Union)
SBJ	*Serikat Buruh Jakarta* (Jakarta Labour Union)
SBJ-P	*Serikat Buruh Jakarta Perjuangan* (Jakarta Labour Union of Struggle)
SBM Setiakawan	*Serikat Buruh Merdeka Setiakawan* (Union of Free Labour Solidarity)

SBMI	*Serikat Buruh Medan Independen* (Medan Independent Labour Union)
SBMI	*Serikat Buruh Merdeka Indonesia* (Indonesian Free Labour Union)
SBN	*Serikat Buruh Nusantara* (Archipelago Labour Union)
SB Pantura	*Serikat Buruh Pantai Utara* (Labour Union of the Northern Coast)
SBPKU	*Serikat Buruh Paguyuban Karya Utama* (Trade Union of Virtuous Work Community)
SBS	*Solidaritas Buruh Semarang* (Semarang Labour Solidarity)
SBSI	*Serikat Buruh Sejahtera Indonesia* (Indonesian Prosperous Labour Union)
SBSU	*Serikat Buruh Sumatra Utara* (Labour Union in North Sumatra)
SERPI	*Serikat Pekerja Islam* (Islamic Workers' Union)
Sisbikum	*Saluran Informasi dan Bantuan Hukum* (Information Channel and Legal Assistance)
SMERU	Social Monitoring and Early Response Unit
SPIS	*Sekretariat Pekerja Institut Sosial* (Workers' Secretariat of the Social Institute)
SPKEP	*Serikat Pekerja Kimia, Energi dan Pertambangan* (Chemical, Energy, and Mining Workers' Union)
SPMI	*Serikat Pekerja Metal Indonesia* (Indonesian Metal Workers Union)
SPN	*Serikat Pekerja Nasional* (National Workers' Union)
SPSI	*Serikat Pekerja Seluruh Indonesia* (All-Indonesia Workers Union)
SPTSK	*Serikat Pekerja Tekstil, Sepatu, dan Kulit* (Textile, Footwear, and Leather Industry Workers' Union)
TURC	Trade Union Research Centre
UMK	*Upah Minimum Kabupaten/Kota* (District/City Minimum Wage)
UMP	*Upah Minimum Provinsi* (Provincial Minimum Wage)
UMR	*Upah Minimum Regional* (Regional Minimum Wage)
Yakoma	*Yayasan Komunikasi Masyarakat* (Social Communication Foundation)
Yasanti	*Yayasan Annisa Swasti* (Independent Women's Foundation)
Yawas	*Yayasan Wahyu Sosial* (Social Enlightenment Foundation)

YBM	*Yayasan Buruh Membangun* (Foundation of Labourers in Development)
YFAS	*Yayasan Forum Adil Sejahtera* (Justice and Welfare Forum)
YPRK	*Yayasan Pondok Rakyat Kreatif* (Foundation of Creative People's Shelter)

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I see them all as God's hands guiding and sustaining my steps in search for truth and wisdom. Let this work be a simple offering to him.

CHAPTER 1

Introduction: The Study and Its Perspectives

Organised labour in Indonesia has undergone significant changes since the fall of the authoritarian New Order regime in 1998, following on the East Asian economic crisis. This demise of the regime and the economic crisis have posed the 'double challenges' of democratic transition and the resumption of economic growth. The reconstitution of labour relations is a central and highly important feature of this wider reconfiguration of the polity and the economy. Workers' political rights have been introduced along with general freedom of speech and freedom of association while the economic downturn has quickly put pressure on these newly found freedoms. State institutions have also been reorganised in a way that allows rather wider, if not universal, participation. Labour has had to adapt to a new political environment where the traditional fear of state authoritarianism has given way to conflicts within the new tenuously democratic institutions. Ten years after this process began, it is highly pertinent to ask what has happened to labour politics after the introduction of democracy and economic liberalisation, and how the exchange between labour, state, and capital in the new political democracy has defined the direction and nature of labour politics in post-authoritarian Indonesia. The main question to be addressed is how trade unions have used the new political opportunities opened up by the political-economic transformations to advance their interests in the face of the growing power of capital.

Given the generally low union density in Indonesia, this focus on trade unions requires justification. According to official statistics, in 2007, around 28 million Indonesians were employed in the formal sector (out of a labour force of about 99.9

million), and of these only 12 per cent were members of unions. Thus, even if we assume that all union members are active, at face value this dissertation would appear to put too much emphasis on an insignificant portion of the labour force. That being said, the significance of trade unions is not exclusively determined by the size of their membership. There are at least two reasons why attention to unions is important in order to understand labour politics in Indonesia. Firstly, there is the historical reason. The discussion about trade unions has to be understood against the backdrop of the New Order's legacy of union repression. Under the authoritarian regime, there was only one officially sanctioned union, the SPSI or All-Indonesia Workers' Association, which served the developmental goal of the regime rather than the interests of the workers. The policy of single union and the ban on independent trade unions were indeed the defining features of labour politics under the regime. Other forms of labour organisation did exist and were instrumental in mobilising workers, but trade unions remained the main reference point of labour organisation, around which the campaign for labour rights was centred. Once the regime collapsed, trade unions and many other forms of civil society organisation have sprung up in an atmosphere almost of euphoria. Thus, charting the development of trade unions allows us to keep track of and to assess the historiography of labour politics.

The second reason is from the perspective of political analysis. Trade unions are popular organisations which represent the interests of a segment of society in its daily political struggles. The unions' role is strategic for mobilising an urban population that is traditionally associated with political activism. In an otherwise fragmented civil society, trade unions are expected to enable a form of popular politics through which the people can put pressure on the elite and demand concessions. In fact, organised labour in general plays a 'crucial role in expanding representative government, increasing

government services to ordinary people, challenging elitism, and breaking down religious and regional enmities.' (Tornquist, 2006) As organisations, trade unions in Indonesia have been on a steep learning curve because they are under pressure from what people expect from the young democracy. Therefore, an analysis of the working of unions allows us to see an example of interest aggregation at work and to view how the new political democracy actually works (or does not work) at the grassroots level. More importantly, it also enables us to look into some possibilities of how the state can accommodate the interests of workers, as represented by unions, in its decisional structures.

By its investigation of these two purposes this dissertation seeks to contribute to the understanding of contemporary labour politics in Indonesia.

1. State-Labour Interactions in a Post-Authoritarian Context

The research question of this dissertation is closely connected to a body of literature which focuses on state-labour interactions in a post-authoritarian context. The post-authoritarian context frames a labour movement which aspires to political freedom and participation in policy making in the now supposedly inclusionary government. Such a restoration of labour rights is a reaction to the suppression of independent unions during the authoritarian era. The right to organise is usually one of the first political citizenship rights to be reinstated along with the freedom of the press and multiparty elections under the label of democratisation (Haagh, 2002). The working population harbours aspiration that restored labour rights will give them greater political leverage in policy-making circles, which will translate into better welfare. In other words, the emerging polity should be a popular democracy which is essentially a broadly inclusionary electoral regime. Democratisation in the late twentieth century, however, coincides with

the global reorganisation of capital which has forced labour onto the defensive. The restoration of labour rights occurs at the same time with a period of market reforms. These market reforms are an effort to deregulate the labour market and to introduce greater flexibility. This is part of a greater agenda to 'correct' economic mismanagement and to introduce or expand the market economy. It aims at removing regulatory and structural obstacles to the expansion of the labour market so that labour supply can freely respond to the new demands generated by the liberalised economy. Deregulation is followed by the decentralisation of collective bargaining in areas such as wages and disputes settlement to regional, sectoral or factory levels.

The recognition of labour rights supposedly allows organised labour to develop significant political leverage, but market reforms have produced pressures that lead to the fragmentation of the working class and the weakening of its organisations. Thus, trade union politics depends on their strategy in negotiating the interplay between political opportunities and increased structural pressures.

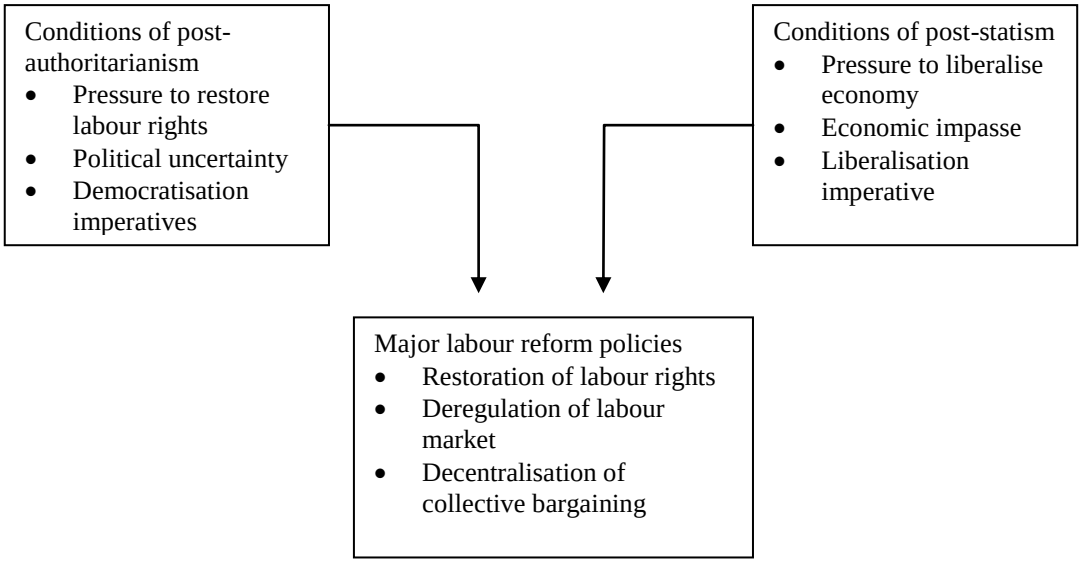

Figure 1.1. Typical Labour Reform Policies under the Context of Double Transitions

The literature on post-authoritarian labour politics builds on the experiences of countries in the three regions which have quite recently undergone such double transitions namely Latin America, Eastern and Central Europe and East Asia. Several countries in Latin America, most notably Argentina, Brazil, and Chile, saw the end of authoritarian military regimes in the 1980s. Unlike the other two groups of countries in the literature, in their long history of independence these countries had already had periods of democracy prior to the current episode of democratisation. Independent trade unions were present in one form or another in those periods, and were allied with political parties from various ideological backgrounds as early as in the 1940s in Argentina, Mexico and Venezuela (Levitsky and Mainwaring, 2006). These alliances survived the repression of authoritarian regimes and remain key political players until today. Indeed, the power of organised labour aided by strong international pressure even forced some of the otherwise exclusionary regimes to adopt some form of accommodation, as happened in Chile with Pinochet's labour codes in 1980 although this later became a cause of fragmentation among organised labour (Haagh, 2002; Etchemendy, 2004). It is not surprising therefore that attention to labour partisanship dominates the analysis of labour politics in this region.

Labour partisanship is a significant, if not the most important, source of union power in influencing policies. The presence of institutionalised and formal links between trade unions and political parties offers a serious opportunity for trade unions to exercise an influence on policy-making at the highest level. The influence is even greater and more direct when labour-based political parties ruled in Mexico, Venezuela, and Argentina from the late 1980s until at least 2000. To exercise a definite control over policy, however, needs more than partisan links. Murillo (2001; 2005) suggests that a monopoly of representation by unions increases their bargaining power because

governments need the collaboration of strong and loyal unions. On the contrary, union fragmentation and competition make trade unions vulnerable to the divide-and-rule strategies of the government and other interest groups, particularly capitalists. Tafel and Boniface (2003) also identify union competition coupled with rank-and-file accountability as possible constraints on union power. Rank-and-file accountability in particular limits union leaders' degree of autonomy when pursuing union strategies. When leaders do not really depend on grassroots support, they may be vulnerable to inducement by political parties or the government to benefit themselves at the expense of their members.

If partisanship dominates the Latin American literature, the discussion of the reorganisation of labour relations in Eastern and Central Europe is characterised by the emerging tripartism or the so-called social dialogue. Tripartism was established in the early 1990s following the collapse of the communist regime. As Martin and Cristesco-Martin (1999) observe, the initial aim of establishing tripartism was as a means of securing legitimacy for political and economic transformation in the mould of the 'European Social Model'. Despite early successes, the tripartite fora turned out to have largely failed and only served an ideological purpose. In the countries of the Commonwealth of Independent States, social dialogue has mostly been abandoned and trade unions are alternatively marginalised or subordinated to the state (Borisov and Clarke, 2006).

A major factor which causes this failure is the weak organisational capacities of the state and especially the social partners (trade unions and employers' associations). Padgett (2000) argues that it was the struggle for legitimacy which prompted the governments of post-communist countries to favour tripartite institutions in the first place, and not a genuine need for developmental negotiations. The institutions that

emerged out of this situation lack the foundations for consolidated corporatist exchange and are characterised by organisational weakness and pragmatism. Market reforms often get the upper hand at the expense of workers. The state in general is still the dominant actor whilst trade unions and employers' associations are not well consolidated. National governments continue to be major employers either directly or indirectly (Martin and Cristesco-Martin, 1999), and a long tradition of central control makes the government reluctant to decentralise tripartite institutions and collective bargaining (Casale, 2000). If centralised bargaining in the West is a sign of union power, the legacy of state unions in the communist era undermines unions' credibility. Even if the centralised tripartism leads to agreements, this weakness makes it difficult to ensure that decisions are carried out consistently in practice, especially because governments tend to disregard agreements that benefit unions. The influence of trade unions at the enterprise level is also at best limited, with the partial exceptions of Poland and Bulgaria, even if their membership remain high compared to Western European countries (Martin and Cristesco-Martin, 1999).

These ex-communist countries had a long tradition of unionism which was sponsored by and subordinated to the state. Union membership was mandatory and communist unions enjoyed a monopoly of representation, a practice that was still applicable in Russia and Ukraine at least until 1999 (Kubicek, 1999). The end of the authoritarian regime enabled the emergence of new trade unions independent of the state, some of them originating from opposition unions which had taken part in overthrowing the dictatorship. The ex-communist unions however still command the majority of workers and wield inherited powers through their institutional presence in various tripartite fora. The division between the successors to the communist unions and the new anti-communist unions has come to define the post-authoritarian union

movement in these countries (Borisov and Clarke, 2006). Their links with political parties have mostly become a means of co-optation by political elites. Thus, the high hopes of the role of trade unions in the immediate wake of Communist collapse has now largely subsided, and as Kubicek puts it, 'labour unions retreated with hardly a whimper.'(Kubicek, 1999: 83)

The literature of East Asia distinguishes two different groups of countries. The first is the North-East Asian countries of Hong Kong, Singapore, South Korea, and Taiwan, which are also known as the Newly Industrialised Countries (NICs). The second group is the South-East Asian countries of Thailand, Malaysia, Indonesia and the Philippines which have aspired to follow the example of the NICs. Similar to the post-Communist case, the North-East Asian literature focuses on the form of corporatist exchanges that emerged in the post-authoritarian era. These countries were known as successful developmental states which rode on the back of export-oriented industrialisation. This developmental strategy relied on a combination of an insulated technocratic government and an abundant, cheap, and politically docile workforce. With the exception of Hong Kong under the dictatorship, organised labour was accommodated in the state-sanctioned peak organisation that served more of the developmental goal of the regime than the workers' economic and political rights. Indeed, the consequence was an almost complete political exclusion of labour. With some variations, these countries adopted what has been called exclusionary state corporatism (Deyo, 1987).

South Korea and Taiwan started a process of democratisation in the mid-1980s. The first direct presidential elections in South Korea took place in 1987 but it was not until the election of Kim Dae-Jung in December 1997 that liberalisation of the labour codes was launched. The hegemony of the state-sanctioned national confederation

FKTU was broken and it now faced competition from the more radical KCTU (Kuruvilla and Erickson, 2002). This political liberalisation however coincided with the disastrous East Asian economic crisis that saw economic slowdown and subsequent market reforms. Coupled with continuing organisational weaknesses, this inhibited the development of a politically strong labour movement in South Korea. Today, there are no labour-based political parties and collective bargaining is effective only at the plant-level despite oligopolies on the part of the employers. Kong (2004) is more optimistic in arguing that the Korean state corporatism has been modified into 'competitive corporatism' similar to the model that has emerged in Japan and Germany. Buchanan and Nicholls (2003) are less convinced and argue that the Korean labour movement has at best turned into a lobby group in otherwise still largely exclusionary labour relations.

Taiwan's democratisation started in 1986 but the first general elections had to wait until 1996. The ruling party KMT had long dominated the national labour confederation CFL. The relaxation of labour codes saw the rise of the more independent TCTU in 2000, but the dominance of the CFL persists until today. The sponsorship of the CFL by the KMT has become entrenched, while new political parties with labour association have largely failed to rally workers' support (Buchanan and Nicholls, 2003). On the other hand, the main opposition party DPP develops its constituency among indigenous Taiwanese business elites. Whereas the labour elite is closely associated with the KMT, the post-authoritarian Taiwanese labour movement in general does not seem to have developed into a strong and active political actor. Chu (2001) derives the labour political quiescence partly from the economic affluence that workers enjoyed during the previous decades of economic growth. Welfare benefits delivered at the enterprise level created a model of enterprise paternalism, and defined the terms of labour interests. In fact, when labour militancy rose in the late 1980s, the demands

centred around material benefits such as year-end bonuses, retirement-severance payments, and overdue wages rather than political ones. The combination of an elitist democracy and material prosperity has created a prevalent labour politics characterised by elite compromise and union co-optation (Buchanan and Nicholls, 2003).

The South-East Asian literature is generally concerned with the entrenched nature of political economy, leaving a narrow space for emerging trade unions. Thailand and the Philippines are the case in point. Just like in the NICs that they tried to emulate, organised labour in Thailand and the Philippines was politically excluded and suppressed in the attempt to join the global market under the dictatorship. Democratisation has so far witnessed a minimal role played by trade unions in the two countries. They continue to struggle for basic rights even though the rights are legally sanctioned in the new labour laws. In addition to chronically high unemployment and global competition, scholars attribute the weakness of the trade unions to the nature of Thai and Philippine politics.

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

In the Philippines, the Aquino and the Ramos administrations that succeeded Marcos practically sidelined trade unions in favour of market reforms. These

governments pursued the enforcement of enterprise bargaining and the promotion of various labour market flexibility programmes which effectively depoliticised industrial bargaining (Hutchison, 2001). Moreover Hutchison (2006) observes that the arrival of democracy in the Philippines has not fundamentally changed the elitist nature of the country's politics. Although progressive civil society organisations have thrived, they find it difficult to consolidate so as to challenge established elites in electoral contests. The social union movement KMU, which became prominent in its role in overthrowing Marcos, seems to have been unable to adjust to the new political environment. It even split acrimoniously into two groups in 1992. Philippine politics continues to feature shifting, short-term, tactical coalitions and alliances in the land where populism is a key means of bringing people into politics.

The literature that we have surveyed presents us with several possibilities of approaching post-authoritarian labour politics and of assessing the new political opportunities which are available to organised labour. The Latin American literature stresses labour partisanship and locates the power of workers in the hands of trade unions and their partnership with political parties. In the former communist countries, the focus is on corporatist exchanges based on the template of the European Social Model. The opportunities which occurred in the first few years after the political reform soon ran out of steam in some countries where state dominance and badly organised labour persist. The North-East Asian legacy of exclusionary corporatism means that the emphasis is on the attempt to emulate the economic success of corporatism without suppressing independent trade unions. The wealth accumulated during the decades of high growth and the elitist nature of state-labour relationship continue to characterise industrial relations in this region. The South-East Asian literature is more concerned with the failure of trade unions to break into entrenched interest groups in society which

cast a shadow of the authoritarian past. Democratisation has so far failed to effect fundamental changes in industrial relations while trade unions are increasingly fragmented. Continuous political and economic crises keep organised labour on the defensive.

2. Explaining Labour Movement in Indonesia

The broader literature on state-labour interaction discussed above point to various properties of labour power and the nature of political opportunities introduced by democratisation, both of which give some indication on how we might explain labour movements in Indonesia. Ten years after the dictatorship collapsed, research into the post-authoritarian labour movement in Indonesia is still at an early stage. The available literature is focused mostly on finding the answer to this single question: why has the labour movement failed to become a significant political force in the post-authoritarian era? In proposing an answer to this question, scholars have also paid attention to the properties of labour power discussed in the reviewed literature above. Ford (2005) investigates reasons why labour partisanship has not emerged in Indonesia. She argues that the dictatorial regime has successfully injected ambivalent attitudes among workers towards political unionism. This ambivalence originated in the policy of demonising the involvement of organised labour movements in elections and formal political processes. The corporatist structure that grew out of this policy clearly separated the political and the socio-economic goals of unionism. The dictatorial regime argued that political involvement would distract the 'pure' purpose of unionism, which was to serve the socio-economic interests of the members. The regime alluded to the period before it came to power in the mid-1960s when unions had a strong political relationship with political parties, and this had allegedly led to the disintegration of the nation. After the

regime collapsed, this view of unionism seemed to have survived and been adopted by the emerging labour movements. Many unionists and government officials alike maintain the socio-economic definition of unionism, or 'labour puritanism' as Tornquist (2006) describes it. Ford gives ample evidence of the suspicion among labour activists that labour parties will be exploited as a vehicle for their founders' political interests, instead of being used to serve the 'proper' purpose of unionism. A number of unionists who decided to pursue political unionism by forming a party or joining one did not get enough support from their base, and were frowned upon by their fellow unionists. The results of the 1999 and 2004 general elections vindicated this attitude, in which political parties with some labour connection totally failed.

In terms of union power in the so-called social dialogue, Caraway (2004; 2006) criticises the new trade union law which places too much emphasis on freedom of association. While it abolishes obstacles to independent unionism, the law actually undermines unions' organisational strength by advocating horizontal competition and discouraging collective bargaining beyond the enterprise level. New trade unions have mushroomed, very often as the result of disagreements and splits within the elites of the existing unions, while multiunionism divides workers in the same factory to the delight of employers. Consequently, trade unions find it difficult to organise themselves in bigger alliances, let alone to contest power at higher levels.

Several authors pay attention to the New Order legacy of weakened civil society which prevents the development of a meaningful labour movement. The near total repression of labour politics destroyed the capacity of the working class to organise (Hadiz, 1998). And when the repression was finally lifted, what happened was 'proliferation rather than consolidation' of trade unions (2001: 123). The neo-Marxists, such as Robison and Hadiz (2004), suspect that the state after 1998 remains the

extension of both domestic and foreign capital. In a new political democracy where elections and participatory politics are the rule of the game, entrenched interest groups reorganise their power within the framework of new political alliances involving political and business interests, local officials, and even criminals. After all, the dense urban neighbourhood is dominated by strongmen and community leaders who often act effectively as employers' instrument of control (Warouw, 2006). This leaves trade unions unable to break the patrimonial networks that structure the working population, and therefore fail to mobilise workers.

Some other authors see the labour movement after 1998 in the broader context of a pro-democracy movement. The failure of organised labour is a rather common feature among pro-democracy activists who are inclined to work in their narrow specialised fields (Tornquist, 2004). Their preoccupation with specific issues isolates them from the broader pro-democracy agenda and movement. Compounding this sectoral preoccupation is the reluctance to contest positions in the state institutions as they continue to see politics as a dirty business of power. No wonder many instruments of democracy have been colonised by the dominant elite while labour activists and other pro-democracy activists have been increasingly marginalised (Priyono et al., 2007).

The predicament of organised labour in the period after 1998 poses an important and urgent question. The picture that has emerged from answering this question is universally bleak, portraying helpless trade unions in the face of structural constraints and the undemocratic remnants of the old forces. Being overtly cautious of the new democracy, this line of analysis has not done justice to the Indonesian labour movement. It overestimates the ghost of the old dictatorship and underestimates the power of budding trade unions. How can we explain the mass mobilisation of workers in their thousands in many cities across the country in May and June 2001 which

managed to force the government to reinstate the pro-labour ministerial decree (KepMen 150/2000) on firing and severance payment? Or, what brought workers onto the streets in record numbers in April and May 2006 who succeeded in halting the government's proposal to revise the Manpower Law (Law no.13/2002)? What significance do we attach to the sporadic yet persistent protests by workers in various regions regarding the annual settlement of minimum wages? What kinds of opportunities have enabled trade unions to assert their power in the face of unfavourable structural conditions? Has organised labour not undergone transformation at all in the last ten years? Trade unions may not yet be an established institution in the Indonesian political landscape, but underestimating their organising power and influence risks missing a significant development in the country's dynamic power struggle.

This dissertation seeks to offer a different view of Indonesian labour politics on two grounds. Firstly, it no longer portrays the state as an unequivocal extension of capital, which permanently intends to repress labour. Although capital has structural advantages over labour in controlling the state, the state has the institutional capacity to act independently of individual capitalists, and is structurally conditioned to do so in order to create and guarantee a general condition for profitable capitalist production. This is known as 'relative autonomy', a concept that was introduced by Poulantzas (1973). In addition, empirically the Indonesian state has a relative autonomy from capital that originates from the widening cleavages within the ranks of state officials, and between them and the capitalist class, which has also seen divergent interests within itself. A power struggle within state institutions and with non-state agents following major political changes in the past ten years makes it harder for capitalists to simply manipulate the state to control labour. In fact, this makes the state more vulnerable to challenges from organised labour as well. This analytical approach offers a different set

of questions. With regard to the state, labour politics is now defined in terms of how unions can influence the state in their favour and against the interests of capital. Which opportunities are available for unions to exploit? What strategies are more appropriate to increase the bargaining power of the unions? Which elements in the new political landscape impede the bargaining power of the unions? How do unions frame their struggle in order to mobilise support from their members?

Secondly, and more importantly, this dissertation shifts attention from national labour politics to a more localised labour politics. Most analyses of Indonesian labour politics post-1998 tend to draw conclusions about unions' political leverage at the national level. As we know, this leads to the general view of the weakening power of organised labour. This dissertation offers a more localised view by focusing on the dynamics of labour politics at province and district levels. Such a focus will hopefully bring a sharper analytical lens through which we can identify meaningful exchanges between labour and other political forces. Moreover, the focus on local political dynamics has become inevitable since the launch of political decentralisation in 2001 which was followed by direct elections of provincial and district heads beginning in 2005. These processes link the national and the local in a way that changes the political landscape in which trade unions operate in different regions.

3. The Argument and Chapter Plan

Traditionally, especially in industrialised countries, the power of trade unions is thought to derive from their role as agents in the economic realm. Their main source of political and economic bargaining power stems from their control over the supply of labour. High union density, strong growth in union membership, and tight labour markets indicate the strength of labour power (Martin, 1992). The use of these proxies to gauge

labour power in Indonesia is potentially misleading because these measurements only point to one source of power, which is largely missing as indicated by the country's chronic labour surplus and low union density. Indonesian trade unions do not command such economic significance. In the events in which they do have some influence over economic decisions, this leverage comes from other sources of power.

An alternative way to analyse trade unions is to view them as social movements. According to Della Porta and Diani, social movements as a distinct social process require collective actors that are engaged in 'conflictual relations with clearly identified opponents', 'linked by dense informal networks', and 'share a distinct collective identity'(2006: 20). Trade union movements fulfil these conditions, and this perception allows us to delve not only into the organisations in the workplace but also into the wider social and political structures that sustain the reproduction of labour power. In other words, this approach is concerned with 'labour as a social and political force, not simply as a commodity to be bargained over' (Webster, 2008: 249). In this regard, this dissertation derives its analytical framework from a vast body of literature that is known as theories of social movements.

In the last three decades attempts to theorise social movements have developed several different paradigms mostly grouped under the approach of 'resource mobilisation' (RM), 'political process' (PP), and 'new social movements' (NSM). A number of excellent reviews of these approaches (Foweraker, 1995; Edelman, 2001; Della Porta and Diani, 2006) may make another similar attempt appear redundant. It is still necessary, however, to highlight the main characteristics of each framework which are relevant for the analysis adopted in this dissertation. The development of these theories actually started as a response to an earlier attempt in psychological theories that tried to explain the phenomenon of totalitarianism in Europe. These theories perceived

the mobilisation of a crowd in terms of societal anomie, collective undirected frustration, lunatic behaviour, or in short as a phenomenon of irrationality. In contrast, the RM approach rests on Olson's pioneering study of economic rationality in joining a collective action. While Olson explains collective action as the sum of strategic decisions by individuals induced by incentives and sanctions, the proponents of this approach see collective action mainly as interest group politics. This theoretical approach asks how activists of the movement acquire and utilise available resources, be they material, human, cognitive or organisational; the success of social movements depends on the use of these resources to 'create advantageous exchange relationships with other groups'(Costain 1992 quoted in Foweraker, 1995: 16). The RM approach is criticised, among other things, for its static presentation of strategic choice and for neglecting the institutional environment of collective actors. This particular weakness is addressed by the PP approach in the way it situates collective action as a reaction to changing relations of power. The approach introduces the concept of 'political opportunity structure' which refers to changes in state institutions and political traditions. This structure creates the conditions that encourage the emergence, strategy and the success or failure of social movements. Rational choice assumptions are still part of the foundation of this approach as collective actors weigh the benefits and limitations of the opportunities presented to them. Moreover, this approach views political resources in an instrumental fashion, assuming their objective nature and readiness to be used by the actor. It pays little attention to resources that may be created or expanded by the actor; its emphasis on instrumental achievements also largely eschews the broader processes of cultural transformation. This is where the NSM approach comes in with its emphasis on struggles over symbolic, informational, and cultural resources. According to this framework, identity formation in collective action

is as important as, if not more than, achieving policy objectives. Instead of asking how mobilisation takes place, it investigates why people participate or what participation means for them.

The differences between these approaches have been attributed to two different geographical-theoretical traditions, namely the North American paradigm for the RM and PP approaches and the European paradigm for the approach of NSM. The former is associated with a focus on strategic action in political society whereas the latter tends to confine social movements to civil society with particular attention to the formation and reproduction of identity. In recent years, the gap between these two traditions has become less of an issue as scholars increasingly find them to be complementary rather than oppositional (Foweraker, 1995; Edelman, 2001; Polletta and Jasper, 2001; Opp, 2009). It will be clear shortly that the analytical framework employed in this dissertation benefits from this direction in research on social movements.

The research question of this dissertation clearly sets a task of identifying political strategies, which means that it draws primarily on the approach that gives primacy to strategically oriented actions. In particular, it asks how mobilisation takes place among industrial workers. In answering this question, a new political economic environment (post-authoritarianism and post-statist economy) is taken into consideration with the hope of shedding some light on possible avenues of mobilisation or political opportunities that simply did not exist beforehand. Thus, this dissertation combines an investigation of the internal dynamics of labour organisations with a focus on the state, an approach that is often labelled as the PP approach. A number of scholars have developed this particular approach by specifying three analytical categories that are crucial in explaining social movements: 'political opportunities', 'mobilising structures', and 'framing processes'(McAdam et al., 1996; Tarrow, 1998).

Political opportunities refer to 'consistent – but not necessarily formal or permanent – dimensions of the political environment that provide incentives for collective action by affecting people's expectations for success or failure'(Tarrow, 1998: 76-77). The collapse of the authoritarian regime and the democratic transition that followed have reshaped social and political structures in a way that opens up opportunities for certain interest groups in society which include labour. Mobilising structures are 'collective vehicles, informal as well as formal, through which people mobili[s]e and engage in collective action' (McAdam et al., 1996: 3). While trade unions as the quintessential labour organisations are in ascendancy, at least in numerical terms, in the aftermath of the demise of authoritarianism, a number of paternalistic, religious, and artisanal social relationships remain to infuse the development of collective solidarities. The concept of framing processes refers to the 'conscious strategic efforts by groups of people to fashion shared understandings of the world and of themselves that legitimate and motivate collective action' (McAdam et al., 1996: 6). This concept points to processes of portraying injustices, of locating blame, and to suggestions for change. Over the years, the wage issue has been a key demand for Indonesian labour movements. Now the annual process of minimum wage settlement in the regions that was introduced in 2001 provides us with a lens through which we can delve into the social construction that workers bring to their contention.

A theoretical framework that gives primacy to strategically oriented collective action tends to define success in terms of achieving policy objectives or expanded political representation. This is not very different from the literature on state-labour relations in post-authoritarianism and indeed from the existing attempts to characterise Indonesian labour movements, both of which were reviewed earlier in this dissertation. This framework renders achievements in broader processes of political and cultural

transformation insignificant or irrelevant, and as mentioned before, if it narrowly focuses on those policy objectives, it runs the risk of neglecting important political dynamics of labour movements. This is where contributions from the perspective of NSM become relevant, especially with its attention to broader processes of transformation. Among proponents of the NSM approach, Offe (1985) offers an insight that is particularly pertinent with the situation in post-authoritarian Indonesia in which the polity is, once again, under threat from a tendency to sideline from the political realm workers and other marginalised groups in society. Writing with West German society in mind more than two decades ago, Offe critically examines an emerging social order (the 'neoconservative' project as he calls it), which sought to '*restore* the non[-]political, non[-]contingent, and incontestable foundations of civil society...in order to safeguard a more restricted and *therefore* more solid sphere of state authority'(Offe, 1985: 820, italics in the original). Social movements, in his view, should challenge this social order and its institutional assumptions that form the basis of 'conventional ways of "doing politics"' (Della Porta and Diani, 2006). The dominant issues of contention are not limited to material interests nor policy concessions, but consist of various themes including the so-called life-world (body, health, sexual identity), the physical environment (the neighbourhood, the city), and the cultural heritage and identity. These diverse themes are united by a common root in the values of autonomy and opposition to control and manipulation. In this respect, the most important and relevant insight of Offe's conception of social movements is his call to 'politici[s]e the institutions of civil society in ways that are not constrained by the channels of representative-bureaucratic political institutions'(Offe, 1985: 820).

Indonesian labour movements face the challenge of overcoming the legacy of three decades of labour suppression and developmentalist labour relations. The end of

this regime has effected changing relations of power that open up a space for political contention. Presented with these opportunities but also in the face of economic liberalisation, trade unions have 'played politics' by exploiting the rifts within state institutions, between the state and business, and by trying to join the ruling classes. The term 'playing politics' refers to a general definition of politics exemplified by Leftwich: 'all the activities of conflict, cooperation and negotiation involved in the use, production and distribution of resources, whether material or ideal, whether at local, national or international levels or whether in the private or public domains'(Leftwich, 2000: 5). In the context of this study, playing politics is a strategy of agitation by which labour mobilises itself to challenge and to change societal arrangements hostile to their survival in a capitalist society. In Offe's terminology (1985: 827), trade unions are 'sociopolitical movements' because they strive to win recognition of their values and concerns as binding for the wider society. Trade unions organise campaigns and protests on the basis of their immediate interests, but they also recognise the need to connect to the interests of other groups and to involve the wider public.

In Indonesian political parlance, the notion of 'politics' is traditionally associated with self-interested and manipulative manoeuvrings among elites aimed mostly at gaining power (Schwarz, 1999). Created by the New Order to secure the *status quo* and to rule out opposition, the significance of this ideological frame persists beyond its original setting. To be accused of being political carries an ugly reputation of being partisan, divisive, and corrupt (*tidak murni*). The opposite of being political is being moral, which signifies acting with unselfish motives untainted by the greed for power. This ideological framework seeks to sanitise politics from contentions, by discrediting conflicts and confrontations as legitimate political strategies, and to persuade citizens to settle for polite interplay between formal political institutions while

excluding them from the realm of political contention. Indeed, unions are still reluctant to appear explicitly political in their stated aims, demands, and activities, but at the same time they have begun to employ strategies that amount to the 'politicisation' of labour, albeit sometimes under the banner of *gerakan moral* or moral movements. If anything, to be political is a real opportunity that has been made available by the new political environment, and this offers workers a real chance to assert their influence beyond what their structural power would have allowed them to do.

The fieldwork for this dissertation was conducted over two periods, December 2007 to June 2008 and July to September 2009. It covers three different industrial regions i.e. Medan in North Sumatra, Tangerang in Banten, and Semarang in Central Java along with their neighbouring regions of Deli Serdang, Tangerang district, and Semarang district respectively. All are industrial centres with different characteristics. Medan is the most important industrial centre outside Java in terms of size and labour history. Its considerable distance from Jakarta as the seat of political and economic power offers an insight into political dynamics in the outlying regions. Tangerang is arguably a major, if not the most important, industrial centre and the birthplace of labour movements in the early years of modern industrialisation. Its proximity with Jakarta and the centrality of its industries to the country's economy create a highly politicised background to any type of collective action. While Medan and Tangerang represent two large economies with rich political history, Semarang offers a non-typical setting for labour movements with its rather small economy and less known status in the Indonesian political history. In the periods when Medan and Tangerang saw active labour mobilisation under the New Order, Semarang was relatively quiet, at least on the surface.

In each region, the focus of data gathering was on at least three trade unions which had seats in local tripartite councils (by definition these are large unions) and two or three other smaller trade unions which were not represented in the councils but politically active. Various organisations and individuals deemed relevant to the subject of labour movements were also consulted to obtain a more comprehensive picture of the politics in the regions. Among them, government manpower officials, employers' associations and NGO activists were prioritised. Data was gathered primarily by means of interviews combined with collections of newspaper reports in the regions and archival resources located in the offices of local government agencies, trade unions, and employers' associations. The total number of interviewees in the end reached 119, and a full list of these organisations and individuals is available as an appendix.

This dissertation proceeds in three parts. After the introduction, Part One tells the history of labour politics starting from the three decades of repression under Suharto into the new post-authoritarian episode marked by the freedom of association, electoral politics and decentralisation. While Chapter Two gives a broad background of the survival of organised labour under Suharto's developmental dictatorship, the crux of this part is presented in Chapter Three which analyses the consequences of political decentralisation and regional electoral politics. Part Two charts the ingredients of trade union movements as mobilising vehicles. It starts with identifying networks of patronage and popular organisations that grow from the need of workers to survive in the urban setting (Chapter Four). It then moves to Chapter Five which discusses the organisational character of trade unions. Chapter Six investigates the ideological frameworks proposed by trade unions to understand their current predicaments. Afterwards Part Three sketches two forms of labour political contention, i.e. street protests in Chapter Seven and electoral politics in Chapter Eight, each with its political

significance for the movements. The conclusion summarises the main arguments by considering the contribution that this dissertation makes to the understanding of contemporary labour politics in Indonesia.

PART I

A Recent History of Organised Labour in Indonesia

Organised labour is the creation of social and historical as well as economic factors that combine under specific circumstances. Its particular characteristics are shaped by its resistance to the structural power of capital, through the mediation of the state in what the latter deems to be its ideas and practices in industrial relations. Changes in the constellation and strategies of state power and of capital create or destroy opportunities for organised labour to develop; needless to say, certain periods offer a friendlier environment than others. In recent Indonesian history, organised labour has been defined mostly by ideas and practices associated with the New Order's accepted developmental wisdom (1966-1998).[1] The Suharto regime promoted the goal of economic growth that was founded on a political stability achieved often at all costs. The state, through its development agencies and security apparatuses, played a central role. In particular, the regime's labour policies seemed to have followed a particular model centred on a flexible labour market framework. Once the authoritarian regime collapsed, there was a renewed contestation over economic, and therefore labour, policies based on the call for political reforms and the need to attract investment. The state can no longer justify its policies simply by appealing to the need for stability and economic development. The renewed contestation provides opportunities for various actors to influence the shape of industrial relations in post-New Order Indonesia although the legacy of labour political and economic control refuses to go away.

[1] For the sake of brevity and because the New Order in its three decades of rule has shaken up organised labour in a fundamental way, I deliberately focus on the New Order period and exclude previous periods. For recent resources detailing labour regime in these periods, see Ford (2003), Hadiz (1997), and Manning (1998).

The two chapters in this section describe the background to the development and struggle of organised labour from the start of the process of industrialisation in the early 1970s to the dawn of freedom of association after the demise of the authoritarian regime. The account highlights the opportunities and the challenges that conditioned the political struggles of labour firstly on the national scene and secondly in the regions.

CHAPTER 2

The Developmental Ambition of an Authoritarian Regime

1. The Ideas and Practices of Development

The New Order regime was established after an alleged coup by the PKI (Indonesian Communist Party) in September 1965. In the ensuing chaos that saw widespread persecution and killings of people suspected of membership of the party, General Suharto took over and established a government called the New Order, indicating a full break from the first president Sukarno's old order. The New Order's development ideology centred around the concept of *pembangunan,* which can be generally translated into English as 'development'. The word has two related meanings, one associated with physical development and the other with more abstract meanings than its English equivalent (Chalmers, 1997). The root of the word is the verb *bangun*, which can mean 'to build', 'to uplift', and 'to awaken'. The noun *pembangunan*, therefore, can mean 'awakening' or 'emergence'. Heryanto (1988) traces the word back to its earliest recorded usage in the 1930s, in which the word was used to mean

to arouse nationalist consciousness; *to bring about* an independent Indonesia (at the time was under the Dutch colonial government which lasted until 1949); and *to modernise* the way of life of a formerly colonised society. (Heryanto, 1988: 10. Italics in the original, not brackets)

More than two decades after independence, its anti-colonial and modernisation overtones still played out well against the backdrop of a crumbling economy inherited from the previous government. *Pembangunan* became a rallying call to deliver the promise of independence as prescribed in the 1945 Constitution, i.e. the bringing into existence 'a just and prosperous society'. It also combined with the existing state

ideology of *Pancasila* or the Five Principles, which were proclaimed as the ideological basis for the Indonesian state shortly before the declaration of independence in 1945. These principles (belief in God, humanism, national unity, democracy through consultation and consensus, and social justice) have been canonised in official discourse and transformed into values to which every Indonesian citizen should dutifully adhere (Ramage, 1995). Thus, along with the Five Principles and the 1945 Constitution, *pembangunan* formed a body of meaningful social, political and economic discourses.

In the Foucaultian sense of a discourse, *pembangunan* also expressed itself in the form of social practices and institutions. Another name for the New Order is the *Pembangunan* Order. All cabinets in the New Order administration were called '*Pembangunan* Cabinets'. President Suharto soon got the title of the 'Father of National Development' (*Bapak Pembangunan Nasional*). A National Development Planning Agency (*Bappenas* or *Badan Perencanaan Pembangunan Nasional*) was established, with its provincial branch *Bappeda* and district branch *Bappemka*. Newspapers, television and radio broadcasts carrying official statements would not be politically correct without quoting the word *pembangunan* along with *Pancasila* and the 1945 Constitution.

In practice, a series of five-year development plans were drafted, called *Repelita* (*Rencana Pembangunan Lima Tahun*). Reflecting Rostow's Five Stages, it consisted of five five-year plans, with the aim of attracting new investment and rebuilding the economic infrastructure to meet basic needs in *Repelita I* (1969-1974) to the run-ups to 'economic takeoff' in *Repelita V* (1989-1994) (Chalmers, 1997: 32). In the hands of the New Order regime, *pembangunan* indeed became an ideology in its strongest sense; it described the purpose of political activity, the methods used to achieve that goal, the attitudes which public figures should express, as well as served as an effective

ideological weapon against opponents of the regime or proponents of alternative visions (Chalmers, 1997: 3).

This developmental ideology underpinned a series of reforms that the regime initiated in order to turn around the woeful economy. From the outset of its ascendancy the New Order regime introduced a deep structural transformation that soon produced a rapid change from an agriculture-based economy to a more diversified economy. The beginning of this transition was marked by the passing of the Foreign Capital Investment Law of 1967 that was followed sixteen months later by the Domestic Capital Investment Law in July 1968. These were the two 'most important pieces of legislation shaping the structure of capital ownership under the New Order'. (Robison, 1986: 138) By December 1973, total realised investments under these schemes reached approximately US$ 2 billion, of which foreign capital amounted to around 56 per cent.[2] More incentives were soon to follow as a series of economic liberalisation policies was introduced, especially in the mid and late 1980s, prompted by the fall in oil income in 1983 and 1986 (Visser and van Herpt, 1996).

This combination of policies created attractive conditions for the relocation of production facilities to Indonesia starting in the late 1970s, which grew earnestly in the mid-1980s especially from Japan, Hong Kong, South Korea and Taiwan, most of which had experienced currency appreciation, tight labour markets, and higher production costs (Jomo, 2001). Cheap labour and political stability, added to abundant resources and a large potential domestic market, created the promise of low production costs.

This deep structural transformation in Indonesian society can be described in several ways. The share of agriculture as percentage of GDP fell quite dramatically from 45 per cent to 20 per cent between 1971 and 1998, whereas manufactured goods as

[2] Capital investment in oil and gas were not included under these schemes and it was estimated at twice this figure (Robison, 1986: 142).

a percentage of merchandise exports grew dramatically from two per cent in 1980 to 51 per cent in 1996 (Irawan et al., 2000). Changes in economic structure indicated another equally significant change in social structure, demonstrated by the shift of workers from the agricultural sector to industry and services, and from rural areas to urban areas. The employment share of industry grew steeply from around eight per cent in 1986 to 17.8 per cent in 1999, while the share of agricultural employment dropped from around 55 per cent to 43 per cent during the same period (Irawan et al., 2000). The urban population increased almost fourfold during the period from the early 1960s to 1997 (Lindenthal, 2005).

The types of industry that moved to Indonesia were dominated by labour-intensive manufacturing which requires low skills (Edwards, 1996). This trend was obvious from the pattern of exports that emerged during the second half of the 1980s, in which labour-intensive manufactures increased over eight-fold to about US$7 billion in 1991 from just over US$800 million in 1985 (Agrawal, 1995). That rise in export value pushed the share of labour-intensive manufactures in the exports of all manufactured goods from 39 per cent to 58 per cent in the same period. The bulk of labour-intensive exports consisted of particular commodities such as textile, clothing, and footwear. Thanks to this spectacular growth, they became Indonesia's major manufactured exports, accounting for one-third of the total in the late 1980s through to the early 1990s.

Firms in low-skilled industries generally organise their resources to accomplish specific tasks or to fulfil merchandise orders from international buyers. This type of business does not require employers to engage themselves in any long-term obligations with workers and to absorb risks (Edwards, 1996). They can easily find and dispose of labour in places where the labour market provides plenty of poorly educated and low

skilled workers desperate for jobs. Such were the conditions faced by Indonesian workers when industrialisation began, and the New Order government's labour policy took care to retain the country's comparative advantage in labour-intensive industries. Apart from effective exchange rate management, competitiveness was achieved by maintaining 'sound' labour market policies that amounted to the payment of low wages and flexibility in the labour market.[3]

Consistent with that pattern, the New Order government provided little formal protection to the Indonesian labour force. Labour institutions were poorly developed. Wages were allowed to follow market prices because a minimum wage policy was not in place until 1990. Even after 1990 a considerable degree of wage flexibility was still observable from the real wage movements (Islam, 2003). There was legislation covering periods of notice to be given and severance pay required for the laying off of workers. However, rapid growth of employment and the difficulty in implementing such regulations made them of little consequence. In fact, labour turnover was high, indicating that employers had little difficulty in relocating labour away from declining industries (Islam, 2003). Unemployment benefits were also non-existent until the government passed a social security law in 1992. The scheme, known as *Jamsostek* (an abbreviation for *Jaminan sosial tenaga kerja* or labour social insurance), was supposed to provide life insurance, retirement benefits, free health care for workers and their families, and workers' compensation (Agrawal, 1995). Again, it was difficult to implement and the government did not want to scare off investors through rapid and rigid enforcement of the law. Effectively the scheme was only a form of state-run funds

[3] Flexibility was indeed a defining characteristic in East Asian and Southeast Asian countries, not just in Indonesia. It was manifested both in terms of the ability to make quantitative adjustments or numerical flexibility and the ability to adjust through variations in real wages or wage flexibility (Agrawal, 1995) and (Islam, 2003).

to provide retirement benefits, and in 1997 it covered only 12 per cent of the employed (Islam, 2003).

2. The Project of Harmonious Industrial Relations

A significant feature of the New Order's labour policy was its intolerance of independent workers' organisations. This policy was the government's response to the perceived threat to political and economic stability from organised labour. Efforts to establish independent unions were met with swift resistance and imprisonment for those involved. Hadiz (1997) argues that the political exclusion of labour was a legacy of political struggles prior to the export-oriented industrialisation. Before the New Order came to power, Indonesia had had a tradition of militant trade unions that were involved in the independence struggle and beyond. In the 1950s and the 1960s the communist-backed unions were the most active. Following the alleged coup in 1965, the emerging New Order government crushed the communists and put an end to the tradition of militant unions by banning leftist ideologies and organisations.[4] The trade unions that survived the onslaught were forced in 1973 to form a federation named FBSI (All-Indonesia Labour Federation), a single peak organisation that consisted of 21 industrial sector unions.

The regime's intolerance of independent unions was a symptom of a larger authoritarian political structure. In fact, it perceived any independent civil society movement as a threat to its political dominance. To contain possible threats from such movements, the regime established a corporatist political structure. It was a form of societal arrangement that was based on collective functions. Society was organised in associational groups, each representing a profession or a function like the youth,

[4] Using the highest constitutional body at the time, the MPR (People's Consultative Assembly), the regime issued the MPR Decree No. 25 of 1966 on the Ban on the Proliferation of Marxism and Leninism.

workers, employers, women or religious figures. These associations were then closely linked to the state through their mandatory affiliation to the ruling political machine i.e. Golkar (*Golongan Karya* or Functional Group). This corporatist structure was propped up by a series of laws passed in 1975, 1985 and 1994, which sought to curtail the power of opposition deriving from other political parties and non-governmental organisations (NGOs).[5] Pre-existing political parties were forced to come under one of just three organisations, the Islamic PPP (United Development Party), the nationalist PDI (Indonesian Democratic Party) and the ruling nationalist non-party Golkar. While Golkar enjoyed privileged access to the country's population as a non-political organisation through its established umbrella functional groups,[6] the other two political parties were not allowed to extend their branches beyond the sub-district level; hence creating what is often called a 'floating mass' or a depoliticised mass. NGOs were bound by the law to follow the national ideology and to fit into the corporatist structure. Individual screening procedures were applied for executives of these organisations (Schmit, 1996; Robison and Hadiz, 2004).

The regime, dominated by the military and bureaucracy, formed a mutual partnership with the business sector in this corporatist framework. The business sector consisted of emerging capital owners or bourgeoisie who received government contracts and protection in return for kickbacks and favours. They initially emerged out of rent-seeking relationships with political power-holders. The inflow of foreign capital provided another opportunity for the Indonesian capitalist class to build their business empires. In fact, early industrialisation in Indonesia was built by an alliance of foreign

[5] Law No. 3/1975 on Political Parties and Golkar, Law No. 8/1985 on Mass Organisations.
[6] As the name tellingly revealed, under Suharto, Golkar was not a party in a legal sense but a 'socio-political force' because the former was intended to signify a preoccupation with political manoeuvring at the expense of real developmental goals. Golkar, predictably, was exactly the organisation that eschewed politics and concentrated on economic development. So it goes that Golkar was exempt from the ruling that limited the expansion of political parties (Uhlin, 1997: 55).

and indigenous capitalist classes. As Bresnan (1993) and Robison (1986) point out, foreign, mostly Japanese, capitalists worked closely with leading generals, state officials, and a range of Indonesian capitalists, most of whom were of Chinese descent. Some of them later managed to develop business conglomerations: roughly 200 conglomerates controlling over 4,000 companies and contributing 35 per cent of Indonesia's GNP (Schmit, 1996: 191).

The New Order's labour policy was part of a larger developmental goal of delivering the promise of independence as prescribed in *Pancasila* and the 1945 Constitution. When it comes to labour control, this ideological underpinning was translated into what was called *Pancasila* Industrial Relations. The chief architect of the New Order corporatism, General Ali Murtopo, introduced this guiding principle in 1974 as part of the state corporatist system. It was predicated on the 'family' principle in which there is a 'mutuality of interests' and decision is made through 'consultation and consensus' (Gall, 1998: 368; Ford, 2005: 198). Workers, employers and government were supposed to work together for a common stated goal as a harmonious family. Workers' interests therefore were best protected within this employment relationship; antagonism was frowned upon and strikes were a sign of a significant breakdown in the harmonious relationship and perceived as the result of organised conspiracy (Kammen, 1997: 255-257). The regime even went as far as imposing the use of the word '*pekerja*' or '*karyawan*' (both mean employee) to replace the word '*buruh*' (labour) (Ford, 2003: 186-188), and 'renaming the title of *Menteri Perburuhan* (Minister of Labour) as *Menteri Tenaga Kerja* (Minister of Manpower)' (Hadiz, 1997: 66). This was all because the term '*buruh*' was perceived as ideologically associated with communist or radical movements and was thought to signify an unequal relationship between employer and employee.

3. The Survival Strategies of Organised Labour

Derived from this ideological baggage, labour policy was centred on the key objective of preserving stability and creating jobs while avoiding labour unrest (Edwards, 1996). The preoccupation with stability was clearly demonstrated in the involvement of the military in industrial relations. A Decree of the Ministry of Manpower in 1986 actually permitted private sector employers to call directly upon Army units to intervene in industrial disputes.[7] In fact, this control over labour intensified in the second half of the 1980s. Desperation to attract foreign investment when oil incomes dwindled, and the shifting strategy in favour of export-oriented industries, had combined to put additional pressure on government to maintain its trademark security approach to labour. In 1985, Admiral Sudomo as the Minister of Manpower reformatted FBSI into a unitary and centralised organisation called SPSI (All-Indonesia Workers' Union) (Ford, 2003: 183). Rather than having 21 sectoral unions like the FBSI, this new body comprised of only nine departments, reflecting the desire of the government to wrest more control over labour.

Hadiz (1997) also points to another countervailing factor to the development of independent labour movements. The presence of high levels of unemployment in an economy with a chronic labour surplus prevented trade unions from gaining strength such as those which occur in tight labour markets. Despite the rapid growth in employment in the manufacturing sector since the mid-1980s, this sector still employed a relatively small share of the country's workforce. As Agrawal (1995: 9) notes, in 1990 manufacturing industry in the country accounted for only 10 per cent of total

[7] Ministerial Decree No. 342/1986.

employment, a relatively small share as compared to Malaysia's 20 per cent and China's 17 per cent.

The political dynamic of organised labour in the early years of the New Order until the mid-1980s was characterised largely by the strong hands of the state and its industrial strategy. Under such circumstances, organised labour was reduced to the state-sponsored corporatist institution, the FBSI/SPSI, and struggling veterans of the pre-New Order trade unions.[8] As the only official trade union, FBSI/SPSI offered a direct access to the state bureaucracy and served as an avenue for political careers within the state. As Hadiz (1997) rightly points out, this did not mean that the union had leverage on the state. The union was never intended by the regime to be the agency for co-opting labour; it was always from the beginning a 'vehicle for the maintenance of the political exclusion of labour, with little representational or mobilisational role.' (Hadiz, 1997: 102) Thus, as the regime was tightening its grip on labour, there were few opportunities to mount a challenge against the state until the political opening that began in the late 1980s.

In the late 1980s and early 1990s there were several changes in the labour regime, which eventually led to better labour standards. The changes came in response to both internal and external pressures (Suryahadi, 2003). Internally, the pressures came from the increasing number of people who were concerned with the fate of Indonesian workers in the country's increasingly industrialised economy. This included senior policy makers who noticed that workers had not shared in the high growth that had been taking place in the economy. In addition, growing civil rights movements often portrayed workers' rights as a way to advance human rights more generally. Externally, the rapid expansion of manufacturing exports led to strong growth in wage employment

[8] These were individuals with past affiliations to GASBIINDO, SOKSI, and KOSGORO although they may have at this point officially joined the FBSI/SPSI (Hadiz, 1997: 101).

and greater scrutiny of violations of ILO standards particularly by the United States and the European Union.[9] The focus of their investigation was on workers in export sectors who had poor working conditions, low wages and who were denied their right to form unions. The government responded by setting 1990 as the year of wage and by enforcing the minimum wage regulations which were updated annually. As a result minimum wages doubled in real terms between 1988 and 1995. The FBSI/SPSI once again underwent a transformation in 1993 when the government restructured it as a federation of industrial unions or FSPSI. In January 1994, the government also revoked the 1986 Ministerial Decree on military interventions in labour disputes and allowed the establishment of trade unions outside FSPSI.[10]

The rise of independent organised labour had already started before but it was clearly precipitated by that political opening. Ford (2003) identifies four different types of labour groups that emerged during this period: informal grassroots workers' groups, self-styled alternative trade unions, radical student groups, and labour NGOs (Ford, 2003: 66). Informal workers' groups grew mostly from among factory workers in export-oriented industries, and were organised semi-clandestinely at the community level in dense urban neighbourhoods. Three alternative trade unions were established in this period, namely SBM (Union of Independent Labourers) *Setiakawan*, SBSI (Indonesian Prosperous Workers' Union), and PPBI (Centre for Indonesian Labour Struggle).[11] All three directly challenged the policy of a single union, and although the regime no longer banned them, they were not recognised and their leaders were

[9] Two incidents in particular drew international attention: the case of Marsinah, a female labour activist who was kidnapped, tortured, and murdered in East Java in 1993, and the Medan (North Sumatra) riots of April 1994 which involved large crowds of 20,000 to 30,000 workers (Hadiz, 1997: 113).
[10] This was the Ministry of Manpower Decree No. 15A/1994 issued on 4 January 1994, but it was soon followed by the Ministry of Manpower Regulation No. 1/1994 issued on 17 January 1994 which declared that FSPSI was still the only official trade union.
[11] SBM Setiakawan was founded in 1990 and fell to disarray two years later. SBSI was founded in 1992 and continues until today. PPBI began in 1994 and was effectively destroyed in 1996 after its activists were accused of subversive activities (Hadiz, 1997: 145-155; Ford, 2003: 66-72).

routinely harassed (Manning, 1998). Radical students took initiatives to reach out to workers by organising workers' groups outside the factory or by forming discussion groups on labour issues. Several NGOs also took up an interest in labour either as their main field of activity or one among several others. In a political climate that was hostile to independent labour organising, these NGOs played a crucial role in performing the activities that are associated with trade unions such as organising workers and lobbying the government. In fact, labour NGOs were often behind the formation of core worker activists, who then developed informal workers' groups, through activities that on the surface appeared developmental, cultural, or religious.[12] Another feature of these budding movements was the involvement of dissatisfied FSPSI officials at least in laying the foundation of some of these labour groups. Thus it seems that the four types of labour groups that Ford identifies had overlapping constitutive elements and engaged each other although not always in a cooperative fashion. Such networks of activists, students, and union officials continue to the post-Suharto period as we will later discuss in Chapter Five.

The growing labour militancy expressed itself in the increase in strikes across the country. In his seminal work, Kammen (1997) tracks the growth of strikes from just 1,002 incidents in the period between 1974 and 1988 to 2,263 incidents in the much shorter period between 1989 and 1994.[13] Kammen attributes the surge in strikes primarily to the structural transformation of Indonesian political economy that produced cleavages within the capitalist class and between these factions and the state apparatus, but it would not have been possible without serious efforts at organisation and mobilisation on the part of the workers themselves.

[12] These were microcredit schemes, prayer meetings, theatre and music groups, and discussion groups (Hadiz, 1997: 137).
[13] As a comparison, Hadiz (1997: 113) mentions 991 incidents between 1989 and 1996.

The emerging political freedom does not mean that the regime had abandoned its repressive approach on independent organised labour. Tangerang, a hotbed of labour protests, in 1991 saw protests organised by workers with the help of several NGOs that ended in a comprehensive crackdown. The protests grew out of strikes by around 14,000 workers at 14 factories of PT Gadjah Tunggal between July and August that year, in demanding fair wages and benefits.[14] As the strikes dragged on, the government sent in troops from the local military command to end the strikes and to force the workers to negotiate. This happened several times as workers kept going on strike. At least nine labour activists were arrested and so were a number of NGO activists who helped to organise the protests. Some of them got beaten up and jailed without being charged.

A bigger and more significant labour protest in terms of its consequences for subsequent labour organising took place in Medan, North Sumatra. In April 1994 a string of street protests by workers hit the capital city of North Sumatra and other industrial zones in Deli Serdang. The protests were sparked by several high profile mistreatments of workers in the region, especially by the unfair dismissal of nearly 400 workers of a match factory in Deli Serdang in December 1993 and the mysterious death of a labour activist, Ruli, on 11 March 1994 after taking part in a demonstration (Budiman and Tornquist, 2001). The protests reached a climax on 14 April 1994 when an estimated crowd of between 30,000 and 50,000 workers from more than 20 factories marched through the streets of Medan demanding a pay increase, an end to military intervention in industrial relations and calling for an investigation into human rights violations against workers, and for freedom to organise. The initially peaceful protests quickly turned to violence and riots when confronted by the security forces. According

[14] An account of the strikes can be found online at http://www.library.ohiou.edu/indopubs/1993/01/23/0000.html (accessed on 17 September 2008).

to one version the riot left one dead, 12 injured, and more than 150 shops ransacked and looted.[15] In the following weeks many labour activists were arrested and put behind bars, some for up to several years. The independent union SBSI, seen as the mastermind, was banned and its leaders were sent to jail. In the media the government demonised the movement as communist, deliberately invoking the spectre that was perpetuated by the regime following the alleged coup in 1965 by the Communist Party.

The state's suppression proved swift as well as fierce, and it was soon followed by the return to the atmosphere of repression. Labour activists were forced to go underground again while the regime stepped up its campaign against possible sources of opposition by harassing intellectuals who were highly critical of the regime and by banning three mainstream newspapers and magazines: *Tempo, Detik* and *Editor* (Hadiz, 1997: 170). From this point onwards all the gains from a brief window of political opportunity seemed to have been destroyed until a major event in the country's history presented a fresh chance for labour.

4. The East Asian Economic Crisis and the Reorganisation of Power

The East Asian economic crisis in 1997 dealt a severe blow to modern sector employment in Indonesia with foreign investment abruptly fleeing the country in massive amounts. Having expanded at the average rate of 6.5 per cent annually for over two decades, the economy contracted to only 4.7 per cent in 1997 and soon it became negative at -13.2 per cent in 1998. As the domestic currency became less valuable and prices soared, inflation rose to as high as 58.5 per cent at the end of 1998. Before the crisis, unemployment rates were kept under four per cent but they soon surged to over five per cent in 1998. A one per cent rise in unemployment among Indonesia's almost

[15] A report by Asia Pacific Action available on the internet http://www.asia-pacific-action.org/southeastasia/indonesia/publications/doss1/medan.htm (accessed on 23 November 2007)

100 million strong workforce meant a million people out of work, and this did not include the growing class of the underemployed. Manufacturing employment alone declined by 10 per cent in 1998, and more than a million wage jobs in sectors outside agriculture were lost in the same year (Manning, 2004).

The crisis also helped bring down the New Order government along with its repressive policies. President Suharto resigned in 1998 leaving behind the transitory Habibie government struggling with a lack of legitimacy during its brief term (May 1998-November 1999). Habibie was Suharto's vice president and protégé; therefore, although the Constitution automatically granted him power to succeed as president for the rest of the term, he found it difficult to establish reformist credentials. As part of desperate efforts to distance itself from the New Order's legacy and because of the mounting international pressures, the Habibie government adopted some measures favourable to labour standards (Islam, 2002; Suryahadi, 2003). Less than a month after it came to power, the new government in June 1998 ratified ILO Convention no. 87 on freedom of association, and in August 1998 invited an ILO Direct Contacts Mission to assist with the labour reform process (Caraway, 2004). A year later, in May 1999, three more ILO conventions were ratified: no. 105 on abolition of forced labour, no. 111 on discrimination in employment and occupation, and no. 138 on the minimum working age. This development made Indonesia the first country in Asia to ratify all seven ILO core conventions.[16]

The economic crisis opened up all sorts of possibilities for economic as well as political changes. The struggling interim government tried hard to win public support, but violent conflicts across the archipelago in the years preceding and after the crisis

[16] The other three ILO core conventions are Convention no. 29 on abolishing forced labor, Convention no. 98 on the right to organize and collective bargaining, and Convention no. 100 on equal remuneration. An eighth core convention, ILO Convention no. 182 on the elimination of the worst forms of child labour, was issued in 1999. Indonesia ratified this convention on 28 March 2000.

continued to show that the once powerful central government had now lost its grip. The business sector was cut off from its foreign loans and investment, and big tycoons lost, at least temporarily, the patronage of the now defunct regime. A large majority of companies were now technically bankrupt, and local business people particularly those of ethnic Chinese descent moved out of the country because of the country's unstable political situation and attacks against ethnic Chinese (Anwar, 2005). Under these circumstances, contestation over economic policies was renewed.

Economic crises are important in the process of economic liberalisation for two reasons. Firstly, they may weaken coalitions that oppose liberalisation, and secondly they may strengthen coalitions that support liberalisation (Rosser, 2002). International financial institutions saw the crisis as the opportunity to strengthen liberalisation policies and to get rid of what they called 'crony capitalism' characteristic of Indonesian and other East Asian economies (Robison and Hewison, 2005). A comprehensive reform agenda was imposed by the IMF as part of its bailout programme of the Indonesian economy. At its peak, the IMF programme involved more than 500 conditions, mostly in the areas of controlling inflation, recapitalisation of failed banks, and privatisation of state owned enterprises (Chowdhury et al., 2004: 43).

Borrowing Rosser's categories (2002), there was a coalition within the government ministries and the bureaucracy that tried to make sure that the government fully implemented the IMF conditions. This coalition was supported by academics in influential university economics departments in the country and 'mobile capitalists' whose business interests depended on the flow of foreign investment funds. They had to compete with other interest groups whose main interests ranged from establishing democratic credentials to opportunistic expropriation of state resources. After the collapse of the New Order regime, economic policies, and labour policies for that

matter, have indeed been characterised by a struggle between these competing coalitions of interests. Successive post-New Order governments have tried to improve labour standards but have at the same time been under pressure to halt wage rises and to contain the expansion of labour protections.

As described above, the interim Habibie government was instrumental in improving labour standards through its ratification of ILO conventions and in inviting assistance from the ILO. The ILO Direct Contacts Mission, with financial help from the USAID, assisted with the labour law reform. The objectives of the reform were to conduct 'the review, revision, formulation or reformulation of practically all labour legislation with a view to modernizing and making it more relevant to and in step with the changing times and requirements of a free market economy' (ILO document as quoted in Akatiga et al., 2006: 50).

The programme resulted in three new laws over the course of five years: Trade Union Law no. 21 of 2000; Manpower Law no. 13 of 2003; and Industrial Dispute Settlement Law no. 2 of 2004.[17] The Trade Union Law officially terminated the state dominance of trade unions and guarantees freedom of association by sanctioning four main provisions: a minimum union registration procedure; multi-unionism in a firm; the right of workers to determine the form of their organizations; and equal treatment for all unions. This initiative was a welcome improvement after three decades of union repression. In the euphoria of post-Suharto political freedoms, workers and employers voiced only minor complaints about the new law.[18]

[17] The Trade Union Law was passed by the Abdurrahman Wahid government (October 1999- July 2001), the Manpower Law by the Megawati government (July 200-October 2004), and the Industrial Dispute Settlement Law by the Susilo Bambang Yudhoyono government (October 2004- present).

[18] Caraway (2004) argues that the labour law reform was a mixed blessing because the Trade Union Law was very accommodative to unions whereas the Manpower Law demanded more compromises from unions. This can be explained as a mirror reaction to the New Order policy of suppressing labour collective rights while granting protection for individual rights.

The Manpower Law, meanwhile, is less accommodating to workers. On the one hand, it boosts the welfare of workers by stipulating a regional decent standard of living (*Kebutuhan Hidup Layak* or KHL in Indonesian) as a basis for assessing minimum wages. This effectively stopped the practice of using an index of minimum physical needs (*Kebutuhan Hidup Minimum* or KHM).[19] The new law also increased the rates of severance and long-service pay. The number of months of pay that firms have to give to workers who are dismissed for economic reasons is now three to five times higher than that paid to workers in China, India, Korea, and Malaysia, although it is lower than in the Philippines and Thailand (Manning, 2004). On the other hand, the law introduced provisions that undermined workers' gains. It allows, for instance, contract work that can 'last for two years and can be extended for another two years' (article 59) and sanctions outsourcing practices that allow for non-core and temporary works (article 65). Collective bargaining at all levels is encouraged, but the law clearly promotes bargaining at the enterprise level rather than at the sectoral or national levels.

The Industrial Dispute Settlement Law replaced the pre-existing Central/Regional Committees for Industrial Disputes Settlement (*Panitia Penyelesaian Perselisihan Perburuhan Daerah/Pusat* or P4D/P) which were institutionalised by the first independent government and kept in place by the New Order regime. The new law introduced an industrial relations court that was meant to reduce government interventions in industrial relations by establishing the court within the national justice system, unlike the P4D/P which was under the Ministry of Manpower. This court is presided over by three judges: one career magistrate and two *ad hoc* judges, one from trade unions and the other from employers' associations. This is a significant improvement from the previous regime in which the state had a direct control over the

[19] KFM data were collected on a quarterly basis in all provinces in Indonesia based on 2,100 calorie food consumption plus basic fuel, housing, clothing, and other basic expenditure items (Manning, 1998: 208).

court. In addition to having an *ad hoc* judge from a union background, trade unions can now also represent their members during trials. Procedures from the filing of the case to the delivery of the verdict are now relatively faster with a defined timeframe for each stage and are also much cheaper as most court fees have been abolished. Several scholars have pointed out, however, that the changes do not necessarily close the door to government interventions nor simplify the procedures for creating a fast, cheap and fair justice system for industrial disputes (Mizuno, 2008; Suryomenggolo, 2008). Government officials still act as mediators and unresolved disputes at the bipartite stage have to be registered with the government within 30 days. Longstanding corruption in the justice system still poses major obstacles by creating possibilities of backroom deals and illicit payments.

These new laws effectively replaced the labour legislation which had laid the foundation for more than three decades of oppression of labour. While the laws offer real opportunities for improving labour standards, for the members of the liberalisation coalition such improvements can only mean more distortions in the labour market. Labour protection in the form of minimum wages, collective bargaining, severance pay, independent unions, and legal safeguards for hiring and firing imply a potentially hefty pay bill for the employers.[20] As labour costs go up, other costs being constant, the overall production cost must go up too, driving down the country's international competitiveness in the global competition for investment. This is seen as bad for business and the economy especially in the aftermath of one of the worst economic crises in modern history.

In various documents, having paid lip service to the need for better labour standards, some sections in the government and the business community quickly add to

[20] See analyses by Manning (2000; 2004) and Feridhanusetyawan (2002) as examples of this point of view. A different take on the same issue is given by Dhanani and Islam (2001), Islam et al. (2001), and Islam (2002).

this urgency to relax the provisions, and to emphasise flexibility in the labour market as a key to tackling the crisis. In an executive summary of a labour market policy analysis, the Ministry of Manpower and the Bappenas described how the government had been 'very zealous' in enforcing labour protection regulations (Bappenas, 2003: 4), ironically without noticing that the two agencies are part of the same government. It argued that labour protections had gone too far and endangered employment expansion. It quoted a study by SMERU[21] which suggested that a 20 per cent increase in minimum wage in 2002 had reduced formal sector employment by 2 per cent, women and young people employment by 6 per cent, and low skill employment by 4 per cent (Bappenas, 2003: 11). The analysis became official when the Ministry of Manpower and Bappenas published *Rencana Tenaga Kerja Nasional 2004-2009* (2004) or National Labour Policy Planning 2004-2009 which repeated the same message. Indonesia's *Poverty Reduction Strategy Papers* (PRSP), a document which is one component of the conditionalities that the World Bank imposed on the country, declared that rigidities in the labour market had increased labour costs in the long term and made firms reduce their workers, and in turn put downward pressures on wages in the informal sector (Bappenas, 2004: 60).

This position is in line with the advice from international financial institutions. Very early in the East Asian economic crisis the World Bank in a study of the crisis *East Asia: The Road to Recovery* (1998) had already reminded the affected countries of the benefits of labour market flexibility in helping to ease the pain of economic contractions. It prescribed reforms of labour market institutions; they were to encourage private job placement services, exercise caution in expanding active labour market policies, and give more space for the private sector to provide training. The study also

[21] SMERU is a research centre which originated as a social monitoring and early response unit of the World Bank in 1998 and since then has developed into an independent research centre funded mainly by the AusAid and the Ford Foundation.

acknowledged, however, that restrictive policies, although they may have contributed to the flexibility of East Asian labour markets, might result in antagonistic labour relations, which clearly were not helpful. Two years later a progress report on the same topic *East Asia: Recovery and Beyond* (2000) repeated the same message of flexibility. An ADB (Asian Development Bank) labour market research report in 2003 delivered a judgment that '[d]uring the last three years labo[u]r market policies in Indonesia have become more "union" friendly (populist),' (2003: 2, quotation marks and parentheses in the original) and suggested that this development had a negative impact on the investment climate.

On a different front, Indonesian business delegates who travelled abroad often returned bringing the news that prospective foreign investors were put off by Indonesia's poor investment climate, with labour regulations cited as one contributing factor.[22] Likewise foreign business delegates and chambers of commerce members who visited Indonesia expressed similar complaints.[23] At the same time domestic business organizations were pressing the government to improve its economic performance by speeding up reforms in many areas including labour policies. APINDO, for example, argued that the Manpower Law of 2003 favoured workers and was an obstacle to new investment both domestic and foreign.[24]

It should be noted at this point that the powerful business lobby seemed to have made a comeback after the crisis had nearly bankrupted it. It is important to remember that the post-New Order government is a different political democracy. Going back to the old system of predatory capitalism under the umbrella of a highly centralised authoritarian state was out of the question. Robison and Hadiz (2004) point out that the

[22] 'Revisi UU Tenaga Kerja Diselesaikan Januari 2006' [Manpower Law Revision to Finish by January 2006], *Kompas* 22 December 2005.
[23] 'US Business Upbeat about RI Reforms,' *Jakarta Post* 15 February 2006.
[24] 'Tussle Ahead over Labor Law,' *Jakarta Post* 29 March 2006.

business sector has actually undergone a reorganisation of their political power. Their greatest achievement was a metamorphosis within the new political democracy and within the framework of new political alliance with political and business interests, local officials, fixers, and other political entrepreneurs. Big business actors have reorganised their ascendancy within a 'political arena where elections, political parties and parliament have become the arenas of power.' (Robison and Hadiz, 2004: 217)

In particular, employers have been consolidating their power under APINDO since 2000 (Kelly, 2002; Caraway, 2004). In Suharto's New Order employers had no incentive to mobilise themselves as a group because they received preferential treatment anyway. APINDO existed but was considered a weak organisation and not representative of employers in Indonesia. Now that they have to defend their interests, especially with the arrival of more union-friendly legislation, they have begun to strengthen their organisation. In 2000 several prominent businessmen were appointed to positions in the National Recovery Committee (NRC), a government body assigned to advise the president on economic recovery. One of them, Sofyan Wanandi, became the chairman of the body and in May 2003 he was elected the chairman of APINDO. Since then APINDO has been consolidating itself as an effective pressure group, with strong government connections and an expanding constituency among employers.[25] Their strong lobbying was apparent in the provision of contract work and outsourcing practices in the Manpower Law of 2003. This is the same law that gives higher rates of minimum wage and severance pay to workers. Apparently, having conceded in the first round of negotiation for the labour law reform that produced the liberal Trade Union Law of 2000, they made sure that in the second round their interests were registered in the Manpower Law (Caraway, 2004). In a more comprehensive claim of influence, a

[25] Some observers still see APINDO as a largely ineffective organisation because its membership base only includes large employers whereas medium and small enterprises are less likely to be members (Quinn, 2003).

chief Kadin (Chamber of Commerce) advisor, who was also the chairman of APINDO, asserted that 80 per cent of Kadin's Road Map for economic revival had been adopted by the government.[26]

5. Summary

In this chapter we surveyed the origins and development of a regime of industrial relations which served the ambition of the New Order government. The goal was to ensure stability, to create jobs, and to avoid labour unrest. To achieve a full control of labour, the regime recognised only one labour representative in the form of SPSI, while any other trade unions were severely persecuted. Despite the repression, elements within labour movements and pro-democracy movements in general managed to organise underground challenges, which surfaced into the open from time to time. The real breakthrough, though, only came with the East Asian economic crisis which saw the collapse of the New Order after more than three decades in power. What happened afterwards was a reorganisation of the state and business power including that which would have serious effects on labour.

The crisis prompted a renewed contestation over economic and political policies, significantly shaking up the establishment. As far as labour is concerned, three new laws were introduced, marking the birth of a new regime of industrial relations. While these changes took place mostly in the confines of government agencies and powerful corporate boardrooms in Jakarta, other transformations were also unfolding at the local level, and this is the subject of the next chapter.

[26] 'Kadin Deeply Involved in Policy Making,' *Jakarta Post* 1 December 2005.

CHAPTER 3

The Changing Structures of Political Opportunity in the Region

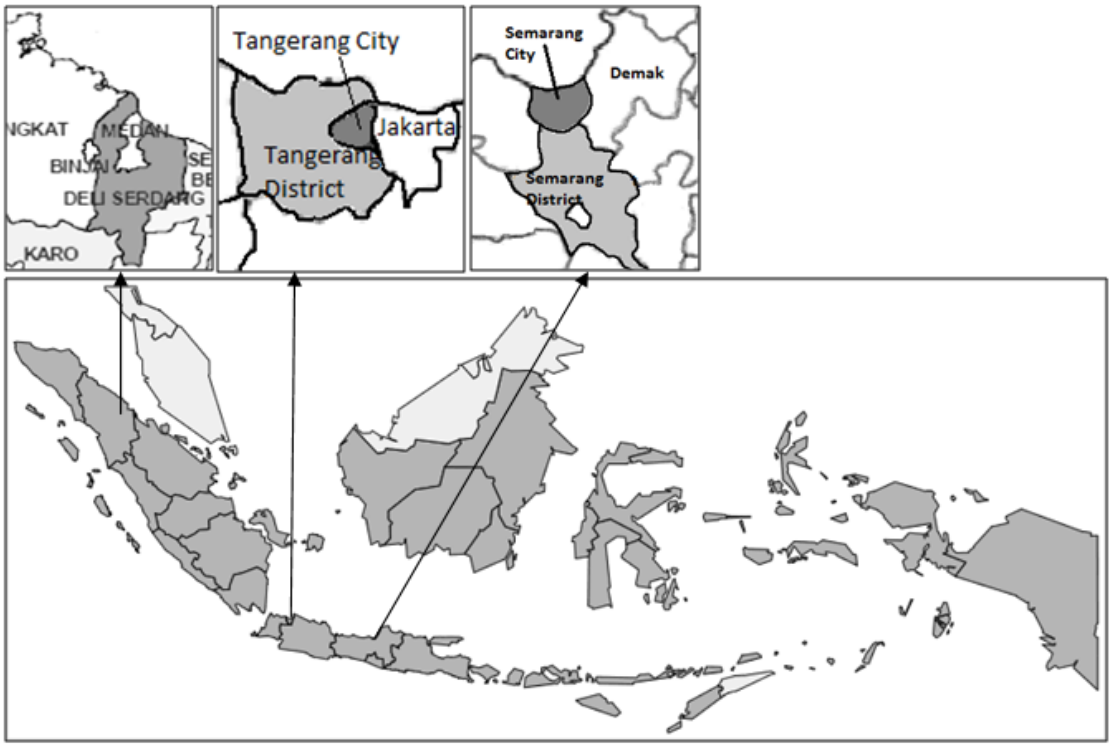

Figure 3.1. Map of Indonesia and the Three Regions in the Study

1. What are the Changes?

The new landscape of Indonesian institutional politics can be described through the lens of two key features that have happened after the collapse of the New Order regime. One is decentralisation and the other is competitive elections.[27] Decentralisation refers to a shift of power from the central government to the sub-national governments. Nordholt and Klinken (2007) distinguish three different interpretations of decentralisation: 1) the delegation of specific tasks while the centre retains its overall responsibility; 2) deconcentration which is a relocation of decision-making within a centralised state; and 3) devolution, which refers to the actual transfer of power to lower levels of

[27] Heryanto and Hadiz (2005) choose to discuss three features: freedom of the press, decentralisation and labour politics.

government. The Indonesian post-New Order decentralisation falls under the third interpretation. This policy was part of the efforts at reforming the Indonesian state and restructuring the economy after the crisis, and it received aid and support from donor countries and multilateral institutions (WorldBank, 2003). The intended goal was to bring decision-making to a level where communities would be more inclined to participate and could hold politicians accountable for their actions. It was argued that the shifting of authority to the regional level would promote democratisation (Aspinall and Fealy, 2003). This desired goal is consistent with a neo-institutionalist prescription which aims at depoliticising bureaucracy and empowering civil society. While state bureaucracy is reduced in size and power, decentralisation is supposed to encourage greater public participation in development. It is a means of improving public services, reducing inefficiency and corruption, and deepening democracy (Manor, 1999; Dasgupta and Beard, 2007). Besides, the central government also hoped that decentralisation would minimise the risk of disintegration. Suharto's centralised and authoritarian regime sparked growing regional discontent and separatist sentiment, especially because Jakarta enjoyed the bulk of revenues coming from the regions' natural resources. Provinces rich in natural resources such as Aceh, Papua, East Kalimantan and Riau had already threatened separation and East Timorese independence in 1999 aggravated the situation.

Competitive elections refer to processes of competition over power within society which involve political parties and their associated organisations during elections. Under the New Order, Indonesia held regular sham displays of general elections which fell far short of their own stated goal, namely competition. Only three state-sanctioned political parties were allowed to participate and the regime's political machine, Golkar, always came out the winner by virtue of political manipulation and

repression. Given this background, one of the first changes that took place after the demise of Suharto was a free multi-party general election in 1999. Five years afterwards, Indonesia witnessed another political landmark when in 2004 it had the first direct presidential election. Few would disagree that elections are an established mechanism to advocate democracy. Through this institutionalised political competition, people regularly renew the mandate they give to their representatives and if necessary effect a transfer of power. The result of a free and fair election is supposed to represent the interests of the majority of people as opposed to the interests of the few people who run a despotic regime. Elections often take place soon after an authoritarian regime collapses. This is to minimise the risk of political uncertainty which results from a vacuum of power. Under such desperate circumstances, however, elections may not always achieve their intended goals, and instead may facilitate the consolidation of old powers or other oligarchic forces unintended by the elections. There is no doubt that together with decentralisation, competitive elections have considerably changed the political landscape in the regions. This chapter aims to identify these changes and to assess the extent to which they open up and expand the political space necessary for contentious labour politics.

Decentralisation was conducted at first in line with the Law no. 22 of 1999 on regional autonomy which delegated to district level governments authority over all areas of policy-making except foreign policy, security, defence, justice, monetary policy, fiscal policy, religion and a few other broad policy areas (Rosser, 2003). Regions now had autonomy with regard to public works, education and culture, health care, agriculture, transport, industry, trade, investments, environmental issues, co-operations, labour and land (Nordholt and Klinken, 2007).

To exercise these devolved functions, the regional autonomy laws gave the regions power over policy formulation and resources management, while subjecting them to a mechanism of accountability (AsiaFoundation, 2003: 10-11). Policy making in Indonesia had been the business of the elite. Popular participation was almost totally out of the question. Decentralisation now sanctioned a procedure which included grassroots consultations at the levels of the village, the sub-district and then the district. On paper at least, people were encouraged to participate. Policy making and resource management used to be the domain of departmental offices in Jakarta. At the dawn of decentralisation most of these departmental offices and their employees were handed over to local governments. In fact, the local governments could reorganise these offices and their programmes according to their own priorities without consulting Jakarta. Moving personnel around to other offices or amalgamating one office with another or dismissing them altogether was common. Undoubtedly, this was a massive bureaucratic reorganisation, involving a transfer of 2.1 million state employees (Rohdewohld, 2003), a 'Big Bang' as Hofman and Kaiser (2002) described it. At the top of the regional bureaucratic ladder, the heads of the regions, namely governors, district heads, and mayors were no longer appointed by Jakarta but elected by the regional parliaments. The parliaments also had power to reject the executive's accountability report, which could lead to impeachment.

With regard to fiscal arrangements between the centre and the regions, the Law no. 25 of 1999 on inter-governmental fiscal relations allowed for a significant redistribution of funds to regional governments and gave local governments more authority over the management of their own budgetary allocation. The law specified four sources of revenues for the local government: the central government's Equalisation Fund (*Dana Perimbangan Pusat*); locally generated revenues (PAD), in

the forms of local taxes and user charges (*retribusi*); regional loans; and other incomes (Colongon Jr, 2003). The Equalisation Fund itself comprised the General Allocation Fund (DAU), the Special Allocation Fund (DAK) and shared revenue from the exploitation of natural resources.

Despite the appearance of control, local governments actually still relied on transfers from the central government. This was so because Jakarta maintained its grip on the main sources of revenues such as income tax, value added tax, import duties and export taxes, and foreign aid (Nordholt and Klinken, 2007). An appraisal study commissioned by the Asia Foundation (2002b) found that in 2002 the DAU accounted for about 75 per cent of the local budget. In poorer regions, the figure could be over 90 per cent. The regions were under constant pressure to increase their locally generated revenues and this has led to local governments authorising a myriad of new local taxes and user charges especially on businesses.

The Ministry of Manpower was a case in point of how decentralisation affected local bureaucracies. The Ministry had to reallocate its resources to its regional offices which then became independent. Once they became independent the scope and quality of their services were dependent on the financial capacity of regional governments, and this had significant consequences. An example would be the way different regional governments ran their training facilities. Before decentralisation, the Ministry of Manpower had 160 training centres established in all the country's provinces. Regional autonomy saw 154 of these training centres transferred to local governments (Manpower, 2006). Less than two years afterwards, several local governments planned to return the management of these training centres to the central government because

they could not cope with their running costs.[28] They argued that training facilities were expensive to run, and that above all, as a social service, they did not generate revenues for local coffers. Even relatively rich local authorities such as the Jakarta Special Region (DKI) only had seven training facilities, two of which were no longer active in recruiting trainees in 2002.[29] Tangerang city, another relatively rich local authority, had nine training centres in 2005.

In 2004 the government passed two new laws on regional autonomy, namely Law no. 32 on Regional Government and Law no. 33 on Fiscal Balance between the Central Government and Regional Governments. The new laws effectively annulled Law no. 22 and Law no. 25 of 1999 after elites in Jakarta had raised concerns that the two laws gave far too much autonomy to the regions. Law no. 32 of 2004 is particularly important because it introduced significant changes to the extent that it 'substantially cut back on the powers previously given to heads and parliaments' (Nordholt and Klinken, 2007: 14), or it even looked like an attempt at re-centralisation (Romli, 2007). The most significant changes cover the areas of executive and legislative powers of the local government and of regional elections. Jakarta has now resumed the authority to annul regional regulations and bylaws which are considered to be 'against public interest'.[30] Local parliaments can no longer remove regional heads from office. Instead, regional heads are now elected directly by the voters in a procedure that resembles the direct presidential election introduced in 2004. The first of such elections took place in

[28] 'Kesulitan Dana, Banyak Daerah Serahkan BLK ke Pusat' [Because of Financial Difficulties, Local Governments Hand Over Training Facilities to Jakarta], *Kompas* 17 July 2004.
[29] 'BLK Tidak Mampu Menyerap Pengangguran di Jakarta' [Training Facilities Cannot Absorb Unemployed in Jakarta], *Kompas* 6 September 2002.
[30] Until May 2006, the Ministry of Home Affairs had annulled 537 local regulations and bylaws because it thought they violated higher laws or endangered investment climate. See this news report 'Ketika Semangat Desentralisasi tidak Kompak,' [When Spirit of Decentralisation not Universal], *Kompas* 21 Mei 2006.

June 2005 in the East Kalimantan district and by the end of the same year 226 direct elections were carried out across Indonesia (Hillman, 2006).

Despite the decentralised system of governance, a vertical link to Jakarta remains strong through the political parties that have seats in regional parliaments. They are largely in control of who gets what in the regions. Until mid-2008 legislative and executive candidates had to have formal endorsement from political parties to be able to compete in elections. A window for independent candidates has just been opened, but they will find it difficult to match the political machinery of established parties. Political parties in Indonesia are very centralised with the leadership council in Jakarta reserving the final judgement on legislative and executive candidacy for local parliaments and regional heads. The choice of candidates is generally determined by a combination of patronage, financial and legal considerations (Buehler and Tan, 2007). There have been incidents of disagreement between the party's central leadership and its regional leadership. In most cases, however, the central leadership won. With regard to the distribution of resources, although political parties do not have direct control over resources that are transferred from Jakarta and vice versa, they do have some influence on how they can be used through parliamentary commissions and through old and reliable patronage networks. Parliamentarians have increasingly turned to ways of corruption and rent-seeking, especially after the state cut subsidies to political parties by almost 90 per cent in 2005 (Mietzner, 2007). In any case, political parties' vertical structure serves as the backbone that connects local politics and Jakarta.

The success or failure of decentralisation and competitive elections apparently is not a clear-cut matter. Nordholt and Klinken (2007) distinguish the 'professional optimists' from the 'realistic pessimists'. Various development agencies fall under the former heading and have supported the process from the very beginning because it is

supposed to augment democracy and strengthen civil society (AsiaFoundation, 2002a; 2002b; 2003; WorldBank, 2003). They articulate narratives that tend to describe decentralisation as a technical process of policy design and implementation. The whole thing, they claim, is a matter of administrative and technical know-how. Capacity building and better management will solve most problems that occur in the process. The pessimists, on the other hand, take the view that decentralisation does not necessarily end authoritarianism and produce democracy, good governance and vibrant civil society. On the contrary, it may pave the way for the proliferation of corruption and political violence in the regions and strengthen patronage networks that have served the New Order (Kingsbury and Aveling, 2003; Hadiz, 2004; Nordholt, 2004; Heryanto and Hadiz, 2005).

The chief concern in this dissertation, however, is to assess the changes in terms of the extent to which they have created new political opportunities. Decentralisation and electoral politics have clearly brought about changes both in the institutional form and in the informal form of power relations of the Indonesian political system. Concerns arising from both the technocratic and political point of views are thus taken into account. In this framework, the assessment does not apply to just any changes, but to changes which encourage people to engage in contentious politics by affecting their expectations for success or failure (Tarrow, 1998). Following McAdam et al. (1996), the focus of the assessment is on the changes in four structures that underpin the Indonesian polity: 1) the relative openness or closure of the institutionalised political system; 2) the stability of that broad set of elite alignments that typically anchor a polity; 3) the presence of influential allies; 4) the capacity and propensity for repression. I use the data collected during the fieldwork to illustrate the arguments.

2. Relative Openness or Closure

By relative openness, it is meant the opening up of political access (Tarrow, 1998: 77) or the creation of space for political participation in those institutions that facilitate political engagement. As changes may constitute openness for certain members of society and at the same time place constraints on others, a consideration of the closure or limitation of access is warranted. Changes may assign more power to the same group of people without actually opening wider political participation. This section is to identify such openness and the possible constraints that may have been created.

The first possible openness is related to the relative degree of independence from Jakarta that decentralisation has brought to the regions. Decentralisation has nurtured the emergence of local elites by ending Jakarta's tight control on the regions. Jakarta no longer had full control over elections of regional heads as these were conducted by local MPs until 2004. The introduction of direct local elections in 2004 has even lowered the costs of political participation. The costs here are both financial and political. Financially, to compete in a local election takes less than it would in a national election simply by virtue of the smaller geographical unit and constituency that candidates have to cover in their campaign. Politically, local candidates are more likely to be familiar with the issues that concern their constituency and therefore can gain advantage against candidates who come from outside the regions. In fact, decentralisation has been characterised by the rise of identity politics in which local elites play the indigenous card to draw support and to brand their competitors as outsiders. They call themselves *putera daerah* or children of the soil. Some elites even demand the creation of new districts or municipalities on the basis of the unique cultural or historical characteristics of the regions (Aspinall and Fealy, 2003). In short, this change has fostered the emergence of local elites who otherwise would not be able to

compete for positions at the national stage and encouraged them to foster local constituencies.

The lower costs of political participation, however, seemed to have benefited the middle or lower echelons of the New Order's vast patronage networks (Nordholt, 2004; Heryanto and Hadiz, 2005). These are mainly former members of Golkar, retired military officers and bureaucrats, who in the past held key positions in local government and owned lucrative businesses in various forms. If there are new faces, most likely they come from the business sector as they have the resources to participate in elections. Although the financial costs are lower compared to those needed for competing for national positions, local elections are no cheap adventure. There are various reports regarding the amount of money a candidate for district head or mayor has to dispense, ranging between one billion rupiah (approx. US$ 100,000) to tens of billion rupiah (Hadiz, 2003; Hillman, 2006). Herry Rumawatine, a prospective candidate from the Democratic Party for mayoralty of Tangerang, was reported as providing 25 billion rupiah (US$ 2.5 million) for his campaign in 2008.[31] The PKS earmarked four billion rupiah (US$ 400,000) for endorsing its candidate in the same election. These reports usually accompany allegations of money politics in various forms that include paying the senior officials of a political party to secure the party endorsement, paying people to turn up for public rallies, and bribing voters on the day of election.

Such stories of new elites well illustrate the wider phenomenon of the rise of local leaders in the regions where I conducted fieldwork. Mayor Abdillah in Medan, District Head Amri Tambunan in Deli Serdang, Mayor Wahidin Halim in Tangerang city, District Head Ismet Iskandar in Tangerang district, Mayor Sukawi Sutarip in

[31] 'Kandidat Rogoh Kocek Rp 25M demi Pilkada' [Candidates Dig up Rp 25 billion for Direct Local Elections] available online http://news.okezone.com/index.php/ReadStory/2008/02/15/1/83872 (accessed 15 February 2008). In August 2008, however, Rumawatine eventually decided to drop his candidacy.

Semarang city and District Head Bambang Guritno in Semarang district had been little known outside their respective regions and provinces before they rose to power. Amri Tambunan, Wahidin Halim and Ismet Iskandar were career civil servants who climbed the bureaucratic ladder during the New Order, while the others had a business background. The same can be discerned of many local MPs. As new political parties struggled to mobilise society and to finance their expenses, they often recruited legislative candidates from among the well to do and the influential at the expense of party representation and democratic participation. When it comes to the stage when political parties have to consider legislative nomination, newspapers are full of reports about political horse-trading between would-be candidates and the parties of their choice. The bargaining is sometimes conducted in a manner similar to street haggling in which the highest bidder, namely the person who can make the largest contribution to the party, gets the candidacy, and the most powerful manages to elbow out his or her competitors with threats of violence. It is small wonder therefore that allegations of money politics and political violence surrounded their rise to power.

One of the most controversial stories is perhaps Abdillah's rise to the mayoralty of Medan in 2000 and his subsequent fall. As reported in the *Inside Indonesia* magazine (Ryter, 2000), as a candidate from the coalition of the Golkar Party and the National Mandate Party (PAN), Abdillah defeated a candidate from the Indonesian Democratic Party of Struggle (PDIP), the strongest party in the parliament when regional heads were still elected by local MPs. The subsequent events revealed the extent of political bribery and violence surrounding Abdillah's rise to power. A number of disappointed PDIP paramilitary youths, kidnapped 12 of their own MPs and then forced four of them to confess that each had received 25 million rupiah (US$ 2,500) in bribery from Abdillah's 'Success Team' in exchange for their votes. In fact, Abdillah also used the

service of thugs to make sure that these MPs switched to his side. Once in power, he allegedly continued to reward his supporters and nurture his constituency through dubious procurement contracts and cash grants. In 2005 in the first direct mayoral election in Medan, his political machine succeeded in getting him re-elected. However, it later turned out that this was at the expense of taxpayer's money. According to FITRA, a government-budget watchdog in Medan, under Abdillah's mayoralty there were in total 19 cases of government contracts under investigation by late 2007. He was also scrutinised by the media for the unconventional method and timing of cash transfers to the poor just before the 2005 election.[32] In December 2007 Abdillah and his deputy Ramli were formally charged with misuse of government funds between 2002-2006 and for a case of corruption in the procurement of a fire engine.[33]

For those who have no partisan connection, the electoral law in 2004 created a new institution called Regional Representatives Council or DPD in its Indonesian acronym. This senate-like institution replaced the unelected group of provincial representatives that used to be granted seats in the highest governing body of the country or MPR. Each province, regardless of size, is represented by four councillors who are directly elected in the same five yearly parliamentary elections. Despite the limited authority that the councillors have, the creation of this new institution has certainly expanded the space required to accommodate local elites. In the North Sumatra Province, Parlindungan Purba is one of the councillors. With a background in business and education, he contested a DPD seat in 2004. He narrowly missed the fourth place and was only appointed to the position one and a half year later when one

[32] Interview with Elfenda Ananda, executive director of FITRA Medan, 7 January 2008.
[33] 'Walikota dan Wakil Tersangka' [Mayor and His Deputy Declared Suspects], *Kompas* 14 December 2008.

councillor died in an air crash.[34] Since then he has kept a high profile through various activities in the public domain ranging from consoling victims of natural disasters to taking to the streets to protest against government inability to secure the electricity supply. In 2006 he was elected to head the North Sumatra provincial chapter of the employers' association APINDO.

There are still other opportunities to ascend to the local political stage through membership in an array of independent state commissions that have been established following several amendments to the constitution in the period between 1999 and 2002. Their function is to monitor various aspects of governance such as the Commission for the Eradication of Corruption, the Judicial Commission, the National Ombudsman Commission, and to implement specific tasks such as the Electoral Commission. These commissions are paid for by the state but are independent of the government. By January 2008 there are 15 such commissions[35], some of which have regional representatives appointed from among the rank of NGO activists and prominent figures in the regions. These commissions recruit their members through several stages of 'fit and proper' tests involving the local or the national parliament. Elites with either organised public support or good connections in the parliament may easily find their way into these commissions.

All these new elites make up part of a new class of political elites who went into politics through various shortcuts and back doors, earning them the name *politisi karbitan* or instant politician. Indonesian politicians, instant or otherwise, like to describe politics as *amanah* or a mandate from God, that they are called by their

[34] Interview with Parlindungan Purba, 26 March 2008, and his profile in the national newspaper 'Parlindungan Purba, Si Wakil Rakyat' [Parlindungan Purba, People's Representative], *Kompas* 20 February 2008.
[35] The number has been growing over the years as new laws sanction the establishment of new commissions.

conscience to respond to the need of the nation and as long as the people wish them to be. More sinister comments would quickly point out that with social and political status comes money, and this is too strong a temptation to resist. The cash transfers from Jakarta offer control of highly valuable resources. This is compounded by the authority to levy new local taxes and charges. With many developmental decisions made at the local government level, the governing elite has significant leverage over these resources for good or for ill. The door is open for them to use the funds in their control either in a 'good governance' sort of way or according to the old rent-seeking practice.

Medan city, for example, in 2003 received close to 800 billion (US$ 80 million) rupiah from Jakarta and the figure increased to over 900 billion rupiah in 2005. In addition, it managed to raise over 200 billion rupiah (US$ 20 million) and over 300 billion rupiah (US$ 30 million) from local sources in respective years. Tangerang city in 2006 received over 493 billion rupiah (US$ 49 million) in cash transfer and raised around 267 billion rupiah (US$ 27 million) locally. Semarang city in 2006 received around 742 billion rupiah (US$ 74 million) from Jakarta while raising just under 200 billion rupiah (US$ 20 million) locally. The bulk of these revenues, however, goes to paying government salaries, a proportion which reached as high as 44 per cent in Medan city in 2003. The rest goes to developmental and operational expenditures and yet the financial prospect still looks attractive in a place where the per capita income in 2003 was only around 10 million rupiah (US$ 1,000).

While good governance practice in resource management is one of the objectives of decentralisation, the danger lies in that by shifting authorities and resources to the local government, they are prone to elite capture. Elite capture is the process by which certain individuals with disproportionate control over resources dominate and corrupt community level planning and development (Dasgupta and Beard,

2007). Local governments are particularly vulnerable to elite capture in developing countries where there is a high level of inequality in terms of power, knowledge and networks, and interest groups are not well positioned to challenge patrimonial networks. In Indonesia elite capture is a serious problem especially because patrimonial relations have deep roots in society and still define much of the terms of power relationships (Webber, 2006). As the story of the mayor of Medan shows, in these circumstances decentralisation is often akin to resource distribution by the patron among his clients in return for votes and loyalty, a process which often represents religious, ethnic, cultural or geographical divisions within society. In other words, decentralisation seems to reward people who are already well entrenched in society. Those outside the higher echelons of society have to challenge and to overcome these networks before they can have a slice of the resources.

The second kind of openness is to do with more broad-based participation. Decentralisation has opened up some space for popular participation in policy-making by situating the process at lower levels of government and by sanctioning mechanisms of grassroots consultation, albeit at times more procedural than substantial. This is generally known as part of the 'participatory budgeting' narrative which encourages the involvement of community groups in a government budgeting process. Consultation with communities about specific development programmes is conducted step by step through village development forum or *Musbangdes* at the village level, Regional Development Work Unit or UDKP at the sub-district level, and development coordination meeting or *Rakorbang* at the district level. At the provincial level, the same procedure takes place in *Musrembang* meetings. In addition, local parliaments may hold *ad hoc* meetings or hearings with constituents to gather information regarding specific issues. These multilevel procedures prompt the birth of various organised

community or civil society groups, many of which bear the name *forum komunikasi* or communication forum and *forum warga* or citizens' forum.[36] These groups often campaign for a specific issue to be included in the local development agenda. Some of them act outside the institutionalised consultations as independent monitoring bodies for government development projects.

In some regions trade unions are involved in the *Rakorbang* or *Musrembang* meetings. The procedure to be included in the consultations is not very clear, though, and may not be the same across different regions. In the Central Java province, for example, the SPSI is still the *ex officio* labour representation in *Musrembang* meetings although one of its breakaway factions, SPN (National Workers' Union), has taken over as the largest union in the province. Therefore there is again the danger that the process may be dominated by powerful elites or by established lobbying groups. In any case, trade unions are accommodated in various tripartite institutions. In keeping with the spirit of decentralised powers, there are tripartite institutions for determining and enforcing minimum wages, for settling industrial disputes, and for general consultation in industrial policy at all levels of governance.

A broader participation is also solicited in government procurement and construction projects. For procurement or construction contracts beyond certain values local governments have to invite bids, which is supposed to end monopoly and to prevent cronyism. During the New Order era, the procurement of government contracts was monopolised by state-sanctioned cartels like the GAPENSI (Indonesian National Association of Constructors) for construction and the ARDIN (Association of

[36] The name *forum komunikasi* has become ubiquitous in Indonesian political parlance as many groups ranging from the New Order paramilitary style youth group FKPPI to the forum for inter-religious dialogue such as FKUB use the term. Some of them indeed function as a genuine forum to discuss relevant issues concerning the members, but many adopt the name as a disguise for a racketeering operation.

Indonesian Business Partners and Distribution) for procurement. The process is now theoretically open for competition, and many emerging associations have come up to compete with GAPENSI and ARDIN. In Tangerang city now there are 15 different associations of constructors outside GAPENSI which have recently organised themselves under one organisation called FMJK which stands for the Citizens' Forum of Construction Service.

The supposedly broader participation in government procurement and construction projects often turns out to be very limited. New associations are founded by former officials of the old cartels, whose term in the organisation has run out or by relatives of the established owner of a construction or procurement firm. Cronyism is still common and possible criticism can be pre-empted by bribery or threat of violence. Fixers and middlemen are active in brokering deals long before official bidding procedure starts. The bidding itself is just a façade for formality and media consumption.

Tanu Wibisana was a local businessman and had been a senior activist in the GAPENSI Tangerang; he then became the treasurer of the rival FMJK although maintaining good relations with his GAPENSI colleagues.[37] According to him, substantial government contracts and concessions in Tangerang city were distributed among the GAPENSI and the FMJK members only. Each association sent its brokers to secure deals either with MPs who oversaw the projects or with officers at the Public Works Office before the formal bidding took place. Sometimes, the winner of a bidding process for government projects was already decided in a closed meeting at the Tangerang headquarters of the GAPENSI. Other bidders would then receive what Wibisana called *uang konsensus* or consent money, i.e. a fee to agree on who has got

[37] Interview with Tanu Wibiksana, 27 February 2008.

the contract. The same story had been told by an NGO activist, and he added that on occasions when competition was really open, thugs would guard the entrance to the office of Public Works to make sure that competitors could not enter their bid.[38]

3. The Stability or Instability of Political Alignments

Political opportunities may occur when cracks, divisions, or break-ups appear in political institutions. As Tarrow (1998: 78) notes these 'create uncertainty among supporters, encourage challengers to try to exercise marginal power and may even induce elites to compete for support from the polity.' These are signs of instability in the elite alignments that sustain the polity. In new democracies such as Indonesia, electoral instability is a common source of power struggle where party coalitions constantly change depending on their political fortunes and party infightings trigger divisions among elites. After all, conflicts are rife especially when competition is tough. This section also considers splits or conflicts among different categories of the elite which include business actors. Although they may not be directly engaged with institutional politics, their disproportionate control over resources is likely to influence the polity.

Indonesia's multiparty democracy is still very young and over the years it has witnessed the changing fortunes of political coalitions both at the national and the regional levels. At the moment when political parties come together to pursue an electoral win, they have often sown the seeds of their own demise. The tendency of political parties to look for short-term gains is the main reason why political alliances do not last. Parties from different and often contradictory ideological backgrounds join hands to secure a majority or to block a strong candidate. The first few years into the

[38] Interview with Yanuar, an activist with Garuk KKN (an anti-corruption NGO) in Tangerang, 26 February 2008.

democratic period already give an indication about the extent of political parties' pragmatism when they come to power. In the 1999, the PDIP won the general elections with 33 per cent of the votes, defeating Suharto's political machine, the Golkar party, into a second place. Despite a strong presence in the national assembly, the nationalist PDIP's presidential candidate had to be content with the vice-presidency in a vote endorsed by a broad coalition of Islamic parties and the Golkar party. Abdurrachman Wahid, a respected pro-democracy figure and Muslim cleric, was elected president instead. The drama that accompanied the election in the assembly's General Session was a blatant show of pragmatism with legislators jumping ships to support their former political opponents. The president, however, did not last long, as the same coalition that brought him to power switched sides in 2001 to forge an alliance with the PDIP, and impeached him. The vice-president then replaced him and enjoyed the support of the Islamic parties.

In the regions, local elections introduce conflicts by pitting elites against one another in often bitter competition for legislative or executive positions. The election of the Tangerang district head in February 2008 is a case in point; then the incumbent Ismet Iskandar defeated his rival Jazuli Juwaini, whose running mate, Airin Diany, is a sister-in-law of the Banten governor, Ratu Atut Chosiyah. Ratu took the matter personally as she and her powerbroker father, Chasan Sochib, were keen to establish a dynastic-style rule across Banten, with her other relatives running for mayor or district headship somewhere in the province.[39] Meanwhile Ismet himself was a staunch opponent of the Chasan family primarily because the latter dominated construction

[39] These are the sons and daughters of Tubagus Chasan Sochib, a strong man in Banten. So far Ratu Atut Chosiyah, his eldest, has become the governor of Banten. Diany failed in Tangerang district, but Ratu Tatu Chasanah, Chosiyah's younger sister, is ready to compete for the mayoralty of Serang city in 2009. Two other children of Sochib i.e. Tubagus Nurzaman and Ratu Lilis have been touted to take part in local elections somewhere in Banten. See 'Putri Gubernur Jendral di Tampuk Daerah' [Daughter of General Governor at the Helm of the Region], *Tempo* 9 December 2007.

projects in the province so that Ismet could not get a sufficient share of these projects in order to distribute them between his own clients (Masaaki, 2008). It is therefore not surprising that he was not happy with the interference by the governor during and after the election. So much so that he initially refused to be inaugurated by her, a function which she exercises as governor, only for the central government to intervene to calm the two elites.[40] Indeed, regional elections often turn nasty as candidates resort to a mud-slinging type of campaigning, projecting a negative image of their opponents. The political wounds resulting from this episode will certainly take time to heal if at all, thus keeping the gap between the elites wide open.

Party infighting is another phenomenon in the regions. As political parties become the main political vehicles to gain power, party jobs are highly coveted. Aspiring local elites cannot afford to ignore them in their bid to secure party nomination in an election. The circumstances surrounding Abdillah's ascent to power in Medan that were described in the previous section provide one such example. A combination of money politics and political violence increases the severity of the conflict. The 2003 election of the district head in Tangerang witnessed an ugly conflict between two factions in the PDIP. One faction supported Doddy Anshory who was running for the headship of the district while the other faction threw its weight behind Norodom Sukarno who was a candidate for deputy district head alongside Ismet Iskandar. The election took place in the Tangerang parliament building amidst tight security where a car was damaged in the fracas between supporters of the rival factions.[41] Ismet Iskandar and Norodom Sukarno won the contest. Having lost the chance for the top job in the district, Doddy began to persecute the nine PDIP parliamentarians who switched side to

[40] See 'Atut-Ismet Diminta Harmonis' [Atut-Ismet Asked to be Harmonious], *Radar Banten* 18 March 2008.
[41] 'Tangerang Gets New Regent for 2003/2008', *Jakarta Post* 28 February 2003.

support the Ismet-Norodom pair, arguing that this was a serious breach of party discipline.[42] The leadership of the district branch of the PDIP then suspended their membership. The nine parliamentarians refused to accept their fate quietly and fought back. They accused Anshory of acting illegally as a party activist by issuing various important documents in the past without consulting other party's officials.

Another source of instability in the institutions of governance is corruption. As described in the previous section, the transfer of resources to the regions attracted a lot of interests to seize control over them. The struggle for resources is often nasty enough, but the subsequent ramifications have implicated elites in allegations of corruption or even landed them in jail. However, one elite's misery quickly turns to another elite's fortune. Bambang Guritno, the head of Semarang district, was convicted for corruption and sentenced to two years in jail. This event opened the door for his deputy to replace him for the remainder of his term. Sukawi Sutarip, the mayor of Semarang city in his second term, was alleged to be instrumental in the misuse of the funds earmarked for unexpected expenses in the 2004 city budget. He was also implicated in several other cases of corruption which he refused to admit. These allegations created difficulties for him in mounting a campaign for the Central Java gubernatorial election in June 2008. The coalition of the PKS, the Democratic Party, and the PDS that endorsed his candidacy nearly abandoned him because of his tarnished image. He eventually went on to come third out of five candidates. The winner was a retired military figure endorsed by the PDIP, and this ended Sukawi's political career, at least for now.

[42] 'Sengketa di PDIP Tangerang Berlanjut' [Disputes within PDIP Tangerang Continues], *Sinar Harapan* 7 August 2003.

In fact, in the Central Java Province in 2007 alone there were 324 cases of alleged corruption which cost the state around 800 billion rupiah.[43] Semarang city government was the most corrupt with 21 cases among the 35 regions in the province. 19 per cent of the 324 cases were already in the court while the others were at different stages of investigation by the police and the district attorney. In total, 217 local parliamentarians were implicated in the allegations in the 1999-2004 period, and up until 2007, 28 regional heads and their deputies had been named suspects or found guilty in corruption-related cases. Indeed data on allegations of corruption is now more readily available thanks to the emergence of governance-watch NGOs. This potentially fuels contention against the implicated elites either by encouraging other elites to take up the position left by its former occupant or by inducing civil society groups to act on the allegations.

Corruption cases also divide elites as they try to distance themselves from the suspects or to defend them so as to minimise the damage which may drag them down too. The declaration of Abdillah and Ramli, the mayor and the deputy mayor of Medan, as suspects in corruption cases has divided Medan political elites into those who support them and those who castigate them. Some organisations which have received Abdillah's generosity in the past such as the Medan branch of the Indonesian Council of Ulemas (MUI), the coalition of the Golkar party, the PAN and the PDS, and some other organisations asked for his release from prison pending final verdict.[44] Meanwhile pro-democracy groups and their political opponents quickly seized the opportunity to point their fingers at the corrupt networks of elites who ran the region.

[43] Data is provided by KP2KKN, a respectable governance-watch NGO in Semarang. The same information can be found in 'Korupsi di Jateng Merajalela' [Corruption in Central Java Rampant], *Sinar Harapan* 11 December 2007 and 'Korupsi Jateng Rugikan Rp 773 M' [Corruption in Central Java Costs Rp 773 billion], *Seputar Indonesia* 11 December 2008.

[44] '"Bela" Abdillah, Ormas Keagamaan Harus Diaudit' ['Defending' Abdillah, Religious Groups Must be Audited], *Medan Bisnis* 7 January 2008, 'MUI Medan Siap Beri Jaminan' [MUI Medan Ready to Provide Bail], *Kompas* 8 January 2008.

We may now consider the divisions that appear in one of the most stable institutions of development in the past. A feature of the New Order regime was the stable patrimonial relationship between political and business elites. This relationship produced economic growth and the expansion of an apolitical middle class which depended on government contracts. This relationship may not have fundamentally changed after the collapse of the regime,[45] but there are signs that this politics-business cooperation should no longer be taken for granted especially in the regions. In fact, in the context of decentralisation the pressure on local governments to raise local revenues often put them in conflict with business actors. The expanding array of taxes and user charges has been seen by local business communities as unfriendly to the investment climate. Business interests argue that more regulations only mean more red tape, and regulatory uncertainty serves as a pretext for corruption.

In fact, the almost uncontrollable expansion of these taxes has led to the foundation of an independent monitoring body called KPPOD (Committee for Monitoring the Implementation of Regional Autonomy) based in Jakarta. Supported by the Home Ministry and the Finance Ministry it monitors local regulations and bylaws and campaigns for their annulment if found unfriendly to business. Every year this organisation conducts a survey among business people and publishes a regional investment ranking. In 2004 it claimed that more than 30 per cent of 1,025 regional regulations from 214 regions 'could distort business activities.' (KPPOD, 2004: 36)

Satria Ginting, the chairman of the APINDO in Deli Serdang complained that the local government had added taxes on warehouses and offices to the existing tax on industry.[46] There were taxes on the factory's own electrical generators, on lightning

[45] In fact, as we discussed earlier in this chapter, some authors suggest that the entrenched pattern of politico-business relationship is strengthened.
[46] Interview, 21 January 2008.

conductors, and on parking space within the factory's compound. On top of that, the final amounts that businesses in Deli Serdang had to pay often exceeded the official charges, with the money going into the pockets of unscrupulous officials. Ginting went as far as calling this 'blackmail' by government officials. The APINDO vice chairman of Semarang city, Sukanto Jatmiko, compared the city's tax regime with China's, Cambodia's and Vietnam's. He illustrated that governments of these countries hunted for investors and gave them tax holidays while his own government bullied business by charging a variety of levies. His dissatisfaction flew in the face of the administration of the city, which had been named the best place to do business in 2002 by the KPPOD. The most poignant sign of conflict between business and local governments is best viewed in the person and the comments of Herry Rumawatine; he was the vice chairman of the APINDO branch in Tangerang district and the vice-speaker of Tangerang city parliament from the Democratic Party. He recognised the need to raise local revenues to run the city properly, but felt that business had been targeted too harshly under this pretext and the money did not always go to the local government' coffers. He said of business people,

> Here, right from the outset we were made to pay various charges under the table. This makes investors reluctant to come, not to mention burdensome regulation. Moreover, in the regions the sub-district head and the village chief ask for more money... As far as I am concerned, business people have been made cash cows without being able to put up a fight.

The most publicised rifts between local governments and business emerge in the process of settling minimum wages. Each regional wage council, which is a tripartite institution, meets several times a year to conduct surveys on the market prices of essential needs. The result of this survey makes up the so-called 'decent standards of living' or KHL in its Indonesian acronym. Based on KHL rates, the wage council makes a recommendation on minimum wage rates whilst considering the rates of inflation and

growth and taking into account minimum wages in neighbouring regions. The recommendation made at district or city level is passed on for approval to the governor of the province. Although governors have the ultimate authority to declare minimum wages, the real power lies in district or city governments. As representatives of Jakarta, governors would look bad if they rejected recommendations from district heads and mayors. The whole process involves intense negotiations and the local government is supposed to be an arbiter between representatives of the APINDO and trade union officials. This formal role of the state does not prevent unionists from harbouring suspicions about backroom deals and collusion between government officials and business interests to set wages as low as possible. This is not surprising to say the least given a long history of state-led capitalism. What is more interesting is that business representatives have increasingly accused their government counterparts of sacrificing market rationality for populism by giving in to workers' demands for a substantial increase in minimum wages. This is more common when a region is soon to have an election. Obviously incumbent regional heads want to court popular support in preparation for the coming elections and in industrial regions it would be foolish not to appease workers and their families.

Mayor Wahidin Halim of Tangerang city was gearing up for his first direct election in October 2008. The process of settling the minimum wage for 2008 had begun in earnest in October 2007. Two of the four trade unions represented in the council objected to the final recommendations and walked out of the negotiations.[47] The mayor could have simply proceeded with the formality of submitting the recommendation. After all, this had always been done before without much fuss. Instead, after a combination of workers' show of force in the streets and lobbying, the

[47] Interviews with two officials of FSPTSK, Sugandhi on 19 February 2008 and Purwoko on 21 February 2008, and with Siswoko of SPMI, 22 February 2008.

mayor finally submitted a new recommendation to the Governor of Banten to accommodate the demand of the two unions.[48] In response the Tangerang branch of the APINDO filed a lawsuit against this decision in the state administrative court. In Depok city just outside Jakarta, a mayoral candidate from the Prosperous Justice Party, Nurmahmudi Ismail, in 2006 promised to increase the city's minimum wage rates to the same level with Jakarta's if he was elected mayor, a promise that haunted him one year into his office.[49] A similar phenomenon can be found in Kendal district in the Central Java Province. In 2005 the incumbent district head raised the minimum wage in his region above the minimum wages for Semarang city, the capital city of the province where the cost of living was presumably higher.[50]

In Deli Serdang, the negotiations for wage settlement in 2008 failed to reach a decision and employers accused the local government of playing politics. At one point, the chairman of the APINDO in North Sumatra threatened over the phone Robinson Simorangkir, the official of Deli Serdang Manpower Office who chaired the wage negotiations, with removal from office through his connections in Jakarta.[51] Of course, Simorangkir knew this threat was most likely an empty one because Jakarta had nothing to do with wage settlements and he had the full support from the district head who was gearing up for election in the same year.

Even when minimum wages have been settled, pressures from trade unions sometimes make the local government modify the wage rates halfway through the year

[48] 'Buruh Tangerang Protes UMK' [Tangerang Workers Protest about Minimum Wage], *Kompas* 28 November 2007.
[49] 'Buruh Sepakati UMK Depok Rp 962.500' [Workers Agree on Minimum Wage Rp 962,500], *Kompas* 19 November 2007.
[50] Interview with Ichwan Priyanto, a government representative in the wage council of Semarang city, 5 April 2008.
[51] Interview with Robinson Simorangkir, 31 January 2008.

to accommodate their persistent protests.[52] Local MPs often back this decision because they are concerned with the image of their parties. This creates uncertainty for business and obviously angers the employers. Open disagreements on minimum wages between local governments and business interests erupt almost every year in the regions. This has led the APINDO chairman to suggest that the central government revoke the authority of local government to settle the minimum wage.[53]

The lively events surrounding the process of settling the minimum wage also reveal another type of elite conflicts, namely conflict between business actors. Local state actors are usually well connected to local business interests and some of them even have a business background themselves. To increase minimum wages to a level which is unacceptable to employers would pit state officials against their powerful business patrons. However, as I have discussed before, local governments sometimes do raise wages to the level that provokes the employers' anger. The question we may ask is who these employers are and whether they are different from the business patrons of local governments. The answer to these questions requires a distinction between business people who depend on government contracts and are therefore supportive of the local government, and those whose contracts come from the international market and who are more likely to be members of APINDO. State officials who seek re-election or local businessmen-cum-politicians who buy workers' votes are mostly related to medium scale businesses outside the manufacturing sector such as construction, printing, trade, and transportation. Although minimum wage regulations apply to these sectors, they are much less scrutinised than the export oriented manufacturing industry. Furthermore, they tend to employ fewer people than the army of wage workers who work for the

[52] This point was emphasized by Djimanto, the general secretary of the APINDO in Jakarta, in an interview, 4 August 2006.
[53] 'APINDO Wants Wage System Changed', *Jakarta Post* 29 November 2006.

manufacturing industry, and they are less likely to be unionised. In short, they have more freedom to cheat the regulations on minimum wages and therefore less concerned about the rise or fall of wages.

Instability in the political institutions of society opens up political opportunities in the way that it allows for a realignment of political elites. Elites who have hitherto been out of the equation may gain a momentum to assert themselves on the stage. They may manipulate conflicts to increase their bargaining position or as an excuse to start a new alliance. Instability also forces mid-ranking officials of a political party or a political alliance to renegotiate the terms of their support to their patrons and possibly the support of the party's grassroots members.

4. The Presence of Influential Allies

In contentious politics the presence of influential allies presents an opportunity to make the voice of usually marginalised political challengers heard. Elite allies may act as 'friends in court, as protectors against repression, or as negotiators on their behalf' (Tarrow, 1998: 79). They may also give access to resources which otherwise are beyond the reach of ordinary people. As for the possible gains for the elites, being associated with the people is always a great political asset in the battle for power. They may gain a new momentum by forging alliances with emerging civil society groups or with political challengers in society. Those who fall from power can even revive their political fortune by claiming the role of 'tribunes of the people' and emerge as a progressive political force ready to challenge the establishment.

The presence of elite allies in the new Indonesian political landscape can be described under two main categories, namely during and outside election times. Let us start with the opportunities that occur during elections. During the fieldwork for this

dissertation, I observed a growing phenomenon among political parties to build tactical coalitions or alliances with organised groups especially in direct regional head elections. To understand this phenomenon we need to take into account the fact that post-1998 political parties have actually struggled to penetrate and to mobilise the population in a more organised and sustained way. The New Order successfully depoliticised society by banning political parties from operating below the sub-district level, except of course for Golkar and its front organisations. Therefore when the ban was finally lifted, new political parties were grappling with the strategies needed to engage the public and to get them involved in party politics. While voters might be enthusiastic about elections, they were not necessarily interested in becoming members of a political party. Political parties have so far failed to establish an organisational sub-culture in society by which society is stratified in organised groups with certain political affiliations. Even among the relatively more organised groups such as pro-democracy activists and trade unions, there seems to be a reluctance to engage in party politics. A study by an independent research centre finds that pro-democracy activists see party politics as essentially corrupt and therefore do not want to get their hands dirty (Priyono et al., 2007). In addition, the majority of trade unions still perceive political unionism with contempt and see their goals solely in economic terms (Ford, 2005).

Thus, when elections come, parties have to rely mostly on a combination of populist and identity-based (religious and ethnic) rhetoric, personality-oriented campaigns and money politics to woo voters. In this climate of party politics, however, a tactical alliance with organised groups is still possible based on mutual benefits if not on ideological affiliation. This is especially true at the local level where political deals look more realistic and easier to enforce than at the national level. Local party activists are more likely to be recognised by the public and may themselves have some local

roots. Tangerang district, Tangerang city, Semarang city, and Central Java province either had just had an election or were about to have one when the fieldwork was conducted there between January and June 2008.

One way open to elites for taking advantage of the political configuration in the run-up to local elections is by forming coalitions with trade unions. The Jazuli Juwaini-Airin Diany pair that was endorsed by the Islamic party PKS for the election of the Tangerang district head forged alliances with 11 trade unions. Jazuli and Airin knew that unions disliked the incumbent Ismet Iskandar for settling the 2008 minimum wage below the level demanded by unions.[54] Besides, unions had had a long history of conflict with Ismet before. They wanted to take advantage of this sentiment and offered an assurance that, if elected, they would give unions direct access to policy making.

Several political parties have even begun to develop their own labour divisions as part of a strategy to tap into the workers power base. The Islamic party PBB has the same origin as the union PPMI, both being founded by Islamic politicians closely associated with the organisation of Muslim intellectuals (ICMI) right after the demise of the New Order in 1998. In the three provinces where the fieldwork was conducted, PPMI is most active in North Sumatra. In the same province the Labour Party is the direct descendant of the SBSI, one of the first independent unions which challenged the New Order ban on alternative trade unions. Although the relationship between the two has not always been harmonious, the Labour Party in North Sumatra can still claim a historic relationship with the SBSI and rely on its wider networks for electoral purposes. In Central Java, the provincial chapter of the PDIP established a labour organisation called PBDI in 2001. We will analyse later in Chapter Eight how the alliance between political parties and trade unions has fared in regional and general elections.

[54] Interview with Gunawan, a PKS activist, 5 March 2008.

Another avenue by which elites may engage local groups in elections and present themselves as allies is by involving the leaders of these groups in the so-called 'success team'. In Indonesian political parlance, a success team is an *ad hoc* committee that is responsible for mobilising support for a particular candidate in an election. It usually combines professional advisers such as academics and party strategists with figure heads poached from influential business, youth, ethnic, or religious organisations in the region. Quite a number of APINDO officials and trade unionists or labour NGO activists confessed that they had been approached by legislative or executive candidates to help them with their success teams. Union or NGO activists are presumed to have inside knowledge and access to the dense networks that make up a community targeted by political parties and therefore suitably placed to act as middlemen between the elite and the grassroots. Their recruitment clearly takes advantage of the entrenched clientelistic nature of Indonesian society. The elite provide patronage for activists or budding informal leaders who are otherwise little known outside their immediate community. In addition to any material benefit, these activists can have direct access to influential figures who are members of the same success team and possibly break into the inner circle of the candidates themselves.

Outside election times possible influential allies can be found in the regional legislative organs. With the arrival of a relatively free press and the mushrooming of NGOs, local parliaments are under constant scrutiny to put up at least an appearance of a democrat who cares about the people. Moreover people have high expectations of their representatives in the new political democracy. The era of rubber stamp parliaments should be over when parliamentarians are now elected in free elections. To be sure this has not always deterred local MPs from manipulating government budgets and getting rents out of the lucrative contracts that pass through the parliament. Besides,

as noted by Haris (2008), the electoral system that brings them to power tends to favour party interests against the interests of the voters. Representation is a notion hotly sold in the campaigns but stops becoming meaningful once elections are over. In short, elections do not always produce representative legislators.

Several individual parliamentarians, however, seem to take the notion of representation more seriously and may become potential allies. What usually happens is that these MPs take up specific demands from certain groups which have earlier staged a street protest or filed a complaint to the local parliament. As MPs they are organised in party factions and work in special parliamentary commissions, each dealing with a specific matter. They will then use the power that is assigned to the commission to summon or to organise a public hearing with the authorities that the protesters challenge. Some of them may then follow this up with their own parties, using their contacts and connections to deal with the demands. Along the way the process attracts media attention to the advantage of both the cause advanced by the protesters and the popular standing of the MPs.

The minimum wage negotiations again set the stage for elites to show their support for workers. Time and again in almost all regions when trade unions are not happy with the stipulated minimum wage, they go to the local parliament to express their protest and to seek support. To be sure not all parliaments are as responsive, but there are those who find it an opportunity to show their reformist and democratic credentials. In the North Sumatra provincial parliament, Muhammad Nuh was an MP from the PKS and sat in the parliamentary Commission E which dealt with public welfare including labour affairs. He admitted that as a provincial parliamentary body his commission did not have enough power to advocate matters related to national legislation. What he and the other MPs as a commission could do was to conduct

repeated public hearings in which they could question policy and hopefully would put pressure on the executive and employer's representatives. In Semarang city, a PKB legislator Abdulkadir Karding rose to prominence in defence of workers' demands to amend the 2001 minimum wage. As the chairman of Comission E on public welfare issues, he had populist credentials among workers and several times took part in workers' protests. Some other parliamentarians in Tangerang and Semarang whom I interviewed have had a similar approach to demands from organised groups such as trade unions.

In addition to these parliamentarians, individual members of the local bureaucracy also occasionally offer support to workers. In Deli Serdang district Robinson Simorangkir, the deputy head of the district's Manpower Office, acted in favour of workers by refusing to agree with employers' recommendation on minimum wages.[55] His position as the secretary of the wage council gave him the power to lend support to the trade unions which had earlier refused a dismal pay rise proposed by the APINDO. As I described in the previous section, this unusual manoeuvre eventually sparked a conflict with employers grouped in the APINDO. It turned out later that Simorangkir had the backing of his superior, the district head himself, and seemed to have acted as his political operator to approach unions as part of his strategy to nurture local constituencies. For Simorangkir himself, this being an ally of unions had awarded him good career prospects. He was appointed the head of the district's Manpower Office in February 2008, only a few years after being the deputy. Budi Yuwono, a senior official in the Manpower Office in Semarang district, emerged as an influential bureaucrat in the industrial relations in the region. Although not as controversial as Simorangkir, he had successfully brokered deals between trade unions and employers in

[55] Robinson Simorangkir is a controversial figure because some union officials see him as an ally whereas other union officials see him as a threat.

a number of industrial disputes and conflicts. He developed good rapport with major trade unions in the region and was known for his insistence on workers' statutory rights.

There is also a possibility of having influential allies in the form of whistle-blowers. These are individual members of a business or governmental agency who report misconduct within their own organisation either to their superior or to public authorities. They may turn to the public if their warning is not heeded by their superior, or they directly want to make it public because they think that the matter involved is of public concern. In doing so, they may choose to reveal it to organised groups in society. As the definition of a whistle-blower itself suggests, they are usually people of some influence and therefore having them as allies may increase a group's or a movement's bargaining position in the face of the authorities it challenges.

There is one interesting example of a whistle-blower who approached trade unions in Tangerang.[56] A senior employee of PT Jamsostek, the state owned insurance company which runs the workers' national insurance scheme, in May 2008 turned against his superior because he was demoted from a position in the company's Jakarta headquarters to a lower position in a branch office in East Java. The cause for his demotion, according to his associates, was an allegation that he had masterminded a demonstration by unions outside the Jakarta headquarters in April 2008. Indeed, a group of trade union activists under the ABM or the Alliance of Challenging Labourers who mostly came from Tangerang did stage a demonstration protesting against PT Jamsostek's handling of workers' insurance. Being a union official himself in the insurance company and hailing from Tangerang, he became a soft target for his

[56] I was present in the first meeting between this man's associates and union officials and activists grouped in the ABM Tangerang which took place on 5 June 2008. The whistle-blower himself did not turn up in this meeting and his business was represented by two associates. He later personally met the activists in the second meeting bringing the documents he had obtained about the allegations. Thus, the account here is based on my direct observation of the first meeting and an interview by phone with Kasminah, the activist who was first contacted to facilitate the meeting with the ABM, 26 June 2008.

superiors who obviously did not like the demonstration. He dismissed the allegation but received a disciplinary sanction nonetheless. Rather than succumbing to the humbling treatment, he filed for an early retirement and later turned to the same group of union activists whose protest had triggered the whole chain of events. He had obtained what his associates called 'hard evidence' on two possibly damaging cases against PT Jamsostek. One was about the alleged sale of the insurance customers' details to a third party, and the other was about alleged misuse of customers' premiums to enrich certain high ranking officials in the company. The whole event was still going on and ABM activists were assessing the legal value of the documents when I met them.

There is no doubt that elites who reach out and offer their support to organised marginalised groups in society are not always motivated by some unselfish desire to serve the people. What matters is that the changes that have taken place after the demise of the authoritarian regime have created conditions that force them to do so. Indeed, being associated with the people is at the heart of the notion of being pro-reform in Post-Suharto Indonesia. While *pembangunan* (development) was the buzzword during the authoritarian period, *kerakyatan* (being with the people or being populist) does the magic in the new political democracy. Political organisations and individuals claim to be fighting on behalf of the poor, the little ones, or the marginalised. The particular emphasis on siding with the poor can be explained as a reaction to the elitist New Order regime and its policies. Political sentiments against the corrupt and extravagantly rich class of the ruling elite ran high in the build up to the 1998 overthrow of Suharto and in its aftermath. The riots that broke out in many cities across Indonesia in May 1998 were directed partly against the Chinese, who unfortunately were perceived as the representatives of the rich. People also soon learned that democracy was meant to give primacy to their interests; it is rule by the people. Elites quickly seized the momentum

and manipulated these sentiments. Emerging political parties often bore the name *kerakyatan*. Academics and pro-democracy activists juggled to define the properties of being with the people. The government generously added this adjective to its policies even if they were not very different from the previous ones. For good or for ill, being with the people and making alliances with civil society groups have now become indispensable in politics.

5. The Capacity and the Propensity for Repression

Contentious actions, which demand significant changes in the establishment, almost by definition invite repression from the challenged authorities, in one form or another. Repression raises the cost of contention and hinders attempts to organise collective action. In fact, the mere possibility of repression is often enough to deter challenges. On the contrary, less repression leaves more space and possibilities for groups and individuals to organise collectively and increases the chance of success.

A hallmark of the New Order was the dominating role of the military, including the police, in state institutions. The army, in particular, dominated through its role in politics, its control of the intelligence services, and its extensive reach all the way down to village level. The regime perceived any independent civil society movement as a threat to its political dominance. As far as workers are concerned, a ban on independent trade unions was coupled with the involvement of the military in industrial relations.[57] This resulted in almost total annihilation of independent labour organising.

Medan and Tangerang in particular saw massive crackdowns on worker protests during the New Order. The Medan riot of 1994 as told in Chapter Two was a case in point. The brutality of the state in responding to the tens of thousands of workers

[57] As we have discussed in Chapter Two, this was enshrined in the Minister of Manpower Decree no. 342/Men/1986.

marching through the streets of the North Sumatra capital was not surprising. What was more telling was how the regime commanded the reorganisation of the local bureaucracy, and especially the local Manpower Office, for failing to anticipate the protests. Almost all middle to high ranking bureaucrats in the local Manpower Office were either demoted or moved somewhere else outside the province.[58] This shows the extent of the power and the willingness of the regime to maintain its grip on labour and society in general. Tangerang was of course the hotbed of labour unrest during the New Order; its proximity to Jakarta meant that potential threats to security were quickly curbed. This security approach was the order of the day when industrial disputes were perceived first of all as security threats rather than as social economic issues.

Semarang in Central Java did not see much of the repressive power of the state during the New Order rule, at least not in public. It does not mean, however, that there was no capacity for repression. Quite the contrary, as the capital city of the Central Java province, Semarang is home to the fourth military command or the Diponegoro Military Command as it is called. The Diponegoro Military Command was and still is known for being an important stepping stone in the career of many senior military officers in Jakarta. Suharto himself once served as the chief commander of this unit. Any public disturbance at a massive scale under its jurisdiction would seriously jeopardise the prospect of promotion. There was a crackdown on student activists in 1993 for organising a May Day celebration, something that was perceived as showing sympathy to communism. The Diponegoro University was a recruiting ground for student activists, including the leftist PRD (People's Democratic Party), in the 1990s, but their movement could never really pose a serious challenge to the establishment in the region.

[58] Interview with Junjungan Panjaitan, a retired official from the Manpower Office, 22 January 2008.

The collapse of the regime brought to an end the direct involvement of the military in industrial relations, at least formally. In general, the break-up of the regime coupled with people's restlessness over the deteriorating economic situation in 1998 led to a weakening of state institutions (Nordholt, 2002). In the first tumultuous years after the crisis, people no longer trusted state institutions, and the security apparatus was at the lowest level of confidence after a series of attacks on its posts across many cities. The weakening of security institutions in the immediate post-Suharto years posed a window of opportunity for contentious politics, an opportunity that is best described as ambiguous. The ambiguity stems from the fact that challenges towards the establishment, whether political or economic, were less likely to be met with repression by the state's security apparatus. At the same time, however, those with enough money to buy an army of thugs or moonlighting soldiers could assert their influence aggressively and harass their opponents. Indeed people at times took matters into their own hands, and security businesses, legal and otherwise, thrived (Kristiansen, 2003). This shows that although the state has become less interested in direct repression, other sources of repressive measures are readily available for use. This being the case, this section aims to assess the capacity and propensity for repression by both the state's security apparatus and by non-state agents of violence.

There is no doubt that the state's capacity for repression is still available even after the arrival of democracy. The institutions of local military units and the police force have not changed much in terms of their brute force, and they seem to have recently regained their confidence. Decentralisation has not changed the centralised nature of both institutions. The difference now is that strikes and public protests are legally permitted and the trademark security approach of the authoritarian regime has become politically unacceptable. Freedom to organise is guaranteed by the law; and if

the letter of the law is any guide, employers are not allowed to hinder the establishment of a union in their company.[59] From closed meetings to public protests, individuals or groups of people who pose a challenge to the establishment have the right to do so, provided that their demands do not constitute secession or incitement to hatred based on race, ethnicity, or religion. To organise a public protest one needs no permission from the authorities; he or she only has to inform the local police at least three days before it takes place.[60] The mushrooming of civil society organisations and the euphoria of freedom of speech in the years following the demise of the New Order show how the state has lost the appetite for political control to the extent conducted by its former ruler. Should a need for control and deterrence occur, the state has to employ a different strategy.

In fact, the police and some trade unions have now established some sort of mutual understanding regarding street rallies that was born out of repeated contacts between them and activists of the unions. Union officials in the three provinces studied were reported to have been assisted by the police in one way or another when organising large public rallies especially for May Day.[61] The major nationwide protests against the planned revision to the Labour Law in May 2006 went on peacefully under the watchful eye of the security personnel. Sometimes the police go to great lengths so as to organise coordination meetings with unions prior to the rally. They also check with unionists regarding the intelligence that they have gathered about possible disruptions to the rally. On the day of the rally, they ensure that the protesting crowds arrive at the venue unhindered by stopping or redirecting the traffic. It seems that the police are more

[59] Article 28 of the Trade Union Law no. 21 of 2001.
[60] The Freedom of Speech Law no. 9 of 1998 was passed by the interim Habibie government in October 1998, already past the height of student movement which saw Suharto leave the office in May that year.
[61] During fieldwork, I took part in three street rallies in three different cities: in Medan on 4 February 2008, in Tangerang on 20 February 2008, and in Semarang on 1 May 2008.

concerned with public order than with the political consequences of these rallies. However some old habits die hard as is shown by the arrest of Sarta bin Sarim, an SBSI official at PT Tambun Kusuma who took part in a May Day rally in 2007 in Tangerang.[62] He was accused of forcing other workers to join the rally. Even so, the manner in which the case was treated was far from the standard treatment which the Suharto regime inflicted on labour activists.

The retreat of the state from direct repression has shifted the burden of controlling the labour movement to employers. Over the years employers have learnt to exploit the loopholes in the Manpower Law to dismiss workers. One strategy of control that stands out is the criminalisation of worker activists. This is basically an action by employers to get rid of workers whom they see as troublesome and are normally active in the union by implicating them in punishable crimes. They report the workers to the police with accusations such as theft, damage to property and verbal threat even if these crimes are of dubious nature. Such accusations invoke the application of the criminal law instead of manpower regulations more appropriate for industrial disputes. Article 335 of the criminal code comes particularly handy as its description of 'unpleasant conduct towards other person(s)' is open to wild interpretations. The arrest of a female worker activist named Ngadinah in Tangerang in April 2001 is an example. She was a worker at PT Panarub which produced Adidas shoes and was the general secretary of the union GSBI. The management reported her for inciting people to resist public authority and for unpleasant behaviour, and the case was brought to the criminal court. These accusations came after she had organised a strike in the factory which reportedly caused 500 million rupiah worth of losses.[63]

[62] 'Buruh Tangerang Tuntut Pembebasan Rekannya' [Tangerang Workers Demand Release of Their Fellow Worker], *Tempointeraktif* 14 May 2007.
[63] 'Union Vows to Take Adidas' Case to ILO', *Jakarta Post* 11 May 2001.

This strategy often amounts to union busting when it is applied as deterrence to other workers who aspire to follow the same route to activism. Employers may intimidate workers by withholding pay from striking workers, threatening them with suspension without pay or with a caution notice; when a worker has received three caution notices, dismissal is the next legal step. Another strategy is for employers to favour one union more than the others in the case of multiunionism. Naturally employers prefer a union that is more cooperative than confrontative. When workers take their employers to the industrial tribunal, employers tend to prolong the process with the hope of overstretching workers' resources to the limit and finally forcing the workers to accept an out-of-court settlement which is always of a lower standard than that suggested by the law.

With regard to non-state sources of violence, Medan and Tangerang feature a strong presence of underworld or organised criminal groups. In Medan two paramilitary youth groups, the *Pemuda Pancasila* (PP) and the *Ikatan Pemuda Karya* (IPK), are particularly influential. The PP originated in Jakarta in the turbulent post-independence years of the late 1950s and when the New Order took power, it offered its services to the Suharto's ruling party Golkar. Unlike the nationwide PP, the IPK grew out of a conflict within the PP branch in Medan and came to the surface in 1987.[64] Under the New Order, they were known as being the extension of the security forces and served as the main network of patronage that dominated the region. In the post-New Order Medan, their role is still quite prominent as shown by the involvement of their leaders both directly and indirectly in local elections.[65] Some of them sit in the local

[64] Ryter (1998) provides a detailed account of the PP. The IPK is featured by Asgart (2003) and Ryter (2000).

[65] Some people say, however, that their influence has been severely reduced since 2005 by the new police chief who managed to curb the groups' main business namely gambling. Given their long history and vast networks, they remain the power to be reckoned with in the region.

parliaments representing various political parties.[66] In the street, their muscle power has been used to intimidate striking workers and union activists as well as in the political violence rampant in the region. In August 2004 around 200 thugs attacked a group of workers at PT Shamrock who protested against the company's policies on wages and dismissal.[67] The police did not intervene despite being on the premises, suggesting quiet cooperation with whoever hired the thugs. Unionists and other labour organisers in general take their threats very seriously although this does not always deter them from organising protests. Labour groups are particularly vulnerable to these violent organisations because they can easily fall victim to the anti-communist campaign which constitutes the vague ideological platform of most of such organisations.

Tangerang harbours various groups of strongmen called *jawara* or *jaro*. These are usually individuals claiming to have a combination of authorities deriving from Islamic religion, Banten ethnic status, and strongman prowess. Some of them were the product of co-optation by the New Order regime which used them to control the people and to secure state interests. One such example is Chasan Sochib who after more than three decades exercises a great influence in Banten to this day.[68] Despite their long history, most of them have become more organised only after Banten became a province in 2000, when it was separated from its mother province West Java. Various organisations bearing the name of Banten came up, jostling for influence.[69] Clearly they built on the claim of representing the interests of the indigenous people of Banten,

[66] To name some of them: Bangkit Sitepu was a PP leader and MP for Golkar, Elvi Rahman Ginting from PP was MP for PAN, and Deni Panggabean who was an IPK leader and now the head of the North Sumatra branch of the Democratic Party.
[67] '700 Buruh PT Shamrock Menginap di DPRD Sumut' [700 Workers of PT Shamrock Spent the Night at North Sumatra Parliament], *Kompas* 13 August 2004.
[68] A feature on this strongman can be found in Masaaki (2004; 2008).
[69] To name a few Benteng Bersatu (United Benteng), Laskar Pendekar Banten (Banten Militia of Martial Artists), Forum Penyelamat Tangerang (Forum for the Salvation of Tangerang), BPPKB (Board for the Development of the Potential of the Banten Family), and PPPSBBI (Indonesian Association of Banten Martial Arts and Culture).

which was further mediated by the decentralisation policy. Their activities range from string pulling in high politics to street crimes including breaking labour strikes and protests. In August 2004 a group of *jawara* prevented workers from entering the premises of PT Sarasa and threatened them with violence if they did not leave the compound.[70] Unionists reported harassment and threats by these *jawara* on several occasions, especially when their strikes involve mainly female workers. The chairman of Tangerang city branch of APINDO confessed that he hired guards for his personal safety, particularly during the heated months of wage negotiation.[71] Although he did not mention a name, it is likely that it was one of these groups.

Semarang does not have an underworld as well organised as Medan and Tangerang. Hired thugs are available mostly from the ranks of unemployed youths, some of whom are loosely associated with the *Pendawa Lima* (Five Sons) and the *Lindu Aji* (Charismatic Leader) organisations. Occasionally members of paramilitary groups related with political parties especially the PP of the Golkar, the *Satgas* (literally meaning task force) of the PDIP and the *Garda Bangsa* (Nation's Guard) of the PKB can be hired too.[72] It is possibly because Semarang is much smaller and less urbanised than both Tangerang and Medan that the presence of organised violence is not as extensive. Several unionists mentioned about being harassed by *preman kampung* or local thugs in the first few years after 1998, but it is now much less of an issue.

Thus, the current political climate allows more freedom to challenge the political and economic establishment. As such it opens up more opportunities for contentious

[70] 'Buruh PT Sarasa Tutup Jalan, Lalu Lintas Macet Total' [PT Sarasa Workers Block Streets, Traffic Grinds to a Halt], *Tempointeraktif* 1 September 2004.
[71] Interview with Gatot Purwanto, 25 February 2008.
[72] See for example protests against the involvement of the *Banser* of NU and the *Satgas* of PDIP in industrial disputes. 'Satgas PDIP Tak Ada Hubungan dengan Buruh dan PT KLI' [PDIP Task Force Has Nothing to Do with Workers nor PT KLI], *Radar Semarang* 16 April 2000, 'Banser dan Satgas PDI-P Jadi Penjaga Pabrik' [Banser and PDIP Task Force Become Company Security Guards], *Radar Semarang* 3 May 2000.

politics. At the same time it has to be acknowledged that non-state sources of violence are more readily available now than before, and they can be deployed with or without the tacit knowledge of the state. Even if this is the case, attacks on lawful protests or on the freedom to organise will not go away as quietly as before.

6. Summary

This chapter identifies and assesses the changes that have occurred in the post-Suharto political landscape. Particular attention is given to the changes that have occurred with the introduction of decentralisation and competitive multiparty elections. Overall, the combination of decentralisation and electoral politics has allowed the expansion of political space and opened the door for new political elites and civil society groups in the regions. It has prompted the reorganisation of the political institutions in a way that encourages people to engage in contentious politics. The institutionalised political system has become more open, allowing more individuals to contest public offices and for a wider section of society to take part in policy making. The unstable political configuration in the regions often exposes rifts and weaknesses in elite circles that can be exploited to the advantage of prospective challengers. The instability also creates the chance to reorganise existing political configurations and to introduce new alliances. Political fallouts and electoral rivalries at times force elites to enhance their democratic credentials by forging alliance with grassroots groups. The end of the authoritarian regime has also reduced considerably the state's propensity for repression. Despite the presence of other sources of violence, this offers one of the most likely possibilities for contentious action.

In spite of the expansion of political opportunities, one note of caution is in order. It seems that most opportunities that have arisen are vulnerable to manipulation

by elites albeit at the local level. This is because the opportunities occur mostly in the high levels of local state institutions and in elite circles of society; naturally they are more visible to elites than to other members of the public. Local elections are clearly a game for local elites with the help of political operators and fixers from the ranks of influential groups. Political parties have not been successful in serving as a mechanism to get the population actively involved in politics and to aggregate their interests. Information on an elite conflict means nothing to most people unless they know how to act on it and have the resources to pursue it. These particular opportunities are out of the reach of ordinary people who have little access to power and may not be interested in high politics either. As a consequence they are at risk of being continuously marginalised from policy making while the elites make decisions for them.

Some changes do have more direct consequences for trade unions which are included in the institutionalised power relations. New tripartite institutions give them more political leverage than their structural power would allow. These institutions provide an opportunity to challenge both the state and employers using the power borrowed from the regulations. In the eye of elites who look for popular allies in competitive elections, trade unions may also present themselves as a viable and worthy political asset. Regular regional elections give a chance for both political parties and trade unions to practice political bargaining and cooperation. All these changes raise the expectation of success among union officials and labour activists, but first they need to develop an effective and capable collective vehicle to make the most of these opportunities. This leads us to the subject of Part Two of this dissertation.

PART II

The Ingredients of Labour Movements

The new political opportunities which were discussed in the previous chapter have helped to reconfigure not only the broader political landscape but also the social environment in which workers live and interact among themselves and with other urban dwellers. The task of this section is to analyse the constitutive elements of labour movements whose development may have benefitted from these opportunities.

Analyses of labour movements are often predicated on the notion of the collective consciousness that grows out of shared material conditions in the capitalist mode of production. This view takes for granted that factory workers develop a certain degree of horizontal solidarity simply by being exposed to capitalist modes of production. In classical Marxist terms, class signifies a social group with a common relationship to a means of production, and more often than not, has a collective sense of identity and purpose.[73] This class consciousness is perceived to be permeating workers' worldview and guiding the reorganisation of their social interactions. Since the publication of E.P. Thompson's *The Making of English Working Class* (1963), however, the analytical focus has largely shifted to explaining how such consciousness is not so much given as it is made, a process in which various other forms of social and political relations come into play and workers reclaim their agency. In other words, it is now widely accepted that the making of a class owes as much to workers' conscious efforts as to their structural conditioning. As for the latter, much of the ongoing debate now is

[73] In Marxist terminology the former is called 'class in itself' and the latter 'class for itself'. A direct quote from Marx referring to these notions can be found in his work 'The Eighteenth Brumaire of Louis Bonaparte' (Marx and Engels, 1969: 479).

centred on the kind of conditioning that should hold the primacy over the others (see, for example, Kirk, 2000).[74]

While taking the cue about the role of workers' consciousness and conditioning, the use of the term 'working class' in this section does not presuppose any notion of class unity and consciousness on the part of workers; the term is used primarily as a descriptive category to refer to the army of factory workers. Just as in many other capitalist countries, Indonesian workers are anything but united. Divisions in work status (formal and informal), industrial sectors, skills (blue collar and white collar), gender, and ascriptive identities based on places of origin, ethnic groups, and religions found among workers, render any attempt to lump workers together as a unified class highly untenable.[75] However, as it will be clear in the course of this section, the forces which divide people may also act to bring them together. This point highlights the fact that within the working class, solidarities are continuously forged and fragmented. What is more important is how we explain the cacophony of forces at work that bring workers together and divide them at the same time.

Chapter Four identifies these forces within the web of patronage and patterns of association that exist in urban neighbourhoods. This chapter argues that the interplay between these different forces is central to the development of political consciousness and action of the working class. Chapter Five explores the mobilising capacities of trade unions that are not totally disembedded from the context of neighbourhood politics. Chapter Six analyses the framing processes or the political languages that have been employed by these unions in portraying the predicament of their constituency.

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[74] All other articles in the same issue of the journal discuss this topic.
[75] This point has been emphasised by scholars working in social history of labour such as Basu (2004), Chandavarkar (1994), Perry (1994), and Thompson (1963).

CHAPTER 4

The Political Economy of Industrial Neighbourhoods

1. The Structure of the Working Class

When Hadiz conducted fieldwork in late 1993 to mid-1994 for his seminal work *Workers and the State in New Order Indonesia* (1997), he found Tangerang a vast sprawling industrial centre with crowds of working class communities from different parts of Indonesia. This image remains true, if not more so, today of the regions where fieldwork for this dissertation was conducted. Tangerang city and district are the most industrialised of all the regions with the share of industry (manufacturing and other industries combined) as a percentage of the local GDP standing at more than 60 per cent in the past seven years.[76] Designated as industrial centres for export-oriented industries starting in the mid-1970s (Mather, 1985), these two regions have attracted many companies to set up business. The economic crisis in 1998 and the political turmoil that came with it affected the regions but industry has nevertheless survived. By 2006 there were 780 large and medium companies in Tangerang city.[77]

The least industrialised is Medan city with around 30 per cent of its local GDP coming from industry, as companies moved to the neighbouring Deli Serdang. In colonial times Medan was the centre of the Deli plantation region in Sumatra. To this day business in the region still reflects much of that legacy with food, beverages and tobacco making up the largest sector in industry in terms of output. Medan was home to more than 200 large and medium companies in 2005 compared to more than 300 in Deli

[76] The statistical data on local GDPs, population size and density, and industrial enterprises are taken from a series of annual publication called *Daerah Dalam Angka* or *Region in Figures*, published by the local office of the Central Bureau of Statistics (CBS) in each region at the province and district levels.
[77] In Indonesian statistical terms, the size of companies is determined by the number of workers employed: 20 to 99 workers in medium companies and more than 100 workers in large companies.

Serdang in the same year. Semarang in Central Java started to move into industry in the early 1990s and has since gained a reputation as a stable and friendly industrial area. Semarang city was named the best place to do business in the country by the KPPOD in 2002. As comparatively new industrial areas, the two regions in Semarang have done well, producing an industrial output at an average of just under 50 per cent of the local GDP in the last five years.

Table 4.1. Share of Regional GDP 2000-2006 (in percentage)

Region	2000	2001	2002	2003	2004	2005	2006
Medan							
Agriculture	4.1	4.2	4.1	3.9	3.1	3.1	3
Manufacturing	20.5	21.2	20.1	18.9	16.9	16.6	16.3
Other Industries[78]	8.2	8.6	8.6	9	11.5	10.3	12
Services	67.2	66	67.2	68.3	68.5	70	68.7
	100	100	100	100	100	100	100
Deli Serdang							
Agriculture	16	17	16.2	15.5	16.3	13.3	13.5
Manufacturing	45	43.5	47.9	45.7	45.1	46.2	48.6
Other Industries	2.2	2.7	2.6	3.1	3.3	3.5	3.5
Services	36.8	36.8	33.3	35.7	35.3	37	34.4
	100	100	100	100	100	100	100
Tangerang city							
Agriculture	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Manufacturing	57.8	58.7	58.9	57.7	57.2	56	54.3
Other Industries	4.3	4.4	4.5	4.3	4.3	4.3	4
Services	37.7	36.7	36.4	37.8	38.3	39.5	41.5
	100	100	100	100	100	100	100
Tangerang district							
Agriculture	9.9	9.7	9.4	9	9.4	9.3	8.6
Manufacturing	58.1	57.9	56.8	54.3	53	51.1	50.5
Other Industries	7.7	7.8	8.8	8.8	9.2	9.1	8.3
Services	24.3	24.6	25	27.9	28.4	30.5	32.6
	100	100	100	100	100	100	100
Semarang city							
Agriculture	1.3	1.1	1.5	1.4	1.4	1.3	1.2
Manufacturing	27.9	28.3	28.7	28.3	27.5	27	26.9
Other Industries	6.6	5.7	15	15.3	16.1	17.6	18.7
Services	64.2	64.9	54.8	55	55	54.1	53.2
	100	100	100	100	100	100	100

[78] The category 'other industries' consists of the mining, construction, and utilities sectors.

Semarang district							
Agriculture	n.a.	n.a.	17.1	16.4	15.8	14.9	15.1
Manufacturing	n.a.	n.a.	43.7	43.7	43.4	43.9	43.7
Other Industries	n.a.	n.a.	4.8	5.2	5.4	5.6	5.6
Services	n.a.	n.a.	34.4	34.7	35.4	35.6	35.6
	n.a.	n.a.	100	100	100	100	100

Source: *Medan Dalam Angka, Deli Serdang Dalam Angka, Kota Tangerang Dalam Angka, Kabupaten Tangerang Dalam Angka, Kabupaten Semarang Dalam Angka*, all 2002, 2005, 2008 editions.

The companies in the industrial regions are almost exclusively private, be they foreign or domestic. Only a handful of state companies mostly in the agricultural and mining sectors operate in these regions. Private investment started in earnest in the 1970s and later in the mid and late 1980s when a series of economic liberalisation policies created attractive conditions for the relocation of production facilities to Indonesia. Early foreign investors primarily came from Japan, Hong Kong, South Korea and Taiwan (Jomo, 2001). They formed various joint ventures with local capitalists or ran their own businesses in the zones designated for export manufacturing. Domestic private companies thrived on the same economic stimuli and featured very strongly in the regions. Tangerang in particular benefited from the policy that encouraged industries to relocate to Jakarta's hinterlands, when Jakarta was already considered 'full' as early as 1972 (Mather, 1985: 154).

Table 4.2. The Number of Private Companies by Status in Tangerang Regions

	Company status[79]	**Tangerang city (2007)**	**Tangerang district (2006)**
1	Foreign investment	252	549
2	Domestic investment	217	495
3	Private national companies[80]	1,363	2,429
4	Individual enterprises[81]	43	356

Source: *Kota Tangerang Dalam Angka 2007*, *Kabupaten Tangerang Dalam Angka 2006*

[79] The status of the company is determined by the market orientation of the production (export or domestic markets) and the nature of capital ownership (foreign, domestic, national, and individual).
[80] Private national companies are firms that are based locally and produce for domestic markets and therefore do not receive special treatments from the government, unlike companies that fall under the foreign and domestic investment categories.
[81] Individual enterprises are all forms of business that are not registered as firms, usually small scale ones such as shops and household businesses.

These industrial centres are magnets for people from rural areas or from less industrialised regions because they provide jobs in the formal sector and in the expanding informal economy which caters for the various needs of a large urban population.[82] The influx of migrants provides cheap labour and further powers the growth of industrialisation. In 2000 Banten province, where Tangerang city and district are located, attracted almost 1.8 million migrants. North Sumatra with Medan as the capital city drew around 450,000 migrants in the same year, while 700,000 people moved to Central Java province. Consequently these regions quickly became very crowded, squeezing more than an average of 7,000 people into a square kilometre in Medan city (2005) and over 9,000 people in Tangerang district (2006). Certain *kecamatan* or sub-districts can be even more crowded. For example, the population density in 2006 of Larangan sub-district in Tangerang district was 14,637 but this is nothing compared to Perjuangan sub-district in Medan city with 23,112 people per square kilometre.

The migrants and the local population make up a labour force that is both young and relatively educated. The official statistics suggest that the bulk of the population in all the regions was of the productive age range (15-64 years old), and those in their twenties were dominant. The largest proportion of registered jobseekers had finished senior high school, that is 12 years of education, which is the preferred qualification for jobs in the labour intensive industry.[83] These two qualities mean that the working class in the regions has the capacity for some understanding of complex organisation and

[82] According to an ILO report, in Indonesia the informal sector accounts for nine out of ten women working outside agriculture (ILO, 2002).

[83] In Medan (2005) the figure was 96 per cent, in Tangerang city (2006) 57 per cent, in Tangerang district (2006) 60 per cent, in Central Java province (2005) 61 per cent. 12 years of education can be considered 'relatively educated' when the largest group of workers nationwide only did six years of education (2005 figures, *Statistical Yearbook of Indonesia*).

harbour a certain dynamism associated with young age. When the need for mobilisation arises, these qualities may lend a degree of fluency in running organisations or in facilitating mass movement.

Table 4.3. Number of Jobs in Manufacturing Industries by Sector and Size

Province/Sector	2004	2005	2006
North Sumatra[84]			
Food, beverages, tobacco	50,802	55,465	66,390
Chemicals, coal, petroleum, rubber, plastic	45,149	45,735	45,985
Timber and furniture	28,435	19,977	21,280
Others	34,491	27,356	28,237
Total	158,877	148,533	161,892
Banten			
Leather and footwear	115,209	101,341	n.a.
Textile	57,646	54,128	n.a.
Garment	46,402	42,189	n.a.
Rubber and plastic	45,922	45,692	n.a.
Others	233,746	227,343	n.a.
Total	498,943	470,693	n.a.
Central Java			
Textile	141,444	172,145	n.a.
Tobacco	78,334	88,831	n.a.
Food and beverages	70,979	73,093	n.a.
Others	264,474	286,780	n.a.
Total	555,231	620,849	n.a.

Source: *Medan Dalam Angka 2007, Banten Dalam Angka 2005, 2006, Jawa Tengah Dalam Angka 2006*

In terms of employment, workers were not concentrated in just one major industry but distributed over several big industries. The available data at the provincial level (Table 4.3) shows that in Banten, the leather and footwear sector was the largest job provider with 21.5 per cent of the total jobs, followed by the textile and garment sectors with 11.5 per cent and 9 per cent respectively (2005 figures). In Central Java

[84] North Sumatra does not follow the standard categorisation of manufacturing industries. In its 2007 edition of *Region in Figures*, it puts food, beverages and tobacco under one sectoral category; it does the same with textiles and garments, rubber and petroleum.

province textiles and tobacco have always dominated the job market; for example, in 2005 the textile industry provided close to 28 per cent of the jobs, while the tobacco industry came second with around 14 per cent. In North Sumatra, workers were more evenly distributed in the top two industries. True to its legacy as a colonial plantation region, in 2005 the food, beverage and tobacco sector constituted the largest share of employment with 41 per cent, followed by the chemical, rubber and plastic sector with just under 37 per cent.

Although these industries are considered modern, not every worker has the luxury of the stable salaries and employment security normally associated with the formal sector. The reason for this is rooted in the very origins of the drive for industrialisation itself. Short-term strategies, low technologies, and simple manufactured products selling at low prices constituted the nature of most industries which were relocated to Indonesia, and this is still very much the case today as far as dominant industries are concerned. Within such business strategies, the pursuit for profit was consequently dependent on keeping the unit labour cost as low as possible. For industries which catered for overseas markets such as garments and footwear, there was an added pressure to adopt this particular business strategy. These companies competed for orders from international buyers whose job was to find factories willing to manufacture goods at low prices. The fluctuating global market and fierce competition inescapably enhanced the pressure for lowering production costs. Moreover, to allow the flexibility of moving capital around, these companies insisted on the right to lay off workers at a short notice. The result is a hierarchy of employment status even among the unskilled workers.

The lowest in the rank was called *buruh harian lepas* or casual day-labourer. These were workers employed on a casual basis; they went to work and got paid by

piece rates only when there was extra work beyond the normal capacity of the company's workforce. Above them was the *buruh harian tetap* or permanent day-labourer. They were employed on a permanent basis but paid only by the day regardless the years of service, plus some benefits and extras such as an annual bonus, overtime pay, and meal allowance. While the unskilled constituted the majority of workers, only the skilled workers, particularly those in the managerial positions, enjoyed the privileges of the modern sector.

The arrival of the Manpower Law in 2003[85] complicated the hierarchy by introducing *pekerja waktu tertentu* (workers of fixed time) and *pekerja waktu tidak tertentu* (workers of non-fixed time) which essentially amount to contract and permanent workers respectively (The Manpower Law no. 13/2003 article 56). This categorisation was crafted to allow certain measures of labour market flexibility. Flexible forms of employment consist of labour contracts of limited duration such as 'fixed-term and short-term contracts, agency work or work for a fixed short-term period arranged by an employment agency, part-time employment, multiple-job holding and work agreements between two parties for a certain task' (Cazes and Nesporova, 2004: 26). These are different from permanent employment which refers to jobs with permanent contracts or at least long-term ones with a range of benefits and allowances. In this new law the two old categories of day labourer are not recognised, but they remain very much alive in the labour market. In fact, permanent workers in small and medium companies now resemble the permanent day-labourers of old in terms of pay and bonuses. Their salaries are only slightly above the minimum wage with a limited

[85] As explained in Chapter Two, this law came as part of the labour law reform which started in 1999.

range of benefits.[86] Those who are lucky enough to land jobs in big exporting companies may earn more, but unless they are at the managerial level, their salaries are relatively small (Table 4.4).

Table 4.4. Average Monthly Nominal Wage of Production Workers below Supervisory Level in Manufacturing by Sectors (in Rp. 000, US$ 1 = Rp 10,000)

Region	2001	2003	2005
West Java, Banten, Jakarta			
Food and beverages	561.3	588.2	1,364.3
Textile	649.9	759.3	808.5
Paper and chemicals	876.1	902.5	1,703.4
Ceramics and metal	1,035	1,567.8	1,799.3
Others	676.2	1,022.8	1,094.9
Central Java and Jogjakarta			
Food and beverages	948.3	554.8	799.2
Textile	357.5	554.3	695.9
Paper and chemicals	431.9	459.8	643.5
Ceramics and metal	501.7	597.6	1,019.4
Others	307.9	497.7	743.7
Outer Islands			
Food and beverages	865.1	828.8	1,147.9
Textile	473.6	1504.8	664.3
Paper and chemicals	1,316.2	1,068.2	1,023.1
Ceramics and metal	1,043.6	1,472.1	1,005.8
Others	1,070.1	818.1	1,017.2

Source: *Statistik Struktur Upah* (Statistics of Wage Structure) 2002, 2004 and 2007

The position of contract workers by definition is more precarious. They receive only the basic wage without benefits and allowances. The basic wage accords mainly with the regional minimum wage, and this meagre income sometimes has to be deducted to pay fees to the employment agency that recruits them. Most crucial for them is that they are no longer covered by the government insurance scheme (PT Jamsostek). The Manpower Law stipulates that non-permanent workers should also be

[86] In one example, a permanent female worker in a garment factory, PT Bunitop in Tangerang, received a basic wage on a par with the minimum wage plus a meagre allowance for 12 years of service, a meal allowance, and overtime benefits. Interview with Titin, 12 August 2006.

covered by the *Jamsostek*, but the scheme itself allows workers to take pension benefits only when they have worked for more than five years. This is incompatible with the nature of contract work because by definition a contract worker works only for three years at most (The Manpower Law no. 13/2003 article 59 verse 1b, 4). Yet again, there is the problem of enforcement even for permanent workers; in 2003 only about 14 per cent of permanent workers were insured (ILO, 2004: 48).

Table 4.5. Comparison of a Worker's Wage in a Large Company by Work Status

Components	Permanent worker	Non-permanent worker
Fixed wages	• Basic wage linked to the minimum wage • Allowance for family responsibilities • Allowance for length of service	• Basic wage linked to the minimum wage
Variable allowances	• Meal allowance • Transport allowance • Health allowance • Education allowance • Performance bonus • Piece work bonus • Shift work allowance • Special task allowance • Coffee allowance • Weekday overtime • Sunday overtime • Holiday overtime	• Meal allowance
Deductions	• State insurance (*Jamsostek*) • Income tax • Union dues	• Agency fee (for agency worker only)

Source: for permanent worker (Quinn, 2003: 41); for non-permanent workers, interviews during fieldwork

Given the opportunity for profit offered by the casual employment scheme, all recent signs have pointed to the widening of this mechanism in hiring workers. However, it is difficult to estimate the growth of non-permanent workers in Indonesia. Although the law obliges both employers and employment agencies to register their

contracts with the local Manpower Office, compliance is generally low and the local government does not seem to be willing to enforce the law strictly.[87] Official statistics suggest that in August 2002 (before the law that permits flexibility was passed) North Sumatra province, Banten province, and Central Java province recorded 2.5 per cent, 3.6 per cent, and 5.8 per cent of the workforce in the respective provinces who worked for more than one employer in the industrial sector in the past month, indicating a casual work status.[88] In 2006 (three years after the legislation) these figures rose to 2.7 per cent, 4.9 per cent, and 7.3 per cent respectively; Central Java experienced the highest increase while the figure for North Sumatra barely rose. Overall this is not a dramatic increase because the statistics did not include workers on contracts longer than one month. They would be registered in the statistics instead as regular employees.

Another way to look at this trend is to compare the absolute figure of casual workers with the category of regular employee. In 2002 in Tangerang city, for every 10 regular workers, there was one casual worker. In 2006, for every 8 regular workers, there was one casual worker. According to a field survey of 52 firms in 2004 in greater Tangerang (both the city and the district) by a group of independent trade unions, out of 82,419 workers surveyed, more than 30 per cent (25,780) had non-permanent status.[89] Newspaper reports suggest that this trend has been increasing. In one such report, the chairman of KSPSI, the largest trade union confederation, complained that many employers used contract workers in their core business, a practice that violates the law,

[87] Interview with Suaman of Tangerang City Manpower Office, 7 August 2006.
[88] This is category six in the employment status directory, i.e. 'casual employees in the industrial sector'. The sources are *National Survey of Workforce* August 2001, 2002, 2006.
[89] The survey was conducted by *Komite Buruh Cisadane* or Cisadane Workers' Committee (KBC), a loose coalition of four non-mainstream trade unions in Tangerang (FSBKU, GSBI, SBN, and SBJP), which will be discussed later in Chapter Five.

in order to avoid paying benefits and allowances. [90] The national director of the Industrial Dispute Division of the Ministry of Manpower acknowledged that there were violations of the law on non-permanent workers and that there were loopholes in the law that were open to exploitation.[91]

2. Social Economic Organisation of Urban Neighbourhoods

The irregular conditions of work and the low wages that accompany factory workers condition their interactions with other urban dwellers in the neighbourhood where they live. In particular, their interactions evolve around the control over the housing, job and credit markets. Borrowing from Chandavarkar's (1994) analytical focus, these are the three most important means of subsistence in the harsh urban setting, and necessarily the focal points of social organisation of the neighbourhood. Cultural affinities also provide a thriving space for people to meet and to interact with each other. The material and social dimensions of urban life surely play a crucial role in developing people's political ideas and practices.

Housing

The supply and control of housing is a crucial source of power in the neighbourhood. Workers usually live in kampong or slum neighbourhoods commonly characterised by poor sanitation, overcrowding, and lack of public facilities such as drinking water and health services.[92] Some of these neighbourhoods followed the expansion of industry to the hinterlands of the city. Some others grew out of villages which are now squeezed

[90] See 'Buruh Kontrak Hanya Untungkan Pengusaha' [Contract Labour Only Benefit Employers] *Tempointeraktif* 20 April 2005.
[91] 'Depnakertrans Perlu Razia Perusahaan "Outsourcing"' [Ministry of Manpower Must Conduct Raid on 'Outsourcing' Companies], *Kompas* 24 December 2005.
[92] See for example '20 Kampung Kumuh di Tangerang Memprihatinkan' [20 Squalid Neighbourhoods in Tangerang in Sorry State], *Warta Kota* 1 April 2000.

between factory compounds. As industrialisation drives up the prices of property and migration creates an endemic scarcity of land, workers grow more desperate to find affordable accommodation. Migrant workers rely on the networks of their fellow villagers who have already settled in the city to find a place to stay.[93] It is quite common that two or three single workers share a rented room, some of them on a temporary basis until they find their own rooms.[94]

Figure 4.1. Workers Congregating outside Their Rented Rooms in Tangerang (credit: author)

Traditional landlords in these industrial areas come from among the ranks of local dignitaries, those who used to own or control large agricultural land holdings before investors moved in and built factories. Their roles will be discussed in the next section. Small landlords offer rooms in their family homes to migrant workers and their own families squeeze themselves into one room. More resourceful landlords build separate accommodation facilities for lease, consisting of a row of single rooms built from plywood walls and a zinc roof, each measuring between six to nine square metres

[93] The generic term for a rented place or room is *tempat kos* or *kos-kosan*.
[94] For example 'Bisnis Kos-kosan Terancam' [Rented Room Business under Threat], *Suara Merdeka* 6 February 2004.

with an outside common ablution facility. This kind of accommodation is popularly known as *rumah petak* or square home referring to the single rooms. Hadiz (1997) and Silvey (2003) mentioned dormitories for workers run by their employers, but this form of housing is actually very limited. [95] There is no regulation that compels companies to provide accommodation for their workers. Moreover, it has now become less attractive to both employers and workers as many more accommodation facilities are provided privately and workers are less willing to be confined.

In Tangerang city and district where a longer history of industrialisation has brought some degree of prosperity, private developers build cheap residential complexes. In these areas, more affluent families live in rows of small brick houses euphemistically called *Rumah Sangat Sederhana* (Very Modest Home) or better known in its Indonesian acronym as RSS, measuring around 21 square metres.[96] These cheap housing complexes are sometimes located next to more upmarket gated residential areas where the more well-to-do inhabitants of the city live. This phenomenon exposes the urban poor to the reality of wealth disparity right on their doorstep, not to mention the display of consumer goods in the shopping malls which have become urban landmarks in Indonesian cities.

These neighbourhoods are obviously not exclusively for factory workers as many other professions are represented in them. Civil servants, petty traders, taxi drivers, and even young managerial employees at the start of their career in practice cannot afford better housing and therefore share the same neighbourhood with factory

[95] According to one newspaper report that quoted official sources, in Tangerang city, 80 per cent of companies provided dormitory facilities only for a small number of their workers. The figure for Tangerang district was 65 per cent. Only one company in Tangerang district had a dormitory for all its workers. See 'Nikmatnya Usaha Kos-kosan di Kota Seribu Industri' [Lucrative Gains from Lodging Business in City of a Thousand Industries], *Republika* 28 July 2007.

[96] The size also earns the name *tipe 21* or type 21. The acronym RSS has been mockingly reinterpreted as *Rumah Susah Selonjor* (Difficult-to-Stretch-Your-Leg Home), *Rumah Sempit Sekali* (Very Narrow Home), etc.

workers. The early morning rush hour in the alley streets that crisscross these neighbourhoods, reveals the diversity of professions as civil servants in their brown uniforms compete for space with factory workers in their brightly coloured attire and with street hawkers pushing their vending carts. If there is any sign of belonging to a class or a group at all, the inhabitants of these neighbourhoods are united by their lack of means to move to more expensive residential areas in the city.

Typically many of these neighbourhoods surround industrial complexes, which helps workers reduce their transport expenses and to stay close to those who have access to factory jobs. Planning regulations are largely useless in a context where even the authorities themselves are desperate for space. It is not unusual for the outside face of a factory wall to become a home's inside wall. Several companies in the same business group have their precincts huddled together in one vast complex such that when inside people have the impression of a neatly arranged industrial park. The same is true of industrial complexes which house tens of different companies, immediately outside the complex gates, residential areas encroach upon every available piece of land. By way of illustration, Jatiuwung sub-district (*kecamatan*) in Tangerang city is an area of only 14.5 square kilometres; in 2006 it housed 240 large and medium companies with a population density of 8,816 per square kilometre. The sense of overcrowding is amplified by the presence of a chaos of small businesses in the areas surrounding industrial estates. These businesses mostly sell ready meals, basic needs and groceries, and cheap clothes to cater for workers. Locals usually dominate this trade, and the informal nature of their businesses again pays no heed to planning regulations, which results in small stalls dotted around factory compounds.

On certain days when workers receive their pay, street vendors join the already crowded roadside space as they try to get as close as possible to the gates in order to

attract the attention of the thousands of workers pouring out of factory gates. This creates the appearance of a roadside market place or *pasar kaget* in Indonesian. In the meantime, public transport vehicles stop in the same spot, competing for passengers. This explosion of activities by the roadside often spills into the road, jamming the traffic as a result.

Jobs

In many cases factory jobs are not obtainable in a free labour market. An official recruitment mechanism through the local office of the Department of Manpower and through private agencies is in place, but there are many other channels through which factory jobs are more easily obtainable. The first is through fellow workers who already work in the factory; workers call them *orang dalam* or insiders. Job seekers in one way or another have to get in touch with *orang dalam* who will then bring them in; *dibawa orang dalam* or being brought in by a friend or an insider is a common description of how one gets a job in the factory. These friends or insiders are usually relatives, family friends or someone from the same village or from the same family clan.[97] From the perspective of the management, this insider or friend acts as some sort of guarantee that the new comers are of good standing and will keep out of trouble. Indeed, many managers prefer closed recruitment and they rely on long-standing neighbourhood bosses and strongmen for this purpose. For company managers, this strategy has several benefits. Local leaders have personal contact with the families or know the background of the workers so that they may be able to filter out possible troublemakers. Once they are in, workers become the *anak buah* (clients) of these bosses and are discouraged

[97] Family clan is a typically Batak phenomenon in North Sumatra. This is a complicated kinship system which enables one to trace his or her familiar ties across several different families. The kinship ties are regularly rehearsed through feasts and social gatherings.

from giving their patrons a bad name by misbehaving in the factory. Thus, local strongmen do the screening as well as the disciplining. Moreover, for the managers this is a way to engage the locals who consider themselves as having a stake in a company that is built in close proximity to their neighbourhood.[98]

When workers are laid off or waiting for a new contract, few actually think of going back to the village. There is no information on the actual number of returnees, but the overall trend of urbanisation, which will be shown shortly later, suggests that more people leave the countryside rather than come back to it. After all it was rural deprivation that sent them to the city in the first place. Moreover, going back to agricultural work is often associated with a failure to be in touch with the modern world; it offers less income than a factory job and brings with it back-breaking work. This view is well captured by the words of a female worker, 'Working in the fields is hard; it makes your skin dark and look unattractive.'[99] The village, however, does have a role in sustaining their urban lives, particularly in times of hardship. Workers reportedly send their children back to the village to be looked after by their parents or relatives to reduce the additional burden of child rearing (FPBN, 2006). They also ask for shipments of basic foodstuffs such as rice from their family grain stock.

For most of those who stay in the city, their options are limited to taking odd jobs in the informal sector such as petty traders, housemaids, *ojeg* (motorcycle taxi) drivers, rickshaw drivers, and seasonal construction workers. Some of these jobs are controlled by neighbourhood bosses or by a closely guarded guild-like system. To be a motorcycle taxi driver takes more than just owning the vehicle. One has to join a local cooperative which regulates the hours one can offer service in the area under its

[98] Although of course the growth and expansion of some neighbourhoods follow the expansion of industrial compounds rather than the other way around.
[99] Interviews with Pudjiningsing, 15 August 2006.

'jurisdiction'. This kind of cooperative is not always registered or formal. In some cases, it looks more like a neighbourhood gang dominated by few senior drivers who happen to be regarded as local strongmen. Opening a food stall in the neighbourhood is guaranteed to rouse some objections because competition is already very tight. Yet one can get around this by paying certain amount of money as *uang keamanan* or security fee to local youth groups.

Credit

Meagre wages also mean that credit constitutes a vital resource and becomes a focal point of social organisation. Single workers may still be able to save some money but occasional big spending such as healthcare bills or electronic appliances requires resources beyond their available cash. Workers with family are more desperate for credit as they have to pay larger bills on a more regular basis such as school fees and children's food. When workers are between contracts or are made redundant, credit is one crucial lifeline. Loans in cash or in kind become a daily reality for most workers.[100] Banks and micro credit cooperatives do exist, but the lack of assets, which may be used as collateral, prevent them from accessing modern credit mechanisms. Luckily, alternative means of acquiring credit abound in the neighbourhood.

Friends and relatives are the most obvious sources of credit although the amount is clearly restricted by their equally limited resources. For small loans to supplement daily expenses, ubiquitous small grocery stores called *warung* readily let their customers defer payment until the end of the week or sometimes even until the end of the month when workers receive their pay. There is usually no interest and the

[100] There is a publication in Indonesian of workers' coping strategies in an industrial town, Majalaya in West Java province. The book is aptly titled *Gali Tutup Lubang Itu Biasa* (2005) or *Fill and Dig a Hole Has Become a Routine*, referring to the new loans workers have to take to cover previous loans.

mechanism works relatively well because the *warung* owners and their customers know each other. When it comes to buying simple household appliances, *tukang kredit keliling* or travelling peddlers patrol the narrow streets in the neighbourhood offering good deals. They sell their merchandise and receive payment in daily instalments with interest.[101] The only guarantee is knowledge of the neighbourhood[102] and the good relations they have developed over the years with their customers.

When workers have to borrow quite a substantial amount of money, for example to pay for their children's school fees or hospital bills, the first option is to go to the management of the company where they work. Permanent workers have the right to loans of up to a certain amount, which will be paid in monthly instalments which are deducted from their wages. The loan scheme in the factory is run either by workers' cooperative or directly by the management. It is often the case that workers quickly reach the limit of their loans and have to go elsewhere. Contract workers or other day labourers simply do not have this option. The lenders of the last resort for many are called *bank keliling* (travelling banks) or *bank plecit* (chasing banks) or *rentenir* (loan sharks).[103] They operate by going door-to-door, offering loans, or by word of mouth as most people are too embarrassed to be associated with them. Their main attraction is the ease of getting loans without collateral and the negotiable terms of payment, but the drawback is clear. They charge high interest, and this practice earns them the nickname

[101] The items on offer are simple appliances such as kitchen utensils, cutleries, plastic buckets of various sizes, and cleaning equipments.
[102] Those in this profession know where their customers come from, their work, and their relatives who live more or less in the same area. In case of late payment or non-payment, they go to these contacts and put pressure on them to pay on the customer's behalf.
[103] For comparison with similar types of moneylenders in an urban setting in Yogyakarta in Central Java, see Lont (2005).

lintah darat or land leech after the animal that sucks blood from its hosts.[104] They are known for seizing valuables from the house of their client that approximate to the value of the debt when the person fails to make the payment.

Ethno-religious identities

The dynamics of the neighbourhood are not solely determined by the pursuit of material needs. Ethnic, religious, and other cultural ties of the working class also contribute to the constitution of neighbourhood connections. Migrant workers tend to stay together or close to one another, and this often affects their choice of neighbourhood. After all, their village connections brought them to the city in the first place and landed them factory jobs. Despite this tendency, in the most multicultural region such as Tangerang, there are no obvious ghettos based on ethnicity or language. Small groups of Central Javanese workers live side by side with local Sundanese speaking workers.

Cultural traditions and symbolism are central to the creation of a sense of local identity. In 2001 Harjosari neighbourhood in Semarang district witnessed a large *gerebeg* event organised by its former village chief, Widiarsakto. *Gerebeg* is a festive occasion for the masses that has its origin in a combination of Javanese and Islamic traditions. The event drew thousands of locals and proceeded in a manner that is usually associated with similar feasts organised by Javanese royal palaces in Yogyakarta and Solo.[105] A local newspaper reported, 'The procession started from the Bapang Square in Harjosari village. At the square, thousands of people from the surrounding villages were congregating. Afterwards they paraded for 1.5 kilometres to the Harjosari village

[104] See for example a newspaper report about workers in Belawan Port, Medan being caught up with high interests from such a practice 'Buruh Pelabuhan Belawan Terjerat Rentenir' [Workers at Belawan Port Trapped by Loan Sharks], *Medan Bisnis* 20 Mei 2005.

[105] Holding a *gerebeg* is almost exclusively the domain of the Javanese royal courts. The fact that the event took place in an industrial neighbourhood far from those royal palaces suggests an adaptation to serve a specific purpose.

office.'[106] The organiser wanted to use this event to 'get rid of *sengkala* [troubles]. As such, the people who can reconnect with their traditional roots, will not be trampled by the ills of modern cultures.'[107] In their view, modernity, which is characterised by factory jobs and market cycles, presents both opportunities for a better life and the loss of an idyllic rural harmony, hence the *sengkala* or troubles. A less grand version of *gerebeg* which is associated more with common people takes the form of *bersih desa* or literally cleansing of the village. This is traditionally a Javanese ritual of offering to the gods as an act of gratitude. It has been modified to suit the local religion especially Islam and used for many other purposes such as village bonding and mobilisation. In such events, Islamic prayers are combined with traditional spectacles such as Javanese puppet shows and dances.

In almost all urban neighbourhoods religious associations play a central role in organising urban dwellers together for worship or for welfare purposes. Muslim women routinely gather to cite the Koran in groups called *majelis taklim*. *Pengajian* or communal prayer led by a travelling preacher is a popular activity in the weekend for many Muslims. While *majelis taklim* uses the house of the local Muslim cleric, *pengajian* takes place in an Islamic boarding school or in public squares to accommodate a large audience. Christian or Catholic groups have their own prayer groups albeit on a much smaller scale in the predominantly Muslim regions such as Tangerang and Semarang. Some of these religious gatherings are often followed by an *arisan* or rolling fund lottery in which everyone in the group pays weekly or monthly into a common purse, and regularly they draw a lottery to determine who gets the

[106] 'Arak Tumpeng Raksasa, Rp 3,5 Juta Ditebar' [In Procession of Gigantic Rice Cone, Rp 3.5 million Deliberately Strewed], *Jawa Pos* 17 September 2001.
[107] 'Ketika Modernisasi Jadi Sebuah *Slilit*…' [When Modernisation Becomes Problem…], *Suara Merdeka* 17 September 2001.

week's or the month's saving. Apart from worship and welfare purposes, these activities allow the participants to socialise, to keep up-to-date with local news, and to develop some kind of horizontal solidarity; all of these are summed up in an Indonesian term *silaturahmi* or social gathering.

Participation in these events serves to define and to strengthen people's identities. In fact, the collapse of the New Order has helped to usher in a more salient religious consciousness among the masses as a response to the new political freedom. The dictatorship, at least until the mid-1990s when it started to court Muslim support, was suspicious of any explicitly Islamic movements for fear of its possible political mobilisation. Several such movements did fall victim to brutal state repression, but the heavy hands of the state inadvertently helped to portray Islam in particular as an ideology of opposition to authoritarianism.[108] Its demise opened the door for more explicit religious (especially but not exclusively Islamic) expressions and practices in public as both a social and a political movement. The people in turn adopt this long-simmering assertive identity as a way to affirm their moral claim and to fight for certain rights over state resources. The chaotic political situation and uncertain economic atmosphere that followed the demise of the dictatorship helped to create a sense of urgency among the different groups jostling for power. This is why in this uncertain period more people increasingly conceptualise their identities in religious terms. By attending *pengajian*, for example, people show their personal devotion in public and distinguish themselves from their less pious brethren. It also shows that they share a dedication to a particular religious cause and express a certain dissatisfaction with society which is viewed as secular and morally corrupt.

[108] There were several cases known by the names of the place where the incident took place: Tanjung Priok incident, Lampung incident, Nipah incident (Sidel, 2006).

Such public displays of ethnic loyalty and religious practices may have been inspired by pre-existing civic customs such as the celebration of national holidays especially Independence Day. Such celebrations can last for a month[109] during which the resources of the neighbourhood are on display, including 'contributions'[110] from companies in the area. Another popular activity is called *gotong royong* or literally 'joint bearing of burdens'[111] in which the inhabitants of neighbourhood gather to do physical work such as cleaning up the sewer or building a shelter for the night watchmen of the neighbourhood. People also contribute food and drinks on this occasion.

3. Patronage Networks and Social Associations

Over the years such overcrowded communities have created a social environment that allows certain forms of societal organisations to develop. The coming together of large groups of workers lays the ground for intense interaction and a dense network of activities. Moreover their attempt to safeguard their urban existence has attracted them to networks of patronage and local centres of power. Again, the aggregation of workers is not to be mistaken as assuming a mature proletarian consciousness. Quite the contrary, rivalries and conflicts characterise these interactions, and yet at the same time they are the key to understanding workers' political consciousness and action. An

[109] The party itself runs just for a day usually on Independence Day itself, but for a month leading up to this party, a variety of activities such as a food festival, games, and competitions takes place, involving members of the neighbourhood.
[110] The term 'contribution' is a euphemism used by both neighbourhood bosses and company managers to refer to obligatory payment to the neighbourhood in the event of national celebrations such as Independence Day and religious festivities such as *Idul Fitri* and *Idul Adha* in Muslim neighbourhoods and Christmas in Christian neighbourhoods particularly in Medan.
[111] This translation is used by Geertz (1983).

observation of the relationship of power between local dignitaries and other residents of the urban neighbourhood offers a window into the complexities of these connections. This is not to suggest that power flows only in one direction from the patrons to the clients. As will be described shortly, there is some degree of reciprocity in the relationship in which the behaviour of the elites is limited by rivalries among themselves and by pressures imposed by the people. This analysis permits us to delve into the processes that inform the development of the political perceptions, organisation and action of workers in Indonesian industrial cities. More importantly, this section will help investigate the sources of mobilising power that has characterised many societal organisations including trade unions, a point that will be discussed in the next chapter.

In Indonesia local elites have a generic name *tokoh masyarakat* or literally 'public figures'. Their influence and mobilising capacity come not so much from an overtly organisational power as from the resources – be they material, administrative, or symbolical – that are under their control. These individuals dispense their resources in a way that earns them respect and impose some form of dependency on members of the community. The true motive may be totally altruistic or completely selfish, but what really matters is the resultant capacity that enables them to mobilise people.

Another form of power relations in the neighbourhood takes the shape of non-governmental or societal organisations. As opposed to the organising form based on the resources of local elites, these associations derive their mobilising force mostly from exercising their organisational power in the pooling of interests and resources and in rallying around certain ideas that appeal to the masses. This definition, however, does not totally exclude the presence of *tokoh masyarakat* in such organisations. In fact, it is sometimes the case that this type of organising started as a one-man endeavour and only later became institutionalised.

Post-authoritarian Indonesia has seen a marked rise in the number of non-governmental organisations. This phenomenon is facilitated by the relaxation of the restriction on setting up such organisations. Previously, the regime had stipulated in Law no. 8/1985 on Citizen Organisations that all such organisations had to go through the lengthy procedure of registering with the Ministry of Home Affairs. Moreover, they were bound by the law to follow the national ideology and to fit into the corresponding corporatist national structure. Individual screening procedures were applied for executives of these organisations (Schmit, 1996: 187; Robison and Hadiz, 2004: 122). Since 1999 non-governmental organisations – be they of a business, political, or societal nature – only need a legal act issued by a public notary, which presents the organisations in legal terms (Feulner, 2001). If an organisation is to become a legal body, the new organisation has only to register this act with the nearest district court. In 2000, only one year after the restriction was lifted, there was a 566 per cent increase in the number of journalist associations, 1,200 per cent in legal advocacy organisations, 266 per cent in women's associations, and 900 per cent in environment groups (Feulner, 2001: 17). Trade unions recorded the most dramatic increase of 3,900 per cent, a point which will be discussed in the next chapter.

Decentralisation, which came into effect in 2001, also provided impetus by encouraging people to assert their interests in a more formal way, that is through setting up organisations. It gave rise to some forms of identity politics which are manifest in organisations claiming to defend the interests of the indigenous people or *putera daerah* (the children of the soil). These factors were coupled with the overall weakening of state institutions, creating a widespread political euphoria in the years immediately after the collapse of the dictatorship. The result was a plethora of organisations that were both with and without a legal status but were *de facto* influential.

Ketua RT, Ketua RW, and Lurah

The most ubiquitous of the *tokoh masyarakat* in Indonesian urban neighbourhoods are *ketua RT* (the head of *Rukun Tetangga* or Household Group), *ketua RW* (the head of *Rukun Warga* or Neighbourhood Group), and *lurah* or *kepala desa* (village chief) or community chief. These are the heads of neighbourhood units with an RT comprising several households, RW several RTs, and a *lurah* heading a unit of several RWs. A *kepala desa* is similar to *lurah*, except that the former is for a community that is officially designated as rural.

This societal hierarchy is part of a system of neighbourhood administration inherited by the post-colonial Indonesian government from the model of *Tonarigumi* set up during the Japanese occupation (Warouw, 2006; Kusno, 2010). While a *lurah* is a civil servant appointed by the government, *ketua RT* and *ketua RWs* are voluntary jobs without regular allowances. There is some sort of election for these *ketua* positions, which is conducted by the residents of the neighbourhood and sometimes overseen by officials from the *lurah* office.[112] Because of the absence of monetary remuneration, however, very few people actually offer themselves for nomination. The nature of the election, therefore, is mostly uncompetitive, and is governed instead more by the traditional respect afforded to influential figures in the community than by democratic ideals. *Lurah*s, in contrast, have control over certain public assets such as land and the village coffers. They can dispense these assets with the consent of the village council although in practice *lurah*s have an almost total control. Usually both *lurah* and *ketua RT* figures are the more well-to-do residents or senior members of the community.

[112] Although recommendable, elections for *ketua RT* and *ketua RW* are not necessarily regular. Often simply because of the absence of competitors, there is no need for an election and the same person holds the position for decades.

Thus, despite everything else, these positions are seen more as recognition of social economic status in the community than a public office based on the idea of accountability.

The patronage of the *ketua RT* and the *ketua RW* sometimes lends more power than the civil servant *lurah* does in terms of mobilising the residents of the urban neighbourhood. Apart from the highly respected status of these *ketua*s, their capacity for this mobilisation is exercised almost on a daily basis when doing their community duties. Their official role in local administration is actually limited to providing various documents such as Death Certificates, Certificates of Good Conduct (SKKB in Indonesian), Certificates of 'Poor Family',[113] and identity cards.[114] With regard to the latter, migrant workers who have just moved into the neighbourhood have to apply for local identity cards. To obtain such a document, it is necessary to go through the local bureaucracy, stretching from the *ketua RT* up to the mayor. The *ketua RT* holds the key because without his clearance, a newcomer cannot proceed to the next stage. This policy is sanctioned in the bylaw that prioritises locals for jobs in the neighbourhood; by obtaining local identity cards, migrant workers become officially classified as locals. *Ketua RT, ketua RW* and *lurah* are also prominent in organising civic, traditional and sometimes religious events. Popular communal events and celebrations such as *arisan*, *pengajian*, *bersih desa*, the Muslim breaking of fast during the Ramadan, funerals and marriages, and Independence Day provide a basis upon which they can practice and assert their authority among the members of the community.

[113] This is a document which identifies a family as poor and therefore makes it eligible for government subsidies.

[114] The institution of the *ketua RT and ketua RW*, although looks trivial, actually plays a significant role in terms of how people rate their services. The study by the World Bank as part of the *World Development Report 2000/2001 on Poverty and Development* consistently puts these *ketua*s as the most trusted institution both in rural and urban neighbourhoods (Mukherjee, 1999: 96).

Widiarsakto was the *kepala desa* of Harjosari village between 1989 and 2000 when the area grew into an important industrial centre in Semarang.[115] As a village chief at the time, he facilitated the expansion of industry by assisting the conversion of agricultural land into industrial plots. In fact, he claimed to have promoted Harjosari as an industrial village directly to investors and the provincial government in Semarang. Job creation and eradicating rampant unemployment in his village was the stated goal. For the industrialisation project, he set aside hundreds of hectares of land belonging to the village and helped investors acquire land from its individual owners. He took personal pride in helping the acquisition of land for the development of the then largest textile factory in Southeast Asia with around 14,000 workers, PT Kanindotex, and in having personal relationship with the owner, Robby Tjahyadi. In return, he demanded companies in the area employ his people without screening. 'All one needs is to show a Harjosari ID card and my signature,' he said, describing the minimum requirements for employment, and this effectively made him a crucial gatekeeper.

His high social standing in the neighbourhood commanded respect among people and was a source of disciplining forces. He claimed to have prevented strikes and protests in his area, 'In this area nobody dares (to strike) when I am around.' According to him, both the workers and the employer went to see him when problems flared up. On one occasion in 1994, he personally punished the head of the security team in PT Kanindotex for an allegation of theft. The accusation would have been enough to have the man fired, but Widiarsakto asked for leniency on his behalf to the management. He also gave an example of blocking the attempts by a radical

[115] Interview with Widiarsakto, 7 July 2009.

underground student group the FNPBI to infiltrate and to agitate workers.[116] On the other hand, when the new management of PT Kanindotex no longer honoured the 'locals only' employment policy, he openly complained about it and in a typically coded statement threatened the company with violence.[117]

The story of Widiarsakto echoes the suggestion about certain roles played by community leaders in industrial relations. As Mather (1985) and Warouw (2006) describe, many of such leaders in Tangerang were originally indigenous landlords who at the time of industrial expansion sold their properties to factory owners or developers. With the remaining property they then became landlords for migrant workers coming from other parts of the country. Their relationship with their tenants is based on the idea of a feudalistic patron-client relationship (*ketua* and *anak buah* in Indonesian) or of a fictive father-child relationship. Being local leaders representing the indigenous community, they offer 'protection' and local knowledge for young and often inexperienced migrant workers. The migrant workers look up to them as guardians and elders of the local community where they come to work. Of course this cannot always be the case; the high demand for accommodation in growing urban neighbourhoods coupled with land scarcity necessarily drives up rents and this is likely to strain the relationship as workers' resources are limited. There is no way to ascertain this, but newspaper reports suggest that in times of hardship workers are likely to vote with their feet and move to find cheaper accommodation.[118]

[116] In this particular incident he led a group of local youths, other *tokoh masyarakat*, and police to evict student activists under the FNPBI, who had established their office in a rented house in Bergas area. 'Diusir, Markas FNPBI Minta Dikosongkan' [Evicted, FNPBI Headquarters to be Emptied], *Radar Semarang* 4 May 2000.

[117] He was quoted as saying that the village council would not be able to contain 'people's emotion' if their demands were persistently unheeded. See 'LMD/LKMD Harjosari Layangkan Surat Protes kepada PT Kanindotex' [Harjosari Village Council Sends Protest Letter to PT Kanindotex], *Wawasan* 23 March 1996.

[118] For example 'Nasib Pekerja Migran' [Fate of Migrant Workers], *Kompas* 30 April 2008.

Ketua RT or *lurah* often intervene in industrial relations by acting as a negotiator in disputes. As far as workers are concerned, they act as their local guardians making demands on their behalf. Employers cannot underestimate the influence of these strongmen because they represent real power especially after what happened in the riots of May 1998, following the student demonstrations which demanded the overthrow of the dictatorship. Tangerang and Medan in particular suffered terribly from looting and damage to buildings including factories. Although there were indications of orchestration on a massive scale by elements of the armed forces (Purdey, 2006: 118; Sidel, 2006: 121), ordinary people in the street took part in the riots and looting. Established businesses were seen as a representation of the New Order and associated with the dominance of the ethnic Chinese minority in the economy. They easily became targets of angry crowds during street demonstrations. This image of 'people's power' is often conjured up by the presence of a *ketua RT* especially in poor neighbourhoods.

Jaro or *Jawara*

Local notables can also be found in other less bureaucratic guises. In Tangerang a *jaro* or a *jawara* is a strongman drawing authority from a combination of ethnic Banten identity, Islamic religion, and magical prowess. Traditionally they were the chiefs of the villages in agricultural Tangerang before the arrival of industry. Industrialisation offered them an opportunity to be middlemen who allocated jobs for the villagers and to act as security agents responsible to the factories for ensuring the security of their villages (Mather, 1985). Under the military dictatorship they were co-opted by the ruling party Golkar and organised into the Martial Artist Work Squad (*SatKar Pendekar*) in 1972 (Masaaki, 2004). With their reputation as men of prowess in traditional self-defence, they were readily recognised as a disciplining force for workers and the population of

Tangerang in general. This reputation endures to this day and occasional news reports refer to their presence in various disputes over land, protection rackets and labour strikes.[119]

When the military dictatorship collapsed, they were under pressure to reinvent themselves in the face of political changes which went strongly against the trademark security approach of the New Order. Two events offered them opportunity for political revival. One was the creation in 2000 of Banten as a province separate from its mother province West Java. The new province was created on the basis of a Sundanese identity, consisting of strong Islamic identity and Sundanese speaking population. This identity has given rise to a myriad of local societal organisations including youth groups, prayer groups and martial art groups. Tangerang strongmen quickly seized this opportunity to sway public opinion in their favour by patronising these newly formed organisations. Decentralisation, with its emphasis on local governance wrapped in the rhetoric of empowering the indigenous, amplified this sense of resurgent identity. As the analysis in the previous chapter showed, local elites with their disproportionate access to resources were in a position to take advantage of this process.

One such example was Haji Didi Adiwinata[120] who lived in the Pasar Kemis area of Tangerang district. He became a *penasihat*[121] or an adviser for the BPPKB (Board for the Development of the Banten Brotherhood Potentials), a newly formed

[119] For example, in 2001 60 *jawaras* were reportedly hired by PT TVM, a company producing computer monitors, to 'guard the factory from protests by its workers'. See 'Produksi Berhenti, Ratusan Buruh TerPHK Gugat Philip' [Production Stops, Hundreds of Laid-off Workers Challenge Philip], *Radar Tangerang* 12 January 2001. The most recent news report covered an attack by villagers on a power plant building site in Kemiri sub-district in Tangerang district. Several *jaros* and *ketua RTs* were involved in the attack. See 'Perangkat Desa Dibekuk' [Village Officials Arrested], *Kompas*, 16 November 2008.
[120] The title 'haji' indicates that the person has performed the *haj* pilgrimage to Mecca, an obligation for Muslims who can afford it. Apart from religious and moral significance, this title indicates the economic status of the holder because making the pilgrimage is a costly endeavour. Interview on 4 March 2008.
[121] '*Penasihat*' is a term widely used both in formal, state bureaucratic organisations as well as in informal or even underground organisations. By calling themselves a *penasihat*, elites assert their self-importance and demand respect from members of the organisation. In the underworld, this is akin to a godfather.

youth group which claimed to represent the interests of the locals. His son in law was a senior activist in the group. He also became a *pembina*[122] or a moderator for the BMB (Bastion of Banten People), another youth group with a community development guise. The LIB (Islamic Militia of Banten) sought his patronage too. While these groups offered a rejuvenation of his political fortune, in return his public figure status quickly put these groups on the local map of influence. People came to him for various purposes, ranging from the material such as asking for jobs and credit to the spiritual such as seeking advice and receiving instruction on the Koran (*pengajian*) which was usually conducted in his own little mosque or *langgar*. He called his followers *anak-anak* or children, and used his influence to interfere in a wide range of commercial, social, and political activities in the neighbourhood. Both employers and labour activists had reportedly come to him for support in disputes although the result was not always conclusive.[123] In the 1999 elections he was busy rallying support for his nephew who ran for a local parliamentary seat from the Islamic party PKB. In the 2004 elections he switched side to the Democratic Party after an intensive approach from party functionaries.

Perhaps the most prominent *jaro* in contemporary Banten is Chasan Sochib who was described in the previous chapter. His influence stretches far and wide in the province both in governance, through his daughter who became governor, and in the underworld. Whenever I mentioned this name during interviews, people quickly acknowledged his power and status. His influence in Tangerang is limited by another

[122] The term '*pembina*' is even more patronising as it conveys a sense of moral authority over the others. Its root word is '*bina*' which literally means to nurture and to educate. Suharto was the head of the council of *pembina* of Golkar, the political vehicle which dominated Indonesian politics for more than three decades.
[123] Interview with Koswara, the leader of trade union FSBKU, 2 March 2008.

jaro called Haji Abdullah Sagap.[124] Their main issue of rivalry is centred around government contracts in Banten which are reportedly dominated by the circles of Chasan Sochib. The fight for lucrative contracts in high echelons, however, carries small significance for smaller *jaros* who enjoyed their own sphere of influence in the neighbourhood.

Kyai

In neighbourhoods with strong Islamic roots such as those along the Northern coast of Semarang,[125] *kyais* stand out as local elites with considerable religious and political influence. They are traditionally known as Islamic teachers and preachers. The title is largely honorary, a recognition by the local population of the authority of the holder in religious doctrine and practice. In Semarang area they come from the largest Muslim organisation in the country i.e. the *Nahdlatul Ulama* or better known as NU, which is particularly strong in the Northern coastal areas of Central and Eastern Java.

NU *kyai*s operate in a vast network of traditional Islamic boarding schools called *pondok pesantren* and in a range of social economic organisations which provide credits and other welfare provision to the members of the organisation. *Uztad*s or instructors of Koran recitation make up the second layer of religious leaders under the *kyai*s. As with other informal leaders their prominence in the region stems from the combination of religious and moral authority, economic resources, and a large following. The students who go to *pondok pesantren* are called *santri* and they are numbered in thousands. *Pondok pesantren* charge their students very little amounts of money and offer alternative schooling for those who otherwise cannot afford formal education. These

[124] Interview with Haji Didi, 4 March 2008, and with Tanu Wibiksana, a local businessman, 27 February 2008.
[125] The Northern coast of Java is known in its Indonesian acronym as *Pantura* or *Pantai Utara Jawa*.

students form the core group of the mass base of the *kyais*, and even after they graduate they continue to show fierce loyalty to their *kyais* as the story of Gus Nuril below shows. It is a common knowledge in this part of Indonesia that popular *kyais* travel to villages and cities leading prayer sessions and delivering sermons in front of tens of thousands of people.

Table 4.6. The Number of *Pondok Pesantren*, *Kyai*, *Uztad,* and *Santri* in Semarang in 2005

Region	***Pondok Pesantren***	***Kyai***	***Uztad***	***Santri***
Semarang city	120	295	966	15,382
Semarang district	71	210	841	12,289

Source: *Jawa Tengah Dalam Angka 2006*

Kyai Haji Nuril Arifin Husein, popularly known as Gus Nuril,[126] was a prominent *kyai* in Semarang. He owned and ran two *pondok pesantrens* in Semarang and Jakarta. His business interests ranged from plantations to furniture, and he was making inquiries about marketing his furniture abroad when interviewed.[127] He gained prominence particularly in the events leading to the impeachment of President Abdurrachman Wahid in 2001, the then leader of the NU.[128] He assembled a group of young men, mostly from among his current and former students, and brought them to Jakarta (around 400 kilometres away) to defend President Wahid against political manoeuvres by his political opponents centred around the vice-president Megawati Sukarnoputri and the speaker of the People's Consultative Assembly (MPR) Amien Rais. This group was often dubbed PBM or *Pasukan Berani Mati* (Brave to Die Squad)

[126] 'Gus' is a nickname in the *Nahdlatul Ulama* circles given to sons of a *kyai*.
[127] Interview, 11 April 2008.
[128] Abdurrachman Wahid or Gus Dur was a prominent figure of pro-democracy movement when Suharto was in power, using primarily his leadership of the NU as his political bargaining power. He became president in 1999 in an eventful general assembly of the MPR (the highest government body) in which, with the help of a loose coalition of Islamic factions, he defeated Megawati Sukarnoputri, the leader of the PDI-P which had won the first free general elections (Antlov, 2004).

although the intended name was actually *Patriot Bangsa Merdeka* (Patriots of Independent Nation).[129] He also associated himself with a group of *jawaras* from Banten called *Pendekar Jalak Banten* or Warriors of Jalak Banten, which he claimed to have around 15,000 members.

His rather thuggish credentials were somehow combined with a more developmental approach. Gus Nuril was the head of the Association of Rice Farmers, the Association of Sugar Traders, and *pembina* of a group of street musicians called the Kipas. He was also appointed the chairman of an interfaith body called FORKAGAMA (Communication Forum for Human Rights and People of Faith)[130] in Semarang when it was founded in 2006. This is not unusual in a predominantly Muslim society as *kyais* easily negotiate the boundaries between polite society and the underworld, the social and the political, in the name of missionary outreach or *dakwah* and welfare purposes. Their large following inevitably comes from different backgrounds, and this allows them an access to a wider population than a government official would have.

The prominence of these local leaders, be they *jaros* or *kyais*, is made possible especially by the removal of state political dominance since the collapse of the New Order. To be sure they had been around before, especially those with developmental or religious guises as these were not seen as a direct threat to the regime's political dominance, but the new freedom has enabled them to be more assertive and public.

[129] Gus Nuril was reported in the *Time* magazine (19 April 2001) as claiming as many as 30,000 men in this squad. A more detailed account of one particular incident that involved this group can be found in 'Massa Pendukung Presiden Tinggalkan MPR/DPR' [President's Supporters Leave MPR/DPR Compound], *Kompas* 17 March 2001.

[130] This kind of interfaith dialogue forum started to emerge in the immediate years after the reform in 1998 as a response to a wave of sectarian conflicts across the country in the 1990s and beyond. Starting as more or less a grassroots initiative, the government tried to institutionalise this forum at all levels of governance through a Joint Home and Religious Affairs Ministerial Decision No.9/No.8 in 2006. The government-supported interfaith forum is now called the FKUB (Forum for the Harmony of People of Faith) and by mid-2007 has been established in 21 provinces, 110 regencies, and 39 cities (*Nawala* No.3/Year II/July-October 2007).

They may not have the administrative power of a *ketua RT/RW* needed by local residents, but their local roots, moral authority, and economic resources give them significant informal social and political power. In fact, it is not uncommon that in the regions a *ketua RT/RW* or a *lurah* enhances his bureaucratic authority with this more traditional credibility, effectively making him an *uztad*, *jawara*, and *ketua RT* or *RW* or *lurah* at the same time.

Youth Groups

Youth groups mushroomed especially in urban poor neighbourhoods in the absence of dominant state power after the collapse of the dictatorship. The pre-existing *Karang Taruna* (literally meaning youth group) organisation provided a structural platform and a power base for the building of these youth groups. This is a remnant of the dictatorship's attempt to organise youths under the ideology of development, where youths were labelled as agents of development in villages and urban neighbourhoods without having to participate in political organisations. During its heyday, almost every young person (but especially man) in the neighbourhood was by definition a member of *Karang Taruna*. They formed the core group of activists who are behind the organisation of communal events and worked closely with *ketua RT* or *lurah*. They have become almost irreplaceable and still draw a significant following today in almost all rural and urban neighbourhoods in Indonesia.

In strong Muslim neighbourhoods, *Remaja Masjid* or Islamic Youths also provided such a platform. This is basically a group of young men who regularly go to the local mosque to perform their prayers and to take part in the social activities of the mosque. Christian youths have similar organisations although they are generally less prominent given their minority status. In Medan, however, due to a large number of

Lutheran Christian Bataks in the region,[131] church-based youth groups are quite strong. A Catholic parish in Tangerang regularly holds Mass for workers.[132]

Some groups became more formal with uniforms and a structure of functionaries, while some others remain informal. As they became more popular, they attracted the attention of the more established youth organisations which had been prevalent under the New Order. Some were then recruited or co-opted into these organisations. In Chapter Three, some of these youth groups have been particularly identified as possible non-state sources of violence. As mentioned before, Medan is almost like a playground for the IPK and the PP, arch-enemies who compete for the control of gambling business and protection rackets in the region. Their *pos komando*[133] or command posts are ubiquitous in urban and rural neighbourhoods, and they are often casually referred to by non-members as OKP (*Organisasi Kemasyarakatan Pemuda* or Organisation of People's Youth) or simply *pemuda setempat* (local youths). They have been involved in breaking up strikes and protests organised by labour groups,[134] but ironically both groups have overlapping constituencies. Youth groups recruit their members from among unemployed or underemployed urban youths including dismissed workers and part-time factory workers. It is almost impossible to obtain reliable information on the occupational composition of their membership. One unionist in

[131] The largest denomination is HKBP (Huria Kristen Batak Protestan).
[132] Santa Maria Parish, Tangerang city.
[133] *Pos komando* (*posko* in its Indonesian acronym) is a network of small buildings, ranging from wooden huts to permanent brick houses, where members of the organizations congregate for various purposes. Dotted around a geographical area, these posts have become a focal point of mobilisation, particularly active during election campaign as almost every political party establishes its own *posko*. Lane (2008) regards *posko* as an organisational innovation to mobilise kampong dwellers.
[134] See for example the incident at PT Gunung Gahapi Sakti on 7 October 1999 when a group of men wielding machetes prevented workers from organising a strike inside the factory compound, as reported in 'Empat Buruh Luka Akibat Bentrokan' [Four Workers Wounded after Clash], *Kompas* 8 October 1999. The same youth organisation was reportedly hired by nine companies in the same area to provide security. See 'Ratusan Buruh Tuntut OKP Tak Intervensi Perusahaan' [Hundreds of Workers Demand OKP Not to Interfere with Companies], *Pos Kota* 12 October 1999.

Medan admitted that many of his members simultaneously belonged to either the IPK or the PP.[135]

As Table 4.7 shows, almost all the regions in this study had higher than national average unemployment rates which hovered around 10 per cent between 2003 and 2007. Those in their late teens and early twenties were particularly vulnerable because they constituted the highest proportion of unemployment (Table 4.8). For unemployed youths, these groups provide legitimacy and a sense of identity and empowerment when work is scarce and the cost of living increases (Kristiansen, 2003; Wilson, 2005). For workers with temporary jobs in factories, joining these groups is a form of insurance. Between their unreliable factory jobs, the groups provide them with incomes from 'managing' public spaces such as markets, bus and train stations, and parking spaces. To youth groups with religious overtones, 'managing' includes conducting raids on hotels, pubs, discotheques, and massage parlours which they denounce as *tempat maksiat* or venues of vices, referring to the alcohol abuse, gambling, and prostitution that often take place in such venues (Kristiansen, 2003: 130; Wilson, 2005: 2). This explains why these organisations are popular in poor urban neighbourhoods.

Table 4.7. Open Unemployment Rates[136] (per cent, 2002-2006)

Year	Medan	Deli Serdang	Tangerang city	Tangerang district	Semarang city	Semarang district
2002	13.28	8.54	n.a.	n.a.	11.84	4.92
2003	15.23	10.23	16.24	17.02	7.9	4.9
2004	19.43	17.78	16.55	20.16	12.2	4.55
2005	12.46	11.9	11.12	13.51	9.38	4.79
2006	15.01	13.47	18	19.9	9.8	5.6

Source: *Situasi Ketenagakerjaan Indonesia* (Labour Force Situation in Indonesia) 2003, 2005, 2007

[135] Interview with Buldozer Purba, the chairman of LEM SPSI Deli Serdang, 19 January 2008.
[136] The definition of open unemployment in Indonesia is limited only to those in the productive age range who did less than an hour of work in the previous week. This definition clearly underestimates the extent of unemployment as it ignores those who worked slightly more than an hour per week.

Table 4.8. National Open Unemployment Rates by Age (per cent, 1998-2006)

Age	1998-2000	2001-2003	2004-2006
15 – 19	29.7	29.4	27.2
20 – 24	37.3	32.1	34.1
25 – 29	18.1	14.3	14.7
30 +	14.9	24.2	24
Total	100	100	100

Source: *Policy Brief 4*, Department of Communication and Information, 2007

To give a broad picture of how prominent these youth groups and gangster organisations have become, a 2003 national survey of investment climate in Indonesia reported that 8.5 per cent of business people interviewed, admitted paying illegal fees to community groups and 6.1 per cent to gangsters (KPPOD, 2003: 63). After two years these figures rose to 19 per cent for the illegal fees to community groups and 8 per cent to gangsters (KPPOD, 2005: 20). These figures suggest that there are other significant actors in the labour market apart from the traditional tripartite actors.

Migrant Workers Groups

Another form of organisation which has been quite prominent in multiethnic industrial centres is hometown associations or migrant worker organisations. Industrial centres attract job seekers from various parts of the country. After decades of migration, the population of these areas became very diverse. As an illustration, in 2006 the population of Tangerang district increased by 117,864 people, while there were only 90,029 births. It means that almost a quarter of the increase came from migration. It is difficult, however, to ascertain whether they come from ethnic groups different from the locals because the demographical statistics do not identify residents based on their ethnicity or region of origin. After all, migrant workers are required to have local identity cards. A casual observation of the area, though, will quickly give the impression that workers do come from the different ethnic groups in the country. Apart from the different spoken

languages and names, there are a number of groups or organisations which explicitly bear the name of their ethnicity.

Migrant workers often have their own networks of support which are organised by senior workers or elders from the same home village or town, who have come to the city before them (Elmhirst, 2004). They tend to live in close proximity to each other without giving the appearance of ghettos, and create strong internal ties (Ford, 2005). Being part of a social group is an important motivating factor which encourages them to go to industrial areas such as Tangerang in the first place. Once they arrive, they have the support of the ethnic networks that care for them through small loans, advice, and information. Therefore it is important to maintain ties with these networks and workers have little incentive to break away from the group.

Elmhirst (2004) gives an example of a group of young female workers from Lampung in South Sumatra who maintained close ties with their home village and people of the same ethnicity in Tangerang. The ties were reinforced through an informal organisation called *Ikatan Keluarga Buay Serunting* (literally, family ties of Buay Serunting – name of the ancestral founder of the village where the migrant workers came from). The *Ikatan* provided important information for tracking down factory jobs and represented a form of social insurance. The leader of this organisation was a Mr. Selamat who had been in Tangerang for more than 20 years, and was considered a successful Lampung native in Tangerang. Similar arrangements can be found with many other hometown associations whose name boards are clearly displayed on the front wall of their meetinghouses such as JOKER for migrants from Yogyakarta, IWAK for migrants from Klaten in Central Java, and SH Teratai for migrants from Madiun in East Java. Their activities are not very different from one another, ranging from the

popular *arisan*, providing temporary shelters for newcomers to fundraising for some development project in their hometown.

The trend of establishing migrant organisations is not observable in the other two regions. In Medan, the multiethnic setting of the region is the result of decades of a colonial plantation policy of bringing over Javanese contract workers (Breman, 1989). Thus, over the past two centuries they have become settled as inhabitants of the regions despite maintaining their Javanese ethnic identity. There is an organisation for Javanese people in Sumatra called the *Pujakesuma* (an abbreviation in Indonesian for 'Sons of Java Born in Sumatra'), which started almost three decades ago and has since become a high profile lobby group in the region. Semarang in Central Java is more homogenous compared to the other two regions. As industrialisation came later, the labour force in the area is still sufficient for the factories and there is less demand for workers from other regions.

4. Summary

This chapter has sought to analyse the nexus of social organisations which underpins the lives of the working class in their neighbourhood. Factory work is characterised mainly by their low wages and precarious employment status. Their constant struggle to meet urban needs has almost inevitably drawn them into networks of patronage. The command of resources in the hands of local dignitaries generates impressive followings and influence in the neighbourhood. Material needs, however, are not the only factors that constitute the social organisation of the neighbourhood. Ethnic and religious ties are particularly important to rally people and add extra significance to what often looks like a transactional relationship.

The political economy of the neighbourhood gives us a clue as to how labour mobilisation may actually take place. Outside the workplace, workers are already connected to one another in their daily pursuit of subsistence. It is true that these connections are not exclusively working class in terms of the individuals who are involved and in the issues around which they are organised. Nevertheless, these connections harbour potential for labour mobilisation. Firstly, they provide a membership base with an actual capacity for action as it has been rehearsed on an almost daily basis. Secondly, they serve as abeyance structures or communities for workers to fall back on between periods of mobilisation. These structures reduce the amount of effort that needs to be taken just to maintain the mobilising vehicles over time and over space. Moreover, this dynamic neighbourhood life has in many ways exposed workers to organisational sub-cultures and prepared them to engage in the realities of popular mobilisation. From the start of their immersion into industrial production, they have been engaged in various forms of basic organising. When the need for mobilisation arises, workers can utilise the social organisations of the neighbourhood to protect their interests and to advance their causes.

The question now is whether this capacity for collective action has actually been recognised and treated as an asset by trade unions. Traditionally trade unions are associated with the organisation of workers in the workplace and are therefore detached from the dynamic that takes place in the living quarters of workers. This chapter, however, has suggested that the social organisation of the neighbourhood has much to do with the concerns and needs that emerge out of the workers' predicament in the workplace. The signs point to the overlapping of the neighbourhood and the industrial workplace in more ways than is usually understood. Therefore, we now need to explore the development of trade unions and their effectiveness as mobilising vehicles.

CHAPTER 5

Mobilisation amidst Fragmentation

1. Against the Focus on Fragmentation

This chapter aims to identify and assess the effectiveness of trade unions as collective vehicles of mobilisation of the labouring population. Mobilisation refers to the process by which 'individuals are transformed into a collective actor' (Tilly, 1978: 69), or the process of connecting 'private troubles to public issues' (Foweraker, 1995: 20). In simple terms, this is the process by which individuals come together under a common stated goal. The organisational capacity of trade unions, which is the focus of this chapter, is supposed to facilitate this process. In Indonesia, this process has been taking place against the background of the post-authoritarian political landscape both at the elite and grassroots levels as discussed in the preceding chapters. The combination of various political opportunities has created a new social environment which informs the political perceptions, organisations, and actions of urban dwellers. This, in turn, feeds into the formation and the development of trade unions as organisations that claim to represent the working population.

There is an immediate problem. Discussions on Indonesian trade unions post-1998 are characterised by the recurring theme of fragmentation. Most of the instances that are used to describe the fragmentation refer to the competition and divisions found among the numerous trade unions that have grown up in response to the arrival of the freedom to organise. Scholars have taken this state of affairs as part of the explanation for the generally weak post-1998 organised labour. Clearly they are guided by the conventional wisdom that a multiplicity of trade unions only leads to fragmentation and eventually to political insignificance. An account of the mobilising capacity of trade

unions (and their possible political significance) must therefore address this observation before proceeding further. As we will see later, trade unions have indeed grown in number, but the presentation of these labour statistics needs to be critically examined. It is argued in this chapter that previous analyses have overstated the reality of fragmentation and the problem of union multiplicity. Moreover, the trend of fragmentation has actually proceeded hand in hand with increasing coordination among trade unions and with other social movements in the arena of civil society; some are on a temporary basis, while others are more permanent.

In assessing the performance of trade unions, scholars have more often than not used established procedures of organisational discipline as the measurement. Their assessment is conceptualised in terms of 'what unions do' such as the capacity to collect membership fees, to conduct collective bargaining, and to defend their members in disputes (Kelly, 2002; Quinn, 2003; Isaac and Sitalaksmi, 2008). The emphasis is on membership and subscription under a voluntary and contractual relationship between the organisation and its members. While these features are to some extent in place, Indonesian trade unions have had to rely on many other sources of support. The history of their repression by the state, and the pre-existing forms of power relations, have shaped their organisational nature and defined their mobilising capacity in a particular way. The relationship between unions and workers cannot just be described as voluntary or contractual. In fact, in the previous chapter we have seen some indications of the kind of relationship that has developed between workers and various groups or organisations in their neighbourhoods. It is contractual but also driven by other kinds of loyalty and aspiration. Thus, while still paying attention to some aspects of organisational discipline, we should identify and analyse other sources of mobilising capacity.

2. How Real is the Trend in Union Fragmentation?

The description of the disorganised trade union movement is built around two central arguments. One is the rapid numerical growth of trade unions after 1998, and the other is the trend in factionalism and splits within trade unions that accompany the growth.

Rapid numerical growth

In parallel to the explosion of the number of non-governmental organisations described in the previous chapter, the growth of trade unions in Indonesia is indeed impressive. As of January 2008 the Ministry of Manpower and Transmigration in Jakarta registered over 11,000 unions at enterprise level, 90 federations, and three confederations in the country (Table 5.1). This is a far cry from the days of the hostile repression when there was just one recognised trade union (SPSI). The proliferation of trade unions in the post New Order period started right after the authoritarian regime collapsed. Later the numbers grew on account of the liberal character of the new Trade Union Law passed in 2000. Minimum obligations are required to register a new trade union. The new trade union only needs to register its charter with the local Manpower Office, and if the minimum conditions are met, the office is obliged by the law to recognise it. The law permits as few as ten workers to form a union at the enterprise level; five unions can combine to form a federation, and three federations can form a confederation. In addition, the law allows multiple unions in a firm at both enterprise and sectoral levels.

Table 5.1. Trade Unions in Indonesia (per January 2008)

	Category	Federations	Enterprise level unions	Members
1	KSPSI (confederation)	18	6,122	1,657,244
2	KSPI (confederation)	10	1,121	793,874
3	KSBSI (confederation)	11	1,307	227,806
4	Non-confederated unions	51	1,680	403,714
5	Non-affiliated unions (SPTP)	-	1,237	305,959
	Total	**90**	**11,464**	**3,374,953**

Source: Unpublished data from the Ministry of Manpower and Transmigration

Table 5.2. Trade Unions in the Regions (by size of membership)

	Trade Unions	Number of plant- level unions	Members
	Medan city	n.a.	n.a.
	Deli Serdang district (2005)		
1	SPSI	309	25,934
2	SBSI 1992	34	3,596
3	SBMI	7	569
4	Others (3 unions)	14	690
	Total	**364**	**30,789**
	Tangerang city (Dec 2007)		
1	SPSI	115	82,133
2	SPN	29	35,333
3	SPTSK	18	18,842
4	Others (79 unions)	192	36,344
	Total	**336**	**172,652**
	Tangerang district (March 2007)		
1	SPSI	129	71,556
2	SPN	7	7,320
3	SPMI	9	4,299
4	Others (55 unions)	131	43,003
	Total	**276**	**126,178**
	Semarang city (Dec 2007)		
1	SPSI	159	22,942
2	SPN	16	13,531
3	SPTSK	57	9,375
4	Others (13 unions)	200	35,973
	Total	**432**	**81,821**
	Semarang district (Dec 2007)		
1	SPN	13	29,211
2	SPSI	94	11,988
3	SPKEP	6	2,016
4	Others (8 unions)	16	9,832
	Total	**129**	**53,047**

Source: Unpublished data from Manpower Offices in Deli Serdang, Tangerang city, Tangerang district, Semarang city and Semarang district

In terms of union penetration, despite attempts by trade unions to organise labour into institutional movements since the dawn of the freedom of association, union members in Indonesia only make up a small percentage of the total workforce. According to official statistics, in 2007 around 28 million Indonesians were employed in the formal sector, out of a labour force of about 99.9 million.[137] Of these formal

[137] There are seven categories of employment in the national statistics: own account worker, self-employed assisted by temporary employee, employer, regular employee, casual employee in agriculture, casual employee not in agriculture, unpaid worker. Union density is the number of union members as a percentage of workers in the formal sector employment (regular employee category). Some authors include those in the category of own account worker into the formal sector, which consequently reduces the density figures.

sector workers, union members constituted only 12 per cent, or of the total labour force, the density figure goes down to around 2.8 per cent. These density figures are within an acceptable range compared to previous estimates. For example, an ILO document on poverty reduction, based on 2002 official statistics, estimated union density at around 10 percent as a percentage of formal sector workers (ILO, 2004).

Compared to other East Asian countries, union density in Indonesia has always been low, only higher than Thailand (Gall, 1998) but much lower than South Korea, Singapore, Taiwan, Malaysia, and the Philippines.[138] Even under the sponsorship of the dictatorial state in the pre-1998 period, it never went beyond six per cent (Gall, 1998: 365). Although the SPSI was promoted by the state, it was envisioned more as an instrument of political pre-emption and therefore a strong popular organisation was the last thing the regime wanted (Hadiz, 1997). Consequently, union membership and density was kept low.

Table 5.3. Union Density at National and Regional Levels

	Regions	Density (%)
1	National	12
2	Medan	n.a.
3	Deli Serdang	9.5[a]
4	Tangerang city	46.7[b]
5	Tangerang district	17[c]
6	Semarang city	17.6[d]
7	Semarang district	31.4[e]

Source: see footnotes below

[138] For example, in South Korea it was 18.6 per cent (1990), in Singapore 13.5 per cent (1995), and in Malaysia 11.7 per cent (1995). All these figures are calculated as a percentage of the total labour force, not just of workers in the formal sectors, in respective countries (Kuruvilla and Erickson, 2002).

[a] 2005 union membership figure and 2006 formal employment figure, published by the Deli Serdang Manpower Office.

[b] 2007 union membership figure and 2006 formal employment figure, published by the Tangerang city Manpower Office.

[c] 2007 union membership figure and 2006 formal employment figure, published by the Tangerang district Manpower Office.

[d] 2007 union membership figure and 2006 formal employment figure, published by the Semarang city Manpower Office.

[e] 2007 union membership figure and 2006 formal employment figure, published by the Semarang district Manpower Office.

In the regions, the available data on union density does not always come from the same year and makes it difficult to calculate. To get around this and to have some picture of the regions' union density, figures of formal sector employment from the year before or the year after the date of the membership figures are used in Table 5.3. With this in mind, Tangerang city had a very high union density in 2006 at almost 47 per cent, the highest among the regions studied. Semarang district comes second with more than 31 per cent in the same year. The lowest density is found in Deli Serdang, which is at 9.5 per cent, below the national level of 12 per cent.

Labour statistical figures in Indonesia, however, have to be treated with caution. The membership figures, and consequently the density figures, are the most unreliable because of verification problems. Although the new Trade Union Law that sanctions freedom of association was passed in 2000, it was only five years later that the regulation for the verification procedures of union membership was issued.[139] Membership figures before this date consequently suffer from a lack of consistency. For an example of how flawed verification could take place, in 2002 unions were asked to 'self-verify' their membership and in response produced a total of over eight million members. A year before, the Ministry of Manpower recorded even a greater figure of over 18 millions as new trade unions submitted their charter and membership in order to be registered (SMERU, 2002). This figure, if correct, would have translated into more than 30 per cent of union density, which is a clearly inflated figure as subsequent verification established (Quinn, 2003).

Even when they are in place, the guidelines for verification are not always observed. This problem has been aggravated since decentralisation which saw the subordination of the local offices of the ministry to local governments and consequently

[139] The Ministerial Regulation or PerMen No. 6/MEN/IV/2005.

to their lack of resources and political interests in these offices as described in Chapter Three. Several government officers in Medan and Tangerang openly admitted the casual nature of the verification procedures and quickly blamed 'lack of time and funds'.[140] It often happens that the officers from the local Manpower Office visit trade union offices and check their record of membership without actually going through every single membership card as prescribed by the guidelines.[141] Worse still, they sometimes do not bother to go and instead send out forms to be filled by unionists themselves. Unionists, on the other hand, have every incentive to inflate their membership figures.[142] The new regime of industrial relations is based on numerical representation; large membership is likely to secure seats in tripartite bodies. Even if the officers conduct the verification by the book, like those in Semarang city, lack of resources limit them to doing it only every two years.

The union figures above have frequently been quoted in both scholarly and popular publications to argue for the problem of union multiplicity, to the extent that people have stopped questioning this assertion, which nonetheless calls for a closer examination. Firstly, the rapid growth of trade unions after the collapse of the New Order should not come as a surprise. The preceding period of union repression had attracted severe criticism from international governments and institutions which called for the regime to observe international labour standards. There were also serious efforts by domestic labour activists to challenge the policy of a single union by founding various independent labour organisations in the early 1990s, which were swiftly banned or disbanded by the regime. Those who survived the initial crackdown went

[140] Concluded from interviews with Fransisko Bangun and Jaminuddin Marbun, both officials in North Sumatra Manpower Office on 14 January 2008 and 15 January 2008 respectively, with Monang Panjaitan, an official in Tangerang district Manpower Office on 10 March 2008.
[141] Almost all unionists interviewed complained of this fact.
[142] The confessions came from union officials themselves. See '20 Serikat Pekerja Lakukan Verifikasi' [20 Unions Conduct Verification], *Wawasan* 27 October 2001, 'Banyak SP/SB Tak Beranggota' [Many Unions Have No Members], *Bisnis Indonesia* 21 May 2003.

underground and resurfaced later in the new era. When the dictatorship finally collapsed, the freedom to organise was among the first of political rights to be restored. Workers and labour activists responded in earnest, resulting in what we have witnessed as a rapid growth in the number of trade unions. The same pattern can be observed in many other democratising countries except in post-communist states where unions were perceived as remnants of the old regime (Kubicek, 1999; Avdagic, 2005). In South Korea, the number of unions between 1986 and 1989 increased from 2,658 to 7,883, coupled with an increase in density from 12.3 per cent to 18.6 per cent (Chang, 2002: 18). In the Philippines, by 2002 there were 8,000 unions divided between 173 different federations and labour centres (Kuruvilla and Erickson, 2002: 445).

Secondly, scholars use labour statistics in a way that overstates the problem of union multiplicity. Most attention is given to the number of newly registered plant-level unions as compared to the 'single-union model of the late Suharto period,' (Ford, 2000: 3) which leads to the conclusion that 'the number of Indonesian labour organizations has exploded' (SMERU, 2002: vi) or that new trade unions have grown 'like mushrooms in the rainy season.'[143] The number of registered trade unions, however, does not reflect actually existing, let alone functioning, trade unions. Because of the irregularities in verification procedures as described above, local authorities are less likely to discover that certain trade unions have actually ceased to exist. This inaccurate and inconsistent data from the regions forms the nationally aggregated labour statistics which then make their way into various publications. The national statistics simply cannot keep up with the changes in the regions, if these are recorded at all. While union registration is simple and primarily in the interest of budding union leaders, deleting

[143] Tjandraningsih 2007. Originally in Indonesian, a version of this essay serves as introduction to a directory of trade unions in Indonesia published by the Akatiga research centre. Available online on http://indoprogress.blogspot.com/2007/08/serikat-buruhserikat-pekerja-di.html (accessed 2 March 2009).

trade unions from the register requires costly verification procedures and union leaders would not bother to report. Thus, what we have is an ever-growing list of trade unions.

In addition, if we consider only the category of functioning unions, the number of trade unions is reduced significantly. 'Functioning' refers to the capacities commonly associated with trade unions such as the collection of membership fees, the conduct of collective bargaining, and the defence of workers' interests or advocacy (Hyman, 1975; Isaac and Sitalaksmi, 2008). Not many unions can perform all or even part of these functions. In interviews, all unionists admitted to having difficulties collecting membership fees. Collective bargaining is still limited as is indicated by a small percentage of companies that have collective labour agreements or PKB (*Perjanjian Kerja Bersama*) in place.[144]

Thirdly, to the extent that we trust government statistics, given the problems described above, we would actually have a different picture if more attention were given to federations and confederations. At the end of 2001, there were 61 federations and one confederation, and by January 2008 they increased only by 50 per cent and 200 per cent respectively, which is still significant but much less dramatic than the 3,900 per cent increase in plant-level unions quoted by Feulner (2001: 17) in the initial period of the freedom to organise. It is true that these federations and confederations do not cover unaffiliated plant-level trade unions, but government statistics do not capture a growing trend of alliances and partnerships among small and often unaffiliated trade unions either, as we will see below.

Fourthly, the worry about multiple unions within a firm, which comes mostly from employers and partly from certain union leaders, has so far proved to be

[144] In North Sumatra as a whole, 476 out of 966 medium and large companies in 2007 had collective bargaining agreement. The figure for Tangerang city is 111 out of around 600 medium and large companies in 2007. Data was collected from the local Manpower Office in respective regions.

unfounded. A more recent survey is surely needed, but initial data suggested that multiunionism was less extensive than popularly believed. The survey conducted by the World Bank-funded think-tank SMERU a year after the enactment of Trade Union Law found that multiunionism existed only in three out of 47 companies surveyed.[145] These three companies were reported as having no problems with the unions concerned (SMERU, 2002: 25). Another research in 2005 in Tangerang city and district noted, 'In most workplaces in the region, there is one union.' (Rokhani, 2008: 3)[146] Only nine factories were found to have more than one union. Yet, the worry persists. On the surface, the concern of the management with regard to multiunionism is related to issues of collective bargaining and productivity,[147] whereas for established trade unions the existence of more than one union in the same company raises the concern of workers' representation.

These concerns can easily be refuted. Union representation in collective bargaining is clearly regulated in the Manpower Law and there should be no confusion about this even in the case of multiple unions. To be bargaining agent in a firm, the most representative union(s) should meet the requirements as follows: 1) only registered union(s) (art.116:1); 2) representing more than 50 per cent of workers as sole agent; 3) in case of multiple unions, coalition of several unions to reach the 50 per cent threshold and bargain together (art.120:2); 4) in case of sole union not reaching 50 per cent threshold, it has to win more than 50 per cent of workers' votes (119: 2). Therefore, it seems that the persistent argument against multiunionism is, in fact, more a reflection of

[145] The survey was carried out in 47 companies located in Jakarta, Bogor, Tangerang, Bekasi, Bandung and Surabaya. The sampling was not random and meant to give a typical picture of industrial relations in large manufacturing companies with both foreign and domestic capitals.
[146] This article actually deals precisely with the issue of inter union conflicts within the same firm.
[147] Interview with Djimanto, the general secretary of APINDO, 4 August 2006.

interests in labour control by employers and in maintaining dominance of established trade unions rather than the state of industrial relations in general as they have claimed.

Indeed, from time to time officials, usually of small trade unions, have the chance to seize access to big companies and undermine the existing dominant unions. This comes about through offering to defend the members of the other unions in the industrial tribunal when their own trade unions refuse to do so. This has been made possible by Law no. 2/2004 on the settlement of industrial disputes. Despite its shortcomings, the law has opened up a gap in the legal system, which enables small unions to have their voices heard in an environment otherwise still unfriendly towards them.[148] Many unionists have now become registered lawyers in the industrial tribunal with years of experience as workers themselves before becoming lawyers.[149] When they find out that the union in a company does not stand up for their troubled members, they offer to act on behalf of the workers in question in the industrial tribunal. In the process the small union will have more access to the workplace, start recruiting members and finally establish a presence in the company, challenging the established union. The more aggressive approach of independent unions is likely to win support from workers when they face hardship.

Divisions and splits

Another feature of Indonesian organised labour that has been described as a sign of fragmentation is the division and antagonism found within trade unions and in the pattern of the proliferation of trade unions. Division and antagonism have indeed

[148] The Law no. 2/2004 limits government interference in industrial disputes and gives trade unions more power through the appointment of *ad hoc* judges from the ranks of union activists. However, the tribunal has been blighted by poor compliance when the verdict goes against employers. There are still fees involved which can be burdensome for workers. For more information on the strengths and weaknesses of this law, see Mizuno (2008).

[149] The story about this aspect of industrial tribunal is concluded from interviews with FSBI leaders in Semarang.

characterised the relationship between trade unions. The collapse of the dictatorship in July 1998 triggered the disintegration of the sole trade union, the FSPSI. As early as August 1998, 13 unions left the federation and planned to convene their own congress. In early October of the same year they formed FSPSI-Reformasi (for an account of the split, see Caraway, 2005). In 1999 two more unions exited the federation and formed their own separate organisations. The union of metal workers, the SPMI, held its first congress in February 1999, which marked its birth as a new union, and then it turned into a federation in 2001.[150] The sectoral union of textile, footwear and leather also stepped out of the federation and founded its own federation the FSPTSK in 1999. Thus, by early 2002, the SPSI, which became a confederation in 2001, had split into four different unions: the KSPSI, the FSPSI-Reformasi, the FSPMI and the FSPTSK. In October 2003 during its fourth congress, a major faction within the FSPTSK broke away and founded the SPN because they wanted to expand its membership beyond the original three industries. The other faction wanted to maintain the original member base and so remained as the FSPTSK.[151]

The freedom of association clearly facilitated the divisions, paving the way for disgruntled union leaders who wanted to establish a union which was not associated with Suharto's legacy. Indeed, the SPSI had become a representation of the old power that was non-reformist, part of the authoritarian regime. However, we should not ignore the fact that various external actors were also instrumental in the process of division. The American labour solidarity agency, the ACILS, was instrumental in supporting the split in the SPSI that resulted in the formation of FSPSI-Reformasi (Ford, 2006: 170). The same organisation sponsored the creation of peak union bodies, but none survived.

[150] According to the information found at the FSPMI website http://www.fspmi.org (accessed on 23 April 2009).
[151] 'Tak Sesuai Aturan, Delapan DPC Tolak Kongres SPN', [Eight SPN Regional Branches Shun Congress for Violation of Regulations], *Kompas* 13 October 2003.

During the period of the fieldwork for this dissertation in early 2008, the SPSI confederation was yet again on the brink of a major division after a conflict broke out between the chairman, Jacob Nuwa Wea, and his general secretary, Syukur Sarto.[152] As Jacob Nuwa Wea now seemed likely to come off worse from the conflict and soon opt for exit, he would most probably bring with him most of his main constituency, the FKEP (the SPSI federation for chemical, energy, and mining industries). This division has prompted various reactions in the regional branches of the union. In Medan the supporters of the two factions clashed twice in the street in April and in May 2008 when one tried to defend the regional office from confiscation by the other.[153] In Tangerang city the officials of the provincial chapter of the confederation were already divided but the lower level activists would wait before deciding where their loyalty lay.

Similar splits also blighted smaller unions in the regions. In Medan the SBMI (Medan Independent Labour Union) had practically had a dual leadership for several months after an ongoing disagreement over parts of the organisation's charter between the general secretary, Baginda Harahap, and the chairman, Minggu Saragih, each having his own support. The split was later formalised in April 2008 when Saragih's faction established a separate union with a similarly abbreviated name.[154] The SBJ (Jakarta Labour Union) in Jakarta and Tangerang broke apart twice in 2003 and 2006. Each time, a new union grew out of the conflict.[155] In Semarang the former chairman of the FSBI (Federation of Independent Labour Unions), Sumarsono, acrimoniously left the

[152] The initial point of contention was Jacob's deteriorating health and Syukur's eagerness to move the date for the national congress ahead of schedule, supposedly to elect a new chairman.
[153] 'Massa SPSI Kembali Bentrok' [SPSI Crowds Clash Again] available online on http://www.harian-global.com/news.php?extend.42524 (accessed on 30 October 2008).
[154] The new union has the same abbreviation SBMI, but instead of the *Serikat Buruh Medan Independen* (Medan Independent Trade Union), it stands for *Serikat Buruh Merdeka Indonesia* (Indonesian Free Trade Union). See http://www.kpsmedan.org/newkps/read.php?do=detail&id=10 (accessed on 30 October 2008)
[155] SBJ-P emerged from the first division, while FSBJ from the second.

union after allegations of corruption directed at him by other officials; he then founded two new trade unions.[156]

All this seems to fit the description of a fragmented labour movement. In the early years after the reform movement, Hadiz (1998) suggested that the near total repression of labour politics had destroyed the capacity of the working class to organise. And when the repression was finally lifted, what has happened since is 'proliferation rather than consolidation' of trade unions (Hadiz, 2001: 123). Some blamed the freedom to organise for this proliferation, arguing that it has encouraged a 'divisive expansion' (Tornquist, 2004: 388) or 'facilitated extreme fragmentation' (Caraway, 2006: 222). The minimum requirements necessary to start a new union make it easy for the breakaway faction to take the exit option. If it can attract ten followers and write a new charter, a new union is on the way.

Fragmented and antagonistic as it seems, this has not been the whole story of organised labour since 1998. Although this is not to deny the existence of divisions, it would be misleading if we ignore another trend which has actually gone in the other direction. Despite the history of division between the offshoots of the FSPSI, most of them come together under the same confederation KSPI whose membership nationwide is second only to its former parent organisation (Table 5.1.). As a matter of fact, there are only three confederations, whose combined membership in 2008 covered almost 80 per cent of all union members. Since July 2006, a new national alliance ABM (Alliance of Challenging Labourers) has come to the fore. It grew out of repeated contacts between union leaders and activists during the events surrounding the nationwide protest against the government plan to revise the Manpower Law earlier that year. The organisation aimed at unifying unaffiliated trade unions across the country and

[156] See Chapter Eight for his career in political adventure and electoral brokerage.

challenging the 'Big Three' by advancing alternative arguments and policies based on populist ideologies. By mid-2008 it had expanded to cover unions in at least 12 provinces, effectively encroaching upon the remaining unaffiliated unions.

On a smaller and more localised scale, the trend in forging alliances and partnership between trade unions and other non-union labour organisations has been on the rise. This is a rational strategy for small unions to boost confidence in the face of competition from their bigger and more established counterparts and to raise their bargaining power before the state and business. These unions join hands either with a number of other small unions, or with a bigger, Jakarta-based union. One faction of the SBMI, under Baginda Harahap, in Medan has approached the SBI, a Jakarta-based trade union; the other SBMI, under Minggu Saragih, is closely linked to the KSBSI. In Medan and Deli Serdang, several local trade unions such as SBSU (North Sumatra Labour Union), SBSI 1992, SBMI (Baginda Harahap's faction), SPN, and SBRI (Independent People's Labour Union) established an action front called the ABDES or the Labour Alliance of Deli Serdang whose main goal is to consolidate small local trade unions.[157]

In Tangerang (Figure 5.1.), the geographical proximity to Jakarta makes the issue of affiliation with national trade unions less urgent. Affiliation and partnership are forged more for the purpose of boosting their numerical presence in collective actions, especially when they take place in Jakarta. The FSBKU (a federation with around 25 member unions) are members of the KASBI, a national coalition of independent trade

[157] Interview with Zainal Abidin, the general secretary of SBSU, 7 January 2008.

unions. The KASBI itself is associated with ABM and PRP. The FSBKU is also closely linked to the action front KBC,[158] the Aliansi SB/SP Tangerang,[159] and the ARP.[160]

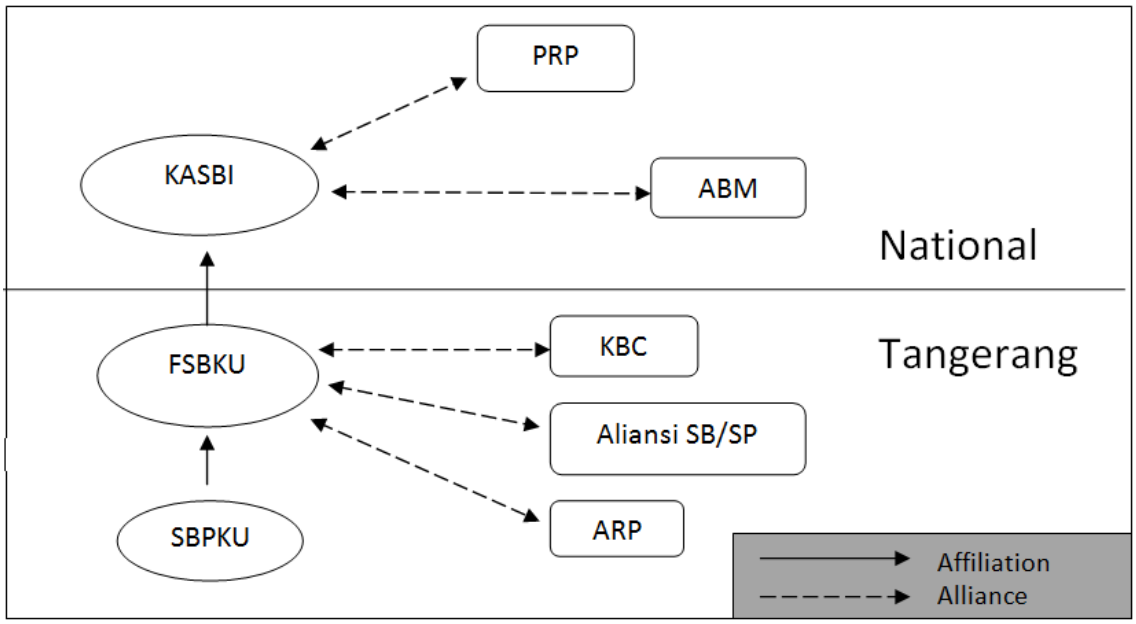

Figure 5.1. The Network of Affiliations and Alliances around SBPKU in Tangerang

In Semarang in 2001 labour activists from various unions started a forum for non-SPSI trade unions called *Fokus*, which originated in the alliance to protest against a gubernatorial decree on the regional minimum wage in 2000.[161] *Fokus* fell apart in the run-up towards the 2004 general elections as some activists became more involved with political parties and brought in partisanship which was frowned upon by most trade unions at the time. In 2006 it resurfaced under a new name *Dewan Pekerja dan Buruh*

[158] KBC is an alliance of six trade unions in Tangerang, which was founded in 2001 through joint advocacy work among unionists implicated in a string of court cases that were designed to criminalise labour activism in the early years of the reform period

[159] Aliansi SB/SP Tangerang is an alliance of trade unions, founded on the basis of the campaign for better minimum wages.

[160] ARP is a newly founded (2008) loose group of trade unions and NGOs in Tangerang with broad agenda for democratisation and social welfare.

[161] The governor of Central Java stipulated a minimum wage of Rp 234,000 for 2001, which was deemed too low. The protests went on for more than a week (7-16 December 2000) with increasing intensity. See 'Ribuan Buruh Jateng Unjuk Rasa' [Thousands of Workers in Central Java Take to the Streets], *Kompas* 18 December 2000.

Semarang or Semarang's Council of Workers and Employees. This time the SPSI joined the group. In 2004 a number of plant-level SPN leaders, fronted by Nanang Setiyono, started a new action front called the Semarang's Workers' Movement or *GERBANG* in its Indonesian acronym. Around 20 plant-level trade unions joined this movement, some from unions other than the SPN. *GERBANG* has become very popular over the years through its frequent street rallies and accords the SPN a high profile in Semarang.

The plethora of alliances, coalitions and forums or fronts that exist among small trade unions and their overlapping constituencies can look chaotic to an unsuspecting observer, especially if compared to the federalist or the unitary system of established unions such as SPSI, SPN or SBSI. The same demands and grievances serve as the common platform while repeated exchanges between their core activists enhance the ease of cooperation. So dynamic is the scene of independent unions that they often create tactical alliances which last only for one particular collective action. When the demands change, they start a new alliance. This dynamism has to some extent cancelled out the effects of union fragmentation. In interviews, almost every union officer expressed their unreserved concern about the fragmentation among trade unions. Whether they insist on creating new organisations or on maintaining the existing ones, the trend in union cooperation suggests that they have begun to act on it.

We have so far examined the two arguments that substantiate the description of a hopelessly fragmented labour movement. It has turned out that the degree of fragmentation is not as severe as scholars and labour activists themselves often portray. And although the scene of organised labour in Indonesia cannot be considered solid, fragmentation is only half of the story.

Moreover, the argument about fragmentation weakening labour militancy is not as straightforward as it may appear for two important reasons.[162] Firstly, a moderate level of fragmentation probably encourages healthy competition (Tafel and Boniface, 2003; Teitelbaum, 2006). Rival unions compete for the organisational and political loyalties of workers, and to some extent this competition prevents union leadership from inconsiderately exercising strategies independently of rank-and-file members, especially when these strategies are likely to disadvantage them.[163] In other words, union competition offers an exit option for members. Likewise, if rank-and-file members choose voice over exit, the presence of alternative strategies provides a basis to challenge their leaders. As such, a moderate level of union competition helps improve the representation of labour interests.

Secondly, many scholars seem to assume that large concentrations of workers necessarily condition the development of uniform interests. This assumption has led them to explain 'why nonetheless tensions and rivalries persisted within the workforce and why they failed to perceive their common interests'(Chandavarkar, 1994: 401).[164] The discussion on fragmentation above, however, indicates that fragmentation and competition are endemic to labour politics, and so it would be more fruitful if we shift our attention to the different ways and avenues of mobilisation that trade unions have adopted in the presence of persistent fragmentation. In other words, we need to explain how they come together at all.

[162] This argument is inspired by Teitelbaum's treatment of Indian labour statistics (2006).
[163] Even if the leadership only cares about the façade of decision-making mechanism, putting on a 'responsive' face is in its interest.
[164] He seeks to explain why and how Bombay workers, despite the deep division and rivalry between them, were capable of joining forces in the early twentieth century.

3. The Mobilising Capacity

Mobilising capacity refers to the degree that trade unions are capable of galvanising support among workers to achieve an agreed goal. This capacity requires three crucial elements. The first two elements are to do with the capacity for self-organisation, namely the ability to mobilise their resources and to form their own agenda (Baiocchi et al., 2008).[165] Those which cannot do these tasks without external support or intervention are called dependent, while those which can do them independently are called autonomous. Surely between dependent and autonomous poles is a wide spectrum where most organisations are likely to be located. In this respect, this assessment differs from that conducted by Baiocchi et al. These two qualities are not rigid, either-or, categories which measure self-organisation. Rather, they are heuristic devices against which we can locate the sources of mobilising capacity. Another point of difference from the method used by Baiocchi et al. is that this analysis, counter intuitively, does not suggest that autonomous organisations are always better than dependent ones with regard to the ultimate function of mobilisation. Dependence undoubtedly begets vulnerability to external interference, but a certain degree of dependence may provide the organisation more incentives to reach out to other organisations and to adopt a broader agenda, thus to become more willing to build a network. After all, scholars expert in Indonesian labour politics are concerned about the lack of cooperation among trade unions as well as between them and broader pro-democracy movements.

In addition to self-organisation, trade unions need to be able to reap the raw power of numerical strength, a crucial element for putting pressure on the new democracy. Individual workers may bring their own terms in engaging with labour movements, but what really matters for trade unions is their actual participation in

[165] Baiocchi et al. use this model to analyse the degree of self-organisation of various civil society organisations in Brazil which took part in the participatory budgeting scheme.

protests and strikes. Thus, this capability is about making workers down their tools, join meetings and protests, challenge the authorities of their workplace and of the state, in large numbers. Analysing this capability gives us a picture of how trade unions have been able to attract people to join collective action, even if they do not have direct individual interests in it or if they are not union members.

Control of resources

When it comes to the issue of resources, a clear line divides trade unions into two big groups: those related to SPSI or the former state-sanctioned union and those unrelated to SPSI. The association to SPSI is crucial because under the dictatorship it was the only recognised representative of workers and received state support. Trade unions related to SPSI inherited the material and political advantages of being a former state institution. Newly established trade unions, on the other hand, did not have these advantages.

In terms of membership, SPSI-related trade unions benefit from the monopoly of representation that they enjoyed as the state sanctioned union. By default the SPSI was the only union present in companies throughout the country, and in many places this has continued to be the case after the monopoly ended.[166] To date, its confederation still topped the membership league by a large margin (Table 5.1.). In Medan and Tangerang city and district, the SPSI remains the largest union whereas in Semarang it has been taken over by one of its breakaway unions, the SPN. This advantage has spread to its offshoots through a form of elitism or top-down expansion. During the tumultuous transitional years, if senior SPSI leaders in the factory chose to support the SPN, for example, then the rank and file would simply follow their leaders.[167] This was followed

[166] The same trend was found in South Korea where the formerly government sanctioned FKTU remained the largest confederation in the country after democratisation (Buchanan and Nicholls, 2003).
[167] This is clear from interviews with unionists from SPSI, SPN, and SPTSK. Also see Rokhani 2008.

by a takeover of properties when the majority of workers joined the new union. This kind of expansion is also called top-down because it is mostly initiated by some labour elite in Jakarta with connections to political parties, socio-religious organisations, or powerful patrons (Tornquist, 2004).

As described earlier, the SPSI had split into four different unions by 2002. The SPN is the largest among them. It has a big following in Tangerang and Semarang; in fact, Central Java province is the largest base of the SPN outside greater Jakarta. It covers the most labour intensive industries such as textiles, fibres, garments and footwear, which have been Indonesia's manufacturing backbone. Another former SPSI union which has done quite well is the SPMI although its large constituencies are limited only to Bekasi in West Java and Batam in Riau Islands.[168] These are the regions where the mass bases of SPMI, i.e. Japanese automotive industries, are particularly prominent.

Another legacy of the old union is the number of properties and other material resources acquired under the sponsorship of the state. The SPSI inherited properties mostly in the form of office buildings, which are situated in almost all provincial and district cities across the country. These offices used to serve as the local headquarters of the organisation; now they house the branch office of the confederation. Many of these properties are in central locations commanding high value in the market. The SPSI of North Sumatra provincial branch occupies a two-storey building situated in a busy shopping district in Medan. In Semarang city the Central Java provincial branch of the SPSI has an office in the Bubakan shopping complex known in the area for its shops selling electronic household appliances. At the heart of Tangerang city, the Banten

[168] Interview with Riden Aziz the chairman of SPMI Banten provincial branch, 22 February 2008.

provincial branch of the SPSI is housed in a two-storey office in the city's government complex.

Financially, most, if not all, trade unions do not rely on membership dues. The low wage base of most workers and the availability of external funding make due collection unattractive.[169] Up until the immediate post-reform period, the SPSI still received direct subsidies from the state social insurance company, PT Jamsostek.[170] Since then, however, the subsidies have been cut down and other major trade unions have also received similar subsidies through a more transparent programme. As of January 2009 two representatives of trade unions sat on the board of commissioners of PT Jamsostek: Syukur Sarto, the chairman of the KSPSI since 2001 and Rekson Silaban, the chairman of the KSBSI, since 2007. The inclusion of the KSBSI is interesting because this union is not related to the SPSI. In fact, it directly challenged Suharto's single union policy and was consequently banned in the early 1990s. Its high profile leader, Muchtar Pakpahan, and the international support he received following his imprisonment had subsequently accorded the KSBSI high leverage on the government when freedom to organise arrived. In November 2001 the KSBSI received a grant worth Rp 1.2 billion (US$ 120,000) from PT Jamsostek to build a training centre in Tangerang.[171] Again, in February 2002 PT Jamsostek gave to the union Rp 600 million (US$ 60,000) for a joint programme called KSO (*Kerja Sama Operasi* or Operational Cooperation) to socialise the policies of PT Jamsostek among KSBSI

[169] SPSI sets the union due at one per cent of the minimum wage while SPN at 0.5 per cent. For SBSI, member income accounted for just 2.3 per cent of its total income between May 2000 and February 2003 (Caraway, 2006).
[170] Just before the 1998 economic crisis, the subsidies reached US$ 300,000 per year (Caraway, 2008: 9).
[171] See 'Muchtar Pakpahan Didakwa Korupsi Rp 1,4 Milyar' [Muchtar Pakpahan Charged with Corruption Rp 1.4 Billion], *Kompas* 20 January 2004.

members.[172] The SPN, meanwhile, agreed with PT Jamsostek to do a similar programme starting in July 2006,[173] but was yet to have its representative on the board of the insurance company despite its claim as being a larger federation than the member federations of both the KSPSI and the KSBSI.[174]

In addition to the funds and properties originating from the state, SPSI-related trade unions are able to take advantage of the personal wealth of their officials. Many of these officials come from the ranks of senior employees, some of whom are at the managerial level. Some others have been released from the day-to-day tasks and allowed to run the union office on full pay. In some cases, this elite genealogy shows the extent of the residual interconnectedness between the state, labour and capital inherited from the New Order rule.

At the district and provincial levels, many SPSI officials are former workers or run their own businesses. Buldozer Purba, for example, the treasurer of the SPSI confederation in Deli Serdang, is a personnel manager in three different companies.[175] The chairman of the SPSI confederation in North Sumatra, Muchir Hasibuan, owns an employment agency specialising in sending workers to neighbouring Malaysia.[176] The most colourful of senior SPSI activists in the regions is perhaps Abas Sunarya of Tangerang. His long organisational career tells the tale of political patronage that was the hallmark of the New Order.[177] He began his career as an official at an SPSI plant-

[172] Much of this money, both for the training centre and the socialisation, was allegedly misused, and Pakpahan stood trial in 2004 for corruption although he was later acquitted. See 'Muchtar Pakpahan Divonis Bebas' [Muchtar Pakpahan Acquitted], *Kompas* 15 February 2005.
[173] 'Konflik di PT Jamsostek Harus Segera Diselesaikan' [Conflict at PT Jamsostek Must Soon Be Solved], *Suara Karya* 25 July 2006.
[174] 'Jacob Bantah PT Jamsostek Sarang Koruptor' [Jacob Denies PT Jamsostek A Haven for Corruptors], *Antara News Agency* 3 February 2008 available online at http://www.antara.co.id/arc/2008/2/3/jacob-bantah-jamsostek-sarang-koruptor/ (accessed on 20 February 2009).
[175] Interview with Buldozer Purba, 19 January 2008.
[176] Interview with Muchir Hasibuan, 17 January 2008.
[177] This person was not available for interview, but his profile is available on the website of his educational institute (an academy). It gives us a glimpse of a long and colourful political and economic career. See http://www.raharja.ac.id/direktur.php (accessed 15 August 2008)

level union in 1976 and is still an influential figure in the SPSI in Tangerang today. Like many SPSI officials of that day, he became a Golkar politician, particularly active in its youth wing the AMPG. His loyalty to the party rewarded him with a seat in the local parliament which he has occupied since 1999 to this day. At one point during the New Order rule, while serving as the chairman of SPSI in Tangerang, he was also sitting in the local leadership of APINDO. As a successful local businessman, his business enterprises span from a higher education academy to private employment agencies.

Similarly, some of SPN officials come from a middle class background or at least not from a strictly working class one. In Tangerang city, Pramuji Purnama is the chairman of the local SPN.[178] He is now in the management of PT Alaska Inti Cemerlang. Rio Karyono, the chairman of DPD SPN for Central Java province, has been actively engaged in social and political organisations since his university days at the Islamic University of Indonesia in Jogjakarta.[179] After the reform movement in 1998, he joined the FSPSI *Reformasi* in Semarang and became an activist for the political party PAN for the 1999 general elections. In 2004 he switched to the Democratic Party and helped to organise support in Central Java as a member of the success team for the party's presidential candidate, who later won the election. While running the provincial organisation of the SPN, he earns a living from business in government procurements.

In brief, SPSI-related trade unions plus the KSBSI have access to quite substantial material and financial resources. Interestingly, the origin of such resources reveals the legacy of clientelistic relations which supported the structures of the New Order regime. As a state-sanctioned organisation affiliated to the ruling party Golkar, the SPSI had become some sort of political ladder which people climbed in order to

[178] Interview with Pramuji Purnama, 6 March 2008.
[179] Interview with Rio Karyono, 9 April 2008.

break into the elite circles. In the process, the organisational vehicles became irrelevant insofar as they served the aim of winning the political fortune. In the case of Abas Sunarya above, it was not surprising that SPSI officials and APINDO officials could swap places or consult one another. This legacy gives the organisations the material and financial resilience necessary to face competition from new trade unions although perhaps at the expense of their independence.

As for most of the trade unions unrelated to the SPSI, their resources are not as plentiful. For unaffiliated plant-level unions, membership dues and company support are two main sources of income. The management generally prefers such unions, calling any external affiliation as a form of 'politicisation' of industrial relations,[180] echoing the deeply entrenched discourse of developmentalist labour relations. It is therefore more likely to be cooperative by adopting the check-off system for deducting union dues, providing offices, and paying logistical expenses for union meetings. Such support is not available for trade unions which operate mainly on the boundaries between the workplace and the neighbourhood. Whilst they may have gained some ground in several small factories in the past few years, much of their activism is located in the neighbourhood. Their offices are rented houses in crowded residential areas, often doubling as accommodation for their activists. Many of their activists come from an NGO background and have never worked in the factory. These are usually small and militant trade unions, some of which originated as labour NGOs during the repression era.

The NGO background of these unions deserves a more extended explanation as this sheds light on the sources of their material and financial support. Trade unions are not the only form of labour organisations in Indonesia. During the repression period,

[180] Interview with Djimanto, the general secretary of APINDO, 4 August 2006.

workers or labour activists could not openly establish an independent trade union and instead established NGOs or LSM (*Lembaga Swadaya Masyarakat*)[181] in their Indonesian acronym, with labour advocacy as their field of engagement. By adopting an NGO platform, labour activists at the time took advantage of the emphasis on the developmental discourse advocated by Suharto's military regime (Hadiz, 1997). Interestingly, labour NGOs essentially conducted activities which are traditionally associated with trade unions such as organising workers and lobbying government over certain labour policies. Thus, while independent unions were not permitted, labour NGOs were tolerated insofar as they did not directly challenge the single union policy (Ford, 2003) and were not engaged in overtly political issues.

The legacy of this episode in Indonesian history has given way to alternative forms of labour organisations some of which survived the transition to democracy. A number of scholars have studied these organisations in depth and there is no need to repeat them here (Hadiz, 1997; Ford, 2003).[182] One thing that should be noted, however, is Ford's important assertion that labour NGOs are constitutive of the Indonesian labour movement. They are not just partners that play second fiddle to otherwise well-established and self-organising trade unions. The significance of labour NGOs in the history of labour movement under the New Order and beyond signals us not to drive a rigid wedge between them and trade unions. Such separation would fail to understand the complex realities of labour organisations in Indonesia.

In Medan the progressive KPS was very instrumental in providing the pretext for many student and labour activists to meet and organise in the late 1980s and into the

[181] Eldridge distinguishes LSM from LSMP but for the purpose of this dissertation, such distinction is nor relevant.
[182] Ford also quotes a workshop paper by Abdullah dated 1998.

1990s.[183] It started as a student discussion group and had some link with the Lutheran HKBP church in North Sumatra. It worked alongside two other prominent developmental NGOs in the region at the time: the YPRK (Foundation of Creative People's Home) whose field was child labour and the LAAI (Indonesian Institute of Advocacy for Children) which was an advocacy organisation for children. Activists from these organisations along with those from the newly founded SBSI eventually managed to organise a large labour protest in Medan which became known as the 1994 Medan Riot.[184] In the subsequent period, KPS activists started another small but vocal union in Medan called SBMI. Having been underground during Suharto's years, it became a union in 2001, but split into two early in 2008 as described in the previous section.

A number of smaller and more localised independent unions also emerged in the first few years after 1998 in Medan. In 2000 a group of labour, student, and NGO activists got together and formed an organisation called the *Forum LSM dan Serikat Buruh* or the Forum of NGOs and Trade Unions. This loose grouping was founded on the basis of the need to consolidate small unions following the new Trade Union Law and was united by a collective suspicion of federated or confederated unions, particularly the established ones. In 2004 this group evolved into the JABSU or the Network of Labour Alliance in North Sumatra. In the latest development, this group has now grown into a union called the SBSU or the Trade Union of North Sumatra.

Tangerang is also the birthplace and the battleground of independent labour organisations in the early 1990s such as the SBM Setiakawan (Union of Free Labour Solidarity), YBM (Foundation of Labourers in Development), Sisbikum (Information Channel and Legal Assistance), YFAS (Justice and Welfare Forum), Yakoma (Social

[183] Interview with Sahat Lumbanraja, the Director of KPS, 11 January 2008.
[184] A short account of this riot was told in Chapter Three.

Communication Foundation) and PKU (Virtuous Work Group).[185] Actually only SBM Setiakawan took the form of a union while the others were run as a labour division or an outreach mission of otherwise developmental NGOs based in Jakarta. Some of these, which had survived the repression and overcome internal divisions, became formal trade unions once the dictatorship ended. The labour group organised by the Christian NGO Sisbikum became the GSBI (Association of Independent Labour Unions). The GSBM (Association of Autonomous Labour Unions) rose from the tutelage of the YFAS, the same Christian NGO that supported the foundation of the SBSI in 1992.[186]

The most prominent now perhaps, in terms of voice, is the PKU which has turned into a trade union called the SBKU. It originated in the mid-1990s as the labour division of the Catholic NGO ISJ (Jakarta Social Institute), a developmental NGO based in Jakarta. Initially, the SBKU called itself '*Karya Utama* community', obviously avoiding using the term 'trade or labour union' or '*serikat pekerja*' or '*serikat buruh*' in Indonesian.[187] In 2000 this group became a trade union, named SBPKU (*Serikat Buruh Paguyuban Karya Utama* or Labour Union of Virtuous Work Community), and a year later it founded the FSBKU or the federation of unions affiliated with SBPKU.

Independent unionism in Semarang under the New Order was characterised by the presence of radical student groups that sought to organise workers. Many of the earlier generation of student activists had been politicised through their involvement in the advocacy against Kedung Ombo Dam project in Boyolali district, Central Java in

[185] There was a varying degree of independence between these organisations. Disenchanted or defecting SPSI activists were known to be involved in the founding or running of some of these organisations (Hadiz, 1997: 141-155).
[186] Most of labour NGO activists in the 1990s had Christian background despite the predominantly Muslim workers (Hadiz, 1998: 121). In fact, NGO movements in Indonesia especially in the fields of community development, health, and education were notably associated with individuals of Christian backgrounds because of their strong links with foreign funding agencies (Eldridge, 1995: 170-171). Most of them however tried to maintain a secular profile in their operation.
[187] '*Karya utama*' literally means 'primary or virtuous work'

the late 1980s to the early 1990s.[188] When they returned to campus, they started discussion groups and then tried to organise workers in Semarang. Around 1995 some students and labour activists founded a labour group called *Solidaritas Buruh Semarang* (Semarang Labour Solidarity) or the SBS. This group was connected to an underground student network which was later known as the PRD (People's Democratic Party).[189] The SBS later joined the worker division of this movement, known as the PPBI (Indonesian Centre for Labour Struggle). This group, along with other radical student groups mainly based in the University of Diponegoro in Semarang, organised several open rallies and legal advocacies of factory workers. Several NGOs, particularly the LBH (Legal Aid Institute) Semarang, were instrumental in these activities. When the central government launched a crackdown on the PRD in 1996, the student groups and their labour contacts went underground again, only to resurface later as part of the FNPBI (National Front for Indonesian Labour Struggle) after the regime collapsed.

Other independent trade unions in Semarang started either before or immediately after the demise of the authoritarian regime. A combination of newly found freedom and the economic hardship of the Asian economic crisis emboldened workers to voice their grievances in public. Again, NGOs played an important role in providing training, assistance, and contacts. Besides LBH Semarang, a number of labour-oriented NGOs such as Yawas (Foundation of Social Enlightenment), Yasanti (Independent Women's Foundation), Forsbis (Forum of Independent Labour Solidarity in Semarang),

[188] The Kedung Ombo dam project started in 1984 and was funded by the World Bank. The project forcefully evicted villagers without proper compensation. With the help from pro-democracy activists, the villagers fought back and the protests went on right until 1993. See Budiman and Tornquist (2001).
[189] Before becoming a political party, PRD operated as an underground movement and later declared publicly its new status as a political party, directly challenging the regime's ban on independent political parties.

and SB Jogja were active in Semarang.[190] Two unions, FSBI and SB Pantura (Labour Union of the Northern Coast), grew from this circle of labour activists.

The linkage between NGOs and trade unions clearly constitutes an important lifeline for the latter, then and today. Small membership and poor dues collection allow them very limited capacity for generating enough revenues to perform their basic functions. Much of the money that finally finds its way to union coffers originates from international trade unions such as the International Metalworkers Federation (IMF) and trade union solidarity organisations such as the American Center for International Labor Solidarity (ACILS) as well as international NGOs such as Oxfam or Cordaid through their local NGO partners (Ford, 2006).

Their activists earn incomes from their involvement with various NGO projects or from other side jobs, ranging from petty trading to university lecturing. Indeed, independent union activists come from a mixture of middle class and working class backgrounds. Baginda Harahap, the general secretary of the SBMI in Medan, is also active in two other institutions namely an organisation for voters' education called GMPP (People's Movement Caring for Local and General Elections) and a developmental NGO called OPPUK (Organisation for the Empowerment and Development of People's Initiatives) which operates in the neighbouring province of Aceh.[191] Zainal Abidin, the general secretary of the SBSU runs a book store in Medan and has a part-time lecturing job in a private university. Maman, an SBN activist in Tangerang, earns his income from petty trading, selling household items from door to

[190] Yawas was founded in 1997 by former student activists from Diponegoro University and Walisongo State Institute of Islamic Studies to provide advocacy and training for workers, and linked with the LBH in Jakarta and Semarang itself. Yasanti was a feminist student group established in 1982 in Jogjakarta and started to work with female workers in the late 1980s. Forsbis grew from labour activists who had received training from the LBH Semarang in 1998. SB Jogja was founded in Yogyakarta in the mid-1990s by a group of radical student activists, some of whom had been involved in the advocacy for Kedung Ombo dam project. This information was obtained from interviews with activists of these organisations in March 2008, except for Yasanti which was taken from Ford 2003: 98.

[191] Interview with Baginda Harahap, 18 January 2008.

door in local neighbourhoods. In Semarang, Fajar Utomo cannot depend on his allowance as the general secretary of the FSBI and has applied for work as a member of the electoral monitoring body for the 2009 elections in his hometown of Solo, some 50 kilometres away from the office of his organisation.[192]

A recently growing source of income for union activists takes the form of advocacy work in the newly established industrial tribunal. Under the Industrial Dispute Settlement Law no. 2 of 2004, union officials can represent their members in the industrial tribunal. Depending on the arrangement between them and their clients, if they win the case at the end of the tribunal proceedings, they can get a percentage of the payment made by the employer.[193] This provision has had ambiguous results. Some labour activists have suggested that this may divert the attention of union activists away from more important issues in the dispute if they are too obsessed with its pecuniary dimension.[194] Some government officers and employers accused union activists of stirring up trouble in factories in order to get financial rewards from subsequent tribunal proceedings.[195]

[192] Interview with Fajar Utomo, 31 March 2008.
[193] An industrial tribunal is located in the capital city of a province, but before reaching the tribunal, disputes may be settled through mediation and this takes place at the Manpower Office in the district. Payment is made at this level if agreement has been reached. I witnessed several mediation processes at offices in Tangerang district and Semarang city.
[194] The most common example quoted by labour activists concerns cases of forced redundancy. Union officials representing their members may settle for a case of dismissal because of bankruptcy or change of corporate ownership which carries lower rates of severance payment than those because of efficiency reasons. A lower rate is certainly more agreeable to the employer who will then more likely to make the payment without a further fuss. At the same time, the real issues behind the redundancy may be overlooked as the attention is on completing the procedure as quickly as possible. This conclusion is drawn from interviews with Suharno and Dwi Saputra, both former labour activists turned lawyers in Semarang, 4 April 2008.
[195] Interview with Budi Yuwono, the head of the local government agency for industrial relations in Semarang district, 14 April 2008.

Control over agenda

The material resources of trade unions already indicate the possible influences to which they may be subject. Despite the appearance of a representative organisation, the SPSI has been known as a legacy union that tends to side with the management at the plant level. In fact, Caraway (2005) suggests that its continued dominance in the post-authoritarian era has not been achieved through loyal service to its members and internal reforms. The main strategy is to prevent exit by courting the management, relying on government favouritism, and intimidating possible opposition. It was part of this continuance that after 1998 two ministers of manpower hailed from the national leadership of SPSI. Bomer Pasaribu served in the early cabinet of President Abdurrahman Wahid between 1999 and 2000, while Jacob Nuwa Wea was the minister of manpower under the Megawati presidency between 2001 and 2004.[196]

It is true that the leaders of established unions are elected at every level of the organisations and they then become representatives at higher levels. The manner of the election, however, is anything but democratic. Many federations within the SPSI still favour the use of *tim formatur*, a committee of people that choose the top leadership of the organisation (Caraway, 2005: 13). This committee is vulnerable to bribery and external influence. Senior unionists with good connections in high places usually get elected easily. Their political and financial power blocks and frustrates other, usually younger, candidates.[197]

If we shift the focus to the regions, there are signs of rebellion by younger unionists against their seniors. The new generation of SPSI unionists wants to distance

[196] Bomer Pasaribu was an active member of Golkar, Suharto's political machine, while Jacob Nuwa Wea was a strong supporter of the opposition figure Megawati before Suharto was deposed.
[197] As a young SPSI official in Tangerang city, Gatot Subagyo, confided to me on 15 August 2006.

themselves further from the New Order legacy by adopting a more reformist agenda and by removing the surviving old elites from the leadership. If the old elites are too stubborn to be removed, they may act independently of their superiors, relying instead on the support of their own followers. Such was the story of Subiyanto, the general secretary of FKEP (the SPSI federation for chemical, energy, and mining industries) in Tangerang district. In the last two years he had mobilised his federation, sometimes against the will of the regional confederation, to campaign for decent wages and various other labour-related issues along with non-SPSI unions. This strategy has proved to be popular among his followers and earned him respect among non-SPSI unionists.

As one of the largest trade unions, the SPN along with the SPSI are well represented in tripartite bodies at national and regional levels. Despite their historical relationship, the SPN has always tried to distance itself from the SPSI and to find its own voice in the crowded trade union market. Through various industrial and political institutions their elites have direct access to government leaders and business people. Several SPN officials in Tangerang and Semarang were proud of their exclusive access to their district heads. They claimed that they could influence the authorities directly through institutionalised tripartite channels or through direct phone calls.

This association with state elites does not always go down well with their subordinates or lower ranking officials. When Nanang Setiyono, the chairman of SPN for Semarang city started the action front GERBANG (Semarang Labour Movement), it was, as he puts it, '[a] reaction against elitism within union officials in Central Java,' which refers to the unresponsiveness of trade unions, including his own SPN, to bread and butter issues at grassroots level. He resented the monthly meeting of trade union leaders and the governor of Central Java, calling it an opportunity for the present union

leaders to solicit certain favours.[198] There was clearly some tension between him and Rio Karyono, the chairman of SPN for Central Java and his superior, who earns a living by dealing with government procurements. On the occasion of May Day 2008, Nanang Setiyono organised a rally in Semarang city, the capital of Central Java province, while Rio Karyono went to a separate May Day celebration in Magelang, also in Central Java, attended by the President and the Minister of Manpower from Jakarta.

Major trade unions, while historically close to and dependent on the state and business, have a degree of autonomy that comes from their internal power struggle. Rivalry between union officials helps prevent outright displacement of workers' interests from their agenda, highlighting the point about the advantage of a moderate level of union competition argued before. Union officials, who have to face rank-and-file workers in the shop floor, are under greater pressure than those whose job consists of meetings with government and business representatives, those in the confederation and those in the higher regional offices. Furthermore, it is almost impossible for trade unions not to join the bandwagon on popular issues such as wages and benefits which have become a dominant rallying cry for workers. This is especially true when the issues have been highly exposed and debated in the media such as the controversies surrounding the revocation of the Ministerial Decree on severance payment (KepMen 150/2000) in May 2001 and the plan by the government to revise the Manpower Law no. 13/2003 in April 2006.[199] Not a single trade union at the time, big or small, failed to register their opposition to the government's plans. Trade unions simply cannot afford

[198] Interview with Nanang Setiyono, 12 April 2008.

[199] These are two major events in the post-1998 period when the government succumbed to the demand of trade unions. The former was a pro-labour legislation that mandated generous severance payment to workers and was to be replaced by another legislation that substantially reduced the payment. The latter was the attempt by the government to amend several articles in the Manpower Law, which were deemed unfriendly to business. Both events were marked by prolonged street rallies across industrial cities.

to go against the popular wish of their members when backed by the strong sentiments of the general public, at least on paper.

On the surface non-SPSI trade unions may look relatively independent from state or business interference. In fact, they often call themselves independent while dubbing established trade unions '*serikat pelat kuning*'[200] or 'government union' or 'employer-controlled union'. Although this may be true with regard to the influence from the state and big businesses, trade unionists from this category are concerned about the influence that NGOs have on their organisations. This may sound arrogant or even ungrateful on the part of the unionists, given the constitutive role of NGOs in the labour movements under the dictatorship. Trade unionists and NGO activists alike undoubtedly recognise this historical affinity, but new developments since 1998 have reconfigured this relationship. The freedom to organise has effectively called into question the relevance of labour NGOs. Now that trade unions can organise openly, labour NGOs suddenly look like outsiders.[201] In addition, trade unionists have become more self-confident and increasingly critical towards labour NGOs, questioning their financial transparency and possible hidden agendas behind their involvement.[202]

When *Forum LSM dan Serikat Buruh* or Forum of NGOs and Trade Unions was founded in Medan in 2000, several prominent NGOs such as the KPS and the LBH Medan were part of the group. In the process, some factions in the group thought that the NGOs were too dominant in setting the agenda, introducing projects that were not always relevant to the group; eventually the group fell apart.[203] In 2004 the group minus the NGOs resurfaced under a new name JABSU or the Network of Labour Alliance in

[200] The term '*pelat kuning*' literally means 'yellow number plate' that refers to the colour of Golkar, the political machine of the New Order regime which is still dominant in the political scene post-1998.
[201] Ford (2004) suggests that NGOs were undergoing an identity crisis in the first three years after 1998.
[202] See for example an interview with Eli Salomo, the head of KAB or Community of Workers' Advocacy, published in the journal *Sedane* Vol.3(2), 2005.
[203] Interview with Zainal Abidin, 7 January 2008.

North Sumatra. At the time of interview, however, several JABSU activists conceded that they would like to invite NGOs to join them again.

In Tangerang the union GSBI severed its relationship with the ACILS after only two months in 2002.[204] The reason was that the officials of the former considered the latter too interventionist, wanting to determine down to details what the union had to do with the money the NGO gave. At the same time, the GSBI maintained its partnership with Oxfam Australia, which it deemed less interventionist in its approach, to run its campaign and training programmes. The FSBKU has been working together with the SPIS (Workers' Secretariat of the Social Institute), a Jakarta-based NGO, for over five years.[205] To avoid accusations of interference, the SPIS limited itself to providing funding and training for non-organisational activities which were considered the internal affairs of the federation.[206]

Labour NGOs will surely continue to feature very prominently in the Indonesian labour movement. Their resources, both material and expertise, allow them to play a significant role in shaping the agenda of trade unions. On the other hand, the uneasy tension between them and the suspicion harboured by trade unions keep them relatively in check. Even if unions still have to rely on NGOs for some support, the variety of NGOs and their different approaches offer alternatives. Besides, various stories of NGO-trade union cooperation show that trade unions are more concerned with the way in which NGOs interfere rather than with the substance of that interference.

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[204] This case is reported in an Honours thesis (Williams, 2007), available online on http://www.arts.usyd.edu.au/departs/indonesian/docs/Elena_Williams_Hons%202007.pdf (accessed on 22 February 2009).
[205] The SPIS is an offshoot of the now defunct ISJ, a Catholic developmental NGO described before.
[206] Organisational activities refer to the elections of union officials, regular union meetings, and anything that is to do with organising structural positions. Interviews with Adil Marata, Bagus, Sumartono, all activists with the SPIS, 20 March 2008.

Mobilising the crowd

To harness the masses, the degree of self-organisation discussed above needs to be combined with the capacity to negotiate a complex nexus of informal networks that operates across different labour groups and boundaries between the workplace and the neighbourhood. In the context of developing countries, the process of integrating people into politics, or politicisation, is often dependent on the role of the elite in the absence of solid organisational structures. The involvement of the elite in collective action can be explained in two different ways: clientelism and populism (Mouzelis, 1986; Tornquist, 2008). Clientelism mobilises people through a network of reciprocal relations where material wealth and political protection of the elite are traded with the services and votes of the people. Populism relies on charismatic leaders who are able to express popular sentiments, ideas, and sometimes interests. At the core of these mechanisms are local individual elites and their associated organisations. In Chapter Four we have discussed these individuals and organisations at length and found them to be particularly successful in being a focal point for the masses.

In the period following the collapse of the New Order, political parties were among the first to embrace these organisations and individuals.[207] Two strategic reasons explain this instant connection. Electoral politics necessitates the need to gather mass support in order to win the votes of the electorate. The expensive nature of political campaigning also requires significant external contributions. Powerful individuals and their associated organisations fit the bill in the context where political parties have weak roots in the population. Usually when elections come, political parties recruit local leaders or elites either as members of their 'success team' or as candidates for MPs or

[207] Accounts of this phenomenon abound. For example see Buehler and Tan (2007) on local elections in Gowa, Vel (2005) on local elections in Sumba, and Nordholt and Klinken (2007).

district heads.[208] They in turn mobilise their patronage and their ethnic or religious networks to rally the support of the masses around the recruiting parties. These elites are only too happy to be recruited by party fixers or, in the case of youth groups, to be incorporated into paramilitary wings of political parties popularly known as the *Satgas* or task force,[209] as this relationship is mutually beneficial. Political parties can rely on them to garner support from their base for election-related goals, whereas local elites and their organisations can tap into central funds and local resources which are channelled officially through political parties and the bureaucracy. In the case of individual elites, their participation and investment is generously rewarded, if they win seats as local MPs or get elected as district heads, with state facilities and various opportunities for lucrative projects.

The question now is whether trade unions have also been able to deploy similar mobilising strategies. To be able to do so, trade unions need to be well placed within the existing social networks which make up these popular organisations. Smaller independent trade unions are better placed than the more bureaucratic and established trade unions. Firstly, they have fewer bureaucratic constraints compared to established unions. Weekly meetings are held in houses in the evening without the formality of an office or a workplace. Because of constant pressure for accountability from fellow activists, their leaders are generally available to be contacted at almost any time. There is also no need to seek consent from higher ranking union officials as most of the unions are locally based. Secondly, the NGO background of some of their activists means familiarity with certain approaches which combine union activism and community-

[208] See Chapter Three for the procedures for candidacy.
[209] *Satgas* is an abbreviated form of *satuan tugas* or task force. During the New Order rule, all three parties had their paramilitary organisations, an expression of militarism under the dictatorship, which acted as the internal party security and to bully voters although there was really no competition as Golkar always won. In the period of democratic transition, almost all new political parties also created their own *satgas* (King, 2003; Wilson, 2005).

based activism. In its formative years the SBPKU, for example, held weekly meetings in a rented house in the Pasar Kemis area of Tangerang for a small group of workers from the neighbourhood. The activities were a combination of *pengajian*, *arisan*, and discussion of labour issues. Later on when the restriction was lifted, it adapted this strategy to build its power base among workers outside the workplace, moving from one neighbourhood to another. At one point in 2006, the SBPKU managed to recruit a local strongman to be part of its mobilisation team.[210] His fiery speeches imbued with religious overtones quickly won attention among workers, in addition to his social standing in the neighbourhood.[211] As for the strongman himself, the association with a vocal trade union strengthened his popular credentials and helped him to widen his influence. After one year, however, the SBPKU decided to sever ties with him because he had abused the relationship for his own interests that were contrary to the ideals of the union.

A more pragmatic reason can also connect small trade unions to an unlikely bedfellow. In Semarang the SB Pantura sought the patronage of a former leader of the notorious paramilitary youth organisation *Pemuda Pancasila* (PP) when it was close to collapse because of dwindling membership, financial difficulties, and a leadership vacuum. The union made him chairman in 2002 although it later released him to take another union position in the SPSI. When asked about the advantage of having such a person as leader, the union officials made little pretence of democratic aspirations. They were hoping at the time that the former PP leader would bring in fresh funds from his personal wealth and wide networks, and would help to curb violent threats that the

[210] This person is the son in law of Haji Didi, a prominent *jawara* in the Pasar Kemis neighbourhood, whose profile is detailed in Chapter Four.
[211] I witnessed firsthand on 20 August 2006 when he rallied female workers who were anxious at the prospect of redundancy. He frequently invoked Islamic religious slogans and boasted about his influence over the management of PT Bunitop which employed the workers who gathered that day.

union often received when staging protests.[212] This example shows the desperation of independent unions when it comes to survival let alone when dispensing financial support to their members.

Indeed, the adoption of clientelistic and populist mechanisms carries a certain ambiguity especially when it comes to challenging authorities. The above accounts confirm earlier research on the role of local elites and their organisations in democratic contention. Hadiz (1997) notes the use of *ketua RTs* (neighbourhood heads) to extend state surveillance over labour activism under the New Order. Warouw (2006) describes how these community agents act as the instruments of labour control for employers in dispute situations. Tornquist (2004) is doubtful of the prospect of combining neighbourhood and workplace organising, as socio-religious and ethnic groups tend to be conservative. Moreover, migrant groups and youth groups may exacerbate tensions and rivalry among members of the labouring population by pitting one labour group against another, a concern underlined by Elmhirst (2004). When workers need to borrow money, for example, the options are to go to the company's management, to borrow from friends or relatives, or at worst to borrow from loan sharks. Popular organisations may then step in to provide what most unions cannot do, namely some form of insurance for workers who earn barely enough to survive in the city, and eventually some sense of identity, less as members of the proletariat, but more as part of an ethnic, religious, or social community.

Another strength of small independent unions lies in their shared networks. This is illustrated by the story of how individual workers become active campaigners of

[212] It goes without saying that PP members themselves no longer posed a threat to SB Pantura, which at the time of leadership change also changed its name into SP Pantura, indicating its move to a more corporatist *pekerja* (worker) term from its original radical *buruh* (labour) association. Interview with Nanang Sri Darmadi, the current chairman of SP Pantura, 8 April 2008 and Agus Makmun, the then outgoing chairman of SP Pantura at the time of the leadership change, 15 April 2008.

workers' rights. Many of the labour activists in the three regions covered for this study began their activism when the 1997 East Asian economic crisis was hitting hard, putting many workers out of their jobs. They got in touch with labour NGOs and independent trade unions which provided some means of support and, crucially, the language to understand their predicament. These NGOs in cooperation with their partner unions opened outreach stations in industrial centres where workers could register their complaints and then enrol into various advocacy training programmes which were on offer.[213] This strategy was quite successful in recruiting potential organisers from among workers themselves. Indeed, union activists with an NGO background have acted as contact persons who connect one network with another and revive old ties when a new cycle of contention comes. They form part of the connective tissues of labour movements.

Established trade unions, on the other hand, have the advantage of large memberships. Their numerical strength allows them to participate in formal institutions of industrial relations. Since decentralisation in 2001 they have enhanced their political profile by sitting in tripartite bodies at both national and regional levels. All top three unions in Table 5.2. are represented in regional tripartite bodies. The regional wage settlement councils are particularly important as the processes involved in the negotiations always draw public attention and take place annually. In addition, in many big companies established unions, by virtue of representing the majority of workers, have the right to represent workers in collective bargaining. This has increased incentives for workers to join these unions as they now see a direct relationship between union membership and a possible voice in the bargaining process. The initial support, however, may wane if cooperation with the management implies making compromises

[213] Interview with Adil Marata, a veteran labour NGO activist in Jakarta, 20 March 2008.

which can be perceived as undermining workers' statutory rights such as a minimum wage, severance procedures and pay, insurance, and freedom to organise. Indeed, the preferred cooperative approach sometimes does not look as attractive and direct as street rallies to ordinary workers especially in hard times. At the same time, established unions do not actually see the urgency to tap into the existing social networks. Their relatively large membership makes them less inclined to engage popular organisations or community groups. After all they can rely on the favouritism of the management to retain their members.

When the need for mobilisation arises, established unions, with the consent of employers, can easily mobilise workers in the workplace to take part in rallies. The presence of union officials in the managerial ranks facilitates this consent. This mode of mobilisation can be performed especially if the demands are not directly aimed at their own management.[214] May Day celebrations, in particular, have now become annual events although 1 May is officially not a public holiday. The SPSI and the SPN have successfully organised large scale May Day rallies in Jakarta, drawing on their power base from industrial centres of greater Jakarta such as Bekasi, Tangerang, Depok and Bogor. The most recent example was the 2008 May Day celebration in Jakarta's main football stadium organised jointly by the SPSI and the SPN. Tens of thousands of workers took part in the event which resembled more a rock concert than an industrial action.[215] So popular and routine the celebrations have become that employers are

[214] There is one example of workers' protest which was organised jointly by the SPSI and the APINDO. In Medan in 2007 they organised a street protest demanding the provincial government to resolve the electricity shortage that had blighted factories in the region in 2007. The source for this information is interviews with Parlindungan Purba, the chairman of APINDO in North Sumatra, 26 March 2008, and with Zainal Abidin, the general secretary of SBSU, 7 January 2008. See also 'Pengusaha dan Buruh Demo Minimnya Pasokan Listrik dan Gas' [Employers and Workers Protest over Scarce Electricity and Gas Supply], *Tempointeraktif* 30 November 2006.

[215] 'Saat Pihak Bipartit Sama Terjepit' [When Bipartite Parties Equally Pressed], *Kompas* 30 April 2008.

forced to make special arrangements for the day including half shifts for their workers.[216]

Another advantage of centralised organisation is that it can easily connect movements in different parts of the country with its Jakarta headquarters. It is also more efficient for other centralised political structures such as political parties to make contact and to ensure that agreements between them are enforced in the branches throughout the country. When the central boards of leadership of the SPN and the FSPMI decided in their recent national congresses to join forces with political parties, the decision was passed on from Jakarta down to the plant-level units with specific instructions to vote for particular candidates at local and general elections. Several officials in the regions quietly harboured some objections but they obeyed the instructions from higher ranks nonetheless.[217] This is a showcase of what a hierarchical organisation may achieve over time and across space.

4. Summary

Having established a more realistic picture of union fragmentation, this chapter has analysed the mobilising capacity of trade unions in all its guises, and two different strategies seem to emerge. The legacy union and their offshoots still enjoy the resources and the representational dominance acquired during the days of the single union. They clearly have the advantage of large memberships and wide distribution, and the new regulations on collective bargaining have enabled them to sit in various tripartite bodies. Their strategies of mobilisation largely follow from this formal advantage. Their strong

[216] For May Day 2009, the APINDO issued a letter to its members (Letter No. 252/DPN/1.3/2C/IV/09) advising them to 'give opportunities to trade unions … to channel their aspirations'.
[217] Interview with Siswoko, vice chairman of SPMI Tangerang, 22 February 2008.

workplace presence discourages them from utilising the mobilising properties of less formal organisations and networks.

On the other hand, small trade unions operate on the fringe of industrial relations. Many of their activists have learnt since the days of repression to seize the potentials of alternative organising strategies. Now in the freedom era, they continue to adopt the same strategy albeit in an open way, combined with formal workplace organising on a small scale. While trying to utilise community networks, they face serious challenges from the patron-client relationship that permeate urban poor neighbourhoods.

What is also obvious by now is that trade unions in general have become increasingly more confident in acting as a platform for labour organising. Union activism is very much alive and vibrant at the grassroots level in the regions, but the source of this activism is not always attributable to their organisational discipline. In fact, this chapter shows that mass mobilisation can take place in the absence of solid organisational coherence. As is argued here, fragmentation, up to a point, is not equivalent to political passivity. Much of this activism is due to the ingenuity and the resilience of labour activists in negotiating a nexus of social connections, which operate across different labour groups and across the boundaries of workplace and neighbourhood. In doing so, they often have to tread a delicate balance between independence and co-optation. They also flirt with societal forces which are not necessarily democratic for the sake of whipping the masses into a more or less united front, even if only temporarily. Surely, individuals bring their own interests to bear on the process of mobilisation. Motivations as diverse as rivalries, the need to seek patronage, and the ambition for power all inform the process of mobilisation. After all mobilisation is not so much about class consciousness or organisational maturity as

about agency of the working population. This chapter has analysed such agency in the attempts at mobilisation in the face of the fragmentation and divisions that characterise much of trade union movement.

CHAPTER 6

The Political Language of Wages

1. The Role of Interpretative Frames

The intention of this chapter is to analyse the terms that have been used by trade unions to understand their predicament and to frame goals. These terms are often interchangeably called the collective action frames, the political languages, or the ideologies, which trade unions adopt to make sense of the situation they are facing and to offer possible solutions. As social movement theorists rightly point out, grievances alone do not make collective action. They need to be framed in such a way that inspires workers to act as a group and broadens the appeal of the labour cause to other sections of society. This is where such ideologies come into play. Ideologies are instrumental in the politicisation of goals and interests. The interests arise from workers' employment relationships, and in this context, to quote Kelly, ideologies play at least three significant roles:

> they help identify the most salient features of the relationship…; they supply a set of emotionally loaded categories for thinking about this exchange in terms of group interests…; and they provide a set of categories and ideas that label the interests of one's own group as rights. (Kelly, 1998: 19)

The importance of language in collective action came to prominence when Gareth Stedman Jones (1983) published his study of Chartism in the history of English labour. He distinguished his approach from the hitherto prevalent social-historical treatment of the event by canvassing the need to analyse the language that was used by the Chartists themselves. Stedman Jones pointed out that emphasis on the social conditions and discontents of the working class, as proposed by the social-historical

approach, was not sufficient to account for the Chartist ideology which was couched in a broad political language. One piece of the puzzle that occupied him was 'why distress and unemployment should find expression in a movement for universal suffrage rather than more immediate pressure for relief from the state' (Stedman Jones, 1983: 97). The answer provided by the social-historical approach was misleading, Stedman Jones argued, because it tended to downplay the political programme of the movement. Thus, instead of inferring Chartist ideology from some conception of class or occupational consciousness, he investigated what the Chartists actually said or wrote. An experience of exploitation and political repression would not in itself translate into readily available frames which lead people to join collective action in a particular way. The Chartists, he argued, employed a 'particular linguistic ordering of experience' which made people believe in the cause of Chartism.

Stedman Jones has been criticised for his formalistic account of political language and for his lack of attention to the social context in which political language is used (Joyce, 1993).[218] Moreover, his use of linguistic analysis often suggests that language has an autonomous power, a proposition that was not easily accepted by most historians at the time (Cronin, 1986). However, he rightly highlights the importance of political language as a discursive construction which is crafted from a carefully selected collection of cultural symbols by political entrepreneurs and this point can be utilised without having to agree with his further linguistic preoccupations. His approach gives primacy to the role of political entrepreneurs who convert otherwise familiar and mundane symbolic discourse into collective action frames, and this helps to explain the attractiveness of a given contentious movement to the masses. A collective action frame is effective only if it reflects the grievances of the people it is meant to galvanise, and if

[218] The most controversial point of Stedman Jones's essay among labour historians is his assertion that Chartism was not a working class movement. See Thompson (1987).

it helps to facilitate the construction of collective and assertive identities, or in the word of Joyce, 'collective political subjects' (1993: 27). In the elaboration of these identities, people should find common sentiments and be able to unite their actions. The degree of unity implied here does not have to be overarching or permanent, but just enough so that it helps to overcome differences between groups for a particular period of time however brief.[219]

The analysis in this chapter focuses on wage issues and their ramifications; the main purpose is to identify and analyse the interpretative frames that have been used in recent wage campaigns. This choice of topic is driven by several considerations. Firstly, wage issues are by definition bread-and-butter subjects and constitute the most basic demands. They were at the centre of workers' strikes and protests in the 1990s when waves of labour activism surged to the surface (Kammen, 1997: 416), and that continues to be the case until today. Additionally, from the discussion on workers' financial needs in Chapter Four, it is clear that low wages are a major concern for workers, a source of grievances and anxieties.

Thirdly, in the post-authoritarian period, wage issues received a new impetus through the implementation of the policy of regional minimum wage settlements. Since decentralisation in 2001, the authority to determine minimum wages has been delegated from the central government to the regional wage council comprising representatives from the local government, the employers' association, and the trade unions. This is in line with the policy to shift much of the central government's power to district governments. Over the past few years, the process of minimum wage settlement has become the most significant focal point for workers' contention. It provides annual tests for labour political muscle around and beyond the negotiating table. Trade unions that

[219] The analysis in this chapter is based not only on the demands that appeared during strikes but also on the official agenda of trade unions, and on interviews with union officials and labour NGO activists.

are represented in the wage council, battle with the powerful employers' association which often receives tacit or explicit support from government representatives. On top of this is the infighting among unionists from different organisations. Outside the council, unions which have no seats in the tripartite institution, routinely take to the street to protest against the result of the negotiations. Thus, given the contentious pedigree of wage issues and their focal position in today's labour movement, the focus on wage issues provides us with a mirror which reflects workers' persistent aspirations and the strategies of trade unions to relate to them. Let us now briefly look at the process of minimum wage settlements before proceeding further.

2. The Regional Minimum Wage Settlement

There are several stages in the procedure of minimum wage settlement as regulated in the Presidential Decree no. 107/2004. Each regional wage council meets at least four times a year to conduct surveys on the market prices of essential needs. Members of the wage council literally go to the marketplaces that have been chosen and collect data on prices. At the end of the calendar year, the result of these surveys is calculated to make up the so-called 'decent standards of living' or KHL in its Indonesian acronym. According to the Ministry of Manpower Regulation no. 17/2005, the KHL consists of 46 different items ranging from the food, transport, and housing, to the recreation needs of a single worker for a month.[220] The KHL rates constitute the basis for recommending minimum wage levels along with a host of other factors such as the rates of inflation and economic growth in the region and minimum wages in the neighbouring regions. The wage council deliberates, bargains, and sometimes votes on the rates of wage

[220] Before 2005, wage settlement process used an index of minimum physical needs or KHM. The KHM data was collected since 1995 on a quarterly basis in all provinces in Indonesia based on 2,100 calorie food consumption plus basic fuel, housing, clothing, and other basic expenditure items (Manning, 1998: 208).

increase to arrive finally at the recommended minimum wages (UMK). In this session, the wage council also recommends minimum wages in industrial sectors (UMSK) which are present in the region. After reaching agreement on the minimum wages, the council, through the district head or the mayor, passes on this recommendation to the governor of the province to be approved. If all procedures have been observed, the governor is simply supposed to approve the recommendation by issuing a gubernatorial decree, and the new regional minimum wages will be effective starting in January.[221] As we will see later, these procedures have never been as straightforward as it is suggested here.

The membership of the wage council is formally regulated in the Ministry of Manpower Decree no. 201/2001. According to this decree, a trade union has to be present in at least 10 companies or have 2,500 members to obtain the right to nominate its representatives in a tripartite body at the district or city level. The requirements increase to 30 companies or 5,000 members at the provincial level, and the union has to have leadership structures or branch offices in at least 20 per cent of all districts and cities in the province. At the national level the union must have branch offices either in at least 20 per cent of all provinces in the country or in at least 20 per cent of all districts and cities in the country. One of these branches has to be located in Jakarta, the national capital. This is in addition to being present in at least 150 companies or having 50,000 members nationwide. The decree also allows several trade unions to combine as one organisation to compete for seats.

Employers' associations must have at least 10 member companies in one district or municipality to nominate representatives for wage councils at this level. At the

[221] The governor stipulates two kinds of minimum wages. The UMK is for districts and municipalities in the province that have submitted recommendation before, while the UMP is for districts and municipalities that have not submitted recommendation or do not have their own wage councils.

provincial level, they must have branch offices in at least 20 per cent of all districts and cities in the province, one of them in the capital city of the province, or have at least 100 member companies. To gain seats in national wage council, they must fulfil one of these requirements: they must have branch offices in at least 20 per cent of all provinces in the country, one of them in Jakarta; have branch offices in at least 20 per cent of all districts and cities in the country, one of them in the capital city Jakarta; or have at least 1000 member companies. In practice, there is just one nationwide employers' association in Indonesia (APINDO), so unlike trade unions, there is no competition in this regard.

The government representatives in the wage council are twice as many as the representatives of trade unions and employers' associations. Thus, the membership composition follows the 2 : 1 : 1 rule for the representatives of government, trade unions and employers' associations consecutively. In addition, the council invites academics from local universities, the so-called 'experts' who advise on the process. Although these academics are formally members of the wage council, there is confusion over whether they have the right to vote when the council calls for it. Some regions include them as government representatives and as therefore eligible to vote, some others assign them pure advisory roles without voting rights.

As we will see later, labour regulations turn out to be a crucial element in the languages of protest. The table below provides a summary of relevant regulations.

Table 6.1. Regulations on Minimum Wage Settlement

	Name	Issuing authority	Subject of regulation
1	Manpower Law no. 13/2003 articles 88 and 98	President	Government responsibility to ensure decent wages for workers and formation of national and regional wage councils
2	Presidential Decree no. 107/2004	President	Appointment, tasks, procedures, and budget of national and regional wage

			councils
3	Ministry of Manpower Decree no. 201/2001	Minister of Manpower	Representation in tripartite bodies, including wage concils at all levels
4	Ministry of Manpower Regulation no. 6/2005	Minister of Manpower	Verification procedures for trade union membership
5	Ministry of Manpower Regulation no. 17/2005	Minister of Manpower	Components and procedures for settling KHL rates
6	Gubernatorial Decree (annually)	Governor	Enactment of minimum wages for districts and municipalities in the province
7	District Head or Mayoral Decree (annually)	District Head or Mayor	Appointment of wage council members at the district or municipality level

3. The Language of Protest

Kammen (1997: 291) described the language of workers' demands in the 1990s as 'overwhelmingly legalistic', while Athreya (1998: 97) called it 'simultaneously traditional and modern'. Kammen found that in strikes workers demanded compliance with labour legislation which had been long standing but weakly enforced. The New Order regime had various laws and decrees in place to sanction issues related to minimum wages, benefits, and working conditions. These regulations provided a framework to articulate grievances and to formulate demands in a familiar way. In addition, according to Kammen, the legalism in their demands served a crucial strategic purpose, that is, to appear apolitical in the eye of a regime that could not tolerate any signs of political opposition. For Athreya, it was not so much the legalistic tones that signified the demands of workers. Rather, it was the combined rhetoric of rights (*hak*) and responsibilities (*kewajiban*). In this rhetoric, the state and employers had the responsibility to guarantee the welfare of the people whose livelihood depended on them. When this duty was not properly fulfilled, workers appealed to their sense of responsibility. At the same time, this failure led workers to question their own responsibilities towards the state and their employers. While the notion of social

obligations may have derived from rural value systems, Athreya noted that the language of rights indicated some form of cultural and ideological transformation among workers. It had more to do with nationalist and revolutionary discourse than with rural moral economy that informed the rhetoric of responsibility.

These two perspectives highlight two different research interests, typical of each. The political scientist Kammen was more interested in the question of labour political articulation while the anthropologist Athreya delved into the puzzle of cultural transformation. Despite the differences, both authors saw that workers responded to the overwhelming power of the state over society by framing their protests in the way that was in line with the regime's development discourse and practices. The post-1998 period has seen significant changes in the characteristics of the state. Now that the state does not, on the whole, persecute independent organised labour, it is expected that the languages of protest would change accordingly.

On the minimum wage front, it goes without saying that workers demand wage increases, and under the current system these are supposed to take place annually. Trade unions relate this obvious demand with several different, and more detailed, layers of aspirations. Analysis of these aspirations has to answer at least these three fundamental questions regarding the framing process: What are the terms that unions use to frame the ongoing wage issues? What are the cultural, social and political backgrounds of these terms? And what is the political significance of these terms?[222]

[222] I borrow these questions from Kammen (1997: 291): What did Indonesian industrial workers demand when on strike? What were the cultural foundations and political implications of these strike demands? And what is the relationship between workers' stated demands and their actual aims?

Price

The most frequently quoted reason for demanding a wage increase was the persistently rising prices of basic necessities. With high inflation rates and volatile conditions being dominant economic features since 1997, price hikes significantly undermined the purchasing power of people with low incomes. As is clear from the procedures of settling minimum wages, prices of basic necessities were accounted for in the survey to determine the KHL, but then the KHL did not always translate directly into the UMK as negotiations and bargaining between the tripartite representatives would almost always set the new UMK below the KHL rates. The strong opposition of the APINDO against significant wage increases was the reason why negotiations often went against the wishes of trade unions. In refuting workers' demands, the chairman of the APINDO used the same language of price, '(They) should be grateful that their companies did not fire them. Everything is now on the rise such as bank interest rates, fuel, labour, transport, and electricity.'[223] In addition, trade unionists were always suspicious of collusion between representatives of the APINDO and government officials in blocking trade unions' votes.[224] Thus, it was often the case that trade unions demanded that the UMK equal or even exceed the KHL simply to catch up with price hikes.[225] Sometimes, trade unions even produced their own version of the KHL, much higher than the official rates.[226]

The voice to connect a wage increase to price hikes was particularly strong when the government increased the prices of fuel in 2000, 2005 and 2008. Fuel and electricity in Indonesia are heavily subsidised and therefore the government decides on the prices.

[223] 'Perhitungan UMR Harus Dibenahi' [Minimum Wage Calculation Needs to Be Revised], *Kompas* 21 December 2005.
[224] Almost all unionists involved in the wage council reported this suspicion.
[225] For example, 'Pekerja Menuntut Upah sesuai KHL' [Workers Demand Wage Equivalent to KHL], *Kompas* 2 December 2008.
[226] See for example, 'Demonstrasi Buruh Tuntut Kenaikan UMK 90,9 Persen' [Workers' Protests Demand 90.9 Per Cent Increase in Minimum Wage], *Kompas* 17 November 2005.

In addition, the government also decides on the transportation costs in consultation with the association of public vehicle owners because these costs are directly related to the prices of fuel. In 2005 the government twice increased the prices of fuel on average by 26 per cent in March and by over 126 per cent in October. Small wonder that at the end of that year, the inflation rate stood at 17.3 per cent. Trade unions quickly seized these moments and claimed that the fuel price hikes had triggered a massive increase in the prices of basic necessities and eroded the workers' standard of living. The initial demands were about the revocation of the decision to increase the price of fuel.[227] Later on as the date for the annual minimum wage settlement approached, they shifted to demanding wage increases that matched the soaring prices triggered by the new fuel prices. In Medan, workers demanded an increase of more than 100 per cent.[228] In particular they quoted the costs of transportation and basic necessities, which had most affected workers who barely lived on subsistence levels even before the fuel prices hikes.

Of course it all makes economic sense that wages should buy at least enough basic necessities for a month, but the material condition of hardship alone does not translate straightforwardly into guides for action. To make the connection, trade unions selectively used economic jargon with a reputable protest pedigree in Indonesian history, and the language of price is such a jargon. All students of elementary education in Indonesia learn that during the economic collapse of the 1960s and the subsequent ousting of the first president, student groups and anti-communist forces took to the street with a set of demands that was known as the *Tritura* or Three Demands of the

[227] For example, see 'Tolak Kenaikan BBM Serikat Pekerja Ancam Demo Besar-besaran Tanggal 29' [Rejecting Fuel Price Hikes, Trade Unions Threaten Massive Protests on 29], *Kompas* 23 September 2005.
[228] See 'Demo DPRD, Buruh Medan Minta UMP Naik Jadi Rp 1,2 Juta' [Protesting at DPRD, Medan's Workers Demand Minimum Wage Increase up to Rp 1.2 Million], available online on http://www.detiknews.com/index.php/detik.read/tahun/2005/bulan/12/tgl/05/time/172343/idnews/492596/idkanal/10 (accessed 30 January 2008)

People: disband the communist party, disband the cabinet, and lower prices. Regardless of the controversy surrounding the true nature of these events,[229] the *Tritura* has entered into the Indonesian political lexicon with its strong reformist appeal, and the demand to lower prices in particular has been enshrined as a legitimate and popular rallying cry. During the East Asian economic crisis of 1997-1998, the same demand to lower prices resurfaced as prices of basic necessities spiralled out of control. The economy contracted sharply and the currency lost more than 70 per cent of its value in few months. The cry 'lower prices' represented the frustration of the people, facing economic and political uncertainty. Public protests over increases in public transport costs, for example, easily turned to widespread violent riots.[230]

A high profile protest group in Jakarta during the economic turmoil in early 1998 called itself *Suara Ibu Peduli* or the Voice of Concerned Mothers, and its chief rallying cry centred around the skyrocketing prices of milk. The otherwise middle-class women activists used to their advantage a stereotype of women as housewives who had to deal with the prices of groceries, including milk. Part of their activities was to sell cheap milk, and as such they drew attention to the plight of poor women (Nyman, 2006: 142). They were also directly engaged in political activities by providing food for the students who occupied the parliament building in May 1998.

The term 'basic necessities' or *sembako* (*sembilan bahan pokok* or nine basic necessities) in its popular Indonesian acronym has more than just technical significance. The term has an official origin in government documents and decrees. The latest official version consisted of rice, sugar, cooking oil, meat, egg, milk, maize, kerosene, and

[229] Historians disagree over the extent of military involvement in these groups, i.e. whether these student groups were actually a proxy of a military faction around Suharto who eventually deposed Sukarno.
[230] In April 1996, few days of riot took place in Ujung Pandang, South Sulawesi, after student protesters clashed with security forces (Lane, 2008: 148).

salt.[231] Since its inception, the term has been associated especially with the poor; it was their minimum requirement for survival. Over time, it has escaped from its original definition, by not having to include exactly the nine items of the kinds mentioned in the ministerial decree. Essentially it has become shorthand for cheap basic food items for the poor or for the destitute and it has even conjured up the image of poverty itself. When religious festivities are approaching, that is when prices start to go up, charities and religious organisations organise bazaars, where they sell *sembako* at discounted price for the poor.[232] Political parties manage similar events in the run-up to elections to project an image of parties which care for *wong cilik* or the 'little ones'.[233] In the aftermath of natural disasters, *sembako* is the first to be shipped to affected areas.

The language of price appeals to both workers and the government albeit in different ways. All trade unions used this term to frame their demands for decent wages, and as such they could relate to the lives of workers and other poor sections of society. The language of price invoked the painful memories of economic crises in the country's history and resonated with the preoccupation of survival. At the same time, it reminded people that they were entitled to a decent standard of living, an entitlement which had now been violated. It was broad enough to incorporate people from almost all professions, appealing to the sympathies of the middle class for industrial workers who were portrayed as the helpless 'little ones' who could not afford even the most basic needs such as the *sembako*. As for the government, clearly trade unionists knew very well that the government could not fully control prices even if they wanted to. The

[231] Stipulated in the Ministry of Trade and Industry Decree no. 115/1998.
[232] For example, one column of the *Suara Merdeka* daily dated 26 October 2004, a few weeks before the *Idul Fitri* (the end of the fasting month) feast, carried advertisements about four separate bazaars in Semarang organised by the Muslim Women League of Baiturrahman Mosque, the Muslim Youths of the Nurul Huda Mosque, the local branch of the Democratic Party, and the Sultan Agung Islamic Hospital respectively.
[233] The 'little ones' or *wong cilik* in Indonesian political parlance carries a similar descriptive significance to that of 'proletariat'.

prices of fuel did fall under the authority of the government, but this only amplified the point about the responsibility of the state for the welfare of its citizens. The language of price conveyed the anger of the masses at the mismanagement of the economy. After all, the first two presidents of the country were unseated in circumstances where the government was perceived as mishandling the economy. On this note we turn to the next layer of demands

Challenging authorities

Accompanying demands for minimum wage increases was a set of demands aimed at unsettling government authorities. On and off strike, trade unions directed their dissatisfaction mainly at various state organs which were deemed responsible for the failure to settle for decent wages. In particular, the favourite *bête noire* of workers' protests were the officials of the local Manpower Office, who were directly involved in the wage council. Their superiors, district heads, mayors, and governors came next. The tone of the protests varied from criticism of their incapability to fierce accusations of collusion with employers and sacking of those individuals. The protest by a group of workers from PT Tjipta Rimba Djaja (PT TRD) on 2 March 2009 most colourfully captures this tone. They demanded that the mayor of Medan, among others, 'investigate officials of the local Manpower Office who have colluded with PT TRD, sack the head of Medan Manpower Office together with Robert Tambunan, Efendi Situmorang, Oslen Simarmata and Betty Saragih.'[234]

Indonesians did not have to go very far in history to find inspiration for this type of demands. The ouster of Suharto in 1998 took place against the background of crowds

[234] These names were officials from Medan Manpower Office. See 'Buruh PT TRD Desak Walikota Copot Kadisnaker Medan' [Workers of PT TRD Urge Mayor Sack Head of Medan Manpower Office], *Harian Mandiri* 3 March 2009.

in the streets calling for Suharto's resignation in emotionally laden words such as 'reject', 'overthrow', 'prosecute', and even 'hang' (McRae, 1999). Many other protests directed at the government at all levels have since then adopted the same language in generous measure. Before 1998, such a language of protest almost instantly attracted the heavy hand of the regime, and the people seemed reluctant and afraid to back the call.[235] When student groups in 1998 began to demand the ouster of Suharto, the regime was already weakened by the economic crisis and persistent political pressure. This demand was combined with broader demands to end corruption, collusion, and nepotism or KKN in its popular Indonesian acronym. The subsequent demise of Suharto gave credence to the perceived effectiveness of this challenge to power holders. Afterwards, in various parts of Indonesia people continued to confront government officials from village to province and national levels. Indeed, challenging authorities became a central part of the reform movement. Lane (2008: 203) quotes estimates that more than 300 government officials were forced to leave office during the May-July period of 1998.

These waves of challenge against authorities effectively tore to pieces the non-confrontational labour doctrine of the New Order era which was known as the *Pancasila* Industrial Relations. This was a corporatist view of industrial relations in which workers, capital, and the state cooperate as one big harmonious family with the state acting as the benevolent father. As discussed in Chapter Two, the *Pancasila* Industrial Relations doctrine in principle was an ideological justification for the regime's repression against independent labour organising. Protests and strikes were considered grave violations of this principle and therefore branded anti-*Pancasila*.

[235] The most memorable protest in the history of the New Order is perhaps the so-called MALARI incident in January 1974 when people took to the streets and rioted in Jakarta after protests against Japanese investment, which some argue was a cover for demanding Suharto's resignation, turned violent. For individual stories of pro-democracy activists under the New Order, see Chapter One in La Botz (2001).

Against this background, it is simply extraordinary that the people, including workers, rediscovered their defiance against the authorities.

The sense of regionalism that comes with decentralisation sometimes worked in the workers' favour. Trade unions were able to exploit the supposed independence of the local government from Jakarta. In truth, the powers that local governments have do not give them the right to contravene legislation issued by higher authorities, but to some extent decentralisation has opened up some space for disagreement even if in the end it does not legally matter. When Jakarta issued a piece of legislation that was seen as anti-labour, trade unions put pressure on the local government to disagree or at least to express reservations. The most recent example concerned the Joint Decree of Four Ministries in October 2008 on limiting the rates of minimum wage increase in anticipation of global economic slowdown. Trade unions demanded local governments ignore the ruling or send a note of protest to Jakarta.[236] Trade unions also toyed with the separation of authorities between the offices of governors and of mayors or district heads. Because the governor issued the final decree on the annual minimum wage increase, trade unions demanded that the governor ignore the recommendation from the mayor or the district head when it was too low.[237] The governors, however, could use the same differentiation of authorities to excuse themselves, effectively putting the blame on the mayors and district heads.

When decentralisation introduced local elections from 2005, trade unions swiftly adopted the new electoral language to challenge local authorities. They aimed to portray the suitability of local government officials in terms of their support for certain labour demands. Incumbents who planned to run for a second term or for a position at a higher

[236] For example, 'Ribuan Buruh di Medan Marah, Tolak SKB 4 Menteri' [Thousands of Workers in Medan Angry, Rejecting the Joint Decree of 4 Ministers], *Beritasore* 13 November 2008.
[237] For example, 'DPRD: Revisi UMP' [Provincial Parliament: Revise the UMP], *Kompas* 26 November 2005.

level of government were particularly prone to these challenges. Trade unions could easily turn against them their own records in dealing with labour issues while in power, or they demanded higher rates of wage increase in anticipation of the coming elections. They put pressure on incumbents to prove that they championed the 'little ones', rather than employers or the rich. If the desired rates of wage increase did not materialise, trade unions labelled incumbent executives as unfriendly or even anti-worker, and therefore unfit for re-election. For example, Aris Setiyono, the general secretary of *Dewan Buruh* (Labour Council) in Semarang, called the mayor of Semarang anti-worker and as siding with employers for insisting on a lower wage increase than demanded by trade unions.[238] This criticism was put forward when the mayor planned to run for the governorship of Central Java in 2008. In Tangerang city, the chairman of the SPN endorsed the nomination of the incumbent mayor for the 2008 mayoral election because in the five years of his administration, workers had been one of his priorities, adding 'This is vindicated by the UMK which has been the highest in the Banten province.'[239]

Political parties, which began to take workers' votes seriously, also believed that they could tap into this previously neglected political resource.[240] The head of the bureau for advocacy and labour network of the Islamic party PKS in Tangerang city explained the political calculation behind the courting trade unions.[241] Learning from the local election for district head in the neighbouring Tangerang district two months earlier, the Jazuli-Airin pair who was endorsed by his party, won in the so-called workers' neighbourhoods although they came second overall. He estimated that around

[238] See 'Upah Buruh di Jateng Minimal Rp 500.000' [Wages in Central Java at Least Rp 500,000], *Suara Merdeka* 21 November 2006.
[239] 'Serikat Pekerja Nasional Tangerang Curhat kepada WH' [National Trade Union confide to WH], found on the Tangerang city's website http://www.tangerangkota.go.id/?tab=berita&tab2=19&hal=6&id=97 (accessed on 20 April 2009).
[240] As explained in Chapter Three, these parties were PKS, PAN, and PDIP.
[241] Interview with Gunawan from the PKS, 29 February 2008 and 5 March 2008.

25 per cent of the roughly 400 thousand votes that the Jazuli-Airin pair won, came from workers. In his analysis, this was a clear sign that workers disagreed with the eventual winners, the Ismet-Rano pair, because as the incumbent regent Ismet's policy on minimum wages was never favourable to workers. Based on this calculation, his party officials tasked him with developing further cooperation with several big trade unions in the region especially the SPSI, the SPN, and the SPMI in order to anticipate the coming local election for Tangerang mayor in October 2008 and the 2009 general elections.

Not everyone agreed with this opinion. Herry Rumawatine, the vice-chairman of the APINDO in Tangerang district, who was also the chairman of the Democratic Party in Tangerang city and the vice-speaker of the Tangerang city parliament, doubted the connection between union membership and workers' voting preference[242]. According to him, workers did not vote *en bloc* and their political allegiance was unrelated to their union membership. He argued that in fact the management was in a better position to influence workers' voting preference, referring to the tradition of respect to those in higher social positions. In addition, the personality of party leaders mattered more for workers, and any voters for that matter, than ideologies. That is the reason why he was not worried by his political opponents in the PKS courting labour support.

Legalism

The tirades against government officials and state policies were just too glaring to be ignored, but the most important part was that the language by which trade unions addressed the state was in the main unmistakably legalistic. Trade unions targeted the state by attacking its regulatory products. The slogans were negative along the line of 'no to this or that policy' or 'revoke this or that policy'. The Ministry of Manpower

[242] Interview with Herry Rumawatine, 6 March 2008.

Regulation no. 17/2005 along with the Manpower Law no. 13/2003 were constantly blamed for the low minimum wages in the regions. Indeed, there was a strong sense of legalism among trade unionists. Most trade unionists interviewed were steeped in the details of the regulations which stipulate the procedures for wage settlement. They were quick to point to various articles in the regulations and the procedures of minimum wage settlement in their regions to articulate their demands. This point was well identified by Kammen in the 1990s. The difference was that while workers in the 1990s, in Kammen's view, demanded the fulfilment of the stipulations, their successors after 1998 have never shied away from calling for changes in the law.

In fact, major nationwide labour protests since 1998 usually followed intense debates about particular government policies or labour legislations. In 2001 the Ministry of Manpower was forced to reinstate the pro-labour Ministerial Decree No. 150/2000 on redundancy and severance payment after tens of thousands of workers expressed their anger in major industrial cities.[243] This piece of legislation was introduced by the Minister of Manpower and Transmigration in the early Wahid government, Bomer Pasaribu, a former SPSI leader and Golkar politician. It essentially raised the rate of severance and long service payment and expanded the coverage to include new groups of workers. Under pressure from the business community, the government had earlier revoked the decree and replaced it with a more business friendly Ministerial Decree No. 78/2001.[244] Similar patterns were repeated in April 2006 when the government had to back down from revising the Manpower Law No. 13/2003. In late 2005 the Yudhoyono

[243] One highlight of the protests was the mass rally in Bandung, West Java, on 13 June in front of the province's parliament building, which turned violent and left scores of vehicles and buildings damaged and a number of protesters and policemen injured. See 'Ketika Buruh Bandung Melawan' [When Bandung Workers Resist], *Kompas* 22 June 2001.

[244] Two major points of contention between trade unions and the APINDO were to do with rates of severance payment and conditions for worker's dismissal. See 'Revisi Kepmenaker 150/2000 Belum Tuntas' [Revision of Ministry of Manpower Decree No. 150/2000 Not Over Yet], *Tempointeraktif* 1 February 2001. One particular objection aired by the APINDO concerned the payment of severance to workers laid off because of criminal acts (Manning, 2004).

government announced that it would revise the Manpower Law.[245] Two of the most controversial points in the proposed revision were to expand the period of contract work from two to five years, and to allow all types of business to be outsourced rather than just the core business as sanctioned in the existing law.[246] The APINDO had its own proposals which in many ways were similar to those of the government, but suggested even greater flexibility. For example, it proposed that the period of contract should not be limited at all, and that maximum severance pay should not go beyond five months.[247] The proposed revision drew a lot of criticism from union activists and ordinary workers who had already felt the brunt of flexible work made possible by the existing Manpower Law. In many industrial cities across the country starting in January 2006 workers took to the streets to oppose the planned revision,[248] and for the next few months an intense debate on whether the government should carry on with the revision continued on the political stage. This persistent opposition bore fruit when on 8 April 2006 the government officially postponed its plan to submit the controversial draft of the Manpower Law amendment to the House of Representatives.[249]

One year later, trade unions were again united in opposing two proposed government regulations on dismissal and severance payment. The proposed legislation became widely known simply as the RPP (*Rencana Peraturan Pemerintah* or Proposal

[245] 'Revisi UU Tenaga Kerja Diselesaikan Januari 2006' [Manpower Law Revision to Finish by January 2006], *Kompas* 22 December 2005. In fact, according to an APINDO chairman, the plan to revise the Manpower Law was already agreed upon during a national tripartite conference on 19 January 2005. See 'Pengusaha dan Buruh ke Istana' [Employers and Workers Visit Presidential Palace], *Kompas* 7 April 2006.
[246] There were several versions of the proposed revision in circulation at the time. The one used in this dissertation is dated 23 March 2006.
[247] APINDO's proposal was quoted in the *Jakarta Post* dated 29 March 2006 and circulated among union activists. Quotations from the newspaper are consistent with a printed version dated 23 March 2006 which was obtained in the fieldwork for this dissertation.
[248] For most part, the street protests were largely peaceful except for few incidents such as a protest in Jakarta on 5 April 2006 ('Wapres: Ada Salah Persepsi' [Vice President: There is A Misunderstanding], *Kompas* 6 April 2006) and on 3 May 2006 ('Planned Rally Cancelled', *Jakarta Post* 5 May 2006).
[249] See 'Govt Delays Labor Law Deliberation amid Protests', *Jakarta Post* 9 April 2006.

of Government Regulation).[250] In addition, in late 2008 workers resorted to street marches to oppose another piece of legislation, the so-called Joint Decree of Four Ministries (*Surat Keputusan Bersama Empat Menteri*) on temporary wage rise freeze in anticipation of the global economic downturn. Trade unions opposed article three of the decree which stipulated that wage increases should not exceed national growth rates.[251] They were worried that this particular loophole would be exploited by employers to avoid paying higher wages.

Kammen traced the inspiration for such a legalistic approach among workers in the 1990s as far back as the legacy of legal formalism of the Dutch colonial rule,[252] but it is argued here that workers' preoccupation with legislation in the post-authoritarian period has a different cause. Labour legislation has been a significant source of labour power especially, not exclusively, since the demise of the New Order. As discussed in Chapter Two, the Labour Law Reform since 1999 has restored the freedom to organise and collective bargaining rights, sanctioned annual wage increases, and availed workers of protection from arbitrary dismissal. Of course, there are grounds for contestation as well in the labour laws and the prescribed rights are not always observed and enforced, but the legislation is a major source of new powers for workers nonetheless. It serves as a normative framework within which labour struggles obtain legitimacy. Indeed, labour legislation is the source of a borrowed power when structural conditions would actually put workers constantly on the defensive. Left to the mercy of market forces, workers would come out seriously worse. Workers and trade unions know that the state and its legislation are their lifeline in the face of chronic unemployment and slow growth. As

[250] In the hierarchy of legislation, PP is passed to amend parts of an existing law. In the case of the RPP, it was to amend several articles in the Manpower Law no. 13/2003 on dismissal and severance payment.
[251] See 'Aturan Soal Upah untuk Kepentingan Siapa?' [On Whose Behalf is Regulation on Wages?], *Kompas* 28 October 2008.
[252] According to Kammen, the legalistic tone of workers' demands in the 1990s derives from factors such as the Dutch formal legalism, legal background of labour activists, and the strategy to avoid repression by appearing apolitical (1997: 292-293).

the government at all levels is now more vulnerable to popular pressure, they try to maximise the gains by criticising labour legislation, campaigning for better provisions, and demanding dismissal of anti-labour government officials. Labour legislation has become a reference point around which grievances are articulated and demands formulated.

Anti-capitalism language

While the majority of trade unions used more pragmatic frameworks, some radical unions couched their demands in populist terms. They employed propaganda along the line of anti-capitalism, and pointed out the role of the usual international suspects – the IMF, the World Bank, the WTO and multinationals – which they now called 'new colonisers'. Essentially, they saw minimum wage issues as part of a bigger problem in the neoliberal relationship between capital and labour. Workers were at the receiving end of the exploitative neoliberal regime, and the whole system was akin to a new form of colonialism. These unions saw the process for minimum wage settlements as a disguise for maintaining a regime of cheap wages, a 'conspiracy of foreign capital to colonise Indonesia' as one union activist with the FNPBI puts it.[253] Of course, union officials whose organisations did not qualify to represent workers in tripartite bodies found it easy to show aversion to the wage council. This was not as straightforward for unions which had seats in the regional wage council and therefore had more to lose from exiting the tripartite body. The JABSU in Medan, however, chose to leave the wage council voluntarily having found out the extent of compromises they had to make in the wage settlement process.

[253] Interview with Bambang Susilo, the regional secretary of FNPBI for Central Java, 29 April 2008.

One of the most high-profile radical union organisations at the moment, KASBI, campaigned to scrap the minimum wage policy and to replace it with a scheme called the 'National Decent Wage'. This proposal was based on a survey of living standards by the KASBI itself and was meant to avoid competition between regions in a 'race to the bottom' scenario, which would ultimately only benefit employers. While some of their written statements are peppered with the Marxism-inspired 'takeover of means of production', their decent wage campaigns are formulated in the language of the 'KHL' and that of 'survey' to establish workers' needs. Most important of all, their wage campaigns are directed at the state, placing their hopes on policy change rather than revolution. The union enshrined this campaign as part of its eight programmes that were formulated in its second national congress in January 2008. The other programmes were to stop privatisation of state companies, to organise workers in primary industrial sectors, to support the development of maritime industry, to oppose all tripartite institutions, to demand state protection for union activists at the enterprise level, and to call on workers at the local level to organise in what it calls a Workers' Council (KASBI, 2008).

Despite their anti-capitalism language, radical unions never fully adopted the rhetoric of class war spearheaded by a united proletariat or a vision of the state ruled by the working class. They were very reluctant, if not totally dismissive, of the prospect of joining forces with existing political parties. Indeed, their use of capitalism-bashing jargon was not always coherent or consistent as they often combined it with the more familiar language of price and condemnations of local authorities. On the one hand, this shows the extent of their exposure to leftist slogans and ideas, which mostly come from their connection with labour NGOs. Union leaders and activists in the KASBI and the KBC for example, were either closely associated with, or personal friends with, political

activists from labour NGOs such as the LEC[254], the TURC[255], and the SPIS[256] and with pro-democracy organisations such as the IRE[257], the IGJ[258], the BWI[259], and the PRP[260]. Many of these NGOs were active in giving legal training and exercises in social analysis with strong emphasis on populist and leftist views. On the other hand, they were clearly eager to reach out to the majority of workers who would otherwise associate leftist language with the forbidden Indonesian Communist Party. Mixing leftist with pragmatist language, therefore, seems to be a sensible thing to do. Leftist ideologies were strictly forbidden during the military dictatorship and their limited propagation took place only among opposition and academic circles. In the post-authoritarian era, leftist slogans can still easily be interpreted as endorsement for communist ideologies, which remain illegal in Indonesia if explicitly stated, and may provoke religious and nationalist sentiments in response. There have been cases where paramilitary style youth groups threatened to break up meetings organised by leftist groups.

[254] The Labour Education Centre is a labour NGO based in Bandung particularly concerned with training of workers and union officials.
[255] The Trade Union Rights Centre is a labour NGO founded in Jakarta in December 2003 by a group of labour lawyers originally associated with the respected LBH Jakarta. It aims at supporting the mushrooming new trade unions with research and training. Its website can be found on http://www.turc.or.id (accessed on 23 February 2010)
[256] The SPIS is the latest incarnation of the labour division of the Jakarta Social Institute described in the previous chapter. It began in 2003 after its mother organisation had ceased its activities a year before.
[257] The Institute for Research and Empowerment was founded in Yogyakarta in 1994 by a group of university academics. Its main focus has always been on the issue of democratisation and it has now established several branches including Tangerang where it offers courses on democracy and popular empowerment for activists under the name *Sekolah Demokrasi* or School of Democracy. Its profile can be found on http://www.ireyogya.org (accessed on 23 February 2010).
[258] The Institute of Global Justice is a Jakarta-based NGO that works in the field of political and economic globalisation. It was founded in August 2001 by a group of academics and activists who were mainly critical of the neoliberal character of globalisation that Indonesia was embracing in its policies. Its main activities are conducting research, policy monitoring, and organising seminars on globalisation issues. Its profile can be found at http://www.globaljust.org (accessed on 23 February 2010).
[259] The Business Watch Indonesia is an NGO that campaigns for what it calls democratic economic governance. Founded in September 2002, its agenda is centred around demanding accountability of business power, facilitating public participation in economic governance, and promoting fair business practices. Its website can be found on http://www.watchbusiness.org/index.htm (accessed on 23 February 2010).
[260] The PRP (Association of the Working People) is a radical group that began life in May 2004 and aims at bringing socialism to Indonesia by establishing a labour party and initiating a class struggle against capitalists. Its profile is available on http://www.prp-indonesia.org (accessed on 23 February 2010).

The most recent example involved an aspiring political party called the PAPERNAS which stands for the National Liberation Party of Unity. Founded in July 2006 by a collection of former PRD activists, union leaders, activists of pro-democracy NGOs, activists of farmers' rights, representatives of urban poor collectives and student activists, this organisation aimed at offering an alternative political party based on an anti-imperialism and anti-neoliberalism agenda. This new party set to participate in the 2009 general elections but its meetings and activists were constantly harassed and even attacked by various Islamic and anti-communist groups and vigilantes.[261] Although the party was legal, these attacks seriously hindered its expansion across the country, which was necessary to contest the 2009 general elections, and this had clearly frustrated some elements in the party leadership when in 2008 they eventually decided to join forces with a mainstream but minor political party, the Islamic PBR.[262] The message is clear, relying solely on leftist language is certainly risky, and its popular appeal is restricted.

4. An anti-Chinese Language

Apart from the highly visible language of protest discussed above, there is a type of language which is not as explicit but cannot just be ignored because of its long history and immediate appeal to the people in collective action. This language is related to the familiar opposition between the rich and the poor that is adopted to serve a specific purpose.

The discussion on the above demands is replete with accusations predominantly directed at the government, but it does not mean that workers are fixated solely on the

[261] There were cases in Jakarta, Yogyakarta, Malang, Solok, and Madiun in which groups of vigilantes disrupted and attacked PAPERNAS activists. For example, see 'FAKI Minta Kongres KP Papernas Dibubarkan' [FAKI Demands Congress of Papernas Preparatory Committee Disband], *Kompas* 19 January 2007.

[262] This faction was represented by Dita Indah Sari who stood as a legislative candidate for the party. See 'Dita Indah Sari Jadi Caleg PBR' [Dita Indah Sari to Stand as PBR Legislative Candidate], *Jawa Pos* 3 August 2008.

state as their target. On the minimum wage front, employers are more directly responsible for paying their workers than some local government officials, whose job is to facilitate wage bargaining, and therefore workers would immediately see employers as the face behind their real and perceived exploitation. Although less ostentatious than the state, the business class also became a target of collective action. We have discussed the reasons behind the instrumentality of setting the state as a target of protests. Targeting the employers or the business class serves a different purpose. It is argued here that the reason is more to do with the creation of collective political subjects, taking advantage of some of the popular sentiments against the rich which are available in Indonesia's cultural politics.

In popular propaganda, the relationship between employers and their workers can easily be conceived in terms of the opposition between the rich and the poor. In Indonesia, this familiar opposition receives an additional pugnacious quality from an entrenched prejudice constructed in the context of the identity politics of the authoritarian state. Just as in many nations in Southeast Asia, the Chinese minority in Indonesia overwhelmingly dominates the business class. This is the result of the 'historical pattern of segregation and stigmatisation of Chinese immigrants' (Sidel, 2001: 51), dating back to Dutch colonial rule and consolidated throughout the post-independence era.[263] Under the New Order regime, the Chinese business class occupied an ambivalent position. On the one hand, they benefited from rent-seeking relationships with political power-holders in various development schemes,[264] while on the other

[263] Arguably the most decisive milestone is the New Order propaganda that the ethnic Chinese were implicated in the alleged coup by the Indonesian Communist Party in 1965, thus linking the ethnic Chinese with the most despicable form of ideology in New Order Indonesia. For an overview of the history of segregation and stigmatisation of Chinese Indonesians, see Brown (2005), Heryanto (1998), Tan (1997).

[264] At the peak of its success, the New Order business class, many of whom were Chinese, consisted of roughly 200 conglomerates (the Indonesian equivalent '*konglomerat*' carries a pejorative nuance) controlling over 4,000 companies and contributing as much as 35 per cent of Indonesia's GNP (Schmit,

hand the Chinese were portrayed as a 'contaminating "Other"' (Brown, 2005: 18), threatening the purity of the Indonesian identity project, and prone to scapegoating politics. In other words, the ethnic Chinese occupied a paradox of dominance in the economy and pariah status in the social and political realms (Heryanto, 1998). This paradox served the authoritarian regime well because despite their economic prowess, the Chinese would never become an independent force which might undermine the regime. Surely, the prominence of Chinese capital does not in itself generate prejudices, but a long process of 'othering'[265] has assigned them an almost permanent binary opposition to the *pribumi* (native or indigenous). It is almost inevitable, or in fact it is deliberate, that the face of capital in Indonesia is conspicuously Chinese (Sidel, 2001: 53),[266] and this has generated a perception which identifies the Chinese with the workings of capitalism and the exploitation of *pribumi* workers. The non-Muslim religious identity of most Chinese Indonesians further adds to the oppositional relationship between the Chinese capitalist and the *pribumi* worker. Frequent anti-Chinese disturbances or riots[267] are often preceded by a rumour about an alleged beating-up of a *pribumi* housemaid by her Chinese master or desacralisation of some Islamic symbol by a non-Muslim.[268]

1996: 191). Van Zorge (1997: 74) notes that in the mid-1990s, the ethnic Chinese controlled more than 75 per cent of the country's total non-land wealth despite constituting only around 3.5 per cent of the population.

[265] Following Heryanto's argument, the ethnic Chinese underwent the 'othering' process which takes four different formats: geographical, cultural, economic, and political (Heryanto, 1998: 97-100).

[266] This prejudice glosses over the facts about non-Chinese business tycoons and poor Chinese alike.

[267] Accounts of two major riots in late Suharto's years, in Situbondo, East Java and Tasikmalaya, West Java, both in 1996 are available in Chapter Seven of Hefner (2000).

[268] For example, in September 1998 in Kebumen, Central Java, two days of riots broke out after a rumour spread that a Chinese shop-owner had hit an indigenous worker. Few days afterwards in the Sumatran town of Bagansiapiapi, thousands of people rampaged through the town after rumours about a Chinese killing a *pribumi*. See http://www.cidcm.umd.edu/mar/chronology.asp?groupId=85003 (accessed on 23 April 2009). See also Purdey (2006: 78).

The riots that marked the end of Suharto's rein in May 1998 had strong anti-Chinese elements,[269] but the domestic and international condemnation that followed and the change of political regime have brought about a significant shift in government policy towards the ethnic Chinese, prompting a broader and more assertive Chinese cultural and political involvement since then. Despite their entrenched nature, anti-Chinese slogans did not explicitly appear in the banners and posters carried by workers on strike. It does not imply, however, that the anti-Chinese sentiment has gone away; it is still unquestionably alive but in a more subtle fashion, and it only becomes visible in conversations or speeches. In an interview, the chairman of Islamic trade union PPMI in Medan made frequent references to employers in the way that reveals this anti-Chinese prejudice. Suggesting a conspiracy between employers and government officials, he said,

> Whenever there is a bipartite or tripartite meeting, those slitty-eyed business people threaten workers…"If you disagree [with their proposal for wage increase], feel free to report to the Manpower Office." [It is because] They have already groomed the officials. The workers will never win.[270]

He also described the opposition between Muslim workers and Chinese employers when he remarked,

> 'The PPMI, which is notably Muslim, is perceived by the ethnic Chinese as terrorists…So, these Chinese [employers] are worried when the PPMI is going to establish a union [in their companies]'.

[269] The incident is known as the May Tragedy where hundreds of properties belonging to ethnic Chinese were destroyed and a number of Chinese women were raped and killed. In its dying days before the riots, the New Order orchestrated anti-Chinese campaigns, essentially blaming the economic crisis on the Chinese business class. See Chapter Seven in Hefner (2000) and Heryanto (1998).
[270] Interview with Indra Syafei, 29 January 2008.

North Sumatra, and Medan in particular, is home to a strong Chinese business community.[271] The chairman of the APINDO in North Sumatra estimated that 80 per cent of business in the province is owned by the ethnic Chinese. Two of the most prominent businessmen from Medan, Sukanto Tanoto (otherwise known by his Chinese name[272] Tan Kang Hoo) and Martua Sitorus (Thio Seng Hap) in 2007 were ranked second and seventh richest individuals respectively in Indonesia according to *Forbes*.[273] In the Medan riots of 1994 that followed workers' protests, a number of properties belonging to the ethnic Chinese were damaged and one Chinese businessman was killed although the perpetrators and the circumstances of the killing remain unclear until today. The protest itself did not have explicitly anti-Chinese elements. In fact according to independent sources, an anonymous pamphlet encouraging anti-Chinese action reportedly received a cold response from the protesting workers, but this did not stop the security authorities from portraying the riots as racially motivated (Heryanto, 1998: 109).[274]

A number of scholars have argued about the efficacy of Islam as a populist ideology utilised in power struggle (Hadiz, 2001; Hadiz and Robison, 2005) and as an idiom of protest against the intrusion of state and market in local communities (Sidel, 2001). Indeed, many anti-Chinese riots in the last few years of Suharto's reign took place in areas with a strong presence of Islamic institutions such as the Northern coastal regions of Java and East Java. In cases of urban riots, the rioters targeted, among other things, properties belonging to the ethnic Chinese, Buddhist and Christian places of

[271] See a special report on Medan's Chinese business networks available online at http://www.swa.co.id/swamajalah/sajian/details.php?cid=1&id=2915 (accessed 20 January 2008).
[272] The New Order government obliged the ethnic Chinese to adopt an 'Indonesian' name as part of the assimilation programme.
[273] See http://www.forbes.com/lists/2007/80/07indonesia_Indonesias-40-Richest_Rank.html (accessed 23 April 2008).
[274] See http://asia-pacific-solidarity.net/southeastasia/indonesia/publications/doss1/medan.htm (accessed on 23 April 2008)

worship; the derogatory term '*cina*' was visible in graffiti, while the terms '*pribumi*' and 'Muslim' were painted on the doors of shops and buildings along with *sajadah* (Muslim prayer mat) draped across fences of homes to discourage rioters (Setiawan et al., 1999; Purdey, 2006). During street rallies or strikes, the use of Islamic jargons was ubiquitous. *Salawat* (a hymn praising the prophet Muhammad) and the cry *Allahu Akbar* (God is great) were the most popular chants among workers, students and just about any protesting crowd regardless of the actual demands in the predominantly Muslim parts of Indonesia. The wide adoption of such cries or chants suggests that Islamic jargon is deployed less as an agitating strategy along religious lines than as an attempt to animate the protesting crowd. This is obvious especially when the protests are explicitly directed against the state and its legislative or executive organs, which do not have any particularly religious significance.

Interestingly, despite the Muslim majority of workers and the popularity of Islamic prayer groups and institutions among workers as discussed in Chapter Four, only a handful of minor post-1998 trade unions adopt ostensibly Islamic identity: PPMI, GASBUMI (Association of Indonesian Islamic Labour Unions), SARBUMUSI (Indonesian Muslim Labour Union), SERPI (Islamic Workers' Union), and KOSBI (Congress of Islamic Labour).[275] Hadiz (2001) also notes the absence of hostility among workers and activists along religious lines in the 1990s. There are several possible explanations. The secular *Pancasila* Industrial Relations doctrine was prevalent for much of the New Order era, and the secular element of the doctrine has become an established ideological platform for subsequent labour movements. Moreover, many labour NGOs which spearheaded labour organisations, both in cooperation with the

[275] According to the list of registered trade unions in 2007 provided by the Ministry of Manpower.

New Order regime and underground, had a Protestant or Catholic origin, and they continued to be influential in the post-authoritarian era.

It is not really clear to what extent anti-Chinese sentiment has informed workers' protests. Judging from the long history of discrimination and recurrent anti-Chinese disturbances, it surely has some appeal to the urban poor in general and it must have helped contribute some ingredients to the shifting collective political identities around which trade unions rally workers. The business class was well aware of this resurgent anti-Chinese sentiment and tried to soften its image by employing non-Chinese faces to sit in the managerial positions that deal with the government and the public in general. This strategy, however, can draw a wrong kind of attention. A member of the Medan parliament from the Islamic party PPP once called such persons '*cina hitam*' or black Chinese who had no real power in the company.[276] His remark was condemned as racist by pro-democracy activists in the city but defended by the vice-speaker of the city's parliament.

The same strategy of employing non-Chinese persons was adopted by the leadership of the APINDO. The chairmen of the organisation in the North Sumatra province and in Medan and Deli Serdang regions were all of native Batak origin, a strategy that was also in place in Tangerang and Semarang although the national chairman, Sofyan Wanandi, was a prominent Chinese tycoon. Out of seven people representing the APINDO in the North Sumatra provincial wage council, only two were Chinese. This fact invited comments from various sides that indicate the stereotyping commonly found towards the ethnic Chinese. Again, the PPMI chairman in North Sumatra commented,

[276] This remark plays with the stereotype of the Chinese being of a lighter skin while the locals being of a darker skin. 'Anggota DPRD Medan Keluarkan Ungkapan Bernada Rasis' [A Member of DPRD Medan Utters Racist Remarks], *Sumut Pos* 4 December 2004.

> The thing is that those who sit at the leadership of the APINDO are not the employers themselves. They are just servants[277]…So how can they make decisions? If they do make decisions, which turn out to benefit workers, they may be fired by those Chinese [employers].

A notable public figure in Medan, himself a Chinese, who has been offered a position in the APINDO leadership, also criticised this strategy.

> I do not want the APINDO to be in the shape as it is now. I mean, they represent business people but put non-Chinese to the front to fight. That is not right….They use New Order's strategy, creating problems but then telling other people to sort them out…The APINDO is just like that. In truth they are Chinese business people but have no guts to come forward.[278]

The anti-Chinese language will remain in the background of other languages of protest. For good or for ill, it helps workers to understand their interests as separate from those of the employers, but most union activists refrain from employing it at least explicitly in their attempts to rally the workers. The entrenched nature of anti-Chinese sentiment and the dominance of Chinese capital afford a potentially agitating discourse ready to be exploited, but many activists know that agitation along these lines could go beyond their control as it has been the case with anti-Chinese riots in the past.

5. Summary

This discussion about the political language of protest helps to explain a number of things about the trade union movement. Trade unions cleverly used inherited discursive expressions which are familiar to workers and turned them into effective rallying cries. They were able to identify specific idioms around which some sort of collective identity

[277] The Indonesian word used here is actually *kacung*, a derogatory term that denotes young, errand boys who do menial works for their masters.
[278] Interview with Sofyan Tan, 30 January 2008.

among workers was developed. Their choice of terms was not just random or spontaneous; rather, they were carefully chosen to relate to particular grievances, combined with other prevalent issues, amplified through exaggeration and dramatization, and directed at the most vulnerable target. In a way, this is what Stedman Jones calls 'linguistic ordering of experience' although it is more than just generating linguistic awareness.

What is missing, though, from this particular political language is an alternative vision of a system of production which is at the heart of wage issues. While a handful of leftist unions try to connect the problem of low wages with capitalist greed and exploitation, most of the others choose a more pragmatic approach. The focus of their attention is almost exclusively on workplace issues, and although they target state apparatuses and less aggressively the private sectors, they fall short of connecting them to a larger agenda of winning state power. Truly, this pragmatism has proved to be as effective in galvanising support as more established ideologies can be, but the lack of ideological underpinnings renders labour movements a reactive force and prone to capture by opportunistic or patronistic interests. Indeed, the lingering anti-Chinese sentiment has been unchallenged and even allowed to inform workers' perception of industrial relations.

Moreover, specific demands with reference to the letter of the law have limited attraction beyond their immediate spheres of influence. This is indeed a critique echoed by among others Tornquist (2004) of the Indonesian labour movement that labour activists are too preoccupied with their sectoral concerns and fail to incorporate wider sections of civil society. There have been some efforts to rephrase labour demands in terms of political citizenship rights such as branding incumbents unfit for re-election, but this is not yet a general phenomenon.

It is therefore fair to say that the ideological formulations of rival trade unions in Indonesia are not substantially different. Their appeal to prospective members or to wider civil society is not primarily dependent on their alternative view of society or systems of production. Former state-sanctioned trade unions and their rivals share more or less the same political language with a few exceptions of small radical NGO-based trade unions and Islamic ones. These few unions do not even hesitate to join the chorus of pragmatism when necessary. This also reflects the fact that workers are not interested in issues beyond their immediate day-to-day concerns and trade unions simply respond to this aspiration. While this strategy has proved to be quite effective in terms of making noise in public, its transformative power is limited to specific policies.

PART III

Two Political Manifestations of the Labouring Population

Having investigated various constitutive elements of labour movements in Indonesia, we now move on to see how these different forces play out in two different political manifestations of labour power. One is the repertoire of contention[279] that has become popular among trade unions since the end of the New Order, namely street demonstrations, while the other is electoral participation which is at best still at an experimental stage. Demonstrations represent the informal form of political action in which workers contest or challenge power holders through ways that are not institutionally established or heavily regulated, while electoral participation is part of the formal political processes where regulation, regularity, and transparent procedures are the defining features. By analysing both these forms of politics, we will understand how trade unions straddle two different but not separate political worlds. This analysis will bring to light the extent to which trade unions manage to benefit from and in turn influence the new political landscape in the regions. As each form of political action requires a different set of organisational structures, this analysis will also assist us in exploring the limits of trade unions as political vehicles of the labouring population.

Three main questions are asked in examining these two forms of collective action. How have these particular forms of action been adopted by trade unions? How do they play out as interaction between different individuals and groups of people? And what is the political significance of this action? The first question assumes that political actions are the result of long social and cultural processes that have been learned, shared

[279] The term repertoire of contention, obviously borrowed from Charles Tilly, refers to the 'claim-making routines that apply to the same claimant-object pairs.' (Tilly, 2008: 14)

and acted out in a specific context. They are not merely ways of doing things, nor actions that take place at random. Along the way, these actions have been reproduced and routinised with various modifications and innovations. The second question relates to the agency behind political actions and the interactions between different actors. Struggle, conflict, competition, and collaboration or some combination of these, constitute the continuing interaction. Lastly, these actions must have implications for the actors involved and for the reproduction of labour politics. They may contribute to the shaping of the future path of popular and democratic politics with the expectations and outcomes that are born out of them.

CHAPTER 7

Episodes of 'Orchestrated Chaos'

1. Forms of Street Protest

In the past ten years the phenomenon of public protest has intensified and become almost a daily occurrence such as is shown by this news report which is worth quoting in full.

> Jakarta and its surrounding areas are going to see nine street rallies today (10/7). The first rally is to take place at 09.00 – 15.00, held by the Alliance of Motherland-Loving NGOs (Gerhana, PWI, PETA, FK, LSM Jakarta, PITON). Around 250 participants led by AM Manaiu and Saut Pakpahan will stage their protest in front of the office of the Ministry of State Enterprises, the office of the General Attorney, and the House of Parliament.
>
> The People's Struggle Front (FPR) will hold a rally in front of the Presidential Palace, Medan Merdeka Utara Street, Central Jakarta at 10.00. Rudi HB, Daman will lead the protest with around 100 participants.
>
> 500 people from the Association of Former and Current Employees of Indonesia Hotel-Inna Wisata (HIMKHI) are going to stage a demonstration at the office of Jakarta District Attorney and at Graha Inna in Buncit Raya Street, South Jakarta.
>
> Around 100 people from the Society of Indonesia's Poor People (SRMI) will organise a protest at the office of Exxon Mobil Oil, Wisma GKBI in Bendungan Hilir, and the House of Parliament.
>
> 40 people from the Trade Union of PT Organon Indonesia will stage a protest outside the Mayapada Tower in the Sudirman Street, South Jakarta.
>
> About 200 residents of Kampung Baru, Lembah Harapan, Pondok Karya, Pondok Aren in Tangerang are going to hold a demonstration at the office of Tangerang district head.
>
> The People's Committee for Eradicating Corruption will stage a protest at the office of the General Attorney.
>
> In Tangerang, 5,000 workers of PT Panarub Industri in Mauk Street will also hold a demonstration.

> Late in the afternoon at 16.00-17.00 the Solidarity Network of the Family of the Victims of Human Rights Abuses will organise a demonstration outside the Presidential Palace.[280]

The explosion of public protests, or *unjuk rasa*[281] or *demonstrasi*[282] or *aksi*[283] in the Indonesian language, is certainly not new or unique to the post-1998 period. Under the New Order regime, the years 1972, 1974, and the period between the late 1980s and the mid-1990s, were characterised by similar radicalisation of certain sections of the population especially students and factory workers (Bresnan, 1993; Lane, 2008). These previous episodes of protest have certainly left a mark on the collective consciousness of the people, suggesting that public spaces are possible venues for political activism and that the sheer presence of large numbers effects maximum political agitation both in terms of government response and in politicising the public.

The most recent protest phenomenon, however, is different in two respects. Firstly, the frequency of protest is greater than in the earlier periods for one crucial reason: the protests have been decriminalised. The New Order regime had little tolerance of any form of dissent; however, a number of protests that took place under the watchful eye of the regime escaped its trademark repression because the organisers came under the patronage of powerful elites from within the regime itself (Aspinall, 1995; Sidel, 1998). In contrast, the Freedom of Speech Law of 1998 marks the change of attitude to dissent and effectively allows members of the public to organise almost any kind of public protest provided they inform the police at least three days in advance. Although there have been some reservations regarding the details, the law, popularly called the *Unjuk Rasa* Law, in principle turns the organisation of protests into a

[280] 'Sembilan Unjuk Rasa Hari Ini' [Nine Demonstrations Today], *Tempointeraktif* 10 July 2008.
[281] *Unjuk rasa* literally means a show of feelings or a show of emotion.
[282] *Demonstrasi* is an adaptation of the English word 'demonstration'.
[283] *Aksi*, from the English word 'action', is a generic term for public display of protest.

relatively simple procedural business.[284] Organisers of protests no longer need permission from the authorities, and restrictions apply only to those who work for emergency services and to issues related to separatism and incitement to hatred on the basis of race, ethnicity or religion.

Secondly, as the news report above indicates, public protests are no longer the exclusive domain of traditional political elements of society such as students and middle-class activists. An almost bewildering array of groups of people from NGOs and trade unions, Islamic militants and community groups, to organisations of enthusiasts and hobbyists, have taken the path of public protest to air their grievances. The varied nature of these groups is reflected by the names under which they registered their protest actions with the police: the 064035 Elementary School Parents' Association (*Orangtua Murid SD 064035 Medan*), the North Sumatra Punk Movement (*Gerakan Punk Sumut*), the Anti-Pig Farm Society (*Masyarakat Anti-Ternak Babi*), the Ladies' Quran Recital Group (*Ibu-Ibu Perwiritan*) and The Medan's *Ayam Kinantan* FC Fans Club (*Kesatuan Anak Medan Pecinta Ayam Kinantan FC*).[285] People organise to challenge or to mount pressure on the authorities, to intimidate rival groups, or simply to campaign for a cause. Many of the groups come together just for the purpose of mobilisation on the day of protest and never again appear in the records. Previously politically quiescent groups in society have now been encouraged to make explicitly political statements. It does not mean that they had previously been completely apolitical because a political life, atomised and unorganised, was always in existence. Chapter Four has discussed the role of certain actors and issues in industrial

[284] Of course, some old repressive habits did not simply go away after the enactment of the legislation. The law has even been used to detain protesters such as the students who staged a demonstration outside President Megawati's official residence in 2002. See 'PBHI Perjuangkan Penolakan UU No. 9 tahun 1998' [PBHI to Challenge the Law no. 9 1998], *Tempointeraktif* 27 January 2003.
[285] Source: unpublished records of public protests kept by the Medan Police records.

neighbourhoods around which people congregate and act as a group. Only now they have become more explicit and public in their political activities and aspirations.

Table 7.1. The Frequency and Organisers of Public Protests in Tangerang City and Medan City in 2005-2008

	2005		2006		2007		2008	
	Tangr. city	**Medan city**	**Tangr. City**	**Medan city**	**Tangr. city**	**Medan city**	**Tangr. City**	**Medan city**
Workers	89	27	152	60	95	51	219	50
NGOs	33	81	44	134	14	77	65	79
Students	2	7	7	109	1	98	1	66
Pol. Parties	0	10	0	10	0	11	4	4
Total	**124**	**125**	**203**	**313**	**110**	**237**	**289**	**199**

Source: Unpublished records of public protests kept by the Tangerang city police and Medan city police

Previous episodes of public protest may have initiated the people into the expression of dissent, but it was the massive student protests and riots in the years leading to the demise of the New Order that finally dismantled the apparent invincibility of state authorities. Thanks to wide media coverage of these events that broke out in various cities and towns across the country, people saw their fellow citizens take on symbols of the state, and the fearsome security forces now looked fragile and on the defensive. People in the regions quickly learned to adopt similar strategies of mobilisation and apply them to local causes. In one instance, Lane quotes a source which reports small rebellions in 'hundreds of villages throughout the country' (Lane, 2008: 175). Indeed, a wave of demonstrations, many of which turned violent, erupted, creating and amplifying the impression of public political euphoria that has become a key feature of the post-1998 period. Violent conflicts in Aceh, East Timor, Molluca Islands, West Kalimantan and many other regions across the archipelago prompted commentators to label the country as 'a country in despair' (Van Dijk, 2001), an

'unfinished nation' (Lane, 2008) or 'on the edge of chaos' (Parry, 2005) where Suharto's departure brought freedom and chaos at the same time.

Public protests and violent conflicts are two different things, yet nevertheless the latter has helped to create an atmosphere of invincibility and bravado among certain elements of society, such as students and factory workers, and to embolden them to take to the streets at the slightest hint of injustice. As one newspaper report puts it, 'Today when everybody can speak about anything anywhere, demonstrations seem to be being held everywhere.'[286]

Amidst this euphoria, there have been suggestions that not all public protests are concerned with matters of public interests. Some people question the 'genuineness' or 'purity' of the motives behind popular mobilisation. In the past, the security forces of the New Order were usually quick to label public protest as 'influenced by foreign elements' or 'communist tactics' (Hadiz, 1997). Early into the post-1998 period, in the wake of one of the harshest economic crises, the dismissal of public protests, in addition to the old conspiracy scenario, followed a financial logic. Small pecuniary rewards would be enough to hire crowds to stage public protests on behalf of some puppet master. Despite several reports on such cases,[287] suggestions about hired crowds and engineered protests seem to represent more of the ongoing distrust in popular politics among elites than the true extent of people's financial desperation. As we will see in the course of this chapter, public protests require a high degree of coordination and persistent commitment that cannot be expected from hired crowds.

The working population has had a long history of protest in Indonesia even under the dictatorship of both the Sukarno and Suharto regimes. In particular, they

[286] 'Unjuk Rasa, Perlu Tempat atau Perlu Didengar?' [Demonstrations, in Need of Space or of Response?], *Kompas* 15 March 2000.
[287] For example, 'Upah Demo Telat, Mobil Dirusak' [Demonstration Fee Late, Cars Damaged], *Warta Kota* 4 Oktober 2000.

learned about organising strikes that took place in factory premises, but taking their protests to the streets required a new level of militancy, primarily because such a form of action was strictly forbidden especially under Suharto. A public protest always risked a swift and crushing response from the security forces and therefore needed extremely careful consideration. There were indeed a number of high profile street protests by workers such as those in Medan in April 1994 and the protest of PT Gadjah Tunggal workers in Tangerang in 1991, both of which ended in the major persecution of the ring leaders.

In contrast to this previous trend, in the wake of the reform movement of 1998 public protests by workers have become a common sight with increasing intensity and frequency. To illustrate this point, in the period between 1989 and 1994, Kammen (1997) recorded 2,263 incidents of labour strikes nationwide, while between 1999 and 2004 the Tangerang police noted 2,759 work stoppages in the Tangerang region alone. While the combination of economic hardship and the popularity of public protests as described above definitely paved the way for this, later on it was almost certainly facilitated by the state recognition of industrial actions as workers' basic rights, which is enshrined in the Manpower Law of 2003. Strike organisers are required only to notify, not to ask permission from, employers and the local Manpower Office (articles 138 and 142). There is no need for trade unions to ballot their members on a strike plan; one does not even have to be representing a union to call for a strike. Moreover, the law prohibits employers from replacing striking workers and from penalising them in any way as long as the strike is lawful (article 144). In the case of statutory demands, employers are not allowed to withdraw payment from striking workers (article 145).

As far as data about labour protests is concerned, the analysis in this chapter is based on protests that took place in the first six years after the demise of the

authoritarian regime (1999-2004). This period of transition reveals changes in social and political relations and therefore gives us an insight into how power struggles may evolve. The paucity of resources and the limited time available for fieldwork combined to prevent the collection of exhaustive information on all the protests. However, it is possible to paint a broad picture of the phenomenon. The description here relies mostly on newspaper reports, and where these are not available, on other sources such as local police records and NGO reports. The combination of these sources provides information about 699 incidents of labour protest, mostly complete with details such as the identity of the organiser, the estimated number of participants, the venues, the demands, the forms of action, and the response from authorities.[288]

Table 7.2. The Geographical Distribution of Labour Protests[289]

Regions	1999	2000	2001	2002	2003	2004
Medan	13	159	n.a.	27	36	54
Tangerang	43	n.a.	59	25	5	8
Semarang	8	105	104	31	10	12

The forms of protest vary from a quiet work stoppage followed by sit-ins within the walls of factory premises to noisy marches through the streets and lengthy occupation of government buildings. In many cases, the struggle starts with unanswered demands or failed negotiations; a *demonstrasi* then ensues either in the factory compound or in public spaces such as the streets, urban landmarks or government buildings. It is not very clear if there is a pattern in the choice of 'going public' as opposed to keeping it a 'domestic', that is a company, affair. In fact, work stoppages, regardless of the venues, tend to involve government officials from the local Manpower

[288] The newspaper titles researched to compile this information are listed in the References. Where appropriate, as illustrations, specific headlines and the dates they appear in the newspapers are quoted in the course of this chapter.

[289] This table does not represent the actual distribution because of the nature of data collection as described above.

Office who try to broker a deal or the police who prevent the strike from getting out of hand or from spilling over into the streets; in other words, such actions are never completely 'domestic'. In addition, the fact that they are reported in the media adds to the public character of the events. While strikes in the factory compound have long been a popular form of labour collective action, strike organisers now face fewer obstacles and have more incentives to bring the crowds onto the streets, into government buildings, or to any other public venues.

Table 7.3. Venues of Protest[290]

Venues	Medan	Tangerang	Semarang
Local Parliament (DPRD)	77	16	116
Local Manpower Office	72	41	15
Governor/Mayor/District Head Office	10	8	15
Factory/Shop/Company Office	109	63	91
Street	0	8	11
Police Station	9	2	10
Others	9	2	12
Total	286	140	270

Main streets in industrial areas such as Jalan Raya Mauk in Tangerang, Jalan Raya Ungaran in Semarang, and Jalan SM Raja in Medan are not particularly spacious, being only three or four lanes wide and some of them cope with two way traffic without any physical separation in the middle. Street vendors and market stalls line up on the sides of these streets and nestle between shops and factories. In particularly busy stretches of these streets where the pavement is already occupied and where there is stiff competition for space, many vendors actually set up their stalls literally on the tarmac,

[290] In case of multiple targets in one protest, the venues identified here are the last one, assuming workers visited the main target at the end of the protest.

pushing the traffic out to the middle of the road. Jalan Raya Ungaran carries the main traffic from Semarang to the Javanese cultural capitals, Jogjakarta and Solo, while Jalan Raya Mauk is one of only two main thoroughfares which connect Tangerang city and Tangerang district. Jalan SM Raja is the main road for the transportation of people and goods between Medan and Lubuk Pakam, the capital of Deli Serdang district. Small wonder that most of the time these streets are congested with vehicles of all sorts, from motorbikes to public minivans to container trucks, all jostling for space.

A typical street protest always involves processions through these major streets with banners, flags, and sometimes loud music from a portable sound system mounted on a vehicle. The sound system is used mainly for delivering speeches, slogans against employers or the state, and for the singing of popular songs whose lyrics have been modified with labour themes. Although anyone is welcome to give a speech, for most of the time trade union leaders grab the microphone. The speeches are about the plight of workers and their demands which are also written on the banners. At times, striking workers stage some kind of artistic performance in the middle of the road in the form of a role-play with the characters dressed up in extravagant attire and colours, or by carrying figurines with particular symbolism. The symbolism of a dead person in Islamic rituals seems to be quite popular in such street theatres. This usually involves the effigy of a dead person shrouded in a white cloth and a makeshift coffin known in Indonesian as *keranda*.[291] The whole symbolism signifies two things. Firstly, it portrays the death of conscience to the plight of workers, the death of justice, or the death of workers whose meagre incomes keep them in perilous existence.[292] This is sometimes

[291] A corpse wrapped in white cloth is called *pocongan* in Indonesian. See for example 'Buruh Semarang Tolak SK Gubernur' [Semarang Workers Reject Governor's Decision], *Meteor* 31 December 2004.
[292] Workers grouped under GERBANG in Semarang held a street demonstration in which they paraded a figurine of a dead person with a sign that reads 'Lihat Betapa Tragis Nasibku Karena UMK Rendah' [Look How Tragic My Fate is Because of Low Wages], *Kompas* 17 November 2006.

accompanied by a description of workers as individuals shackled and weighed down by the iron fetters of subordination and unmet daily needs. Secondly, workers liken their marginalised status to that of a corpse, a waste, something that can be disposed of without much difficulty once it has passed its useful life. State officials and employers are the main targets of such symbolic displays; they are the perpetrators of these cruelties, who prey on the vulnerabilities of workers. In addition, the public nature of the performances invites members of the public to participate in their interpretation of the world around them and to sympathise with their plight.

Workers march on foot or drive in noisy hordes of motorbikes and trucks. When numbers are large, it is inevitable that they block the streets, forcing the traffic to a halt and to the sides while they move very slowly to their final destination. The organisers may attempt to show some restraint by confining the crowds to the slow lane, but these crowds soon move to the middle of the road when the number swells or the road narrows. In truth, blocking the road is not just a consequence of the presence of large numbers in a confined space. This strategy is intended to create a maximum disruption to the already busy streets and premises. In effect, this makes the protesting crowd look big and significant. It engages people who happen to be around, creating as much noise as possible and a commotion worthy of a headline in local or preferably national newspapers, and eventually drawing people's attention to the cause although not always with a desired result of empathy.[293] Toll roads, which are properly fenced and supposed to be free from any disruption, are not exempt. Between May and June 1999, workers in Tangerang held a sit-in on toll roads on three separate occasions causing massive traffic

[293] In Jalan Raya Ungaran, a strike outside PT Ungaran Sari Garment that had lasted for three days angered public van drivers and almost broke into an open clash between them and the striking workers. See 'Puluhan Awak Angkot Halau Pengunjuk Rasa yang Tutup Jalan' [Tens of Public Van Crew Chase Away Striking Workers Who Block Street], *Wawasan* 3 January 2000.

jams.[294] More immediately though, the whole chaotic appearance of a street march presents to the protesting workers an opportunity to bargain with the police who may want to prevent them from reaching their final destination. In these circumstances there is little that the police can do even if this street blockade is not included in the protest notification, and therefore unlawful. A riotous crowd in a densely populated area with a lot of businesses and properties requires careful measures in crowd control. Moreover commercial districts in cities like Jakarta and Medan still carry a vivid memory of the devastating May 1998 riots in the shape of charred remains of shops and offices, which are left untouched to this day, and the heavy security features which were subsequently set up in the rebuilt sections (Kusno, 2003; Hutabarat Lo, 2010).

Most street marches eventually lead to a final destination which is usually a landmark in the city centre. This can be a symbol of the state such as the local parliament, the governor's palace, or the local Manpower Office, or a public place such as the city square, parks or monuments. Typical urban designs in Indonesian cities put government offices in one big compound, often in one corner of the city square. This physical arrangement allows protesters to cover different landmarks quite easily in one round. Once they arrive, the protesting crowds try to get into the compound in great numbers. This is the moment when they sometimes clash with the police who somehow regard the courtyard of government buildings as restricted and only permit a small number of delegates to enter. Either from outside the gates or inside, they demand that legislators or government officials come out to meet them so that they can present their petitions. In the meantime, the leaders of the protest deliver speeches and lead the

[294] See 'Buruh PT Mayora Unjuk Rasa di Jalan Tol Merak' [Workers of PT Mayora Stage a Demonstration on Merak Toll Road], *Republika* 26 May 1999, 'Demo Ratusan Buruh Mayora Tutup Tol' [Demonstration by Mayora Workers Block Toll Road], *Republika* 2 June 1999, 'Lagi, Buruh Unjuk Rasa di Jalan Tol' [Again, Labour Demonstration on Toll Road], *Kompas* 4 June 1999.

singing and chanting. In most cases, such a protest ends in the late afternoon or soon after their demands are read and handed over to government officials.

Such is the common practice, but innovations do occur. Sit-ins and occupations of government buildings for more than a day have taken place several times. These are conducted to put pressure on government officials to broker a settlement on the protesters' behalf with employers. The occupation goes on until such a settlement is reached or until protesters are forcefully evicted. While staying for two to three days is quite common, Medan saw two particularly long occupations of the North Sumatera parliament building, both in 2004. From early in December the previous year to January 2004, the workers of PT Baja Utama Wirasa Inti occupied the parking space of the parliament building for 40 days.[295] Later that year between August and September the workers of PT Shamrock lived in the same place for 25 days.[296] This mode of action requires a particularly high level of coordination, militancy and complicated logistical arrangements. Protesters often take turns in staying in the compound in groups big enough to maintain the appearance of a massive crowd and to resist any attempt to evict them by the police or hired thugs.

Street protests are not cheap to organise even if it is only for a day. To illustrate, the SPN enterprise unit of PT SAI Apparel in Semarang city spent roughly about Rp 12 million (US$ 1,200) for a day of protest that involved around 3,000 people.[297] Most of the money went into transport as they had to rent trucks. Therefore, protracted protests present serious financial challenges both for the unions and individual workers as

[295] 'Dialog Bahas Masalah Buruh PT BUWI Ditunda' [Dialogue to Settle Dispute at PT BUWI Postponed], *Waspada* 17 January 2004.
[296] 'Walau Diguyur Hujan, Ratusan Buruh Shamrock Tetap Aksi' [Despite Rain, Hundreds of Shamrock Workers Stage Protest], *Harian Portibi* 3 September 2004.
[297] Interview with Bariyadi, the chairman of SPN enterprise unit of PT SAI Apparel, 29 June 2009.

companies refuse to pay them even after only a few days of absence.[298] The organisers have to provide food for them and this is particularly challenging when the number is large. In the case of the occupation by workers of PT Baja Utama Wirasa Inti, 138 workers needed at least 50 kilograms of rice every day. As we learned in Chapter Five, trade unions in Indonesia are basically in financial difficulties; strike funds that would provide a lifeline in such situations are simply out of question. The alternatives are few. They include personal savings of the protesting workers, and these do not last long as they struggle to make ends meet even when they still receive wages. Another possibility is to rely on financial donations from NGOs, non-striking workers, and from members of the public who pass by the street in front of the parliament building as was the case with the PT Baja Utama Wirasa Inti protest. Striking workers also have to make special household arrangements and often mobilise familial networks so as to be able to participate in an extended protest. Saptari (2008) underlines this point in her investigation of the PT Mayora strike in Tangerang in 1999.

In occupying local parliament buildings, protesters invoke the notion of *rumah rakyat* or the house of the people, which has received a new emphasis after more than three decades of rubber stamp parliament under the New Order regime. In 1999, as the speaker of the new parliament (DPR) that resulted from the first free multi-party elections after Suharto's rein, Akbar Tanjung delivered a speech which was loaded with *Reformasi* jargon, 'We need to build this institution as a strong house and to make the DPR the house of the people'.[299] After all, the parliament is called *Dewan Perwakilan Rakyat* or literally the Council of People's Representatives. In a way protesters merely claim their rights to be there and in doing so demand recognition of their plight and

[298] Although the Manpower Law obliges employers to pay lawfully striking workers, staying away from work for such long periods of time is simply beyond the limits of being lawful.
[299] 'Ketua DPR Akbar Tanjung Berniat Jadikan DPR sebagai Rumah Rakyat' [Speaker Determined to Make DPR House of the People], *Suara Merdeka* 7 October 1999.

voices. The same justification is used when they occupy government buildings, especially the Manpower Office. Protesters conduct their daily domestic business as if it was their own home, only now in full view of the public. They use the toilet facilities in the occupied building to wash and do their laundry. They set up a public kitchen in the garden where they cook with open fires. In June 1999 Female workers of PT Mayora went as far as draping their underwear to dry across the fence of the office yard of the Ministry of Manpower.[300]

Apart from claiming the people's space, the act of turning the performance of domestic chores into a public display is meant to ridicule the authorities who often hide behind the façade of cleanliness and orderliness as displayed in their meticulous attention to the physical appearance of government buildings. Across the country, district heads, mayors, and governors seem to be engaged in a competition to build offices that resemble a palace with high fences and well kept gardens sometimes in outlandish styles, all in the name of appearing 'representative' of the authority that they have.[301] Workers' protests thus seriously undermine this carefully presented image, turning it inside out, revealing the reality behind the façade. Government officials do not always take this act of humiliation with equanimity though. In September and October 2001 the workers of PT Fajar Sun Master that produced household appliances in Tangerang occupied the front yard and the façade of the Ministry of Manpower in Jakarta. After more than two weeks, the Minister himself was irritated, snapped at the

[300] 'Depnaker tak Akan Blokade GERBANGnya' [Ministry of Manpower Will Never Blockade Its Gates], *Pikiran Rakyat* 9 June 1999. This incident is also reported by Saptari (2008) in her account of the strike.

[301] For example, in July 2009 the newly elected governor of Central Java built a gateway (*gapura*) that marks the entrance into the compound of the provincial administration in Balinese style with an estimated cost of Rp 1.2 billion.'Diprotes, Gapura Gubernuran Bernuansa Bali' [Objected, Gateway to Governor's Compound in Balinese Style], *Suara Merdeka* 22 July 2009.

protesting workers, and demanded they leave the compound after he complained about the banners which were hung in every corner of the compound.[302]

The occupation of the parliament can be traced back to the act of students in Jakarta who occupied the national parliament building for almost a week in May 1998 in the heat of the reform movement. The image of students sleeping, eating, playing and ransacking the previously untouched premises was broadcast across the country. Indeed, Suharto's resignation on 21 May 1998 broadcast on national television was followed by scenes of jubilation of students in the parliament, as if to confirm that the occupation resulted in the overthrow of the strongman (Parry, 2005: 163).

A comparatively recent innovation has seen workers conduct what they call 'sweeping'. This word is used in the original English form to mean literally *menyapu* (to clean by sweeping) while referring to acts of picketing factories which are located along the streets where the protest is taking place.

> Hundreds of people on motorbikes on Wednesday (3/5) morning until noon arrived at and conducted 'sweeping' on around 100 factories in Tangerang city and district to demand the factories let their workers leave work….Some of the protesters…banged on the factory gates, terrorised companies by picketing them in large numbers while making loud noise with their motorbike horns and modified exhaust pipes, and forced their way into the factories.[303]

With the protesting crowds in the background, a number of activists try to enter the factory, to stop production, and to demand that other workers join their protest. Trade unionists also use this occasion and method to warn employers who allegedly mistreat their workers.[304] Intimidation by the sheer presence of very large numbers plays an

[302] 'Jacob Bentak-Bentak Buruh' [Jacob Snap at Workers], *Sinar Pagi* 9 October 2001.
[303] 'Pabrik-Pabrik Di-Sweeping, Kerugian Diperkirakan Miliaran Rupiah' [Factories Swept, Costs Estimated at Billions of Rupiah], *Kompas* 4 May 2006.
[304] For example, ABDES targeted PT Smart Glove whom it claimed to have fired 112 workers unlawfully. See 'Demo Buruh Minta Libur di Deli Serdang' [Labour Strike Demands Holiday in Deli Serdang], *Kompas* 28 April 2008.

instrumental role here. They threaten to damage company properties and to harm the security and the managerial staff. This is not an empty threat because in the commotion outside factory gates, the situation can easily flare up especially if the factory management fights back.[305] The presence of security forces does not always stop the protesters from carrying out their threat. 'Sweeping' is more likely when the number of protesters is large enough to discourage the security apparatus from intervening. If they are overwhelmingly outnumbered and outmuscled by the workers, it seems that security forces prefer to stand back or to arrive late on the scene. This happened at the 'sweeping' of many factories in Tangerang on 3 May 2006 described above; the police showed up late in the day only to receive complaints from the affected companies about the 'sweeping'.

Among different trade unions, 'sweeping' as a strategy of collective action is not equally well received. Newspaper files named JABSU in Medan and KBC in Tangerang for having conducted 'sweeping' at least once. As for other trade unions, the reluctance to adopt this mode of collective action arises primarily from its association with violence whereas most trade unions want to be associated rather with the so-called *aksi damai* or peaceful protest. In fact, 'sweeping' does involve threats of violence, that is threats of attack on property or on persons, but rarely manifests itself in real violent acts either because they are prevented from doing so by security forces or the factory under threat yields to their demand of letting its workers out. Still, some trade unions view it as unacceptable because it coerces people to join strikes or protests and therefore disregards their wishes. Some others call it too radical and associate such a strategy with communist tactics. These unions accuse their 'sweeping' counterparts of being infiltrated by non-labour interests; in the story quoted above, a number of unions even

[305] '10 Ribu Buruh Mogok, 90 Industri Lumpuh' [10 Thousands Workers Strike, 90 Industries Crippled], *Harian Global* 18 January 2008.

suggested that the 'sweeping' was actually conducted by hired crowds.[306] Those who do engage in 'sweeping' justify the strategy as a way of underlining the urgency of the issue and of liberating other workers who actually want to join them but do not for the fear of employers' oppression.

'Sweeping' is not the only violent form of collective action. The newspaper clipping collection records 15 other incidents of violence by protesting workers. They include the damaging and burning of vehicles, throwing stones at properties belonging to companies, clashes with security apparatuses, and on rare occasions attacks on persons. In all instances however, the violence was contained within the premises where it all began and none escalated into widespread violence or riots. In fact, although sometimes they can be unruly and chaotic, industrial protests have been largely peaceful. This is a remarkable phenomenon at a time when conflict and violence seem to have defined the post-1998 political landscape in many parts of Indonesia. In a government survey of more than 69,000 villages and urban neighbourhoods across the country in 2002, seven per cent of the regions in the survey reported local conflict (Barron et al., 2004: 3). A study of collective violence that covers the period between 1990 and 2003 reports 3,608 incidents of violence which resulted in 10,758 deaths (Varshney et al., 2004). The latter study notes that the category of economic conflict, which is defined as conflicts over lands, industrial relations and natural resources, accounts for 12.3 per cent (444) of all incidents and only 0.7 per cent (78) of all deaths.[307]

By providing a space for protest, freedom of expression has certainly helped defuse the anger and frustration of workers, which otherwise might well manifest

[306] 'Ajak Berdemonstrasi, *Sweeping* Buruh Kembali Terjadi' [Inviting for Demonstration, Sweeping by Workers Happens Again], *Rakyat Merdeka* 4 May 2006.
[307] Ethno-communal conflicts are not significantly more frequent but much more deadly with 9,612 deaths.

themselves in acts of aggression when opportunities occur. On top of this, the explanation of the low level of violence in labour protests rests with the nature of the interactions between the different actors involved in industrial relations and with the underlying aim of the protests with regard to the state in general. This brings us to the next analytical question about actors and their linkages and later to the political significance of the phenomenon.

2. Actors and Their Interactions

Our discussion of the forms of collective action and their cultural formation has already indicated the involvement of various different actors and the linkages between them. Indeed, labour conflicts are a function of continuing interactions between different groups of people. Previous chapters have pointed out that the actors involved are not limited to the usual tripartite actors of workers, employers and government. Local strongmen and public figures, NGOs, mafia-like organisations, students and security forces also play their roles in helping shape labour politics in Indonesia. The complexities of their interactions evolve around and can be explained in terms of the traditional opposition between labour and capital. This opposition, however, should not be understood as a static interplay between two unchanged unitary interest groups. As the parties involved receive and lose support, the interactions between them change accordingly, and vice versa. The thin-data character of the protest database does not allow us to understand these dynamic interactions, so instead it is proposed here to look into one particular case of prolonged labour protest so as to highlight the twists and turns in the relationships between different actors.[308]

[308] The discussion in social movement theories about the merits and disadvantages of large-N but thin database as opposed to detailed case studies is sometimes called the 'event-count' versus the 'event-ful' (Tarrow, 2008).

The workers of PT Shamrock Manufacturing Corpora (henceforth SMC) in Medan embarked on a lengthy protest from early August to December 2004.[309] The company was part of a multinational enterprise that was based in Houston, Texas, and produced rubber gloves for medical use.[310] This protest deserves a close examination because in its long process it brought out various actors, individuals and groups to the surface, those who otherwise would have some influence and would play certain roles but remained in the background in most labour protests. These actors represent both the residual forces of the repressive regime and the opportunities and threats of the new labour relations. For the purpose of analysis, the protest can be divided in three stages based on the increasing complexity of interactions between the actors. At the first stage the conflict unravelled predictably as an opposition between labour and capital, with the state as a possible mediator. Afterwards some complications occurred within the labour camp and several actors outside the traditional labour-capital opposition were drawn into it. The final stage pointed to the outcomes which were determined by the ongoing interactions between different individuals and groups of people.

The protest first started as an opposition against the dismissal of 14 workers who had tried to form a union (SBMI) to rival the existing SPSI. This dismissal was the last in a series of what the KPS called in its report 'arbitrary dismissals' for unlawful reasons which began in 2003.[311] On top of this, there had been cases of late payment, under-payment, and bad working conditions since January 2003. A three-day strike was

[309] The information about this event is compiled from newspaper reports and a chronology prepared by the labour division of *Kelompok Pelita Sejahtera* (KPS) that was involved in the advocacy of workers from the beginning. The KPS was also the same NGO that facilitated the establishment of the SBMI, the trade union that was implicated in this protest from the very beginning. This close connection therefore lends the KPS chronology some credibility, even if only from the perspective of the SBMI.
[310] For a brief profile of the company see http://www.globe-shamrock.com (accessed on 13 October 2009).
[311] These include dismissals that targeted workers who had been involved in workers mobilisation, strikes, and campaigns for freedom to organise, but almost all were framed as being for efficiency reasons.

organised in March 2004 which had a successful outcome, but it was soon followed by a new round of dismissals that targeted those who had actively organised the strike. All these concerns found their way to the list of demands which consisted of 12 different items and were presented to the management on 9 August 2004 in a fresh strike. This major strike mobilised around 700 out of the total 1,700 workers in the company and took the form of a public protest outside the factory gates in Namorambe, Deli Serdang. Once it was clear for them that the management had no intention of listening to their grievances, the workers boarded trucks and motorbikes to go to the provincial parliament which was located some 30 kilometres away in Medan city centre. They sought the help of the provincial MPs to mediate with the company.

The MPs in the Commission Five that handled social welfare affairs promised to facilitate negotiations and to put pressure on the company. This is a standard response of legislators and they do not always succeed in forcing employers to come for negotiation. Existing labour legislation does not actually stipulate a function for legislators in dealing with industrial disputes. As far as workers are concerned, their role, if at all, is to put pressure and to campaign on the workers' behalf by virtue of their high profile position. The governor, the mayor and the district head, on the other hand, do have power and the Manpower Office is under their control. In this instance, however, workers were never happy with the way the Manpower Office handled the dispute. The reason why they chose to go first of all to the provincial parliament, was their lack of trust in the Manpower institution.

As previously mentioned, the striking workers were associated with the new union SBMI. Its foundation was a direct challenge to the pre-existing SPSI which was deemed unresponsive to workers' concerns. Apparently the former state-sanctioned union was not popular among workers for its authoritarian and pro-management legacy

and particularly because it was reportedly complicit in the unlawful dismissals.[312] Initially there was no explicit and direct reaction from the SPSI. In fact, the leader of the protest, Yusuf, was himself a former chairman of the SPSI plant-level unit in the company. The reaction came instead from the management who moved him to a subsidiary of the company, the rubber plantation company PT Darsum in Langkat district; this move surely helped to fuel the protest. Throughout the strike, a 12-strong committee called Team 12 acted as the representatives of striking workers; this committee attended negotiations with employers and government officials. Decisions on the course of action for the duration of the strike were taken mostly in the team.

The SBMI managed to draw support from around 500 to 700 workers at the start of the protest, which means that there were around 1,000 other workers who did not participate, at least directly, in the strife. In more than one occasion, the SBMI at PT SMC organised a joint rally with workers from several other companies, notably with those from PT Medan Tropical Canning (MTC) who were struggling for the same recognition of SBMI in their company.[313] For the first week of the strike, all seemed to follow the labour-versus-capital scenario.

Apparently it took the SPSI almost ten days from the start of the strike to organise a rival protest (*aksi tandingan*), and this brings us to the second stage. On 18 August around 200 people under the SPSI banner confronted the SBMI workers who had been blocking the company gates by setting up tents and temporary shelters. They demanded access to the company and an end to the strike. Physical skirmishes ensued but these were prevented from turning into full-scale brawls by the police who

[312] On the second day of protest (10 August 2004) the KPS chronology reported Hariman, the secretary of the SPSI unit in the company, together with a personnel manager, internal security guards, and members of the Air Force soldier unit stood guard trying to prevent workers from entering the factory compound.
[313] The workers of PT MTC had similar demands regarding unlawful dismissal and freedom of organisation. See 'Massa SBMI Minta Perlindungan DPRD SU' [SBMI Asks for Protection from North Sumatra Parliament], *Sumut Pos* 5 August 2004.

intervened and separated the two groups. The division among workers deepened when on 4 September around 150 SPSI workers went to the Medan Metro police headquarters, demanding protection so that they could resume work. They adopted their rival's strategies of organising rallies and staying overnight in the police headquarters.

In negotiations on 7 September that were facilitated by the Medan police and the local Manpower Office, the management attempted to unsettle the striking workers by dividing them into three categories that carried different consequences: the provocateurs (*provokator*) who would be immediately dismissed, the active participants (*kelompok ikut-ikutan*), and those who were caught up in the protest (*kelompok yang tidak tahu sama sekali*).[314] This, however, failed to break the protesting workers but did send a message about what was to come. The next day, 8 September, the SPSI workers and the police on one side clashed with the SBMI workers outside the factory gates resulting in 130 arrests, all of them from the SBMI, and several were wounded.[315] This marked the lowest point in the interactions between the two groups of workers.

The involvement of state security apparatuses followed a pattern that showed both the legacy of heavy-handedness and a new direction to civic policing. Already on the first day of strike, to help maintain security the management drafted in the help of a group of the Air Force special unit that was based nearby.[316] Military involvement in labour disputes was the norm under the New Order but this has become increasingly marginal since the recognition of labour rights in 1999. Attesting this development, this military unit was visible only in the first two days of the strike and then disappeared from the newspaper clippings and the KPS report altogether. Most of the task of

[314] See 'Wakapolda Ultimatum Pekerja PT Shamrock Agar Tidak Menghalang-halangi Karyawan Bekerja' [North Sumatra Deputy Police Chief Warns PT Shamrock Workers Not to Prevent Other Workers from Working], *Suara Indonesia Baru* 8 September 2004.
[315] All but one were released the next day, charged with public disorder violation.
[316] The *Pasukan Khas TNI AU* or the Special Unit of the Indonesian Air Force.

security then fell on police, whose presence was noted throughout the protest, albeit in exercising different functions. At first, they guarded the factory compound and the parliament building during protests, kept watch, directed the traffic as workers marched, and even facilitated negotiations along with the local Manpower Office. When the situation escalated, police actively prevented a clash between two groups of workers and stopped a beating of workers by thugs. It does not mean that the police were dedicated to the protection of the protesting workers. In instances when thugs, whether local or more organised, attacked workers, police were often slow to respond as if they wanted to allow events to take their course up to a certain point before intervening. In fact, the impartiality of the police was put into serious question when they did not act on complaints from the SBMI about the violation of the freedom of association, but instead broke up the strike on 8 September.[317]

Having helped secure a more or less safe environment for protests at the beginning of the strike, the police stepped up their initiative to facilitating negotiations, but then changed their approach to breaking up strikes and arresting labour activists. This change was likely to have been influenced by the approaching 'red dates' that the Medan police chief himself mentioned. In the next few weeks Medan would hold the inauguration of the new provincial legislators (14 September) and the second round of the presidential election (20 September). The police were under pressure to maintain peace and security. They may have thought of ending the strike sooner than later, but it turned out that this did not stop workers from continuing the protest, and interestingly the police then largely returned to their guarding and mediating functions.[318] Under the

[317] The breaking-up of the strike by the police followed the refusal of the strikers to allow other workers to enter the factory.
[318] According to the KPS report at this stage the police made another arrest, an activist named Ahmadsyah on 4 October.

previous authoritarian regime, such a level of tolerance by security forces was unimaginable.

In relation to security issues, on the second day of the strike, the KPS report mentioned the appearance of a local thug (*preman*) named Putra who tried to provoke the workers congregating outside the factory gates, but to no avail. Provocation usually implies actions which incite violent responses from the protesting crowd, so that there is a justification to break the strike. As has been described in this dissertation from the outset, employers have had to turn to non-state actors for security and for breaking strikes as the military retreated. On the front line were the internal security guards (*satpam*), but while their actions were limited to the area around the factory, other types of security actors played a wider and more crucial role. Their involvement takes varied forms from surveillance, provocation, and kidnapping of labour activists, to open and violent break-ups of opponents. In the PT SMC protest, both the newspaper and the KPS reports identified at least eight separate occasions in which thugs played some role. Individual thugs started with intimidation and provocation, but when these strategies did not succeed, thugs in groups began to beat up workers and to attack their protest camps, sometimes under the eyes of the police, suggesting their complicity. None of them was arrested although various newspapers clearly named their involvement in violent actions. Some of the thugs were identified by their individual names such as Putra and Waktu, who were labelled as local thugs. The KPS report at one point described a group of 'six muscular men' who identified themselves as 'members of the White House'. The 'White House' in Medan is widely known as the headquarters of the infamous *Ikatan Pemuda Karya*, perhaps the most powerful youth organisation in the area.[319]

[319] See Chapter Four for a profile of this organisation.

Another interesting player in these episodes of protest was a collective actor often referred to by newspapers simply as the 'locals' (*masyarakat* or *penduduk setempat*). Chapter Four has elaborated the competition for space between companies and housing estates in industrial areas, and Namorambe is no exception. The length and intensity of the conflict unfolded in full view of the locals and inevitably implicated them in one way or another. It could be because their family members worked in the factory, or because their houses were rented by migrant workers, or because their daily routines were disrupted. At the first stage of the protest the KPS report suggested that the locals had helped the strikers maintain peace in the neighbourhood and supported their cause. Interestingly, on 23 August three local figures who claimed to represent the local population, presented a protest note to the strikers. The *dusun* IV[320] chief Cipta Purba, the youth leader Adi Barus, and the local dignitary Awi complained that the ongoing protest had inflicted serious economic loss on the company and the local population. They demanded the strikers end their actions immediately, and in the words of the youth leader, 'This is our territory. Do not even try to create a non-conducive situation.'[321] This veiled threat and the identity of the source (a youth leader) somehow coincided with the ongoing threats of violence from local thugs, and this episode suggested coordinated action between them.

On the other hand, a week later on 3 September, a group of locals went public with their support for the strikers when they themselves took to the streets in front of the factory. They asked the management to grant the workers' demands as soon as possible and were concerned that they were being pitted against workers. 'The employer has hired thugs from outside who claimed to beat workers on our behalf,' as an unidentified

[320] A *dusun* is a unit in a village, equivalent to a neighbourhood (RT/RW) in the city.
[321] 'Warga Namorambe Tuntut Pekerja Tidak Ganggu PT Shamrock' [Namorambe Locals Demand Workers not Disrupt PT Shamrock], *Waspada* 24 August 2004.

local was quoted.[322] During the demonstration, they even helped workers block a company truck that tried to enter the factory compound and forced the management to release a statement saying that the matter would be resolved in a week's time. The locals also showed their support by allowing the strikers to use a mosque in the neighbourhood as a shelter whenever they felt uncertain about the security of picketing outside the factory gates.[323] However, when the violent break-up of the strike on 8 September happened, there was no report of local support for the strikers, possibly because of the presence of the police in their hundreds. Instead, the local figures named above threw their weight behind the police effort, encouraging them to arrest the mastermind behind the strike.[324] Thus, at the height of the conflict the locals were divided and from what appears, it was along the line of the elite versus the masses, where the former was courted by the management and police, while the latter were more sympathetic towards the strikers. Nevertheless, as the protest dragged on, even those who supported the strikers could not do it indefinitely, and the support eventually dwindled as was acknowledged by workers themselves in the KPS chronology.

The forceful break-up of the picketing workers on 8 September apparently paved the way for the involvement of other groups of people, namely students and NGOs. It should be noted first that the SBMI had been backed up by the KPS and the BAKUMSU, two prominent NGOs in Medan from the outset. The KPS provided expertise and training of activists while the BAKUMSU was a group of lawyers who helped especially when arrests took place. The violence of the strike stoppage and the extensive news coverage that followed triggered sympathetic responses from different

[322] 'Merasa Diadudomba dengan Buruh, Masyarakat Demo PT Shamrock' [Pitted against Workers, Locals Protest against PT Shamrock], *Warta Kita* 4 September 2004.
[323] The KPS report identified this mosque as Al-Azizya Hakim Mosque which was more or less 300 metres away from the factory.
[324] 'PT Shamrock Beroperasi Lagi' [PT Shamrock Operate Again], *Berita Sore* 10 September 2004.

sections of society. The KPS chronology reported a group of students visiting the strikers' temporary home base in the Merdeka Square on 10 September to express their support and to plan a joint rally. On 14 September, on the occasion of the inauguration of the new North Sumatra legislators, trade unions, students and NGOs organised a massive demonstration condemning the violent attack on workers and demanding the support of the new legislators.[325] This alliance called itself the Solidarity against Violence by Thugs and Security Apparatus (*Solidaritas Anti-Kekerasan Preman dan Aparat*) and consisted of students from two organisations, KPS, BAKUMSU, PT SMC workers, and PT MTC workers. They repeated the action on the next day outside PT SMC headquarters in Medan city centre. Since then, students in particular had been visible in the subsequent rallies and demonstrations.

Not all NGOs however jumped on the same bandwagon. The same 8 September incident triggered a different reaction from a number of NGOs. The Consortium of North Sumatra Justice Society, which was an umbrella organisation for five NGOs, regretted the violence but blamed it on certain elements who had claimed to have represented trade unions and NGOs, a reference to the SBMI and its NGO supporters.[326] Similarly, the Green Sumatra Foundation, the Alliance of Women for Anti-Violence and the union GASBIINDO pointed their finger at the same group of people who, according to them, masterminded the protest and provoked the clash for their own benefits. Interestingly, all of them frame their condemnation in 'investment climate' jargon, arguing that the clash would scare investors away from North Sumatra, at a time

[325] 'Usai Dilantik Anggota DPRD Sumut Dikejar Pengunjuk Rasa' [After Inauguration, New North Sumatra Legislators Chased by Protesters], *Medan Bisnis* 15 September 2004. Most new legislators got away with the protest but tens of them put signed the petition presented by the protesters.
[326] 'Bentrok PT Shamrock Timbulkan Kekhawatiran Investor' [PT Shamrock Clash Worries Investors], *Medan Bisnis* 11 September 2004. 'LSM Minta Aksi Buruh Tidak Ditumpangi' [NGOs Call For End to Manipulation of Labour Protests], *Medan Bisnis* 11 September 2004.

when the region needed them most. While the supporters of the SBMI took to the streets, these organisations expressed their comments only in newspapers.

The third stage is marked by a point when street rallies were no longer prominent and a compromise was finally reached between the opposing parties. Already in mid-October, two months into the strike, the long and arduous struggle began to take its toll as the SBMI could mobilise far fewer people for rallies even with the help of students and NGOs. In an evaluation session at the SBMI secretariat on 12 October, activists identified several possible reasons for the low turnout such as emotional and physical fatigue, financial pressure on individual workers and their families, social pressure from friends and relatives to abandon the struggle, and incentives to resume work at PT SMC. At this point, they also realised that support from the locals had subsided and that their strike coffers were in bad shape.[327] The strikers had now narrowed down their demands from 12 to just three, focusing on the reinstatement of 813 dismissed workers, the recognition of the SBMI, and fair severance payments for those who chose to quit their jobs. By now, the dispute had entered the industrial court, and clearly the reformulation of the demands signalled the dwindling confidence of the strikers in themselves and in the likely outcome.

On 3 November the Central Industrial Disputes Court (P4P) ruled in favour of the management. It deemed lawful the dismissal of 749 workers including the 14 people whose discharge triggered the three-month long protest. The management was only obliged to pay a month's worth of severance payment, which was way below the workers' demands, together with the August wage. A month later on 4 December in a meeting with the Commission Five of the local parliament, 237 workers accepted the settlement as ruled by the P4P, 60 workers rejected the ruling, and the rest did not

[327] The KPS report noted that workers' recent fundraising attempts only collected very little money compared to the previous efforts.

respond to the invitation. Commission Five promised to approach the management of PT SMC on behalf of workers to ask if it would still reemploy those who were willing to go back to work. According to the workers' lawyer from KPS, Gindo Nadapdap, at the end of this dispute all the dismissed workers accepted the decision and took the meagre severance pay.[328]

The three-month long protest reveals various sides to labour collective actions in the post-1998 political landscape. There was clearly a rivalry between trade unions or groups of workers and each had the capacity to mobilise their networks of support and to bring them into the struggle. As they made and reacted to each other's claims, divisions widened and drew more parties into the conflict. The management or the employers as a whole did not seem very active in the entire process. They repeatedly refused invitations from the local parliament to enter negotiations or only sent non-authoritative managerial staff, and yet their interests were well looked after. Their interests were effectively served, albeit indirectly and sometimes unintentionally, by the combination of the refusal of the SPSI workers to join the strikers, harassment and attacks by thugs, the idleness of the local government officials, and the 'investment climate' discourse of some NGOs. The local parliament was quite responsive but largely still reactive rather than proactive in their initiatives. It is true that legislators did not have the power to force employers to make concessions, but they could have campaigned for workers' welfare and asserted more pressure on the local government to follow up on the alleged violation of the freedom to organise in the first place.

On the other hand, although the SBMI succeeded in extending the protest for months and inflicted enormous costs on the company, the strategy seemed to have been born out of desperation than by design. The strikers failed to frame the protest around

[328] This assertion is based on an email correspondence with Gindo Nadapdap dated 9 January 2010.

the claim arising from the violation of the freedom to organise and subsequently had to focus on dismissals and severance payments, which are more technical in nature. The SBMI was able to mobilise non-labour sections of society, but this was neither broad enough nor strong enough to create a sustained counter campaign. The support from other non-labour groups began only after the violent clash with the police and thugs on 8 September and thus indicates a reactive political involvement. In the end, the workers could not go on indeterminately and had to concede after running out of funds and support, which again pointed to the limited extent of the commitment of the other groups.

Is this basically an example of the political failure of labour? This question brings us to consider the political significance of street protests or rallies. What do demonstrations mean for the people involved in them? What does it say about the nature of the new political constellation in the region?

3. The Political Significance of Protests

Earlier in this chapter we discussed the origins of the *unjuk rasa* or protests in the labour repertoire of contention. The popularity of *unjuk rasa* among industrial workers rests not just on the image of students storming the parliament house in Jakarta but also on the subsequent outcome of protests that workers themselves organised in their towns and cities. This being said, there is actually no way to estimate in numerical terms the success rate of protests with the available data. Outcomes of protests, however, do not consist only in the fulfilment of demands. A considerable array of possibilities often present themselves long before demands are met or even negotiated. In the event of workers staging protests at the local parliament, a positive response from legislators or a promise of a negotiation with employers often suffices to calm workers. Likewise, when

workers condemn the local Manpower Office for not acting on a complaint, the sight of panic and fear that the large crowd instils among government officials makes all the effort worthwhile, even if only temporarily.

In fact, the act of taking to the streets itself bears a symbolic significance that goes far beyond possible material gains. Having been deprived of a collective identity for decades, workers assert their existence by congregating in large numbers then disrupting the traffic or occupying city landmarks.[329] Such actions force authorities to deal with them as a group and to recognise their collective power, while persuading the general public to pay attention to the hardships that they have to endure. In the occupation of government buildings and major streets, workers are able to claim, even if only briefly, ownership of the public space, the city itself, or even one piece of the state; as if they were to say, 'the city is ours'. Such actions constitute a display of political power from an otherwise marginalised group in society, showing what they are capable of doing as human agents and as political forces.

Moreover, the street actions of workers help to reconstitute the space of the street as a legitimate locus of populist political actions. As noted by Kusno (2000), urban streets have been used to convey different political messages in the history of independent Indonesia. Under Sukarno's populist regime (1950-1965), the streets of Jakarta were turned into the stage for various performances of popular politics organised by the regime and attended by the masses, such as rallies, speeches, and events for the Asian Games and the confrontation with Malaysia. Suharto, in contrast, turned the 'revolutionary street into a space of discipline and fear,' (Kusno, 2000: 103) where unlicensed activities were considered to be the embodiment of the forces of

[329] The restoration of labour political rights after 1998 can be seen as the state's recognition of labour collective identity, but it will take a while before labour gains cultural and political significance as a group, as it is evident in the general absence of labour-oriented political parties, which is the subject of the next chapter, and in its lack of popular representation in culture.

criminality upon which the police and military performed their roles. Post-1998 labour strikes and protests have taken part in turning the space of the street into a site of political spectacles again; the difference from Sukarno's days is that the state is not the only actor directing the performances.

The political message that workers intend to send is amplified by enthusiastic media attention to noisy street protests, allowing workers some space on television channels and newspapers, whose access is otherwise limited only to the rich and the famous. Trainee newspaper journalists are sometimes assigned to follow closely certain labour groups to gain activists' trust and to learn the jargon of the street.[330] Indeed, through the media or directly in the streets, workers strive to present a picture of their situation independently of the state and employers. The slogans written on posters and chanted during protests, the theatrical performances staged in the streets, the wording of the interviews given to journalists, all tellingly represent their view of the social universe in which they live. They do not hesitate to criticise the state and other authorities in society, forging a new vocabulary and a new repertoire of actions in the process; by doing so they offer tools for thinking about the state, society or politics in general.[331]

But of course, the ultimate rewards are favourable outcomes in financial terms or in policy changes and these inspire workers to embark on similar strategies in the future. This sometimes arises not so much from the tangible results as from the perceived victories over capital or government interests. Such was the view of the trade union alliance GERBANG in Semarang when they 'escorted' the process of minimum

[330] For example, during the fieldtrip in Tangerang, in February 2008, I met a trainee journalist from the local daily *Satelit News*, who was assigned to follow trade unions grouped under KBC.
[331] Chapter Six has shown how workers framed their grievances around the issue of minimum wage in various ways.

wage bargaining by picketing the local parliament and the local Manpower Office.[332] From 2004 to 2008 the alliance actively campaigned for decent and fair wages in the region, in the knowledge that every penny in the final agreed amount was worth fighting for. In 2005 the alliance credited the increase in the final amount of minimum wages to their persistent campaign,

> …it turned out that after our demonstrations, the mayor of Semarang changed his recommendation from Rp 558,000 to Rp 580,000 and the Governor officially made it Rp 586,000 (23.73 per cent). Although this increase has yet to fulfil our demand for decent living standards, the new minimum wage is the maximum the local administration can do…This is a struggle and we should be grateful with the increase because had it not been for our struggle, the changes would not have happened.[333]

High profile cases of aborted government policies such as the Ministerial Decree No 78/2001 and the amendment to the Manpower Law in 2006 usually followed sustained and massive demonstrations or street rallies. This sends a strong message to trade unions and workers that the government in particular is relatively prone to popular pressures.

For many rank and file workers, demonstrations are not only about what they seem. They may enjoy a day off in the street in a circumstance where holidays are too few and far between. It is sometimes even better than holiday if they can force the management to pay them while on strike. Without undermining the seriousness of their demands, protesting workers, many of them in their early twenties or even younger, take pleasure in congregating with their peers singing, dancing or even courting prospective partners. Indeed, when peaceful the whole atmosphere resembles a picnic

[332] The verb *mengawal* (to escort or to guard) is often used by trade union officials when describing the process of demanding fair wages especially when they do not sit in the tripartite wage council.
[333] 'Berjuang untuk Perubahan' (Struggle for Change). This is the introduction to the newspaper clipping on the campaign for decent wages in 2005 compiled by the SPN unit of PT SAI Apparel in Semarang.

more than a protest. A policewoman in Medan keeping watch on the protest by workers of PT SMC was quoted as saying, 'Wow, this looks more like a karaoke session than a demonstration!'[334] Nevertheless, at the core of these activities is resistance to low wages, punishing working conditions, and restrictions on their personal freedom. Even if they know that it is going to be a losing battle, they just cannot give up without putting up a fight.

For union officials and labour activists, staging mass demonstrations lends them substantial political leverage and increases their standing in NGO circles. The political leverage comes basically from the fact that they have shown the capacity to mobilise a large number of people. In a new democracy, where large numbers matter and crowds are guaranteed to intimidate political opponents, individuals who can claim a substantial following stand above the rest. These union leaders and activists usually act as delegates or representatives of protesting workers to meet local government officials. Having repeatedly organised protests, they establish a direct link to local politicians and leaders. Their subsequent high profile prevents police from arbitrarily arresting them. In fact police may even consult them to find out their next moves and for purposes of crowd control. Newspapers print their statements and ask for inside information in the event of strikes and demonstrations. Employers mark them as troublemakers but would be willing to hire their services to calm workers, given half a chance.

All these paths lead to high political circles which offer them further possibilities in the way of power even if only locally. Trade union officials are now more confident that their experience in mobilisation and their exposure in the media have earned them more power to extract more concessions for the movement or to obtain personal favours. Several former and current union officials interviewed for this

[334] '700 Buruh PT Shamrock Menginap di DPRD Sumut' [700 Workers of PT Shamrock Stay Overnight at North Sumatra Parliament Building], *Kompas* 13 August 2004.

dissertation openly admitted that companies, political parties and employers' organisations had approached them for various purposes, but essentially to take advantage of their command of popular loyalty. For political elites, these activists are the gatekeepers of a potentially strong power base, open for mobilisation. The same conviction has inspired several trade union officials and their organisations to embark on a political experiment in contesting elections.

The popularity of demonstrations or street rallies has also unravelled traditional alliances among the elite. Continual protests and popular mobilisation against the authorities contribute to a climate of ungovernability and possibly of delegitimisation. They unsettle power holders by agitating them, pitting one section of the elite against the others, and forcing them to take a stand on populist issues. As was described in the PT SMC protest above, local parliaments have become the focal point of labour protests, and it is not unusual for the political repercussions to begin here. Semarang city and district in early 2000 saw waves of labour protests that were unprecedented in their frequency and intensity. A large number of them targeted the *Gedung Berlian* or the Diamond Building, the Central Java provincial parliament building that is situated in Semarang city centre. At the height of the protest waves, the parliament received two or three groups of protesting workers every week, forcing the secretariat to arrange separate office hours for MPs to receive worker delegates.[335] Commission E of the parliament was tasked, among other things, with labour affairs. Over the course of a few months as it dealt with innumerable labour protests, the commission had developed a good rapport among workers, mostly by pressuring and by facilitating negotiations with employers.

[335] 'DPRD Jateng Jadwalkan Penerimaan Aspirasi' [Central Java Parliament Set Timetable for Responding to Aspiration] *Suara Merdeka* 9 March 2000. Also see 'Unjuk Rasa Buruh, Nglurug ke DPRD Jadi Tren' [Labour Protests, Targeting Local Parliament Becomes Trend], *Suara Merdeka* 28 February 2000.

During such negotiations employers apparently often found themselves pushed into a corner and blamed by the legislators. Through their organisation, APINDO, employers complained that Commission E had interfered too far with industrial relations affairs and taken over the role of the industrial court. It also demanded that negotiations should be left to bipartite or tripartite institutions. The Secretary of the commission denied this,

> All we do is to invite employers, workers and the Manpower Office to settle their differences here. We never make our own decisions. They make their own decisions while we help to control them. If we are seen as helping workers, it is true, but only insofar as to defend their rights.[336]

In January and February 2000 the arguments between Commission E and APINDO shifted to heated exchanges in the media especially between the chairmen of both organisations, to the extent that the latter requested a public debate with the former about the role of the local parliament in industrial relations.[337]

The intensity of street rallies inevitably questions a number of established political notions that have so far been taken for granted. The people in the street and rank and file workers can no longer be assumed to be politically quiescent. They have shown their capacity for collective action and skilfully exploited fault lines in the local political constellation for their benefits. Workers have displayed their acumen for self-organisation, and this has signified the viability of trade unions in general as a platform for political mobilisation. Moreover, by challenging state and business authorities they have pushed the boundaries of governability to a new and more democratic level. Employers know that violations of labour rights will not go unnoticed, and sometimes,

[336] 'Tripartit Jelaskan Protes APINDO ke Dewan' [Tripartite Body Explains APINDO Protest to Parliament], *Wawasan* 26 February 2000.
[337] 'APINDO Desak Dewan Laksanakan Debat Terbuka' [APINDO Demands Parliament Hold Public Debate], *Solo Pos* 17 February 2000.

unpunished, while state authorities can no longer bully them to comply with their idea of industrial harmony. Surely all this flies in the face of what jittery security apparatus and businesses have been accustomed to thinking about the labouring population in general. In grappling with this phenomenon, they often invoke the old spectre of a 'third party' (*pihak ketiga*)[338] or a 'provocateur' (*provokator*)[339] or 'certain groups' (*kelompok-kelompok tertentu*)[340] who take advantage of workers' situation. Rather than conveying the impossibility of popular politics, however, this only serves to underline the significance of labour protests.

4. Summary

Street protests or demonstrations have undoubtedly become an important part of the workers' repertoire of collective action. Although not new in the political history of the country, this contentious activity received a new meaning in the post-authoritarian period. Its decriminalisation, primarily, has markedly reduced the cost of engaging authorities and made it popular among different groups in society. Moreover, the state has increasingly come to learn how to manage protests, albeit sometimes rather nervously.

Beneath the chaotic appearance of protest actions lies a web of complicated interactions, infused with a battle for significance and influence. Internally, protests have served as a focal point for rehearsing and possibly expanding the network of interactions between various activists and organisations. Externally, these actions

[338] This is what the head of Tangerang Manpower Office and the chief of Tangerang police force said in unison when commenting on the widespread labour protests. See 'Unjuk Rasa Buruh Akibat Dipicu Pihak Ketiga' [Labour Protests As Result of Third Party Operation], *Republika* 22 June 1999.
[339] An MP in the Central Java parliament indicated the involvement of provocateurs who had led workers to protest in the parliament. 'Demo Buruh Persoalan Multidimensi' [Labour Demonstrations Multidimensional Problem], *Suara Merdeka* 1 March 2000.
[340] A businessman in Medan made this statement when interviewed about labour protests in the city. See 'Beban Pengusaha Juga Cukup Berat' [Employers Must Shoulder Heavy Burden Too], *Waspada* 20 January 2002.

continuously remind state authorities and employers of the formidable force that workers can be, of the political and economic pains that organised labour can inflict on them. It goes without saying that agency is integral to the process and the masses are a source of power to reckon with. This brings us to another form of labour political action which seeks to harness the same agency that enables labour mobilisation of this intensity and scale.

CHAPTER 8

Electoral Experiments

1. Elections All Around

Under the New Order regime, the labour movement was tightly woven into the fabric of the regime's developmentalism. The regime obliged organised labour, just like any other functional groups in the state's corporatist structure, to channel its political aspirations through its ruling party Golkar. By doing so, the regime deflated any independent political ambition that the SPSI had as an organisation. Coupled with a brutal crackdown of independent trade unions, this co-optation effectively amounted to the repression of political unionism and left the union with the socio-economic function of looking after the material interests of its members.

According to Ford (2005), this was an attempt by the New Order to restructure labour movements after a long period of very active political unionism since independence (1945-1965) or even before, in which labour organisations were likely to be associated with or to come directly under the influence of political parties and independence movements. This reorganisation was necessary because the regime did not want to repeat what it portrayed as the 'mistake of the past' in which political rivalries and 'outside' (non-labour) interests prevailed over the welfare of members and national interests (Ford, 2005: 198). Through its propaganda machine the regime managed to create an ideology that demonised labour political involvement as a hindrance to achieving workers' social economic welfare. 'Pure' and 'true' trade unions would only concern themselves with this goal and eschew political unionism.

In the post-1998 period, while most labour activists welcomed the freedom of association, the legacy of anti-political unionism somehow lingered on. Several scholars

reported how this negative attitude towards political partisanship among labour activists and union leaders persisted early into the period (Tornquist, 2004; Ford, 2005). They reacted against the foundation and the participation of several political parties with labour connections in the 1999 general elections. The suspicion of the true motives of those who embarked on this unfamiliar political action was almost universal. Many union officials and labour activists interviewed for this dissertation in 2006, 2008, and 2009 still expressed at best their ambivalence towards political unionism, admitting the need to be more politically assertive while remaining doubtful about electoral participation. They mostly reiterated the fear of 'outside' interests and of unions being hijacked for the political interests of their leaders. The fact that the leadership of the three, out of four, labour political parties in the 1999 general elections came from sections of the SPSI elite and New Order remnants did not help to dispel this suspicion (Hadiz, 2002: 136-137).

In the meantime three general elections and countless local elections have taken place and increasingly become an acceptable practice of political competition. Radicals and political pessimists may disagree and opt out of them, but various interest groups in society increasingly view electoral politics as offering a real chance of securing power. This is more the case in the regions where people may get involved in political processes in direct elections of regional heads and experience the consequences in a more tangible way. Chapter Three has already discussed the new political opportunities created through such elections. Direct elections of local leaders open up the political system in a way that allows those who are traditionally not part of the political class to contest public offices which have a real power of policy making. Political activists whose jobs include demanding changes in government policy inevitably consider at least local elections as a sensible choice of action. As far as trade union officials and

labour activists are concerned, their relative success in popular mobilisation further increases their confidence to take part in electoral politics. Thus, despite doubts and initial reluctance, a number of trade union officials and labour activists have participated in electoral politics.

Since the first multi-party general elections in the post-Suharto era in 1999, labour politics has featured in several ways. First of all, a number of political parties with labour connections were founded and have participated in all three general elections. In the 1999 general elections, the National Labour Party (PBN), the Indonesian Workers' Party (PPI), the All-Indonesia Workers' Solidarity Party (PSPSI), and the Workers' Solidarity Party (PSP) were among the 48 parties that took part. The PBN was founded by Muchtar Pakpahan, the chairman of the SBSI that stood up against Suharto's policy of a single union. Different sections of the national leadership of the SPSI decided to leave Golkar and formed the PSPSI, the PPI and the PSP.[341] The results were poor however, as the combined votes of these parties numbered only 315,826 or 0.3 per cent of the national total and won no seats in the national parliament. The People's Democratic Party (PRD), which had links to labour bases through the underground work of its activists during the Suharto's years, also failed to get a single seat.

In 2004 the Social Democratic Labour Party (PBSD) was the only labour party among 24 contestants that passed the verification stages and contested the elections.[342] This party was actually the reconstitution of the PBN after it failed to reach the two per cent threshold for maintaining a party status in 1999. This time it attracted more votes,

[341] Hadiz (2002) and Ford (2005) say that the PSPSI and the PSP were rumoured to be closely connected to or even funded by Suharto family.
[342] Three other parties, the Party of Indonesian Businesspeople and Workers (PPPI) the Indonesian Workers' Congress Party (PKPI) and the Indonesian Labour Force Party (PTKI), also registered with the electoral commission but did not pass the final stage of verification (Ford, 2005: 201).

636,397 votes or 0.56 per cent of the total votes but it still failed to win seats in the national parliament. In the regions, however, the PBSD fared better with 22 seats in various districts and provinces but notably in North Sumatra, where many of its founding members came from. It won 14 seats which were distributed between nine districts in the province and one seat in the provincial parliament.[343]

This same party participated again in the most recent 2009 general elections under a new name, the Labour Party (PB), having repeated its failure to maintain party status in 2004. In the run-up to the elections it did not pass the verification requirement set by the electoral commission, and only after an administrative court appeal did it manage to contest the elections.[344] The short period between this court ruling and the election dates left little time for the PB to organise a successful campaign, and this limited preparation was subsequently blamed for the poor result of only 265,203 votes (0.25 per cent). Another party with labour connections in the 2009 general elections was the curiously named Party of Indonesian Business People and Workers (PPPI). This party had intended to contest the 2004 general elections but did not pass the verification. Led by a businessman, Daniel Hutapea, the PPPI did better than the PB by attracting 745,625 votes (0.72 per cent) although still fell short of winning any seats.[345]

Another form of labour electoral politics materialises in the nomination of labour activists and union officials as legislative candidates through a partnership or as individuals joining with political parties. In the 2004 general elections, for example, the national chairman of the SPN contested as a candidate from the Prosperous Justice Party

[343] Data provided by the North Sumatra Branch Office of the PBSD in Medan.
[344] 'KPU Akhirnya Loloskan Empat Partai Baru' [Electoral Commission Eventually Permit Four New Parties], *Kompas* 15 August 2008. The other three parties were the Nahdhatul Ummah Unity Party (PPNU), the Free Party (PM), and the Indonesian Society Party (PSI).
[345] No survey or any information about the relationship between voters' professions and their voting behaviour is available. Therefore it is not possible to estimate how much electoral support labour parties have had from workers.

(PKS) for West Java.[346] The chairman of the Tangerang branch of the SPN was nominated for the Banten provincial parliament by the National Mandate Party (PAN). These individuals did not represent their trade unions but had undoubtedly wished to reap support from the membership. Although none of them won, this had acted as a precedent and paved the way subsequently for a more formal partnership between trade unions and political parties.

In the 2009 elections in a new development, two trade unions, the FSPMI and the SPN struck a deal with the Islamic party PKS to take part in the elections. Since 2005, during the union's second congress, the SPN had already perceived electoral politics as a possible avenue to gain a part in policy making. After some preparation and lobbying it finally decided to channel their members' votes to the PKS in return for the electoral nominations of its cadres. Likewise, in its congress in 2006 the FSPMI had already taken the decision to assign their cadres to contest the 2009 general elections. It did not specify certain political parties but eventually forged an alliance with the PKS as the only party that offered the union a real chance. Despite this hitherto unusual political manoeuvre, ambivalence towards political unionism refused to disappear completely. Both unions stressed that this partnership did not imply subordination to the PKS or a permanent political affiliation, knowing that this would draw criticism from labour circles.[347] Nevertheless a number of commentators and labour activists were dismissive about the genuineness of their motives, accusing these officials of merely taking advantage of union membership for personal enrichment. Amidst pressures from many corners, the partnership went on and in Tangerang city and district the PKS nominated

[346] 'Kami Siap Berada di Parlemen, Wajah Caleg Buruh' [We Are Ready to Serve in Parliament, Meet Labour Candidates], *Lembur* March 2004.
[347] Interviews with SPN and FSPMI officials in Semarang and Tangerang.

five labour activists whereas in Semarang city and district it put up two candidates.[348] However, as it turned out, none of the labour candidates with the PKS ticket won a seat either in national or sub-national parliaments in the 2009 elections.

In Medan, the SBMI formed a partnership with the PB for the 2009 elections and its five officials competed for seats in Deli Serdang and Medan city parliaments. For some sections in the union leadership it took some time to agree to this partnership as they still had the idea of 'pure' unionism separated from formal party politics. Only after extensive consultation and when assured that no financial deals were behind this proposal, did they give their support.[349] An SBMI official justified his candidacy by stating that he wanted to take part in the decision-making processes on behalf of labour. It was not enough to exert pressure to win concessions; now was the time to follow the process closely by being part of it. In the end none was elected, and in fact even in its stronghold, North Sumatra, the PB fared much worse than its predecessor, the PBSD, in 2004.

On the national scene, several well-known anti-Suharto activists with labour credentials came to the fore, notably Budiman Sudjatmiko and Dita Sari. Budiman Sudjatmiko had joined the PDIP camp, having abandoned the leftist PRD, but the biggest shock was perhaps centred on the nomination of Dita Sari, another former PRD activist, by the religious leaning Star Reform Party (PBR). She had actually tried to establish, along with fellow activists associated mainly with the PRD, a leftist-populist political party, the People's United Opposition Party (POPOR) for the 2004 election and the National Liberation Party of Unity (PAPERNAS) for the 2009 election. The former was disqualified by the Supreme Court even before registering with the electoral

[348] For Tangerang see 'Buruh Ramai-Ramai Jadi Caleg' [Workers Flock to Become Legislative Candidates], *Radar Tangerang* 6 February 2009. As for the Semarang regions, the information was collected through interviews with the candidates themselves on 29 June 2009 and 3 July 2009.
[349] Interview with Rachmansah Purba, a legislative candidate from SBMI, 16 August 2009.

commission, while the latter was constantly so harassed by youth groups and religious organisations that it eventually decided to disband.[350] While PDIP liked to portray itself as the tribune of the little ones, the PBR was known as a front for a collection of disenfranchised former Islamic activists within the PPP, the only Islamic party under Suharto's reign.

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

Tangerang district, Tangerang city, Semarang city, and Central Java and North Sumatra provinces either had just had an election or would soon have one when I visited

[350] For example, 'FAKI Minta Kongres KP Papernas Dibubarkan' [FAKI Demands Congress of Papernas Preparatory Committee Disbanded], *Kompas* 19 January 2007.

them between January and June 2008. In the run-up to the January 2008 election in Tangerang district, for example, the Jazuli Juwaini-Airin Diany pair signed a pact with a loose coalition of trade unions called *Koalisi Buruh Majukan Tangerang* (Coalition of Workers to Develop Tangerang). The pair was nominated by the PKS, and major unions in the district such as FSPN, FSPMI, FSBSI 1992, KSPSI, KSBSI and six other smaller unions joined the coalition. In the publicised signing ceremony, one of the union leaders was quoted as representing 90,000 members in the region and would mobilise them in return for these promises:

> …to uphold labour legislation that consists of the Law No. 21/2000 on freedom of association, the Law No. 13/2003 on manpower, and the Law No. 3/1992 on labour social insurance. Secondly, to improve the welfare of workers, which is made up of quality health care, transport systems, and bylaws that will improve welfare and create a conducive investment climate.[351]

In Medan, the union alliance ABDES was initially close to signing up with the Syamsul Arifin-Gatot Nugroho pair, the eventual winners, in the elections for governor, but then switched side to their rivals.

The popularity of *kontrak politik*, as it is called in Indonesian, extended to the 2009 presidential election. Presidential candidates and their running mates filled the airwaves and pages of newspapers with their promises to uphold labour rights and fight for their welfare. Two pairs, out of three, were particularly active in marketing their concern for workers. While the Megawati-Prabowo pair promised to institute May Day as a national holiday and to abolish contract work,[352] the Jusuf Kalla-Wiranto pair

[351] 'Jazuli-Airin Kontrak Politik dengan Buruh' [Jazuli- Airin Sign Political Contract with Workers], *Radar Banten* 7 January 2008.
[352] 'Mega-Prabowo Akan Tandatangani Komitmen Politik dengan Buruh' [Mega-Prabowo to Sign Political Contract with Workers], *Kompas* 3 June 2009.

pledged to abolish contract work and outsourcing practices.[353] The incumbent Susilo Yudhoyono and his running mate Budiono were rather quiet as polls showed that they were already in the lead and their records in labour issues were already established. The Legal Aid Institute in Jakarta (LBH Jakarta) reported to have listed at least 19 trade unions and federations which threw their weight behind Megawati and Prabowo, two unions supporting Jusuf Kalla and Wiranto, and one union endorsing the incumbent.[354]

Lastly, in a personal capacity many labour activists and trade union officials were instrumental in elections by playing the role of fixers and middlemen. Throughout this dissertation I have pointed out the versatility of labour activists in the new political landscape. Their experience in mobilising large crowds and their wide networks of contacts place them in a position to exploit grassroots politics for electoral purposes. This opportunity goes hand in hand with their increasingly high profile in the local political circle, and yet again it fuels speculation whether their latest manoeuvre is for the sake of workers or just their own.

Sumarsono, an NGO activist and a former FSBI union leader in Semarang, had been involved in various campaign teams, or 'success teams' as they are known in Indonesia.[355] His main political vehicle, the Organisation of Independent People (ORI), one of eleven organisations that he founded, was in the success teams of candidates contesting regional elections in Grobogan district, Demak district, and Pekalongan district, all in Central Java province. He was personally recruited in the success team that brought the reelection of Mayor Sukawi in Semarang city in 2005. He himself admitted that his experience in labour mobilisation had established his reputation and

[353] 'JK-Win Akan Hapus Sistem "Outsourcing" dan Kerja Kontrak?' [JK-Win to Abolish Outsourcing and Contract Work?], *Kompas* 3 June 2009.
[354] Presented in a seminar in Jakarta on 2 July 2009.
[355] The nature of these committees was described in Chapter Three. Interview with Sumarsono, 12 March 2008.

enabled him to play a role of electoral brokerage although he still maintained that he did this with a good intention and ultimately for the good of the people. This exposure to high politics has in turn enabled him to get in touch with local political dignitaries and even national politicians, mostly party functionaries. At one point he managed to start a new organisation that promoted interfaith dialogue under the patronage of the deputy mayor of Semarang. In Chapter Five we have also met a character, Rio Karyono, the chairman of the SPN Central Java chapter who joined PAN for the 1999 elections, shifted to PD in 2004 and was recruited in the Yudhoyono's success team for Central Java during the year's presidential election. This allowed him the experience of dealing with high politics and extended his networks all the way to Jakarta. He claimed that the governor of Central Java had now taken him seriously, and he could approach the governor to help the cause of workers.

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

2. SPN Electoral Experiment in Semarang

The deal between the SPN and the PKS is worth close inspection for several reasons. First of all, this is the first of its kind in the post-1998 era. It certainly breaks with the New Order's legacy of demonisation of political unionism in a public and institutional way. As identified above, individual labour activists have played various roles in electoral politics in their personal capacities or through quiet backroom deals. Yet this

pact was born of two organisations that pledged to support each other in public to reach a common goal. Secondly, because of its institutional nature, it allows us to see how trade unions as popular organisations consolidate and mobilise their structures and how they deal with other political organisations. And lastly, if labour politics should tread the path of party politics, this partnership offers important lessons to learn from.

By December 2007, SPN was the largest trade union in Central Java province with Semarang city and district being two of its strongholds.[356] The organisation had been particularly active in these neighbouring regions both in terms of formal involvement in tripartite institutions and in the less formal activities of organising strikes and demonstrations. In Semarang city in particular, SPN had two different fronts serving two different purposes. The SPN leadership attended tripartite meetings and negotiations, while under the name GERBANG, profiled in Chapter Five, it organised the more popular actions in the streets. Even with this active political background, some of the officials harboured a disquieted reaction when the fourth national assembly in Bali in 2007 finally decided to forge an alliance with PKS in the upcoming 2009 general elections. Some were totally dismissive about party politics while others could not understand the choice of PKS, which is an Islamic party that is often suspected of being too fundamentalist in the Indonesian political spectrum and would be at odds with the union's secular charter.

At this point, a brief note on the party is warranted. PKS started as a middle-class religious movement in the early 1990s at the time when Suharto started to court Muslim support. Growing prosperity among urban Muslims and the relaxation of Suharto's policy of anti-political Islam created an environment for a more cultural and

[356] It had 114,239 members. Because of its unitary structure, SPN at the province level is comparable to other unions at their federation level and the closest was the FSP RTMM or the SPSI federation of cigarette, tobacco, food and beverages industries with 113,055 members.

political expression of Islamic identity in public. Its inspiration was said to have come in the 1970s from the *Ikhwanul Muslim* movement in Egypt whose main goal is to introduce an Islamic state through democratic processes and organised movements (Dhume, 2005). Under the New Order this movement was largely cultural and social-economic in nature, spreading its influence mainly through networks of student study groups in prestigious public universities and its own educational institutions. With the arrival of political freedom, on 20 July 1998 the movement emerged as a political party under the name the Justice Party (PK).[357] It only gained 1.4 per cent of votes in the 1999 general elections and had to reregister under a different name to contest the next general elections. The Prosperous Justice Party (PKS) was founded on 20 April 2003 and made impressive progress in 2004 by attracting 7.3 per cent of votes nationally.

With a slogan that reads 'Clean, Caring and Professional', PKS tried to broaden its appeal to the general Indonesian public, but has so far concentrated on its core young pious middle-class constituents. In a largely corruption-ridden political system, PKS stood out as a relatively clean party, and in addition to its ostensible Islamic identity, the party was also known for organising large peaceful demonstrations or public gatherings in urban landmarks. This strengthened its image as a well-organised party run by loyal cadres. In 2006 the party established a special division for workers, peasants and fishermen, three professions that were outside the party's traditional support base. This event was widely interpreted as an attempt to widen its support base in anticipation of the 2009 general elections. Its determination was evident in the target of 20 per cent votes or 110 seats in the national parliament that the party had confidently set for the

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

2009 elections.[358] The division, known as the Network of Labour, Peasants, and Fishermen (JABURTANI), was tasked to approach and to mobilise the popular classes starting with regional elections by signing up to *kontrak politik* with trade unions and eventually by offering parliamentary seats for union officials in 2009. This broke with the party's trademark as a cadre-centred organisation because it would effectively allow outsiders to cut corners and take over positions usually reserved for its loyal cadres. There was no doubt that some elements in PKS welcomed this decision with less enthusiasm.

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

[358] 'Pemilu 2009, PKS Targetkan 20 Persen' [2009 Elections, PKS Set 20 per cent Target], *Suara Merdeka* 1 August 2008.

Thus, after some internal selection process and bargaining with PKS, 17 SPN officials were chosen to take part in the general elections under the party's nomination. The chairman and the secretary of SPN in Semarang city, Nanang Setyono and Heru Budi Utoyo respectively, ran for seats in separate local parliaments. The former was a candidate for the parliament in Demak district whereas the latter ran for the parliament in Semarang city. In Semarang district the chairman Sumanta was nominated for the local district parliament. Of these three, only Heru Budi Utoyo admitted having sympathy with PKS and may have voted for it in the previous elections. According to the head of his success team, PKS had initially objected to Nanang Setyono's unruly and thuggish appearance.[359] Another SPN official in Semarang district, Ucok Sutrisno, was actually given the ticket, but when he found out that he would be listed as candidate number seven in the provincial electorate, he declined the appointment.[360] He then switched to the obscure National People's Party of Concern (PPRN) when offered the number five position on the candidacy list.

The SPN success team calculated around 15,000 potential votes from the union membership in the Semarang city and found that a significant number hailed from Demak district and therefore would vote in their hometown. This was why Nanang Setyono, who had initially been nominated for the provincial parliament, was shifted to Demak to reap the support of his SPN comrades. If all SPN members had voted for their legislative candidates, it would have been enough to bring them to power. In Sumanta's electorate around 10,000 SPN members were registered to vote, only one third of which was necessary to get him elected. The SPN leadership knew very well that PKS might

[359] Interview with Slamet Kaswanto, the deputy chairman of SPN Semarang city and the head of SPN success team in the city, 6 July 2009. Nanang Setyono wore long hair and sported earrings, two physical accessories that were frowned upon by pious Muslims; the person himself was not available for interviews about this matter.

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

not be a natural choice for their members especially since Central Java had always been a stronghold for the nationalist PDIP which won the previous two general elections convincingly; they therefore could not take these membership figures for granted.[361] Demak was always a PKB territory on account of the dominant Islamic organisation *Nahdlatul Ulama* (NU) that founded the party, and was considered the arch-rival of PKS.[362]

Figure 8.1. One of SPN-PKS Campaign Posters in Semarang (credit: SPN-Semarang archive)

SPN devised three layers of success team to target votes at the provincial, district, and factory levels. Officials and activists were drafted to help in the team with their local knowledge. In Semarang city, the success team focused their efforts on organising SPN membership meetings four times a month from factory to factory. They campaigned in the factory canteen during meal breaks and used the otherwise routine SPN monthly training session for campaigning. In Semarang district the success team tried a new strategy of door-to-door campaigning that they learned from following

[361] In 2004 PDIP won 14 seats in the Semarang district parliament while PKS only won five. The figures for Semarang city were 12 seats for PDIP and five for PKS.
[362] In 2004 PKB won 10 seats in Demak district while PKS only had two seats.

Obama's campaign on television.[363] It also targeted workers from other trade unions by approaching their leaders and encouraging them to pledge support in front of their members. Both teams visited commuters' pick-up points where workers usually congregate to wait for their transport home, and distributed leaflets and stickers to passengers sitting on the bus. This was all in addition to printing posters, banners, stickers and T-shirts which were standard during the campaign in Indonesia. Of course, the candidates wished to appeal to all members of the labouring population regardless of their unions to vote *en bloc* as can be deciphered from their campaign slogans: '2009 elections, momentum of struggle for workers', 'A people's representative from the working class', 'Workers choose their fighters from among workers'.[364] At the core of these efforts, however, the focus was inevitably to persuade as many as SPN members to vote for their own officials.

The PKS, on its part, lent a helping hand by including SPN candidates in their public meetings and printed campaign materials. Its more experienced field operators assisted SPN teams to organise campaigns but otherwise they did not interfere in SPN chosen strategies. In fact, the SPN teams admitted encountering some quiet rejection from among the local leadership of the PKS. Their outsider status in a party that was known for its rigorous cadre-centred organisation was the likely reason. Thus reluctance for partnership was apparently mutual. The same story was repeated by one female SPN candidate on the PKS ticket in Tangerang.[365] She observed that the PKS team looked uncomfortable working with outsiders like herself and her SPN comrades. The polite

[363] One member of the success team, Ari Munanto, actually travelled to the US during the presidential election in 2008 as part of the international election monitoring sponsored by the US Embassy in Jakarta. Interview with Ari Munanto 3 July 2009.
[364] These were written on posters, banners, stickers, calendars and T-shirt which were printed by the SPN team and PKS.
[365] Interview with Siti Istikharoh, a SPN candidate for the Tangerang city parliament, 28 July 2009.

and cautious demeanour of PKS cadres was often at odds with that of strike-hardened labour activists.

Campaign strategies were determined not just by ingenuity but also by the resources available to them. In this regard, SPN was short of the financial kind just like any other trade union in the country, and this was particularly noticeable in an event that was notoriously costly. Compared to candidates from privileged backgrounds who were supported by established political parties, SPN candidates were less visible because they could not afford to pay for more posters and other forms of printed advertisements, let alone electronic ones. Four sources of campaign funds were available: the individual candidate's purse, SPN coffers, PKS contribution, and private donations. Sumanta admitted to have dispensed with Rp 10 million (around US$ 1000), while Heru Budi Utoyo was five million rupiah (US$ 500) poorer at the end of the campaign.[366] In either case, this would have been between five to eight months of pay in industries that paid an average wage of only less than US$ 90 per month.[367] The SPN Semarang district office paid Rp 12.5 million (US$ 1,250) into the campaign funds and organised a special fundraising campaign in which each member was asked to pay Rp 1,000 (US$ 10 cents) on top of their monthly dues. Around Rp 16 million (US$ 1,600) was raised, half the amount that the success team had expected and a telling sign of things to come. No private donations were recorded by the Semarang district team apart from its own national chairman who was also running for the national parliament in one Central Java electorate.[368] The Semarang city team had tried to solicit donations from local elites and the management of companies where SPN members worked, but to no avail. For both

[366] Interviews with Sumanta, 3 July 2009, and with Heru Utoyo, 29 June 2009. Siti Istikharoh in Tangerang spent around Rp 50 million (US$ 5,000) and this seems to be more realistic than the meagre amount admittedly paid by Sumanta and Heru Utoyo.
[367] The two candidates were middle ranking employees, earning between one to two million rupiah a month. Sumanta, however, lost his job just after the election after his company was closed down.
[368] The information available is only the amount he paid to the success team in Semarang district, i.e. Rp 3.5 million.

teams, PKS did not contribute cash but helped to provide posters and banners with the party logo and often with one or two other PKS candidates on the same poster. This was already a significant contribution given the fact that public financing of political parties had been cut to a minimum and political parties were constantly tempted to solicit donations from their candidates in return for the ticket to compete.[369] In the end, the Semarang district success team spent just over Rp 52 million (US$ 5,200) from its war chest.[370] The Semarang city success team did not mention a figure, but it would not have been less than that spent by its district counterpart.

When the campaign was over, it emerged that the amount that the SPN teams spent was paltry in comparison with that paid by more resourceful candidates. In Semarang district a PDIP candidate from a modest background who eventually won a seat admitted to have spent in the region of Rp 243 million (US$ 24,300), and he knew a rival, a local businesswoman, who spent two or three times as much.[371] Previous elections had always been expensive, but this recent election was even more so reportedly because of the range of tactics employed by candidates to buy votes. Needless to say, it highlights the severity of the competition in financial terms and the extent of the candidates' determination to win at almost all costs; these are two 'qualities' necessary to win elections, which at the moment are simply beyond the capacity of trade unions.

The results were disappointing even if not totally unpredictable. None of them won a seat although Nanang Setyono came close as the eventual winner won only nine more votes than he did. In any case the votes he got were far from the estimate of 5,000

[369] Government Regulation No. 29 of 2005 cut public funding for political parties to just Rp 21 million (US$ 2,100) annually per seat won in general elections. The previous regulation had granted Rp 1,000 (10 US cents) annually per vote won. A seat in the national parliament was worth up to 170,000 seats; therefore the new regulation significantly cut the amount received by parties (Mietzner, 2007).
[370] The financial report of the success team of SPN Semarang district (dated 16 March 2009).
[371] Interview with Agus Rujianto, an MP elect for Semarang district, 9 July 2009.

potential votes from among workers. Heru Budi Utoyo attracted only a third of the estimated labour votes in his electorate. Sumanta's votes fell short of even the most conservative estimate calculated by his team; it had hoped to get votes from family members of around 200 SPN officials (member's representative or PA rank) in his electorate, that would have translated into at least twice as many as this figure by adding their spouses or one immediate family member for each official. Therefore he was sure that not even all of his fellow officials had voted for him. As far as PKS was concerned, the SPN candidates in general failed to bring a significant number of votes. Nanang Setyono's votes accounted for 14 per cent of the party's votes, but the other two contributed less than five per cent of votes for the party in their respective electorates.

Table 8.1. The 2009 Election Results for Three SPN Candidates in Semarang and Demak

Candidates	Electorate	Individual votes	Total PKS votes in the electorate	Ranking in the electorate among PKS candidates
Nanang Setyono	Demak district 5	945	6,748	2 out of 12
Heru Budi Utoyo	Semarang city 3	493	14,446	8 out of 12
Sumanta	Semarang district 2	252	5,736	7 out of 10

Sources: Unpublished documents from KPUD (Local Electoral Commission) Demak, Kota Semarang, Kabupaten Semarang

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

The SPN success teams in Semarang gave their own assessment of the defeat that boiled down to the immaturity of labour as a political class. However, one major factor that was responsible for the defeat was the choice of political partner. Despite the bold target of 20 per cent, PKS in the end only won 7.9 per cent, a marginal increase from the 7.3 per cent gain in 2004. In several regions, the party actually did worse than 2004, losing several seats including some in Tangerang city and Medan. PKS in Semarang city added one more seat to its previous ones, while Semarang district lost one. The winner in the 2004 elections in both Semarang regions, the PDIP, also suffered a large loss of two or three seats although it remained on top. Nationally the 2009 general elections were a sweeping victory for the party of the incumbent president, the Democratic Party (PD), with 20.8 per cent of votes, a spectacular rise from just 7.4 per cent in 2004. This win has successfully undermined the established strongholds of other parties in the regions, practically quashing any hope of other parties of expanding whatever share of seat they previously had. Thus, although PKS still gained an increase, albeit very small, its appeal to labour is clearly very limited and this was clear from the outset. Its strong Islamic ideology and its traditional middle-class constituency do not strike a chord with the marginal classes in general, let alone with organised labour that has been traditionally secular or at least not ostensibly religious.

3. What Does It Mean for Labour Politics?

The whole episode of labour electoral politics sheds light on the different characteristics of informal and formal politics. The organisational structures and networks that are instrumental for the former may not work for the latter. Informal politics in the form of public demonstrations and protests, despite the association with chaos, takes place in a more controlled environment. The unions are directly responsible for gathering people

together and can, to a certain extent, enforce compliance among their members who are visibly present. The physical setting of a factory and the organisational structure of the shop floor help this mobilisation effort. In the absence of balloting procedures for strike action, instant media attention and sometimes immediate positive results provide the incentives for the rank and file to join protests. On the contrary, electoral politics is conducted in an environment that is meant, if held fairly, to provide secrecy and freedom. Direct influence of the union leadership and the enforcement of compliance stop at the door of the polling station where a subtler and yet more powerful persuasion takes over. And this brings us to the next point about the limit of trade unions.

What is clear from the defeat is that other forces were at work but their identity is less clear. It would take a more thorough research to answer this question, but suffice it to say at this point that the networks of patronage that we have seen in Chapter Four may exert a stronger influence on workers when it comes to elections. As ambiguously as they behave in terms of popular politics, there is no guarantee that local elites are willing to support labour candidates. After all, some of them have been known to serve as a disciplinary force of capital, preventing workers from striking. Moreover, elites, by definition, are more resourceful than union leaders, and when backed up by political parties, they can be powerful enough to sway voters' preferences towards them or the party that they endorse.

Ultimately, the significance of labour electoral politics rests in its connection with labour's extra-parliamentary struggle. Street rallies and demonstrations rely on numerical strength and bodily presence to be effective. The form of collective action that is the subject of this chapter also requires numbers but in quite a different way. The labour activists who contested the elections were buoyed by their success in popular mobilisation in informal politics. Yet their hope of translating this into a more formal

political adventure resulted in defeat. The head of the SPN success team for Semarang city and Demak district summed it up well, 'We may have been able to mobilise (*mengerahkan* in Indonesian) the labour masses, but we have yet to direct (*mengarahkan*) them.'[372] When asked whether it would be the end of partisanship for the union, the answer was a quick no. He still believed, more time and experience would be needed before the union could finally mobilise labour votes and not just labour strikes. The electoral defeat did not deliver the final verdict on the project of political unionism in general.

Extra-parliamentary struggle as we saw in the previous chapter aimed chiefly at putting pressure on the state to make decisions for the masses. In spite of the rhetoric that sometimes suggested otherwise, the majority of the groups that organised this form of collective action never really intended to take over the state. From Chapter Six we also learned that they had no plan to abolish property rights or to alter existing mode of production in a drastic fashion. In other words, their aim was simply to join the ruling class and not to topple it. With this modest aim, electoral success would have provided them with an avenue to do the same thing from within the system with extra incentives for the labour elite. Would parliamentary participation have calmed labour contentions? Some measure of policy-making for labour has already been taking place in the form of tripartite institutions, albeit in a more consultative rather than executive function. And yet it did not stop labour contentions simply because many unions and other labour groups still felt sidelined and not represented. For these groups, extra-parliamentary struggle would remain the only way to make themselves seen and heard. Similarly, only two national unions and a handful of regional non-affiliated ones took part in the 2009 elections, not to mention the principled objection to partisanship that many unions still

[372] Interview with Slamet Kaswanto, 6 July 2009.

harbour. Their electoral success would not have demobilised organised labour; the failure to join the ruling class would only strengthen the resolve to engage in an extra-parliamentary struggle.

The electoral experiment also reveals that political parties are not genuinely enthusiastic about embracing labour votes beyond the rhetoric of fighting for the poor or *wong cilik*. Most of them prefer to define their ideological platform and to mobilise support along the line of either a secular nationalism or a religious, Islamist predominantly, language. The ethnic and religious diversity of the country, interpreted by the New Order as a constant threat to the unity of the nation, has created a condition that prioritises the concern for creating a harmonious society almost above anything else. Intended as justification for repression by the New Order, the language of harmonious society has now become an established political discourse readily available to political actors eager to show their credentials as statesman. Likewise, voters do not want to put the peace and unity of the nation at risk, and they are conditioned to focus on these identity issues. The difference between nationalist and religious ideologies hinges almost solely on the kind of normative prescription that is used as the ideological foundation of the country's unity, the state ideology *Pancasila* for the nationalist camp, or an interpretation of the Islamic law for the religious one. Specific social-economic issues, roughly based on a broad concern for the poor, receive only a passing attention in this discourse and only in election campaigns. Surely, the New Order legacy of political language continues to define electoral politics in a way that does not allow prominence to interest-based issues.

4. Summary

The participation of some sections of the organised labour in electoral politics indicates a shifting strategy that has been born of street politics although it may only be a temporary one. Repeated exchanges with holders of power have gradually made trade union officials see as real the possibility of joining the ruling class. In spite of the defeat, the experiment bears the sign of at least some elements in organised labour of being willing to engage the political system, in party politics particularly, in negotiations and in policy-making mechanisms.

A labour electoral victory still looks very unlikely in the foreseeable future. Conspicuous is the absence of a political partner in the shape of genuinely labour-oriented political parties. While some trade union officials still have hopes of running for political office in future elections, the strength of Indonesian labour movements is still likely to be found outside the confines of formal politics.

CHAPTER 9

Conclusion

Since the collapse of the New Order regime, democratisation and economic liberalisation have combined to create both opportunities and constraints for the revival of organised labour in Indonesia. The reconstitution of labour relations is a complex process of power struggles and trade unions in particular seek to draw on available political opportunities to negotiate pressures that originate from an increasingly liberalised economy. This strategy has been called 'playing politics', by which trade unions, in the absence of significant market power, enter into the realm of power politics primarily by organising labour as social movements and learn to ally with political elites, exploit the conflicts that emerge within state institutions and between the state and business, and try to join the ruling classes. In developing this argument, this dissertation has made two contributions to the study of labour politics in Indonesia: its reassessment of the historiography of the first ten years of post-authoritarianism, particularly from a regional perspective, and its offer of insights into possible future directions of labour politics.

1. Redefining the Significance of Labour Politics

Empirically it has been suggested that Indonesian labour politics in the recent past has been characterised not by complete subjugation or total impasse but by the increasing politicisation of labour. Trade unions play a key role in this process to the extent that labour has become a political force that breaks free from its developmentalist legacy that would normally confine it within the walls of the workplace and for the pursuit of the economic miracles commonly found in East Asia. The Indonesian working class has

learned to craft a political identity for itself in defiance of persistent attempts at the commodification of labour and amidst the unfavourable economic conditions marked by chronic unemployment and slow growth.

Arguments about the slightest success of labour movements in Indonesia sound almost heretical in the face of the mainstream description of political and economic subjugation of labour. There is no doubt that the dark history of labour repression under the New Order sets the tone of interpretation of labour activism from the outset, and the new political dawn that followed the collapse of the regime is treated, at best, with an overly guarded hint of optimism, if not outright scepticism. Indeed, as has been reviewed in the introduction to this dissertation, the picture of post-authoritarian labour movements painted by various scholars is universally bleak, portraying helpless trade unions in the face of economic constraints and the undemocratic remnants of the old forces. The reigning assumptions have tended to regard trade unions, in their role as the representative of labour interests, as politically insignificant in the exclusionary regime of the New Order then and in the scramble for power in the new political landscape, and this failure is often compared with the relative success of political labour partisanship in Latin America or elsewhere. Certainly it is true that Indonesian labour movements have not been consolidated in political parties or other formal institutions of power politics that have direct influence over policy-making processes. As a result, some have argued, the movements have not made qualitative progress as compared to the pre-1998 struggles. But what is the real gauge of political significance? The evidence presented in this dissertation requires that the analytical criteria to assess the significance of labour politics need to be broadened.

The Political Process (PP) approach is instrumental in charting the political terrain and identifying the institutions of collective actions. Within this larger context,

the New Social Movements (NSM) approach has allowed us to appreciate the finer details of labour movements, which otherwise would be sidelined or regarded as insignificant. This approach draws our attention to the fact that the political significance of labour movements does not rest solely on achieving policy objectives or on establishing institutional actors on behalf of labour. Broader processes of transformation in terms of symbolic, informational and cultural resources are integral elements of labour struggles, and they are also politically significant. Changing expectations and norms of the working class, complex patterns of identity formation in shifting environments, all interact with diverse forms of political processes.

The presentation of the significance of trade unions started with the identification of the political opportunities made possible by the reorganisation of power following the demise of the New Order. In Chapter Three, it is suggested that political decentralisation and electoral politics have allowed for the expansion of political space and opened the door for new political elites and civil society groups in the regions. These changes have triggered the reorganisation of political institutions in a way that encourages people, including workers, to engage in contentious politics. It is important to note that elite capture is a serious threat in Indonesian politics; entrenched interest groups and other elites are always in a better position to claim the opportunities and to suffocate the mobilisation of popular interests. It does not follow, however, that ordinary citizens and the marginalised can do nothing that is politically meaningful. The neglect of the political agency of the working class often comes from arguments about the dominance of these entrenched political forces, but it is argued that this dominance has been significantly challenged in more ways than one.

Firstly, in consequence of restored political rights, industrial workers have organised themselves to make the most of the available opportunities. Freedom of

association is a case in point. This right was formally revived through the enactment of the Trade Union Law in 2000, and in response union organisations grew rapidly. This indicates that freedom of association offers a real opportunity to establish independent organisations of the labouring population, relatively insulated from the heavy hand of state intervention. Labour activists have seriously embraced this political freedom and formed various union organisations. The variety of union organisations – in terms of federation or unitary format, on a workplace or neighbourhood basis, and different levels of unionisation – helps to extend the democratic space to include non-conventional labour organisations. While this development may hinder the establishment of a unified trade union movement, it certainly helps to challenge established unions and to prevent the hegemony of one particular labour organisation.

The growth of trade unions was built on the double legacy of the former government sanctioned union (SPSI) and an array of independent labour groups that had hitherto been active underground. This phenomenon points to the fact that the post-authoritarian freedom of association inevitably opens the door to pre-existing forms of labour movement. A degree of continuity prevails under new circumstances, and in the case of Indonesia this continuity is characterised by the persistent dominance of the SPSI and its breakaway unions, at least in terms of their presence in tripartite institutions. They are well positioned to take advantage of the new freedom and to expand their constituency. On the back of the same political rights, smaller unions compensate for their inferior size by their ingenuity and determination to enter into the contest of labour representation and to challenge the dominant unions.

This is not to say that the exercise of this political freedom is without difficulties. There is often a serious lack of protection of the right to assembly on the part of the state especially when employers stifle plant-level unions. Several strategies

such as the criminalisation of union activists, harassment of union officials, and favouritism of one union over others, are deployed in the workplace to discourage union activities, to which the state often turns a blind eye. The biggest threat to labour political freedoms comes from the commitment of the state to labour market flexibility. The resultant short-term or contract work makes the freedom of association irrelevant because union membership would be perceived as an act of disobedience and jeopardise already fragile employment. This form of employment exacerbates the atomising effect of the market on those whom markets subject by offering contracts on an individual basis, so providing the prospect of individual solutions, preventing collective bargaining, and eventually undermining the potential for forming collective solidarities. Moreover, flexible labour markets trigger the explosion of small business units, most of which are domestic, familial, or paternalistic in nature, in which trade unions are conspicuous by their absence. These arrangements allow and give a new impetus to enable pre-existing patronage networks to exercise control over labour in a way that leaves no space for equitable accountability. In other words, these structures make labour easy to control but difficult to organise.

Secondly, the manner in which trade unions mobilise their members deserves serious attention because in doing so they have overcome the main obstacle commonly faced by ordinary citizens to find their political voice, namely how to get together as a collective unit. Many scholars are narrowly focused on the policy impacts of labour politics while neglecting the process of getting into politics ordinary workers who otherwise would not join collective action. Mobilisation requires enormous efforts even for the most experienced political operators primarily because it is directed at individuals who are free to do otherwise. Calls for action can fall on deaf ears, be outwardly rejected, or be met with free-riding attitudes. In this dissertation, it has been

shown that the reproduction of the Indonesian workforce has been in part dependent upon various networks of patronage based in urban neighbourhoods. Trade unions have sought to harness the versatility of these networks for the purpose of mobilisation. This is possible because certain elements of Indonesian labour movements are truly embedded in these networks. In fact, several small unions emerged out of the interplay between different societal forces in the neighbourhood when the workplace was under the grip of developmentalist labour relations. After the end of labour repression, these unions in particular have tried to maintain their popular credentials and in doing so have helped to mobilise other groups in society and to introduce democratic ideas and practices to them. Big established unions, on the other hand, seem to rely on more formal mechanisms by putting the emphasis on workplace organising and tripartite institutions.

Mobilisation also requires some form of shared identity, namely the understanding of oneself as a group and its relations with the targets of the movement. The most common sentiment that unites workers revolves around the language of material welfare especially wages, and unions frame these in political discourses about power, rights, and economic exploitation. While the language of class is often generously invoked, the majority of trade unions do not really advocate radical class conflicts nor call for an end to the existing (capitalist) mode of production. They are aware of the limited appeal of such rhetoric, given the New Order's three decades of a campaign of communism-socialism-bashing, and choose to articulate their struggle in more palatable languages of economic exploitation. The invocation of class identity is largely equivalent to a general descriptive category of the poor. Even with this broad ideological brush, the proliferation of unions and their perspectives offer alternatives to customary norms of reciprocity, be it artisanal, familial, or paternalistic, which have

long structured exchanges between the powerful and the masses. The languages of contention that unions adopt aim to end relations of power which subject workers to a position of dependence and subjugation. This kind of popular politics is crucial in the attempts to deepen democracy as it challenges and seeks to remove sources of unequal relations within workers or the poor in general and between them and their employers. In this regard, independent organised labour, still in its infancy, has contributed to the promotion of such politics.

Thirdly, closely related to the kind of shared identity described above, trade unions have significantly contributed to the formation of labour as a collective oppositional identity against dominant ideologies of exclusion. This is an increasingly assertive and elaborate notion of the working class that focuses on its sense of marginalisation and seeks to contest established ideas and practices of power. In Indonesia the arena of public discourse has long been the sphere of the dominant classes, that is the military, state bureaucracy, business lords, religious leaders and strongmen. The concerns and ideas of marginalised groups rarely feature prominently in the media and fail to produce favourable responses from the state or business. To break established structures of political power requires challenging ideologies of political exclusion that consign the people to the margin of political debates. For more than three decades labour was politically and economically sidelined under the New Order's ideology of *Pancasila* Industrial Relations, and the liberalising economy that followed the demise of the regime continues the exclusion under the discourse of creating an investment climate. This discourse portrays labour protections as distortions in the labour market because they imply a potentially hefty pay bill for employers, which in turn drives down the country's international competitiveness in the global competition for investment. This is seen as detrimental to business and the economy especially in the

aftermath of one of the worst economic crises in modern history. Predicated on economic arguments, the imperatives of global competition give primacy to capital as a lens through which the social universe is interpreted and dismiss the concerns of organised labour as coming from the 'labour aristocracy'. This is compounded by the dominance of elites in government institutions and in the realm of public debate all the way down to the regions whereas the people still in a large measure occupy the category of an insignificant political actor, whose votes are harvested in every election but whose opinions are not taken seriously.

Organised labour has challenged such ideologies by redefining the role of labour outside the stifling confines of the discourse of creating investment climate. While *Pancasila* Industrial Relations and mainstream economic discourses maintain labour as a member of the same harmonious family and as a factor of production respectively, the new oppositional identity wrestles itself free from them and offers its own interpretation of the social universe in which workers live. Even if it sounds futile, labour's oppositional identity ultimately challenges the dominance of the market system as a mechanism of distribution in society. The demands of trade unions often go against the 'wisdom' of the market, forcing the acceptance of 'second best' solutions to industrial disputes and antagonistic interests between labour and capital.

2. Modes of Labour Engagement with the State

The achievements of labour movements discussed above are worthwhile in themselves, even if they do not impinge on institutional politics. However, we can always assess the difference that they make to democratic policy making, particularly because this assessment will allow us to explore some possible directions to which labour politics in Indonesia may go in the future. At the beginning of this dissertation, we approached the

literature of post-authoritarian labour politics in different countries with a particular interest in identifying modes of engaging the democratising state in order to negotiate the unfolding economic liberalisation. The main concern of trade unions is obviously to look after the interests of workers be they material, organisational, political, or ideological. Three main strategies are prominent: labour partisanship in much of Latin American countries, tripartism or social dialogue in former communist countries in Central and Eastern Europe, and elitist lobbying in Taiwan and Korea. These strategies aim at consolidating labour political power at the highest level of governance to influence policies and to shape a broader political agenda.

In different ways, they all represent both a mechanism of interest mediation and a system of policy making. Labour interests are organised and acquire an organisational form in linking up with the decisional structures of the state; over time this process forms institutionalised patterns of exchanges between labour interests and the state. Labour partisanship is perhaps the most straightforward as labour interests are represented by a political party that seeks to control the state and its system of policy formation by contesting elections or joining parliamentary coalitions. The success of this strategy is determined by the extent to which labour interests can appeal to and hence attract support from broader sections of society through elections. Tripartite negotiations require a few well organised trade unions, preferably holding a representational monopoly, and a strong bargaining position that comes from their control of the labour market. This mode of engagement is organisationally complex because it has to decide first of all whether labour organisations should compete against each other for representation or simply be licensed by the state for reasons other than competitive selection. It also needs either a strong state that can override resistance to negotiation from employers and resist capture by capitalists, or in the absence of a

strong state, some extraordinary circumstance such as war or widespread political instability in which the state gains leverage. For the last strategy, the existence of a representative labour organisation is not fundamentally important because, by definition, the labour elite is not necessarily accountable to labour organisations. Labour leaders do originate from unions but their exchanges with political elites are based more on personal or historical relations developed between the two and not on the organisational capacities of the unions.

While all three strategies are employed with varying levels of success by Indonesian labour groups, it is argued that the predominant mode of engagement has been the mobilisation of labour as social movements. Even when big unions engage in tripartite institutions, they are never shy from adopting strategies more commonly associated with social movements, particularly street marches and demonstrations. This mode of engagement with the state is fundamentally different from the other three in that it thrives in the absence of institutionalised patterns of exchanges. Where institutions of political power are perceived to be unresponsive to unrepresented sectors of the population, trade unions in their claims and collective actions provide alternative channels of political participation. Rampant street politics and other forms of collective action by workers force the reconfiguration of politics in a way that transcends negotiations and the interplay among political institutions. Just when democracy is taking shape and is most concerned with its institutions and procedures, trade unions develop a platform for popular challenges by way of conflicts, confrontations and potentially dangerous disputes. Threats of mob rule serve to break down political niceties and interrupt procedural power relations, both of which often constitute the façade of political exclusion of the masses. As such labour has contributed to the transformation of contention into normal political practice. After all, democracy is an

ongoing process of contention that targets imperfections of the system and exclusions of the marginalised from the benefits of democracy (Guidry and Sawyer, 2003: 275).

While collective actions unsettle the institutions of power politics, their widespread and rampant nature in the last ten years suggests more than just the undermining of formal politics. There are indications that collective actions have become an acceptable mode of engagement with the state. In responding to such actions, authorities in general have set a certain pattern of interaction, integrating collective actions, in various degrees, in the structure of politics through which claims are processed. In other words, ironically, it is not wildly unthinkable that what is happening now is a move toward the institutionalisation of protests or a 'movement society' in Indonesia. Tarrow (1998) and Meyer and Tarrow (1998) coin the term to refer to a phenomenon in mostly advanced industrial democracies in which social movements as a form of representing claims have become normalised political practices. A movement society is said to take place when three conditions are fulfilled (Meyer and Tarrow, 1998: 4): 1) social protest has moved from being a sporadic to become a perpetual element in modern life; 2) protest behaviour is employed with greater frequency, by more diverse constituencies, and is used to represent a wider range of claims; 3) professionalisation and institutionalisation may be changing the major vehicle of contentious claims into an instrument within the realm of conventional politics.

From the discussion in Chapter Seven, we can say that street marches and demonstrations have become an acceptable part of power politics in the regions. Different groups of people, but still most prominently workers, almost routinely take to the streets to air their grievances and to assert claims. Authorities, especially the police, have generally allowed them to hold collective actions with few restrictions, and in fact

there has been some kind of understanding, if not cooperation, between police and protest organisers. Both authorities and protesters can both refer to a common script with familiar patterns and try to avoid potentially dangerous deviations. Surely incidences of violence still happen such as the case of labour strikes in PT Shamrock Manufacturing, but the main point is that trade unions have strongly accepted street protest as their chosen strategy because they believe the state can be pressured in this way and there have been tangible results in terms of policy changes. In terms of issues, the range of claims that trade unions assert is still fairly limited, concentrating on workers' immediate interests although there have been attempts to widen it. Efforts at creating a common platform for movements are hampered by suspicion of manipulation and competition between pro-democracy groups. With regard to professionalisation, in the past ten years different generations of union leaders and labour activists have emerged, which indicates a functioning programme of leadership training. Core activists in various labour NGOs have become professional organisers who provide support and training. It is still too early to be absolutely sure about the direction of Indonesian labour politics in the future, but institutionalised labour activism is not totally impossible.

Given the empirical evidence available to us now, how would such a political arrangement look like? It seems unlikely that Indonesian labour movements would develop into interest groups or political parties, two known forms of institutionalised labour representation in the history of advanced democracies, similarly characterised by the centralisation and bureaucratisation of labour organisations and the moderation of demands and tactics. Indonesian trade unions do not see the urgency of unification and centralisation and are unlikely to tidy up their organisations in the near future. Attempts at establishing political parties and persuading workers to vote as a group have failed

spectacularly in the last three general elections and countless local elections as we have discussed in Chapter Eight. Interest-based issues have little appeal to political parties and to voters. Instead, most political parties in Indonesia describe themselves along the line of either some form of secular nationalism or religious ideology. In both ideological platforms, workers are often lumped together in the category of the poor and all parties claim to fight for them.

It is likely that social movement strategies will remain as the predominant mechanisms of engaging the state for many years to come. Trade unions will even use their membership in existing tripartite institutions, especially in the regions, as a front or façade for social-movement-style bargaining, rather than as an established mechanism of bargaining on their own. Labour movements will continue to consist of loose decentralised networks of activists and unions without strong central leadership, even if the unions are part of a unitary organisation or affiliated with bigger organisations based in Jakarta. Activists and union leaders may grow in the capacity to put together temporary coalitions of local and translocal groups for contentious politics after relatively brief preparation. Their mobilisation will be organised mostly around particular campaigns and claims; once contentious, unpredictable and disruptive, their mobilisation will be less so without being less effective as both trade unions and the state learn to negotiate the boundaries of acceptable conduct and claims.

To conclude, the whole exercise of reassessment and prediction is not suggesting a triumphant working class. Far from it; this dissertation modestly begs to offer a more balanced picture of Indonesian labour movements by describing the often neglected political agency of trade unions. This depiction is more consistent with the evidence and can be a good guide to a broader understanding of the nature and the orientation of labour movements in post-authoritarian Indonesia. Ten years after the end

of the New Order, the portrayal of labour politics is still, in itself, an exercise in contention. As the struggle for power continues, our understanding of this period is essentially a work in progress, subject to the twists and turns of history in the making, and limited to playing catch-up with the elusive notion of the present.

APPENDIX

Table A.1. Names of Institutions and Professions Consulted during Fieldwork

Trade Unions		NGOs		State institutions		Others	
Medan and Deli Serdang							
1	SBSU	1	APINDO (employers association)	1	KPU (General election Committee)	1	Journalist (Media Indonesia)
2	Abdes	2	KIPPAS Foundation (media watch NGO)	2	Manpower office	2	Non-APINDO employers
3	SBSI	3	KPS (labour NGO)	3	Investment board (BKPMD)	3	Academics at University of North Sumatra
4	SBSI 1992	4	FITRA (govt budget NGO)	4	Local MPs from Golkar party, PAN, PKS		
5	SPSI	5	Hapsari (labour NGO)				
6	SBMI	6	PBHI Medan (legal advocacy NGO)				
7	PPMI						
8	Serbuk						
Tangerang city and Tangerang district							
1	SPN	1	APINDO	1	KPU	1	Journalist (Tempo)
2	SPSI	2	Transparency Int'l	2	Manpower office	2	Academic at Islamic University of Tangerang
3	SBSI	3	AMPUR (govt budget watch)	3	Local MPs from PKS and PDIP		
4	SBSI 1992	4	GAPENSI (association of construction services)	4	Public work office	3	Muslim religious leader
5	SBPKU						
6	KASBI						
7	SPMI						
8	SP-TSK						
9	KBC						
Semarang city and Semarang district							
1	SPSI	1	APINDO	1	Manpower office	1	Muslim religious leader
2	SPN	2	GAPENSI	2	Local MPs from PKS and PDIP	2	Non-APINDO employer
3	FSBI	3	ORI (labour NGO)				
4	SP Pantura	4	Wahyu Sosial Foundation (urban dev NGO)				
5	Dewan Pekerja Buruh	5	KP2KKN (anti-corruption watch)				
6	PBDI	6	Pattiro (govt budget watch)				
7	FNPBI	7	FPBN (labour NGO)				
8	GERBANG						
9	PSB						
10	Forsbis						

Table A.2. Number of Interviews according to the Profession of Interviewees

No.	Profession	
Medan		
1.	Trade unionists	14 persons
2.	NGO activists	6
3.	Employers	4
4.	Government officials	5
5.	Parliamentarians	4
6.	Resource persons (lawyer, journalist, observers, academics)	7
Tangerang		

1.	Trade unionists	17
2.	NGO activists	3
3.	Employers	4
4.	Government officials	6
5.	Parliamentarians	2
6.	Resource persons (lawyer, journalist, observers, academics)	5
Semarang		
1.	Trade unionists	19
2.	NGO activists	5
3.	Employers	5
4.	Government officials	4
5.	Parliamentarians	3
6.	Resource persons (lawyer, journalist, observer, academic)	6
Total number of interviewees		119 persons

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3. Agus Rujiyanto, Member elect of DPRD in Semarang district, 9 July 2009
4. Ari Munanto, Official of SPN in Semarang district, 3 July 2009
5. Baginda Harahap, Chairman of SBMI in Medan, 18 January 2008
6. Bagus, Director of SPIS in Jakarta, 20 March 2008
7. Bambang Susilo, General secretary of FNPBI in Central Java, 29 April 2008
8. Bariyadi, Chairman of SPN PT SAI Apparel in Semarang city, 29 June 2009
9. Budi Yuwono, Official of the Manpower Office in Semarang district, 14 April 2008
10. Buldozer Purba, Chairman of LEM SPSI in Deli Serdang, 19 January 2008
11. Djimanto, General secretary of APINDO in Jakarta, 4 August 2006
12. Dwi Saputra. Labour lawyer in Semarang city, 4 April 2008
13. Elfenda Ananda, Executive Director of FITRA in Medan, 7 January 2008
14. Fajar Utomo, General secretary of FSBI in Semarang city, 31 March 2008
15. Fransisko Bangun, Official of the North Sumatra Manpower Office in Medan, 14 January 2008
16. Gatot Purwanto, Chairman of APINDO in Tangerang city, 25 February 2008
17. Gunawan, Activist of PKS in Tangerang city, 5 March 2008
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27. Koswara, Chairman of FSBKU in Tangerang city, 2 March 2008
28. Monang Panjaitan, Official of the Tangerang district Manpower Office, 10 March 2008
29. Muchir Hasibuan, Chairman of SPSI in Semarang city, 17 January 2008
30. Nanang Setiyono, Chairman of GERBANG and SPN in Semarang city, 12 April 2008
31. Nanang Sri Darmadi, Chairman of SP Pantura in Semarang city, 8 April 2008
32. Parlindungan Purba, DPD member and Chariman of APINDO in North Sumatra, 26 March 2008
33. Pramuji Purnama, Chairman of SPN in Tangerang city, 6 March 2008
34. Pudjiningsih, Worker of a garment factory in Tangerang district, 15 August 2006
35. Purwoko, Official of FSPTSK in Tangerang city, 21 February 2008

36. Rachmansyah Purba, Activist of SBMI in Medan, 16 August 2009
37. Riden Azis, Chairman of SPMI in Banten, 22 February 2008
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39. Robinson Simorangkir, Official of the Manpower Office in Deli Serdang, 31 January 2008
40. Sahat Lumbanraja, Director of KPS in Medan, 11 January 2008
41. Satria Ginting, Chairman of APINDO in Deli Serdang, 21 January 2008
42. Siswoko, Official of SPMI in Tangerang city, 22 February 2008
43. Siti Istikharoh, Official of SPN in Tangerang city, 28 July 2009
44. Slamet Kaswanto, Deputy chairman of SPN in Semarang city, 6 July 2009
45. Sofyan Tan, NGO activist and public figure in Medan, 30 January 2008
46. Suaman, Official of the Manpower Office in Tangerang city, 7 August 2006
47. Sugandi, Official of FSPTSK in Tangerang city, 19 February 2008
48. Suharno, Labour lawyer in Semarang city, 4 April 2008
49. Sumanta, Chairman of SPN in Semarang district, 3 July 2009
50. Sumarsono, Founder of ORI and former chairman of FSBI in Semarang city, 12 March 2008
51. Tanu Wibiksana, Businessman and official of GAPENSI in Tangerang, 27 February 2008
52. Titin, Worker of PT Bunitop in Tangerang district, 12 August 2006
53. Widiarsakto, Former village head of Karangjati in Semarang district, 7 July 2009
54. Yanuar, Activist of GARUK KKN in Tangerang, 26 February 2008
55. Zainal Abidin, General Secretary of SBSU in Medan, 7 January 2008

Newspaper Titles Used to Compile Data on Strikes and Protests:
Medan (1999-2006)

1. Kompas
2. Waspada
3. Medan Pos
4. Sumatra
5. Sumut Pos
6. Medan Bisnis
7. Suara Indonesia Baru
8. Pos Metro
9. Warta Kita
10. Harian Portibi
11. Bersama
12. Berita Sore

Tangerang (1999-2008)

1. Kompas
2. Pos Kota
3. Sinar Pagi
4. Pikiran Rakyat
5. Republika
6. Suara Pembaruan
7. Warta Kota
8. Radar Tangerang

9. Media Indonesia
10. Koran Tempo
11. Harian Pelita
12. Tangerang Tribun
13. Fajar Banten

Semarang (1999-2008)
1. Kompas
2. Suara Merdeka
3. Semarang Pos
4. Wawasan
5. Kedaulatan Rakyat
6. Jateng Pos
7. Solo Pos
8. Radar Semarang
9. Espos
10. Meteor

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