The Role of the Labour Unions in the Process of Democratisation in Asia: The Oslo Asia Workshop at SUM

Olle Törnquist and Gunnar Gase Handeland (eds)
A workshop-hearing with Bjørn Beckman, Ratna Saptari, Hemasari Dharmabumi, and Olle Törnquist
Preface

The Oslo Asia Workshop was initiated in 1999 by scholars at the Centre for Development and the Environment (SUM), University of Oslo, and Asia analysts with the Norwegian Ministry for Foreign Affairs. There were two major purposes: firstly to meet the demand for academically based but clear-cut and brief public analyses of problems of development and democratisation in the post-crisis Asia; secondly to initiate a forum for regular deliberation between academic, government and non-government analysts. The main activity of the workshop (led by Harald Bøckman and Olle Törnquist, assisted by Thale Berg Husby) has been a series of nine public hearings during 1999 and 2000.1 There may be additional hearings on an occasional basis. The lack of knowledge and perspectives in face of the Asian crisis still testifies to the need for a public and regular deliberative forum for academicians and practitioners. But this particular hearing-programme is now concluded. It has been possible thanks to the voluntary work of several scholars, students and journalists, the back up of SUM, and a financial contribution from the Asia Desk of the Norwegian Ministry for Foreign Affairs.

The eighth hearing on “The role of the labour movement in the Asian struggle for democratic consolidation” was held on April 3, 2000, at Oslo Folkets Hus (People’s House), the headquarter of the Norwegian Labour Union, and in co-operation with its international department. The following report is an edited version of the draft papers, talks and discussions at the hearing. We are most thankful to all of those who contributed to the hearing and the report, in particular, of course, to the invited speakers, as well as to Gunnar Gase Handeland, its managing editor.

Oslo, September, 2000.
On behalf of the Asia Workshop,

Olle Törnquist

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1 (1) The Indonesian elections and the referendum in East Timor (Törnquist, Vikør) [For Törnquist’s contribution, see Jakarta Post, July 2 and 3, 1999, or Economic and Political Weekly, June 26-July 2, 1999]; (2) The modernisation of corruption in China (Ding Xueliang); (3) New South East Asian Politics: Local racketeers, rioters and rebels? (John Sidel); (4) Students, Intellectuals and cultural workers in the struggle for truth, reconciliation and democracy in Indonesia (Goenawan Mohamad); (5) The political development of Indonesia and the issue of regionalisation (Fortuna Anwar); (6) The political economy of uneven development in China (Wang Shaoguang), (7) Norwegian aid-policies in the new Asian context (Lehne, Brandtzæg, Høgdal), (8) The role of the labour movement in the Asian struggle for democratic consolidation (Saptari, Hemasari, Beckman) [reported upon here], (9) Political violence in Indonesia and India in comparative and theoretical perspective (Brass, Tomagola, Cederroth, Hefner, Scott, Törnquist) [A separate report is available from the Asia Workshop]. A concluding tenth up-date workshop-hearing on the problems and options in the further struggle for human rights and democracy in Indonesia has been called off (due to the postponement of an official Norwegian delegation to Indonesia) but will hopefully be arranged separately later on; [cf., for the time being, Törnquist’s ‘Dynamics of Indonesian Democratisation’ in Third World Quarterly, Vol.21:3, 2000.]
Abstract

The question that all the contributors in this collection address is whether the labour unions have or should have a significant role in the process of democratisation in Asia. Although it seems as if the power of the unions are decreasing in Europe, it will be argued here that the labour movement in Asia is on the return and has to be brought into the debate on the democratisation in the region. The changing international environment the last decades has led to a decline of authoritarian state power with its repressive labour relations, and the international organisations have also been relieved from the old pressure of the cold war period. A lot of the countries in Asia first experienced this changing political climate after the Asia Crises in the late 90s. Therefore we can now observe a growing awareness on the role of labour unions within Asia.

This paper is based on a workshop in Oslo in April 2000 where three invited speakers talked about the role of unions from three different perspectives. Professor Bjørn Beckman is discussing the role of the labour unions in the process of democratisation from a general perspective, while Dr. Ratna Saptari discusses it on the regional level in Asia. They both claim that the labour movement is an important political factor. Professor Beckman also says that the fight for union rights are closely related to the fight for democratisation, because unions rights include some core political and civil rights, as the right to organise. Finally, Ms. Hemasari Dharmabumi exemplifies the various problems that the Indonesian unions have faced after former President Suharto stepped down in 1998. There are many unions in Indonesia, and most of them have close links to the existing political parties. Hemasari quotes that it is important that unions after the economic crises are build from below as true independent organisations in order to represent the workers interests towards the state and the capital. She also talks about the necessity of getting organisational and financial support from other countries to the process of building new structures of independent unions in Indonesia.
Table of Contents

Introduction
Olle Törnquist 5

The Increasing Power of the Labour Movement 7
Bjørn Beckman

The Role of the Labour Movement in Today's Asia 11
Ratna Saptari

The Problem of Too Many Unions in Indonesia 15
Hemasari Dharmabumi

Discussion 17
Introduction


All of you are heartily welcome to this seminar arranged by the Asia Workshop. The workshop is an attempt to discuss problems and options in post-crisis Asia by combining the little academic knowledge that we have with the more extensive empirical knowledge of societal groups and experts and activists.

Our interest today is in the democratic potential of the Asian labour movement. This is in contrast to a long period of general disinterest in the role of labour in the region. If we look at the 1940s and -50s, scholars and activists were mainly preoccupied with peasant revolts. The discourse about radical political change has been focused on peasants. This was not only because of the Chinese preoccupation with peasant revolts, but also because a lot of the nationalist movements in Asia as a whole were drawing on the huge masses of peasants, in addition to the so-called national bourgeoisie. Nevertheless, there were also some interests in the labour movement. In the margins, however, some unions were important, for instance within transportation, the infant industry and the plantation sector.

Generally speaking, this was the situation during the struggle for independence and the first period thereafter. This, however, was usually followed by an onslaught of radical movements in general and labour organisations in particular. This was particularly in the countries that later on became known as 'Economic Miracles'. Even though the crackdown of the labour movements in East Asia was a pre-condition for much of the radical economic growth in the area, there was very little discussion about this. Neo-classical economists preferred instead to talk about open markets and export promotion, and state-development technocrats and institutionalists focused on the regulation of finance and industry. Similarly, the discussion about the democratisation in the area has very much focused on the middle classes, not on the labouring classes.

This, I think, is now changing slowly. And this is not just because of the fact that the miracle economy and the associated way of regulating and subordinating the labour has come to an end in East Asia. It is also because people realise that there has to be other ways of organising societies. Just witness the recent developments in Indonesia during the last few days\(^2\). Only a few hours before the government was going to increase the oil and fuel prices, president Abduhrraman Wahid had to withdraw the proposal due to the opposition of labour groups in particular. So, finally organised labour in Indonesia began to have some direct impact. They were important earlier as well, but now their action was even mentioned by national media. And in one of the resent issues of Far Eastern Economic Review one could read of the new importance of labour groups in Thailand, as they resisted privatisation of state companies\(^3\). They even

\(^{2}\) End of March and early April 2000.
attracted widespread sympathies outside the trade unions, since privatisation was looked upon as selling out national assets to foreigners and giving up the idea of a substantial reconstruction of the Thai economy.

These examples are just to give some ideas about how labour concerns are on the return and have to be brought back into our analysis. Similarly there is a growing awareness in our own countries of the fact that current problems in post-crisis Asia are not just about human rights or ugly ethnic and religious conflicts. It is equally important to discuss what basic social forces and what propelling popular movements can be built upon when trying to promote the processes of democratisation. Many people are looking around, and find that one of these strategic forces and agents might be organised labour. And therefore, this is exactly what we shall now begin to discuss.

Professor Bjørn Beckman of Stockholm University is, among other things, an expert on labour and democratisation with a particular focus on Nigeria. But he is also writing in comparative and theoretical perspective, including references to cases in Southern Africa and East and Southeast Asia. This is why we have asked him to kick off this workshop from a general and internal perspective. The next speaker is Dr. Ratna Saptari of the International Institute of Social History in Amsterdam. Dr. Saptari is coordinating a research programme on changing labour relations in Asia. Hence, she will help us evolve from the general to the regional level: the problems and options of the labour movement in East and Southeast Asia. Finally, thereafter, we shall call on Ms. Hemasari Dharmabumi, one of the few Indonesian intellectuals and human rights activists who has devoted their work to the problems of labour – and who has done this, moreover, by linking up with the genuine new unions at the grassroots level. What are the difficulties and opportunities, and what should be done in one of the most difficult case of all: Indonesia?
The Increasing Power of the Labour Movement

Bjorn Beckman – is professor of political science at the University of Stockholm. He has been doing research about labour and democratisation for several years. Beckman’s empirical basis is Africa in general and Nigeria in particular, but he is also engaged in comparative work, including experiences in East and Southeast Asia. His current research program is called “Citizenship and Organized Interests: Individual and Collective Rights in Third World Democratisation”. His recent publications include “Vietnam: reform and transformation” (conference proceedings co-editor, Stockholm: Stockholm University. Center for Pacific Asia Studies, 1997), “Union power in the Nigerian textile industry: labour regime and adjustment” (with Gunilla Andræ, Uppsala: Nordiska Afrikainstitutet, 1998) and “Labour Regimes and Liberalisation: The Restructuring of State-Society Relations in Africa” (co-editor, Harare: Zimbabwe University Press, 1999).

The South-African experience

This is a great day in the history of the international labour movement, since it is the first day of The International Confederation of Free Trade Unions’s (ICFTU) 17th congress meeting in Durban, South Africa. It is the first day of the congress, and it has important symbolic value and great relevance for the topic of today’s discussion in Oslo. The fact that they meet in Durban is not just a celebration of the achievements of the South African working class. It is also the specific achievement of the workers of Durban itself, who in the early seventies began the most remarkable contribution of trade unions to the process of democratisation that the world has experienced in the post-Second World War period. There are earlier periods when labour performed a similar central role. The labour movement in Durban was organised exclusively on the basis of narrow economistic rights. It was not a question of any political or democratic demands, but it was basically the right to organise at your working place. Gradually the concessions which they were able to squeeze from the employers, to get the employers used to the idea of working with unions and establishing labour as an organised force in the society, created the number one pillar of the extremely broad and sophisticated network of alliance politics in South Africa that finally brought the apartheid regime down. In that sense, the holding of the ICFTU-congress in Durban now is very symbolic.

Are the trade unions retreating?

The ICFTU secretariat has prepared a voluminous report for the congress, which has the same title as the congress itself: ”Globalizing social justice”. It is a 150 page report where the first chapter is about defusing and deepening democracy in an era of globalisation. And as can be drawn from the title of the report and of the congress, there is a basic preoccupation with globalisation and the tension between globalisation and democratisation. This is also where my contribution is situated. The ICFTU report says that it is particularly important to celebrate the South African achievement at the time when unions throughout the world are seen as being on the defensive. There is a contrast between the supposed defensiveness of the union movement at the global arena

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4 The 17th World Congress of ICFTU was held in Durban 3-7 April 2000.
and the great achievements of the South African workers. This is not something which is peculiar to the ICFTU secretariat. It is a common notion within the core countries of the historical labour movement, like our own countries in Scandinavia, that this is an era of trade unions retreat and an era of trade union defeats. But the basic argument of my presentation is that this is the early phase of an era of immense expansion of trade unions and trade union power globally.

To assure you that this retreating role of trade unions is not a strawman which I construct to beautify my own argument, I want to quote a very authoritative and fairly recent study edited by the Dutch trade union scholar Henk Thomas. In a study financed by the two leading Dutch trade union he says5: “while for more than a century the trade union movement has been an important actor in defending the interests of workers and in struggling for independence and democracy, it now faces in large parts of the world almost total elimination as a significant social institution”. Further he quoted that in East Asia “unprecedented rapid industrialisation has been achieved along with the oppression of labour organisation”, while African unions face overwhelming problems in the absence of industrialisation. I think this is a faulty perspective which can be explained by a preoccupation with the problems of the old trade unions at the centre, in the countries where the unions historically have made their major achievements, and their failure to see and address the dynamics of working class formation and working class organisation in the rest of the world. This is also linked to the perspective and picture of globalisation, which is being marketed and pushed through the institutions of these labour organisations at the centre. It is a picture of growing income gaps, more power within the multinational co-operations, downward pressure on wages and trade union rights, new technology, rationalisation, downsizing, flexibility, fragmentation - putting out all which are supposed to weaken trade unions. There is also said to be a weakening of the state itself and its capacity to deliver. Through liberalisation, privatisation and cuts in the public sector the state delivers a reduced net of protection, less welfare and less social security.

The other dynamic

I am not disputing that these are all factors in operation, but what is forgotten is the other dynamic that is going on at the same time. The other side of globalisation is related to the internationalisation of capital, the transformation of pre-capitalist social relations of production into capitalist relation of production, the massive expansion of wage labour and the growth of huge new work places. It is not the fragmentation which is the significant factor in labour structure globally now, it is the growth of new large working places. It is also the growth in public sector with public services which are not demanded by workers but by capitalists themselves, because they want the state to take over as much as possible of the cost of reproducing wage labour. The capitalists do not want to pay pensions, they do not want to pay health services for the workers, and they do not want to cover their social costs and expenses, their families education and so on. There is a greed of the capitalists who want the state to subsidise as much of the essential inputs in the production processes as possible: the infrastructure, the access to power, the access to highly qualified technical staff trained by the state, research institutions developed and funded by the state and so on. The net result of these sorts of two dynamics at the global level is basically a growing trade union organisation in work

places, a growing politically role for trade unions, and a growing role in
democratisation. The South African case is in that aspect not exceptional, but it is much
more representative of a general tendency than what one may have assumed from this
rather more pessimistic central perspective.

Globalisation has to be understood as a phenomenon containing those parallel
interacting processes which are reinforcing the role of unions. These processes are the
growth of the working class and the increasing qualification of workers, the
qualification of the production systems themselves, their increasing vulnerability, the
necessity of more advanced forms of governing systems within production itself, and
the homogenisation of capital. We can also see a globalisation of management forms,
where also the standard forms of managerial practices are being diffused, and these
standard forms are increasingly being subjected to accountability. At last there is a
growing body of international agencies and civil society actors that watch critically
those processes and actors.

As a political scientist I am particularly interested in the way these processes are
linked to the decline of authoritarian state power. I am interested in the way the national
state project with its strong state-corporative features has been under a series of crises
and pressures over the past decade. And I am also catching up with the developmental
state of East and Southeast Asia, and its economic crisis which lead to fiscal crisis,
public sector crisis, interventions, structural adjustment, economical liberalisation, and
the dissolution of a kind of repressive political pact which the regime had established
with core groups of labour leaders in the early phase. This is a political crisis. It is a
 crisis of legitimacy of the national social arrangement which allowed a combination of
authoritarianism and repressive labour relations. The changing international
environment is also important in this respect, with its decline of the anti-democratic
alliance politics fostered by the cold war. It means that the international organisations
have been relieved of the old pressure so that they can engage themselves much more
actively now. This relates to public international organisations like for instance the ILO,
which has been virtually asleep for a long period, and that has now been activated under
a new progressive leadership. Even among the new liberals in the World Trade
Organisation (WTO) the balance of forces are really contested within its bodies. While
in the past, in the name of the cold war, the lid was on everywhere.

The fact that the ICFTU is now holding its conference in Durban is also
evidence of a disengagement of the ICFTU from the cold war, which definitely
constrained the ability of the ICFTU to act as a progressive force in the support of trade
unions in much of the third world, South Africa included. The ICFTU did not during
apartheid want to deal with COSATO and with the independent unions in South Africa,
since ICFTU itself was affiliated with the more traditional SACTO.

We can also see an important change in the international environment in terms
of the growth of new civil society based alliance policies. Unions are also a part of these
wider networks of human right groups of global networks. And we can see that all of
this has a materially facilitated ground in the transformation of communication
technology internationally, and in the way in which it forces societies to open up in an
unprecedented manner.

**Conclusion**

To conclude, all of the above represent a very significant change in the balance of forces
in favour of the labour. And it is an opportunity which can be used in different ways by
the labour. It can be used differently by international bodies and friendly countries wishing to intervene and be supportive of those processes. It may be a question of negotiating a new social contract in the place of the defunct national contracts that were created as a result of the struggle for national independence. A new social contract which actually is a weakened state where national capital is becoming obliged to interact in an international environment, and where it is compelled to negotiate seriously with workers and the state in order to arrive at strategies which are politically supported. In that case you do not risk having the country running at the stand-still because everybody is out striking against increases in petrol prices, but then you must actually negotiate over petrol prices with the forces in society that have a credible standing. And this credible standing is not only about being able to agree or disagree with you, it is also being able to ensure whatever social support that is necessary for whatever possible policy you will have to agree upon. So there is a possibility of international support and participation in favour of strategies of social contract, as well as of people themselves to be able to decide whether they want to deal with their masters or not. There is of course a great risk that busybody internationalists claim that they know what is good for South Korea or Indonesia and so on. So it is also a question of accepting, respecting and recognising that conflicts will sharpen, and how you relate yourself to those conflicts is then an entirely different matter.

What we can be confident about is that wherever this process will go, the basic direction of it will be to strengthen the rights of unions. Most likely it will mean strengthening the role of unions in the democratic process. We realise this when we look on the South African experience and the limited rights which they were fighting for in their work places: The right to organise, the right to protect their leaders against victimisation and so on. All of these basic union organisation rights are the core rights of the political and civil right of any society, and there is a crucial spill-over-effect from the struggle for trade union rights into the field of democratisation.
The Role of the Labour Movement in Today’s Asia

Ratna Saptari – holds a Ph.D. in anthropology (University of Amsterdam, 1995) who wrote her dissertation on women workers in kretek cigarette factories in East Java. She is currently the Coordinator of the Research Programme called “Changing Labour Relations in Asia”, based in the International Institute of Social History (Amsterdam). She is also co-founder of the Women's Information and Documentation Centre "Kalyanamitra" in Jakarta, and Chair of the (Leiden-based) Work-group in Indonesian Women's Studies. She is born in Indonesia. Her publications include “Labour in Southeast Asia, Local Processes in a Globalising World” (co-editor, forthcoming Curzon Press 2001), “Women and Households in Indonesia, Cultural Notions and Social Practices” (co-editor, Curzon Press 2000).

I will concentrate my talk on the role of the labour movement in Southeast Asia and East Asia. We know that any regime in any country usually faces the dilemma of how to generate economic development and political stability. We can see in the various developments appearing after World War II how various different Asian countries after independence dealt with the national project and with the labour movement. Scholars have given various labels to the development in Asia. Some have used the term "state corporatism”, which means a situation where the presence of the state is strong, and where the unions are strictly controlled by the government but included in the decision making bodies. Also the term "state exclusionary” refers to a model where state repression goes together with the exclusion of unions in the decision making. These various terms are useful to categorise the nature of the state in Asia in dealing with labour. However in order to understand the development of state-labour relations, one has to place these kinds of depictions within the historical context of the respective countries. Because what happens later on is based on the different constellations of power happening in each country.

Strong unions in South Korea

If we look for instance at South Korea, it is a good example of the emergence of strong unionisation but within the context of an alliance between the labour movement with the student movement and church organisations. One could say that South Korea, especially from the early 60s, began by using state exclusionary methods which were very repressive. Hence the labour movement was very much subordinated until the 70s. Thereafter strong worker resistance emerged. In the late 70s labour conflicts began to take a more formal shape. They got also support from church organisations, because a lot of the workers were members of churches. The church organisations became involved in the process of bringing up the issues that the workers experienced at the workplaces. Eventually the student movement became involved because of the highly repressive nature of the state. The politics of the student movement became very much involved with the workers’ movement. This is particularly related to the assassination of Park Chung Hi in 1979, after which there was a period of political vacuum which then resulted in a military coup. Prior to the coup itself there was some space for the opposition to start building up its positions and to gain concessions. This was also the time when they managed to gain some foothold into the decision making process to improve welfare and working conditions, both at the work place and outside.
The economic crisis of 1997 finally has somehow generated a lot of militancy within the civil society in South Korea. But within the union movement, I think there have been some concessions to state pressure and to pressure from foreign capital.

**Weaker unions in Southeast-Asia**

This is interesting because if we compare different countries and how each state has responded to the crisis, you can see various differences, particularly if we compare South Korea with Malaysia and Singapore. Malaysia and Singapore can be classified as following the model of 'state corporatism' where the bureaucracy is used as machinery to control people. This model is totally different from South Korea because in Malaysia and Singapore all possible means of opposition are incorporated into the political machinery of the state, so that whatever issue or demand which the opposition parties are bringing out reflect what the state allows in terms of issues that can be brought up in the political debate. These issues have to be within the ideological framework of the state.

Thailand, on the other hand, is very interesting because it has never formally experienced colonial subjugation, but it has a strong monarchy. Political crises have occurred in different periods of history, and in those periods the opposition has had the opportunity to build up a kind of a momentum to confront or oppose the state, sowing the seeds of political opposition from within the civil society.

These different previous state policies towards the labour movement have important influence on state-policies during and after the Asia-crisis. Malaysia and Singapore have not been very much politically affected by the crisis. In Malaysia there has been a strong attempt by the student movement and the so-called opposition parties in particular to oust Mahathir from his seat or at least reduce his power. Somehow they hoped that they would be able to follow in the footsteps of Indonesia. This was in the period 1998/1999 when attempts were made to support the former vice-prime minister Anwar Ibrahim against Prime Minister Mahathir. Anwar Ibrahim became the symbol of resistance to state repression. The bureaucracy however was too strong and the middle class too content with the economic situation in Malaysia. Malaysia was hit less seriously by the crisis than neighbouring Thailand and Indonesia.

It is interesting to note that the different nature of the state has a decisive impact on the space that is available for the labour movement on what it can create, and what it should create. For instance it is exciting to observe how civil society in Indonesia must now reconsider its relation to the state, as much more space is suddenly available there. I think this is the major issue that is being felt by a lot of the components of the Indonesian civil society. Actually, the burning question is whether one should stay inside or outside the state. Of course we should not only look at the relation between civil society and the state but also with capital, though I will not deal with it here.

**State-labour relations in Indonesia**

It is interesting to study how state has controlled labour in Indonesia, how labour has responded to state authority, and how labour has built alliances with other components of civil society. It is also important to see how labour issues have sometimes been appropriated by elements of civil society, and how it has sometimes been enhanced but other times, forgotten. As we often concentrate on the Suharto-era of the Indonesian
history, we should not forget the Sukarno-period preceding it. That latter period was important for the development of the labour movement in Indonesia. Sections of the labour movement and trade union organisations either use the Sukarno-period as a positive example or as a negative example of what the labour movement should look like. Those who see it as a positive example are of the opinion that during Indonesia’s parliamentary democracy in the 1950s unions were allowed to exist, the communist party was still very strong, and unions were even given seats in the parliament. The unions were very much involved in the national decision-making. For instance, when there was a motion to abolish the right to strike, unions and the left-leaning political parties were able to cancel it despite the fact that the military played a strong role in the political decision-making at that time in 1957. The unions were also involved at the grassroots-level, and there were various types of unions in different sectors and in the rural areas in addition to the peasant associations. The middle class was still very weak at that time. Many people see this period as an ideal situation, and the proponents of such a situation are looking at the current situation where multiple unions are starting to exist, as a positive development. On the other hand, those who saw it as a negative example are of the opinion that there were too many organisations and too many conflicts during the Sukarno period, and such a situation should be avoided.

It is very important for the Indonesians to learn from their own history, apart from learning from other countries in Asia. The Suharto-regime has written the history in such a way that communism is used for everything that is wrong. On the other side, sections of the opposition use communism for whatever that is right. So this is the time when researchers and research centres need to re-write history in a more analytical way.

Since the early 90s, the relationship between the labour movement and the student and NGO-movement has become much more intense. After the period of total repression under Suharto in the 70s and 80s there has been more strikes, riots and demonstrations and a bridging of the gap between the working class and different student groups. Particularly the role of NGOs has become quite strong and labour issues were considered to be important as a tool to hit at the state and the military.

For example, let us look at the case of Marsinah, the woman worker who worked in a watch factory and was murdered in East Java in 1993. Apart from her tragic fate, the case illustrates some interesting factors. She was part of a group of workers that was struggling for better wages and working conditions at their workplaces. Marsinah was found dead in a paddyfield in a village in East Java. Social movements took this up as an important issue. This resulted even in the setting up of theatre-plays about her struggle, to commemorate her death. Even the state-sponsored union, SPSI, made her into a national symbol of the ideal worker. Discussion groups were also set up to use the case as an entry point to deal with state and military issues, because it was the military that had killed her. Other issues were also brought up like the minimum wage, which in Indonesia can only cover 50-70 percent of the basic needs for a single worker. It cannot be denied that the alliance between the student - and NGO-movement with the workers has enhanced the effectiveness of the labour movement itself. However many workers felt that a lot of the issues focused more on anti-military questions than on labour problems as originally intended. In many demonstrations, some workers’ groups differed from the students, and used them also in different ways.

It should be remembered that workers’ activism was not created by the student movement. Even in the early 1990s, well before the current generation of student demonstrations started, there were already demonstrations bigger than what you could have dreamed of in the 80’s. For instance 14.000 workers near Jakarta were involved in one mass strike; 40.000 in Medan or 11.000 in the smaller town of Semarang in Central
Java. These demonstrations emerged even before there were any ideas about the imminent fall of Suharto.

Afterwards, with the fall of Suharto, the labour issue has become less important. There were ‘hotter’ issues at stake such as East-Timor and Aceh as well as anti-corruption and the issues of decentralisation which IMF is pushing for. (A lot of sections of the civil society are not aware of the dangers of this decentralisation-issue.) Those who were interested in labour issues in the early 90’s have moved on to campaign for East-Timor or Aceh, or they have become the leaders of the corruption watch group. This is sad in one way, but on the other hand many workers’ groups now feel that the labour-issue are in their own hands again.

We all know about the ILO-convention that has been ratified by the Indonesian government during the Habibie-period. Particularly article number 87 on the right to organise. One consequence of this ratification is that a lot of unions have been officially established. But we have not realised how difficult it is for workers groups to be recognised. Unions that are recognised are unions that are accepted by the present regime. We have to remember that although the present government is relatively open towards labour, we have to work at different levels. Labour unions that are recognised officially by the Ministry of Manpower are not necessarily recognised by the state representatives at the local level. And without the support from civil society it is still difficult for labour groups to bring up their issue at the national level. At the national level a lot of issues are now on the agenda, including the legislation of trade unions and the regulation of what they are allowed to do in the case of registration and the right to collective bargaining. The forums to discuss this have somewhat diminished. There is a kind of vacuum in the labour platform dealing with national-level issues.

Suggested reading


The Problem of Too Many Unions in Indonesia

Hemasari Dharmabumi – is a human rights lawyer and a leading union activist in Indonesia. She is the co-ordinator of the Labour Education Centre based in Bandung, West Java. Hemasari worked for many years as labour director of the Legal Aid Foundation in Bandung. She has also campaigned on migrant labour issues and East Timor. Hemasari is currently the Indonesian representative for the international peak council covering trade unions in the food, agriculture, hotel, restaurant and catering industries (IUF).

The economic crisis in Asia affected almost the entire Indonesian population. In order to give you an idea about what this mean to Indonesia and its more than 200 million inhabitants, let me give you some brief numbers and facts. From 1997 until 1999 more than 20 million people became unemployed, and about 32 million Indonesian workers now live below the poverty line. Indonesians who live below the poverty line are generally people who are unemployed, or workers who work less than 35 hours a week. The recent demonstrations against increasing petrol prices are not run by the unions but by the student activists and some urban-poor organisations. At present, most unions are rather busier trying to build a new structure with a national centre.

One of the main problems for the unions is that they lack the consciousness about what the power of the unions really are, and because of this they do not know what their role in the process of democratisation could be. The democratisation process is therefore mostly not led by people’s movements, but it is forced by international powers and other interests. Although millions of people went to the streets in a lot of cities at different islands in Indonesia to demonstrate, the economic crisis was a major factor behind the fall of Suharto. His successor, former president Habibie, improved the rights of the people and the unions by for instance ratifying the ILO-convention number 87. This gives the workers the right to organise. With the new convention it has become very easy to build a union, because the new regulation number 201 of 1999 says that for every 20 workers you can build a union. But the question is if your union has the capacity and the consciousness to increase the wealth and interests of their members, to defending the rights of the unions and so on. Without such capacity and consciousness the right to organise may be of less importance in the process of democratisation.

What are the unions fighting for at the moment? The minimum wage is often used as the maximum wage. Hence the issue of increasing the minimum wage has become an important matter of dispute. Now the minimum wage is 200 000 rupiah a month, which is approximately the same as 200 Norwegian kroner a month. Almost all of the national unions are now very noisy about the new governmental regulation of the minimum wage. I am partly questioning this. If the trade unions really had some potential power, they should have a strategy to run every negotiation at plant level in order to increase the wages, and not depend on governmental regulated minimum wage. Unfortunately there is no union that until now really has the power to increase the wage of their members above the minimum wage. Every union, therefore, depends on the government regulation of the minimum wage. Yet the minimum wage only covers 60 percent of the basic needs of a single worker. So one must conclude that by now the unions are lacking the power to be a strong negotiator on behalf of its members.

There are two major union organisations in Indonesia. In private sector there is a governmental controlled union called SPSI. Then you have KORPRI, the public service or the state owned companies’ union, also controlled by the government. More than hundreds of unions nowadays have split up from these two largest unions. There are
attempts but not yet any viable bottom-up alternatives which can really represent workers interests.

How can Norway support the labour unions in Indonesia?\textsuperscript{6}

The problem of having too many unions leads to a situation where the workers may have big difficulties in deciding between the alternatives. What union should I become a member of, and what can the union do for me as a worker? The other factor, that a lot of the unions are closely linked to political parties who use the unions as a way of top-down organising in the society is also serious, because that leaves the workers without initiative for their own situation. Therefore, the most urged task is to promote a higher level of consciousness within the unions and their members. How can we best arrange for that?

At the moment there is a need for education of union leaders in order to give them basic knowledge of what a union is and how it should work. As I see it, Norway and other Scandinavian countries with a high level of organisational capacity could help Indonesian unions with several things. First of all there is a need for economic support so that educational workshops can be arranged. In addition to this there is a need of material for the workshops and we also need experienced people from Norway and other countries who can give lectures. The programme for the workshops should include lectures on laws and rules that regulate the conditions at the workplace, the role of labour unions in the society, how to bargain with multi-national companies, and how the system of membership fee should work.

\textsuperscript{6} The chapter on the Norwegian support was not a part of the lecture that Hemasari gave, but it was a part of the talks that she had with Leif Lausund and Olle Törnquist at Folkets Hus in Oslo.
Discussion: Questions/comments from the audience with answers from the panel members

Bjørne Grimsrud – is a researcher at FAFO, the trade union based institute for applied social science in Oslo. He is a labour economist.

Very often we concentrate on the right to organise as important for the development of trade unions. I think this is a slight misperception of what the important factors of the development of the trade unions are all about. The most important thing is not the right to organise but the right to do collective bargaining. I think this is the main experience of the workers in Durban, which were denied the right to organise but given the right to collective bargaining, and by that grew in strength. A trade union is not a trade union if it does not have the right to collective bargaining, otherwise it would be an NGO interested in trade union questions or the welfare of the workers. It becomes a trade union first when it represents the workers towards the capital. If I have understood the Indonesian experience correctly the focus has been on organising, not on collective bargaining; and the other focus was on labour versus the state. This can be important for a short period of time when you mobilise workers for change. But if you look at the role of the unions in a long-time development, you need to look at their capacity to bargain collectively and their capacity to represent workers towards capital. If you characterise the different unions along these parameters you will see that the unions that have the right to collective bargaining are also the unions that play an important political role in the long term. Even in Singapore and Taiwan you will see that the unions that have the right to collective bargaining exercise some important political influence.

I agree that the role of labour is increasing in Asia. I think that the democratic changes of government in post-crisis Thailand and South Korea, and the way in which the new governments were able to speak to the workers through the trade unions, are examples of a new system in the making. Hence it is perfectly correct to focus on the role of labour after the Asian crisis. In countries like Thailand and South Korea there were representative trade unions which the old or new government could talk to. A kind of social dialog could soften the crisis. In those countries, on the other hand, where you did not have a channel of dialog with the workers as a real trade union represents, you had more severe crisis. It is important to state this, because not much research on the role of labour in the economic development or democratisation has been carried out, and here we have an evidence of the importance of labour when it exists as a channel for dialog. Consequently, I hope you can start to build a strong local union, and then bring together a strong national movement.

Olav Boye – is the secretary of the Nordic Grafic Union.

I have two comments and one question.

Firstly, in my view, you always need a strategy to be able to work on a global level and at the same time build strong national and local unions. If you do not have a strong national centre, you will not have any strong power in the society at all. But you
also need to think globally as many of the companies like Nestle and Coca-Cola are working globally as multi-national companies

Secondly, I agree with Bjørne Grimsrud in the way that there is no union without collective bargaining. Let me illustrate with an historical example: The International Confederation of Free Trade Unions General Secretary, Bill Jordan, said that when he was visiting China two years ago he had a meeting with the minister of labour. Bill Jordan criticised the minister of labour for not allowing the unions to organise freely and bargaining collectively. The minister of labour replied: "You are from Birmingham Mr. Jordan, I think you are a carworker there". Bill Jordan agreed and said that he used to be a carworker. The minister continued: "Then I think you should go back to Britain and look at the situation in your home country, because after 12 years with Margaret Thatcher and John Major, you do not have the right to collective bargaining anymore. So go home and take a look at the situation for the ILO-recommendation in Great Britain today, and then you can come back and criticise me after having cleaned up in your own house".

The point is that this is true. The situation in Europe today is that we are loosing the power to collective bargaining. This is not the situation in Asia, Africa or Latin America only. We can even see new regulations in Norway in the direction of promoting individual rights instead of legislation on collective issues.

My question is: What is the main challenge of the fight between the different unions in Indonesia, and is it religious, political or personal differences that make the fight possible?

**Leif Lausund** - is the leader of the International Department of the Norwegian Trade Union (LO)

Is there any hope for an improvement of the situation in Indonesia when you have more than 100 so-called national unions, and where a lot of them are fighting each other? We arranged a seminar in Yogyakarta, Central Java, in October 1999 where we invited 18 of the central unions trying to see if it was possible to let people from different unions sit together for three days to set up some common goals. Among them were people who had tried to kill each other. In the Philippines there is the same split between the unions as in Indonesia, and there has been very little development in the union work. Is there any hope of development in Indonesia in the sense that the unions can work together? In my point of view this is needed in order to create a more democratic society with a strong labour force.

My second question goes to Hemmasari Dharmabumi: What in your view are the four or five most important issues for the trade union movement in Indonesia?

**Stein Tønnesson** - is a professor of history at the Centre for Development and the Environment (SUM) at the University of Oslo

I have one question to Ratna Saptari and Hemasari Dharmabumi concerning the relationship between ethnic and religious conflicts and the class conflict. If you read the international press after the fall of Suharto, there have been few articles about class struggles but many concerning the ethnic and religious strife. We have seen from the Moluccas that a social conflict also can be ethnic and religious. Which of the unions or movements in Indonesia today carry out the propaganda for a class consciousness as opposed to ethnic and religious identity?
Olle Törnquist

I just like to supplement Bjørne Grimsrud by saying that everyone in Indonesia is of course aware of the fact that they should link the local with the central. But the problem is that the centre has either been occupied by parties or middle class activists in the NGOs who have not had the best links with genuine trade unions.

COMMENTS AND ANSWERS TO THE QUESTIONS:

Bjørn Beckman:

How can one best draw the distinction between different types of rights? One distinction has to do with how the rights are sustained. Is the right something that exists in the law, or is it something which is the result of an actual struggle in the work place. I am sure that there is a lot of evidence of what Bjørne Grimsrud suggests about people who have formal rights but who cannot use them. The purpose of organising is not necessarily collective bargaining but to represent the interests of the workers, and you can do that in different forms. The extent to which the rules regulating power relations at a plant actually are included in formal agreement between the parties, the extent to which they are actually included in the labour laws of the country, and the extent to which they are basically a result of the struggle itself, dissolve the distinction between organising on one hand and collective bargaining on the other side.

I think I will return to where I ended my introduction, by looking at the link between union rights and political rights, and the relevance of understanding this link for the purpose of democratisation. The linkages that we can see in the Indonesian case are very confusing, and we can see that all political parties are engaged in their own union movement, that there are constant splits and so on. If we focus on democratisation as party politics and elections, we may easily feel that unions are marginalised politically. But if we look at democratisation as more a long-term business of building credible institutions at local level, building up experiences in union work, and last but not least building up experience in working across ethnic and religious divisions, then I think organisations at individual work places are extremely crucial in the term of democratisation. It is also a basis for alliance politics in the civil society that may concentrate on protecting the rights which political parties do not necessarily bother so much about. The role of unions at local level is perhaps not very effective at national level, but it may be important in providing the members as part of these wider alliances.

Ratna Saptari:

I think that the right to organise is necessary for getting the right to collective bargaining in Indonesia. What usually happens is that workers cannot negotiate if they do not have the right to organise. The problem is that the majority of unions that have appeared in Indonesia are not genuine and do not represent the interests of the workers. But in order to be able to deal with workers you need an organisation. If you concentrate on collective bargaining only, then you will get the situation of Malaysia
and Singapore where workers are only involved in their own work places and where everything is contained within the work place, and where this involves only ten percent of the industrial work force. In Indonesia only 15 percent of the industrial work force is in the work place and about 80 percent of industrial work is done outside the factories. So you need a combination of political and economic struggles and I think these two are not only functional but also symbolic for the larger space that one wants to create.

To emphasise the diversity, I think there are some reasons also to focus on those who are not unionised but nevertheless have formed groups. If we focus only on the formal organisations/trade unions we will miss a lot of groups that are very active at the grassroots.

One of the big issues is that some unions, like the SBJ (Serikat Buruh Jabotabek – The Jabotabek Trade Union), do not want to become a sectoral union, but want to be a community based ones. They say that the problem is that there is a high turnover of workers because a lot of the workers are casual and not permanent daily workers. They have to deal with workers outside the factory in the informal sector. Mobilising industrial workers can therefore be much easier done if you work cross-sectoral. Probably because there is no umbrella organisation, their solution is to work at the community level.

SBR (Serikat Buruh Regional – The Regional Trade Union) in Surabaya, East Java, did not even want to register as a union. Their bargaining position is more on bringing issues from the work place into actions outside the work place, like going to the minister of manpower, lobbying with international organisations and so on.

You have also the kind of unions that do not want to be trapped within the bureaucracy, and they do not want to be trapped within a specific sector. They feel that they are more able to mobilise workers outside.

In this connection the current push for decentralisation is also relevant. This is based on two different lines of thinking. The IMF promotes decentralisation because they it wants less state intervention in order to liberalise the economy. And various groups within civil society that do not want more state repression have pushed for the same thing. We do not know what the implementation will be at the local level, but the problem is that the organisations that want to confront general issues will be fragmented according to regions. They have to deal with the local authorities without being able to discuss things at the national level. This will be a problem when you want to have national level bargaining and struggle.

It is difficult to say something about whether the party-based unions will use the ethnic and religious issue because they are not yet really operating – but of course a lot of the parties are based on divisions along these lines. When a situation occurs in the Moloccas, then it becomes a religious conflict and not a class conflict because this is the major issue at hand. The main problem that the workers have to face is that they have to deal with state and capital at the same time. That is very difficult because you cannot ignore the state with the military and the local government. You have to work with or against it all the time. Therefore strategies to face capital, national or international, also become very fragmented and ad-hoc.

Hemmasari Dharmabumi:

I fully agree that the right to collective bargaining is essential and that the right to organise is not enough. In Indonesia the government recognise the right to organise, but the unions do not always have the right to collective bargaining. There is for example a
huge cigarette-producing company situated in Central Java, called Gudang Garam. There are more than 18,000 workers at the Gudang Garam-factory, and there are more than five different unions within this factory that fight each other for the right to represent the workers. The workers are very confused about which union they should choose to do the collective bargaining. We are trying to build education programmes to strengthening the local unions to have the power to bargain, but we cannot choose between the unions. We hope that they can get a minimum of understanding about the benefit of uniting and how a united union can become a force in the struggle for improved working conditions.

As I see it, the most important factors for the trade unions in Indonesia is the issue of dismissals after the economic crisis. Second is downsizing, especially related to questions of foreign investors trying to take over for instance a bank which they then will close. A lot of bank-personnel have lost their job under these conditions. The subcontracting problem is also serious. Another important issue is to direct the consciousness of the workers back to themselves and their working conditions instead of being pre-occupied with what the government is doing.

The major problem for the trade unions is how to claim the members and register them when you have the split in many different unions. They therefore also have a problem of choosing which union that should represent all the unions in the Peoples Consultative Assembly (the enlarged parliament). The unions are allocated two seats to represent the interest groups in addition to other NGOs. The unions are fighting each other in order to get the chance to represent all the unions in different parts of the political system.

Another problem is related to the autonomisation of the regions, since the government is giving a bill on regional autonomy directing towards a more federal structure of the country. The central government will therefore only regulate a few things, and more power is to be given to the regions. This means that the labour movements have to relate to other and various authorities at the same time as they themselves should integrate more nationally and internationally.

The split of SPSI in Indonesia has serious consequences for the huge number of unions we now have in Indonesia. There were 48 parties contesting the election in 1999, and 25 percent of these parties built their own union. A lot of the unions are also closely related to different NGOs. We need to focus on some of the small unions like SBJ. This is because here 80 percent of the 1500 members pay for their membership. We also need to emphasise those unions that exist within companies like Nestle or Coca-Cola. These unions have been built from below.

One problem is how we can build strong national level unions. If we invite a lot of local unions to a meeting at the national level, most unions would react strongly, because they would be afraid that we were going to take over their members. But if we could be able to build a council among many local unions regardless of what national union they belong to, then we can maybe get the right to collective bargaining. And this would be the first step.

The second step is to relate unions within the same industry to each other as for instance a food- and beverage union. That is a kind of bottom-up approach with which we can build a strong national centre.

Another problem is that all of the international solidarity and aid goes directly to the national centres. Because of this reason you get unions with a "big hat and a very thin body". All international support goes to the highest level. We need to emphasise and strengthen the local unions so that they can advance step by step and reach the national level.
There is also a problem with the differences in the interests of the political parties. How can we separate the trade unions from the political party interest? None of the parties that contested the election in 1999 were built from the grassroots, all of them were top-down oriented.

The only Indonesian trade union centre that has had a strong class orientation was the All-Indonesia Labour Unions' Federation, SOBSI (Sentral Organisasi Buruh Seluruh Indonesia). Suharto banned SOBSI after the crackdown of the Indonesian Left. Religious and ethnic issues are still provoked by the military to divide and rule. This is a long tradition in order to let the people fight each other. Also, the history of trade union power is a history of a split between communists/socialists and Islam. At the very least we have to raise again the class struggle perspective in the union movement, but this is a difficult issue.