

October General Strike in Indonesia

On Wednesday, October 3rd 2012, about two million Indonesian workers went on national strike.

The strike was pioneered by Majelis Pekerja/Buruh Indonesia (MPBI – Indonesian Workers/Labor Council) and followed by other organizations including the Konfederasi Serikat Nasional (KSN - National Union Confederation).

MPBI stated, in a press release dated 27 September 2012 that the coalition has three common demands; the elimination of outsourcing, the abolishment of low wage policies and the implementation of social security for all Indonesian people.

The strike took place in 21 cities / districts and 80 industrial estates in Indonesia.

KSN puts forward slightly different demands:, as expressed in a statement delivered by Mukhtar Guntur K (KSN Vice President), KSN has four priorities on its agenda; the rejection of privatization, the rejection of outsourcing, the refusal of union busting and and the rejection of cheap labor policies. KSN's strike took place in 20 provinces.

The union confederation also build alliances in some regions. In Tangerang, FSBKU (a member federation of KSN) formed ALTAR (People's Alliance of Great Tangerang) and went on strike in some industrial estates. In Sidoarjo, East Java, FSBM (also a member federations of KSN) visited some factories where outsourcing policies are still put in place such as PT Langgeng.

The issue of outsourcing, has been an issue of struggle for progressive unions for a long time, and has recently been massively adopted by many labor organizations.

The Outsourcing system causes people to lose their certainty of work, and the right to have an appropriate job becomes very far from reality. The Outsourcing system is a new model of modern slavery. The system does not provide any social justice or welfare. It was pioneered in the state-owned corporations, such as PERTAMINA (oil and gas), PLN (electricity), PTPN (plantation industry), Banks, Railways, the mining sector and others. This shows evidence of the ongoing "liberalization of labor", implemented under regulations and normative legal provision which are inconsistent with the mandate of the National Constitution.

The state's role in attracting economic investments in Indonesia is the biggest influence factor in the wage system which is defined in the Provincial Minimum Wage and the City/Regency Minimum Wage. Wages in Indonesia are still very low, ranging in 0.6 U.S. \$ / hour. The workers live anxiously under the very low wage, facing the uncontrolled rise of the price of basic goods. The majority of workers in Indonesia spend almost all their income just in order to survive. This condition is exacerbated by the absence of strict sanctions against companies that pay workers below the minimum wage. ILO states that 30 % of Indonesian workers received wages below the minimum wage.

Every struggle conducted by the unions almost always faces resistance from the companies (union busting). Freedom of association is guaranteed in the Constitution, by the Law 21 of the year 2000 and by the Presidential Decree 82 of the year 1998. However, the regulations obviously do not guarantee the rights of

trade unions, as union busting continues to occur since 2002, with hundreds of cases in many sectors.

Generally speaking, there are two forms of union busting. The first, occurs when a company seeks to prevent workers to establish or join a trade union, thus making sure that companies are free to exploit without any control from the labor unions.

The second form of union busting occurs when, companies try to weaken those unions that already exist. Sanctions against officials and union members, intimidation and discrimination, are common measures to weaken the union.

Privatization issues are not articulated by many labor organizations, but KSN considers this a very important issue. The transfer of state-owned enterprises to private companies, both national and foreign, will threaten the lives of the state's economy. Privatization in Indonesia, is as a result of the debt policies of the New Order regime which had unable to repay its debts as had been agreed upon. In 1997 the New Order Government was forced by the International Monetary Fund (IMF) to sign a letter of Intent to turn over state-owned corporations through initial public offering mechanisms and Strategies Sales/Strategic Partner.

National strikes are not well known in Indonesia, because the Law 13 of the year 2003 stipulates that workers can only go on strike if negotiations with the company fail. Thereby the law is often interpreted that it concerns, factory-level negotiations.

Against such an interpretation, Kahar S. Cahyono, vice chairman of the Central Executive SPAI FSPMI states: "The strike is a fundamental right of the workers. It's not just about the failure of negotiations, but about the State which has neglected to provide job certainty, certainty of income, and social security for its citizens. And since the problem occurred due to negligence of the government, going on a nationwide strike is appropriate, not just a regional strike or a strike on the factory level".