Labour Movement and Interest Groups in Contemporary Indonesia

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This paper discusses the labour movement as an interest group in contemporary Indonesia. Using qualitative methods, the researcher explains that as a group of interests, the labour movement was powerful towards both the central and regional governments. However, the labour movement failed to build political parties even though the number of workers was a quarter of the electorate. The strength of the labour movement in influencing the government was evident. In 1998, the campaign was able to stop the implementation of new labour policies. Furthermore, in 2003, it actively participated in the process of drafting new labour policies that massively changed the 2001 ministerial regulation on wages. Lastly, it made the government issue policies restrictions on work completed by outsourcing. For the regional government, the labour movement cooperates with regional heads to provide support in general elections. In return, the provincial leader establishes high labor costs and issues a policy of protecting local labourers.

**Key words:** Labour movement, interest group, policy change, local government, alliance.

**Introduction**

Since its birth in the 1900s, the labour movement in Indonesia has had a political character. Class and religious dimensions are strictly in the connection that results in fragmented actions from time to time (Rochadi, 2009; 2016). Although the government still restricts it, the labour movement continues to bring up the pioneers of the movement who dare to take risks in the face of power and capital owners. With such origins in Indonesia, workers have always been politically involved. Even in the era of authoritarian rule under Suharto (1966-
labor activists persistently conveyed the demands of association and welfare (Hadiz, 1997; La Botz, 2001; Ford, 2003). Demonstrations, strikes, and protests by workers are everyday scenes. When the political system changed into a more open policy in 2000, labor activists and other social movements seized the opportunity to be more organized structurally. They even built political parties to play more significant roles as influential forces.

The character of the fragmented labor movement only succeeded in positioning it as an interest group or pressure group. Although the number of workers continues to increase, and reaches a quarter of the total number of voters, labor parties always fail to win seats in parliament. Exclusion occurred in the first general election in 1955, where the Labour Party won two parliamentary seats. Labour leadership in the social movement and the struggle for independence succeeded in placing it as a national party to gain mass support. Although there has been a fragmentation of the labor movement, with a sub-structural pattern towards political parties, the long history of the labor movement has been deeply rooted since the early 1900s. The achievements of the labor movement in spearheading the nationalisation of foreign companies in the 1950s (McVey, 1967; Hadiz, 1997, 2005), increased the reputations of labor leaders. In the next election, the labor party failed to win support, and the vote did not reach one percent of the electorate.

The facts that surfaced are ironic. Firstly, the labor movement is the oldest in the country (McVey, 1967; Shiraishi, 1997). The role of this social power in generating collective action is enormous. Through mass action and mass meetings, the labor movement has become a social bond that turns the masses towards campaigns. Through this kind of collective action, each member understands the purpose of living in a society, and then in a state. Activists experience social mobility with the achievement of social status & prestige in society (Rochadi, 2016a). It was the labor movement that first introduced the principles of organisation and state. Secondly, the number of formal and informal workers continues to increase from year to year. In the 1930 population census, Indonesia's population was 60.2 million. Of this amount, 30% are workers in various jobs. Meanwhile, the number of formal workers in 2018 reached 53.09 million people (Karawang, 2018). Such a large amount is a potential resource to be mobilised and can produce significant changes. By considering the two conditions above, the labor movement should have become a considerable social force, and should hold leadership in Indonesia.

The entrepreneurs, professional groups, bureaucracies, and scholars are still the most significant sources of political leadership in Indonesia, in both the capital and the regions. Not one labor activist has managed to sit as a member of parliament. This condition also occurs in industrial areas. In Karawang Regency, which is the largest industrial area in Indonesia, there are no regional legislators who come from a labouring background. In this case, the labor activists actively interact with centres of power such as the people's representative council, ulama, legendary figures, business people and members of trade
unions as well. They have sufficient resources to play a role in the broader position. However, despite competing several times to become a member of the council or regent, the votes obtained were far from expectations. Trade unions have an essential role in influencing labour policies (employment). Since the fall of Soeharto in 1998, for example, trade unions have succeeded in urging the government to delay the implementation of labour laws and in convincing the government to formulate new labour laws. They also have been able to urge revocation of government regulations on wages, and to increase the number of workers sitting on the National Wages Council Regions. Lastly, they have been successful in canceling the revision of the labour law promoted by the government, and have asked the government to limit businesses outsourcing their employees. The most significant achievement is trade unions have managed to press the government to raise minimum wages.

As an interest group, Indonesian workers have succeeded in influencing government policies both at the central and regional levels. Then, the questions that arose were; 1) Why do trade unions succeed in changing government policies, especially in employment? 2) Do trade unions only aim to protect their interests?

**Literature Review**

**Labour Movements and Interest Groups**

A pioneer of interest group studies, Arthur F. Bentley (1908), explains that groups are part of society (a group as any subsection of the community). There are no groups without interests, both of which cannot be separated. Similarly, Truman (1951), following Bentley's idea, states that groups are the basis for the formation of society and government institutions. In the theory of disturbance, Truman says that interest groups develop through the process of increasing the complexity of society, which then encourages or stimulates individuals to organise because they experience interference. Groups change the balanced relationship with other groups in society. However, Truman's theory cannot explain the symptoms of declining trade union membership in Indonesia. The ongoing economic crisis did not create an increase in the number of union members, unfortunately, and vice versa.

Bentley's notion was followed by German sociologist, Evers & Schiel (1990) in his concept of strategic groups (strategische gruppen). Each group is formed to protect interests and strive to realise their ideals. The ability of each group to add resources and to build networks defines them as Strategic Groups. The journey to reach a strategic position is full of conflict with other groups and the government as well. The success of winning the competition will add resources and increase its status and so on.

Thus, the community is the arena of conflict between groups, including the government. Baumgartner and Leech (1998) explain that there is a need for criticism, because it puts the government as a neutral (mediator). The government, as the winner in the general election, is
an institution with interest in carrying out its policies. If the decisions are detrimental to civil society, the result will be resistance or rejection. Without starting from this viewpoint, there is no study of interest groups. When the government sets policies, there are certainly incentives for interest groups and disincentives for other groups. With this view, the review of interest groups must begin with government policies, so that it is impossible to position the government as a mediator.

Furthermore, Wyn Grant (2000) explains that interest groups are "an organisation which is one of the best decisions taken by the executive, the legislature, and the judiciary, and by the local government. Hence, interest groups emerge from all groups, whether organised or not, trying to influence government policy from the agenda-forming process until its implementation so as not to harm it. Such a goal distinguishes it from a pressure group. The latter group puts pressure on the government both for itself and the community at large, although in practice the differences between interest groups and pressure groups are difficult to distinguish. The ways that they use also vary, both conventional methods such as lobbying, meetings, personal relationships with decision-makers to non-conventional protests, strikes, and riots (riots) as such. According to De Bruycker and Beyers study (2018) about interest groups in the European Union, the strategy of lobbying and mobilising the masses is equally sufficient. If the type of policy problem has a limited impact, and the government is more popular, the soft lobbying strategy is more successful. Conversely, if the policy issue has a broad effect, lobbyists enjoy the popularity and support of other groups, then mass pressure is more effective in influencing the government.

A historian, Peter Burke (2005), classifies such short-term strategies as just group responses to policy. As a response, more groups are waiting for government decisions. No less important is the continuous effort to change the system under the interests of the political group. Therefore, Peter Burke suggests constant pressure so that a group must transform itself into a social movement. In perspective, social mobility is not just a response but an organised and continuous effort to change the social structure according to its political views. Sociologist Sidney Torrow (2004) formulates social movements as collective challenges by people with shared goals and solidarity that interact continuously with elites, opponents, and rulers. Whereas, according to Alain Touraine (1985), an I-O-T scheme is the definition of social movement. This typology involves the interpretation of collective identity (I), especially the actors; the meaning of opponents or opposition (O) and the stakes of the totality of culture (T) which is the field of conflict. This concept is not different from Tarrow, in which both of them emphasise conflict as a clear definition of opponents or opposition. Both types of social movements fight over power and materials in society, an analysis rooted in Marx's work. Thus, opponents are identified quite clearly, namely the holders of power, owners of the means of production, dominant culture, or hegemonic power. Meanwhile, as a movement in the authoritarian era, workers prefer to exert sporadic pressure, not organised to
avoid organisational responsibility. As a pressure, the most realistic form of protest they carry out is strike action.

By considering the above discussions, this article attempts to explain the relationship between labourers and the contemporary Indonesian government from the perspective of interest groups and social movements. From the standpoint of interest groups, various trade unions will be put forward both collectively (involving various trade unions) and partially in influencing the government in the field of labour policy. Whereas, from the perspective of social movements, trade unions will raise different collective challenges to the government, employers, and social forces that help the government and entrepreneurs in facing workers.

Methodology

The authors chose to conduct this research in Karawang district, the most densely populated industrial area in Indonesia. In 2018, in Kabupaten Karawang, there were 233,606 companies with 592,031 workers (Karawang, 2018). The chairman of the All Indonesian Workers Union (SPSI) Karawang Branch, Chair of the Karawang Indonesian Muslim Workers 'Association (PPMI) Branch and Chair of the Singaperbangsa Workers' Union (SPS) helped collect the data, through observation and interviews. SPSI and PPMI are nationally structured union centres to the branches. SPS is a local trade union, but it is robust in influencing local government policies. The Karawang Central Bureau of Statistics and the Karawang Regency Manpower Office provided secondary data. The research was conducted at the research site for one month, the researcher living in a densely populated labour settlement on the outskirts of Karawang. The data analysed only fulfils internal and external consistency, according to Neuman's criteria (2013). Then, data analysis was shown by successive approximation, according to Neuman's (2013) theory.

Result and Discussion

The Role of the Labour Movement

The history of the labour movement born in the early 1900s shapes the character of Indonesian labour politics. Two critical legacies of the labour movement are the strong ideologies of socialism and Islam. Since being introduced by Sneevliet, a member of the Dutch socialist party in 1914, socialism has developed rapidly in Indonesia. Conformity with these socio-cultural values and the content of hope from ideology is a factor that accelerates development. The economic conditions in which state capitalism developed through companies belonging to the Dutch colonial government became another driving factor. As stated by Wright (2001), the rise of the labour movement fought for socialism because industrial capitalism has stolen the wealth of the state and society through an unfair system. In situations of inequality, socialism is an alternative that unites humanity (Heywood, 2014). Whereas, Islam, which is the largest religion of followers (around 85%), has a system of
industrial relations and rejects orders originating from western companies. Therefore, Islamic unions try to implement an industrial relations system that supports their beliefs.

The Islamic Union united the two ideologies of this movement (Shiraishi, 1990), but the increasingly leftist socialist wing and the Islamic wing that moved to the right split the campaign in 1920. In the following years, competition between them increased, so that each looks for partners, especially with political parties. The most radical and robust labour movement with a socialist character in Indonesian history is the Central Indonesian Labor Organisation (SOBSI), which became the substructure of the Indonesian Communist Party (PKI). Meanwhile, the Indonesian Islamic Workers Union (SBII), which later changed its name to the Combined Indonesian Islamic Workers Union (Gasbiindo) was a strong support for the militant Islamic party, Masyumi. These two labour movements dominated Indonesian politics before foreign investors were free to move. Various political agendas came from them, such as the demand for the nationalisation of international companies carried out by SOBSI in the 1950s, and requests for the application of the Nasakom concept in government agencies and state-owned companies. If the SOBSI refuses to cooperate with the military, the SBII supports it. Likewise, with the demands of nasakomisasi in all state institutions, then SBII rejected it.

The PKI coup of 1965 ended labour leadership in social movements. The military took power and controlled the state centrally. It formed the state corporatism and new unions, later on, to paralyse the trade unions (Mas'oe'd, 1989). In this format, the role of the movement and interest groups weakened drastically. The absence of a political opportunity structure according to the concept of Tarrow (1996), public fears of mass killings that claimed more than one million people (Crouch, 1979; Cribb, 2002; Roosa, 2016; Melvin, 2018) and security approaches by the government accused workers of being communist heirs, which became the cause of the death of interest groups, primarily social movements. As an opponent of leftist forces, Islam, which helped the military destroy communists, should enjoy power. But the military has a political agenda of development (Feith, 1982; Abbott, 2003; Warburton, 2018) which rejects Islamic participation in force.

Nonetheless, sporadic protests have taken place since the mid-1990s. Protesters and strikers demanded normative rights such as wages, overtime wages, and freedom of association every day (Rochadi, 1996; Hadiz, 1997; Kammen, 1998; Ford, 2003). These protests were not carried out by trade unions or interest groups but were collective actions opposed by official trade unions. Therefore, the trade unions did not enjoy the results of the protests, that mostly related to the payment of wages following the UMR, the number of overtime wages and holiday allowances.
Sporadic labor protests throughout the 1990s played an important role, namely opening a gap (political space) that was strictly controlled by the security forces. Other social forces, such as students, farmers, fishermen and even the most significant Islamic movements such as Nahdlatul Ulama (NU) and Muhammadiyah did not dare to put open pressure on the government. The protests caused the division of the political elites that weakened Suharto's power. The military that was very solid previously, substantially divided into the red and white group. Red and white Indonesian flags show loyalty to the state, and the green army refers to those who are more loyal to the Indonesian Muslim Scholars Association, a new organisation formed by BJ Habibie as a new power outside of NU and Muhammadiyah (Hefner, 1993). Labour protests, despite their normative demands, began to involve the military and bureaucrats against the militaristic labour regime under the Admiral that is Sudomo. Labour makes a significant contribution to democracy and has weakened after authoritarianism has been brought down, because the economic crisis has made workers lose material strength.

Increasingly Militant as an Interest Group

For its investments in movements throughout the 1980s and 1990s, labour activists had a strong bargaining position in the era of democracy. In 2000, there were 199 trade unions registered in the Ministry of Manpower. This surge is driven not only by the climate of freedom of association and the euphoria of democracy, but also the romance of the movement (Rochadi, 2016a, 2016b). The trade unions that existed in the 1950s rose again, but only enlivened & carried empty vats as a tool for former activists. By utilising the momentum of freedom of association and the support of political parties that continually reject the power of the New Order and its supporting parties, Golkar, labour activists mobilise workers to put pressure on the government to obtain policies that do not harm workers.

There were some successes. Firstly, labour activists have successfully thwarted Law No. 25 of 1997 concerning Labor Principles. This policy was discussed in 1996 to anticipate the economic crisis so as not to harm entrepreneurs. The Government and the House of Representatives (DPR) have agreed to the contents of the draft law; the President has even signed it. However, this law raises criticism and challenges from labour activists because strikes are only permitted in the company's area after obtaining permission from the government and employers. Also, workers involved in strikes are not entitled to wages. The demands of labour activists to provide freedom of association were not accommodated in the act. The resistance began to be launched by the workers when Suharto's rule had weakened, and the elite began to break. The refusal prompted President Abdurrahman Wahid to issue Perpu No. 3 of 2000 concerning the delay in the enactment of Law No. 25 of 1997. This Act was finally never enacted due to the strong refusal of workers. The rejection was spearheaded
by the Indonesian Labour Struggle Centre and the Indonesian Prosperous Labor Union. Since early 2001, the government has accepted the proposals of trade unions in drafting a new bill. Secondly, the success of the workers forced the government to revoke SK Menaker No. 06 / Men / 1998 concerning minimum wages. The minimum wage in Jakarta based on the decree was Rp 198,500, equivalent to US $ 14.10, and was rejected by workers through massive demonstrations which paralysed Jakarta, Tangerang, Karawang, and Bekasi. The Minister of Manpower changed its decision to US$ 16.3 per month as labour demanded a salary of Rp.500,000,- per month, equivalent to US$ 35.7. President B.J. Habibie asked workers to accept the wage policies because of the economic crisis.

Thirdly, the Minister of Manpower Decree was revoked. 78/2001 was initially intended to replace Kepmenaker No. 150/2000 concerning the Settlement of Termination of Employment and Determination of Severance Pay. Kepmenaker No. 150/2000 requires employers to provide severance pay and rewards to workers who resign, including workers who break the rules. This provision was rejected by employers because it was very burdensome. While labour activists tried to fortify these provisions by including them in the Manpower Act Plan, lobbying was carried out by the management of the Indonesian Employers' Association (APINDO) to return to Kepmenaker 78/2001. Labour demonstrations which surrounded industrial cities in June-July 2001 defeated the lobby.

The fourth success was the active involvement of trade unions in the formulation of labour policies. After Law No. 25/1997 was postponed, the Government promulgated Law No. 22/1957 and Law No. 12/1964 to fill the legal vacuum. But the need for labor policy reforms encouraged the government of the 1999 general election to formulate employment policies. For the first time in the history of labour, trade unions were actively involved in the process of policy formulation. About 22 trade unions who were members of the Anti-Persecution Labour Committee (KAPB) drafted labour policies and rejected the draft submitted by the Government to the DPR. Provisions regarding outsourcing, certain time work agreements, wages, severance pay, and the preparation of Collective Labour Agreements (PKB) became the focus of labour activists. In a draft compiled by trade unions, the position of workers was strengthened in these points, so that employers would find it very difficult to terminate employment. The draft proposed by trade unions showed that job security, certainty of wages, protection of workers who were members of trade unions, and freedom of workers to voice their interests, were preferred.

Fifth, the success of the labour movement foiled the amendment to Law No. 13 of 2003. This law, since its formation in 2002, has been continuously protested against by labour activists. The Anti-Labor Supervisory Committee (KPAB) rejects the policy because it legalises outsourcing workers and permits the application of specific time employment contracts (KKWT). The policy plan was finally approved by the DPR and promulgated into Law No.
13 of 2003, although thousands of workers demonstrated for two days in industrial areas, such as Jakarta, Tangerang, Bekasi, and Karawang, by occupying roads and other public places. The government in early 2006 planned to revise Labour policies. This revision was needed because according to the Minister of Manpower and Transmigration Erman Suparno, the policy was very burdensome for employers, was frightening investors, and was not providing employment opportunities. The policies were considered to only favour formal workers and not facilitate job seekers. The revised draft, which covered 21 points, included the elimination of state protection for workers by requiring employers to provide security related to welfare, mental and physical safety, and health. Foreign workers were not restricted to occupying certain positions in the company. Moreover, outsourcing would be permitted for all types of work, and the contract period was extended from 2 to 5 years. The outsourcing policy has discriminated against workers and legalised violations committed by employers (Rochadi, 2019). Workers could be fired if they joined a strike that was not approved by the employer. Responding to this revised draft, trade unions in big cities occupied DPRD buildings. In the regions, the government supported workers, such as in Batam, Surabaya, Makassar, Medan, and Bandung. Local governments feared that the revision would marginalise local workers, who found it increasingly difficult to find work.

The sixth success was the issuing of the Regulation of the Minister of Manpower and Transmigration No. 19 of 2012, concerning the Terms of Partially Submitting the Work Implementation to other companies. Outsourcing policies that harmed workers were widely implemented, in terms of differences in wages, organisational "bans," unclear careers, and uncertainty about the future of workers (Rochadi, 2019). Since 2004, the main demands of workers have been concerned with the abolition of outsourcing policies. Labour demonstrations and strikes were carried out continuously in various industrial areas, both by occupying public places and factories. The meetings with politicians, the minister of labour, chairmen of the House of Representatives and leaders of political parties were carried out to ensure the need to abolish outsourcing policies on the government's agenda. On the labour day commemoration of July 1, 2011, all trade unions agreed to occupy the Jakarta toll road, which is the lifeblood of the national economy. This event by Juliawan (2012) is referred to as a political street-level. The demonstration succeeded in forcing the government to develop an outsourcing policy plan. Finally, the minister of labour issued a policy that limited the partial submission of work to other companies, known as outsourcing, related to cleaning services, catering, security, business services in mining and demand services and the business of providing transportation for workers. The issuance of the minister of labour and transmigration regulations showed the victory of trade unions as interest groups. Even so, not all employers obeyed the policy. In the above cases, the theory of De Bruycker and Beyers (2018) on mass mobilisation for broad-impact policy issues was also used by labour activists in Indonesia.
Seventh was the policies at the local level (local government of Karawang district) in determining the city minimum wage. Karawang trade unions, especially SPSI, PPMI, and SPS became the main motor of victory for Cellica Nurrachadiana, as a resident of Karawang in 2016. Cellica fully understood the conditions of the Karawang community, which is the largest industrial area in Indonesia. The residents of Karawang who worked as labourers were 397,892 people. They were all potential voters. Collaboration with trade unions was carried out with the promise to set the highest city minimum wage in Indonesia. Voters selected Cellica, and she kept her promises. The average wage in Indonesia was Rp.1,997,819 per month (US $ 148.37) in 2016, while in Karawang, the city minimum wage reached Rp.3,330,505 (equivalent to US $ 247.3) per month. In 2018, the city minimum wage in Karawang remained the highest in Indonesia - Rp.3,919,291(Karawang, 2018). Such strategic alliances are significant in influencing government policy. Although the labour force has not been able to reach the strategic pension strategies such as the concepts of Evers and Schiel (1990), by acting as an interest group, workers have received economic benefits.

Eighth was the affirmation of policies towards local workers. The Karawang trade union alliance, consisting of SPSI, PPMI and SPS, urged the government to provide more extensive employment opportunities to the Karawang population. The regent, who was directly elected by the people, was encouraged to pay greater attention to his or her voters. Driven by a strong local union, SPS had mobilised village heads to hold hearings with regional legislatures and regents since the beginning of 2016, and policy makers agreed to be part of the Karawang population. They issued local Regulation No. 8 of 2016 concerning Expansion of Employment Opportunities in Karawang. According to this regulation, every company in Karawang must employ original Karawang workforce to fill at least 60% of employment opportunities. The policy attracted protests from job seekers from outside Karawang and businessmen. They claimed that not all job seekers from Karawang had the qualifications needed by companies. Finally, the regent's regulation was canceled by the central government because it was contrary to the principle of justice in labour policy. The pressure of trade unions on the central and regional governments has been carried out since the establishment of the policy agenda to its implementation. Trade unions prioritise their interests to wage policies, outsourcing, the right to strike, the right to organise, termination of employment, and social security. Therefore, the concept of interest groups, as stated by Wyn Grant (2000) is appropriate to explain the above phenomenon. It is different from the idea of social movement, which is suggested by Tarrow (1996) and Touraine (1985), which states that, if the movement is successful, it will bring not only the addition of organisational resources but also strengthen its position towards other forces. Following the concept of Peter Burke (2005), trade unions carry out movements in response to government policies.
Conclusion

Despite failing as a political party, labour power succeeded as an interest group. A number of labour policies have been successfully influenced by trade unions by using both soft and hard methods. The labour movement took a violent approach, such as demonstrations that paralysed the city's economy. Some workers were injured because they did not see other ways to urge the government. The government has sided with entrepreneurs since the New Order government (1966-1999). Various policies, such as tax reduction and ease of investment, a security approach to labor and low-wage policies, are implemented to attract investors and support economic growth. However, social inequality encourages workers to fight for their economic rights. Workers take advantage of the political opportunity structure in line with the ongoing democratisation process. The need for the political elite to gain workers' support in winning elections, has forced those concerned to negotiate with trade unions. According to the data that has been collected, the action of workers in acting on their role as interest groups is still limited in fighting for the interests of workers.
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