Economic unionism and labour’s poor performance in Indonesia’s 1999 and 2004 elections

Michele Ford
Flinders University

ABSTRACT
There has been a rapid expansion in the number of trade unions in Indonesia since the fall of President Suharto in May 1998. Since then, unions have gradually increased their ability to influence industrial relations at the national level and to bargain on the shop floor. In the 1999 and 2004 general elections, attempts were made to convert labour's increasing industrial power into a presence in the national parliament. Both failed miserably for a complex range of reasons. This paper argues that while labour's political failure can be partially attributed to electoral immaturity, its primary cause lies in the labour movement's ambivalence towards political models of unionism.

Introduction
Freedom to organise is not new in Indonesia, which had a long history of independent unionism during the first two-thirds of the twentieth century (Elliott 1997; Ford 2003; Ingleson 1986). However, current laws that permit as few as ten workers to form a union represent a dramatic departure from Indonesian labour policy under Suharto's New Order regime (1966-98), which sought to contain the labour movement through its authoritarian state corporatist system of industrial relations.

During Suharto’s 32 years of rule, organised labour experienced severe repression in the name of socially responsible economic unionism. Unions that survived the anti-Communist purges of 1965-66 were effectively replaced by a federation of industrial unions (The All-Indonesia Workers’ Federation, FBSI) in 1973, which was in turn forced to restructure in 1985, when FBSI was transformed into single union with nine departments (All-Indonesia Workers’ Union, SPSI). SPSI was officially again restructured as a federation (Federation of All-Indonesia Workers’ Unions, FSPSI) in 1993 and unaffiliated enterprise unions were permitted from 1994; however, in practice Suharto's New Order government maintained its one-union policy by preventing alternative unions to organise above plant level.

After the legislative and policy restraints on free trade unionism were relaxed following President Suharto's resignation in May 1998, there was a veritable explosion in the numbers of trade unions registered in Indonesia. By the end of the Habibie interregnum in October 1999, there were twenty federations registered at the national level alone (FSPSI n.d.), and three years later, the Department of Manpower had registered 61 federations, one confederation, almost 150 labour unions and some 11,000 enterprise unions (SMERU 2002, p.vi). Five years after the fall of Suharto, there were three main union confederations in Indonesia. The first two grew out of the single state-sanctioned union of the Suharto period. The Indonesian Trade Union Congress (KSPI), which has enjoyed the confidence of important international actors, including ACILS and the ILO (Interview with Sofyan, KSPI Executive, 1 July 2003; Interview with Puthut Yulianto, ACILS Program Officer, 15 July 2003; Interview with Alan Boulton, Director of the International Labour Organisation's Jakarta Office, 16 July 2003) is a break-away from what was FSPSI. The second is the ‘status quo’ part of FPSI, which has since changed its name to Confederation of All-Indonesia Workers Unions (KSPSI). The third major union confederation is Muchtar Pakpahan's Confederation of Indonesian Prosperous Workers’ Unions (KSBSI), formerly the Indonesian Prosperous Trade Union (SBSI), the most influential of three ‘alternative’ unions established outside official industrial relations structures in the late New Order period.

While Indonesia's new unions have faced many challenges since 1998, it is indisputable that conditions have dramatically improved for organised labour. New Order state corporatism has been replaced with a liberal-democratic system of industrial relations, which combines a North American-style focus on enterprise-level collective bargaining with the tripartite structures favoured by the International Labour Organisation.
Under the New Order, SPSI, and later FSPSI, had only a token presence on national committees and even less influence in most workplaces, but since the fall of Suharto, significant progress has been made towards better representation of workers’ interests both on the shop floor and at national level within Indonesia’s tripartite and bipartite structures.

To what extent has unions’ success in their campaign for industrial recognition been matched by advances within formal politics? This paper argues that labour’s industrial victories have not been matched by success in the political arena, and that unionists’ and other labour activists’ suspicion towards what they see as ‘political unionism’ has been a major contributing factor to labour’s poor performance in the 1999 and 2004 General Elections.

‘Political unionism’ in Indonesia

The relationship between the labour movement’s industrial and political wings is often taken for granted in Europe and Australia. However, in Indonesia, there is a sharp divide between the two, which can be attributed to the legacies of labour movement structures in the post-Independence period (1945-1965) and the manner in which the Suharto regime demonised the involvement of the organised labour movement in elections and formal political processes.

In the 1950s and 1960s, scholars of Indonesia labour used the concept of political unionism to explain the connections between unions and the Indonesian nationalist movement in both the late colonial and post-Independence periods (cf Tedjasukmana, 1958; Hawkins, 1963; Hasibuan 1968), at a time when, internationally, the concept of political unionism was very influential. International proponents of theories of political unionism argued that the activities of unions in developing countries were more likely to be political than economic, because of unions’ involvement in nationalist movements and their lack of industrial bargaining power (Bates, 1970). There is a vast literature on political unionism, but two relatively old models of political unionism in developing countries are quite useful in the Indonesian context. In the late 1950s, Galenson (1958) suggested that a ‘duality’ of purpose is common in developing-country union movements because unions must balance members’ interests and the requirements of nation building. In a survey of unionism in former British colonies published in 1980, Decades later, Gladstone (1980) proposed a closely related model, which identified a transition from a honeymoon period shaped by the ‘real or presumed role of trade unions in the independence movements and the identification of prominent trade union leaders with those movements’ to a state-sponsored restructuring of unions into a ‘tool of development’ (see also Essenberg, 1981).

Gladstone’s model is particularly pertinent to Indonesia, where the politically active unions of the post-Independence period were restructured by the New Order regime to serve the ‘national interest’, which was expressed in terms of development goals. Indonesia’s New Order regime (1966-98) sought to contain the labour movement through its authoritarian state corporatist system of industrial relations, under which organised labour experienced severe repression in the name of socially-responsible economic unionism. After the New Order was established in 1966-67, it introduced the idea of Pancasila Industrial Relations as part of a developmentalist, corporatist state system ostensibly built on the ‘family principle’ and the ‘traditional’ values of ‘mutual help’ and ‘deliberation to reach a consensus’, built on the concept of functional groups formulated during the Guided Democracy period (1959-1965) (Bourchier 1996; Reeve 1985). The architects of Indonesian corporatism set out to eliminate the legacies of pre-New Order unionism by forcing the non-communist unions that survived the transition to restructure as a federation of industrially-based unions (FBSI). New Order ideologues argued that unions must be ‘renovated’ in order to avoid repeating ‘the mistakes of the past’, when organised labour had eschewed its socio-economic responsibilities in favour of a divisive political unionism in which ‘outside’ interests (primarily the interests of political parties) were prioritised over members’ needs and the national interest (Soekarno 1984). In the words of Moertopo (1980, p.23) the chief architect of New Order corporatism:

In the past, the Indonesian labour movement was divided and difficult to unify because of ideological differences between its leaders, who emphasised the political struggle and neglected the struggle to improve the socio-economic welfare of its members…The FBSI’s struggle emphasises the socio-economic struggle to improve workers’ welfare, and
the achievement of better working conditions and social guarantees. In doing so, FBSI is returning the function of the labour movement to that of labour union rather than of political organisation.

Moertopo's corporatist vision was tempered by contemporary international ideas about unionism—concepts supported by unions in Western Europe and by the ILO, which promoted a system of tripartism based on social-democratic principles. Non-communist international labour bodies, notably the ICFTU, the AFL-CIO and the German Friedrich Ebert Stiftung (FES, Friedrich Ebert Foundation) were influential in Indonesia at the time when the New Order's labour regime was taking shape: although their hopes for a strengthening of existing non-communist unions were considered unpalatable by the Indonesian government, the models of unionism they promoted were influential in the establishment of the FBSI. Within Indonesia, moderate socialist union leaders were involved in the restructuring of the labour movement. More prominent, however, were the leaders of religiously-based unions, who generally employed a conservative version of social-democratic rhetoric in which workers' interests were deemed to be best protected within a harmonious employment relationship predicated on Muslim or Christian morality. One of the most influential union leaders in Indonesia in the early 1970s was Agus Sudono, the leader of the Muslim union federation, GASBIINDO. Sudono, who chaired FBSI from the time of its formation in 1973 to the time it was restructured as a single union in 1985, defined labour unions in social-democratic terms:

A trade union is a permanent, democratic organisation that is formed voluntarily from, by and for workers, to improve the protection afforded to them in their work, to improve their working conditions through collective bargaining and their life situation, and as a means of expressing workers' opinions about issues that arise in the community (Sudono 1979, p.26).

However, Sudono, like Moertopo, repeatedly emphasised the difference between political organisations' 'ideological, long-term, socio-political struggle' and unions' 'real, short-term, socio-economic struggle' (Sudono 1977; Sudono 1979). In New Order Indonesia, this meant not only that unions should not be controlled by political parties, as European social democrats have argued (see Bernstein 1975) but that labour should not be involved in formal politics at all2.

The New Order's emphasis was reflected in its labour historiography. Having introduced Pancasila Industrial Relations as an 'indigenous' model of labour relations in 1974, the New Order regime was anxious to create an historically continuous sense of workers' desire to be united to achieve improvements in their own economic conditions while participating in national development and eschewing political unionism. At the same time, it wanted to differentiate itself from the previous regime. New Order labour historiography achieved these aims by building a story of continuity with a purported minority of labour unionists who struggled to achieve 'pure' (economic) unionism in the colonial period and through the Sukarno years. In that story, the ambitions of members of historically 'pure' unions to achieve unity were repeatedly frustrated, because the majority of unions had been 'subverted' from their economic and nationalist purposes by political parties in general, and the PKI in particular (Ford 2003).

New Order labour histories argued that unions were unable to achieve their desire for unity because of their links to political parties in the late colonial period (1900-1945) and the post-Independence period. They claimed that these factors distracted unions from their 'true' (socio-economic) purpose, which meant that members' interests—and the national interest—were neglected (see for example Kertonegoro 1999). Furthermore, most New Order authors were silent on the economic credentials of the trade unions. Instead, they emphasised unions' historical neglect of the 'socio economic interest' of workers (SPSI 1995; Simanjuntak 1992; Mukadi 1992). They argued that political trade unionism made unions 'too weak to fight for the interests of their members' (Batubara 1991, pp.76-77), leaving 'the main objective of improving the welfare of workers and of their families' unattended (DoM 1997, pp.2-3). These New Order accounts claimed that when political parties and other labour intellectuals were eliminated under the New Order, trade unions were 'freed' to unify and resume their rightful place as defenders of workers' socio-economic interests and the national interest.
In a country where relatively few labour histories are available, and access to historical documents is extremely limited, the assumptions that underpin New Order accounts of unionism in the late colonial and post-Independence periods were surprisingly influential, even amongst the informal labour opposition. As a result, although independent labour activists vehemently rejected the outcomes of New Order labour policy, and encouraged demonstrations against the regime, many remained ambivalent towards the possibility of developing direct links with a political party because they shared the New Order’s view that unions were likely to be captured by the interests of the political parties concerned, leaving them unable to successfully fight for members’ interests. This is reflected in the alternative labour histories written by labour activists and unionists during the last decade of the New Order period, which highlight the class aspects of struggle of unions in the colonial period, but are silent on the strength and variety of unions after Independence. Despite extensive historical evidence that communist-aligned Central All-Indonesia Organisation of Trade Unions (SOBSI) was in fact closely linked to the Indonesian Communist Party (Elliott 1997), Razif (1998), for example, celebrates the formal declaration of non-alignment as the exception to the general pattern of union weakness resulting from unions’ ties to political parties.

**Attitudes of the labour opposition to political unionism**

As in other exclusionary corporatist systems, the New Order’s single union was primarily an instrument of control rather than a representative body (Ford 1999; Hadiz 1997). Labour opposition began to grow after 1985, when the FBSI was replaced by the unitary All-Indonesia Workers’ Union (SPSI). By the end of the Suharto period in 1998, two of the three major ‘alternative’ unions of the period—the social-democratic Indonesian Prosperity Trade Union (SBSI) and the radical Indonesian Centre for Labour Struggle (PPBI)—had become significant forces for change. A number of NGOs concerned with labour issues had also become heavily involved in labour organising during this period (Ford 2003; Hadiz 1997).

The key players in labour opposition in the late New Order period had widely differing views on union involvement in formal politics. Dita Sari and other PPBI activists argued for political unionism along Leninist lines, where unions’ role was to support a revolutionary party in the achievement of the dictatorship of the proletariat. In contrast, SBASI’s founder Muchtar Pakpahan publicly eschewed connections between political parties and unions, arguing that unions’ primary purpose was to achieve socio-economic change on behalf of their members, and that this was best achieved by non-affiliated unions. Similarly, some dissident members of the government-sponsored SPSI (later FSPSI) who privately supported links between unions and political parties were publicly supportive of union independence from political parties. Meanwhile, although independent labour activists associated with many of the better-known labour NGOs firmly rejected the New Order’s attempts to limit workers’ freedom of association and the right to bargain collectively, they largely accepted the New Order’s negative interpretation of political unionism, arguing that involvement in formal politics would hinder unions’ ability to serve their members’ interests (Ford 2003).

Muchtar Pakpahan’s involvement in SBASI, although by no means the only example, provides an excellent illustration of labour activists’ ambivalence towards political unionism (and therefore the involvement of intellectuals in union executives) during the last decade of the New Order. One symptom of this ambivalence was activists’ rejection of outsiders’ involvement in the labour movement, the strength of which was demonstrated in their criticisms of Pakpahan’s continuing involvement as General Chair of SBASI. As Tom Etty (1994, p.9) of the Dutch Trade Union Federation (FNV) confirmed in 1994, labour NGO activists:

> hold the view that setting up a union and being active in it is only workers’ business. They are, for that reason, very critical vis-à-vis the trade union movement as it manifests itself currently in Indonesia: ‘outsiders’ play the leading role there. Clearly, their main target is the SPSI. But remarkably enough some of them are also somewhat weary [sic] of the SBASI, whose General Chairman is a lawyer by profession.

Pakpahan’s chairmanship also presented a dilemma for the founders of SBASI themselves. According to Amor Tampubolon of YFAS (the labour NGO to which Pakpahan previously belonged), Pakpahan was only intended to be a short-term, transitional leader (Interview with
Amor Tampubolon, 29 March 1999). His decision to continue in the post caused tension between SBSI and his former colleagues, who believed he should step down and allow a worker activist to fill the position.

More predictably, Pakpahan’s involvement in SBSI was opposed by the government and members of the official union. Government bureaucrats and union officials criticised SBSI, arguing that it was an NGO, not a ‘real’ labour union because its officials were not members of the working class. Even stronger criticisms were made of Dita Sari and the FNPBI, whose preference for mass political action over grassroots organising was described as an indisputable return to an era when unions served the interests of political parties rather than the interests of their members and the nation.

Political developments since 1998

Has labour activists’ antipathy towards political unionism survived in the post-Suharto period? It seemed as if labour had embraced new opportunities for political engagement when four of the forty-eight parties that contested the 1999 General Election claimed to represent labour’s interests. Two of those parties—Muchtar Pakpahan’s National Labour Party (PBN) and Wilhelmus Bhoka’s Indonesian Workers’ Party (PPI)—had trade union connections. As noted earlier, Muchtar Pakpahan was the founding Chair of the major independent union of the late Suharto period, SBSI (now KSBSI), which was finally permitted to register as a union after the fall of Suharto. Wilhelmus Bhoka, on the other hand, was a pre-New Order trade unionist who had continued working within the state-sanctioned union during the Suharto era. Within days of Suharto’s resignation, Bhoka, along with other New Order and pre-New Order labour figures, including Trimurti, who was a trade unionist, Indonesia’s first Minister for Labour (1947-48), a member of the Indonesian Labour Party (PBI) and head of the Women’s Labour Front (BBW), established the PPI, which was formally registered in February 1999 (KPU 2004c). The other two labour parties that took part in the 1999 Election, the All-Indonesia Workers’ Solidarity Party (PSPSI) and the Workers’ Solidarity Party (PSP), were rumoured to be fronts for Suharto’s interests. A fifth party, the Workers’ and Students’ Party of Struggle (PPP) was registered with the Department of Justice and Human Rights, but did not contest the election (KPU 2004a).

However, labour’s advances on the industrial front were not matched in the political sphere in 1999. Pakpahan’s PBN, the most successful of the four labour parties that contested the ballot, received just 140,980 votes, or 0.13 percent of the national total, significantly below the two percent threshold required to maintain formal party status. The other three ‘labour’ parties attracted a collective total of 174,846 votes, or 0.17 percent. If the 78,730 votes cast for the radical, pro-worker Democratic People’s Party (PRD) are included, the five parties received a total of 394,556 votes, or 0.37 percent of votes cast (KPU n.d.).

In 2004, there was only one labour party in the twenty-four parties listed on the ballot paper: Pakpahan’s re-constituted Social Democratic Labour Party (PBSD). According to Indonesian Electoral Rules, parties that attracted fewer than the two percent of the vote required to maintain formal party status after 1999 were not permitted to contest the 2004 election. Consequently, a number of parties who had not passed the threshold re-registered under different names, including PBN, which re-registered as PBSD on 1 May 2001 (KPU 2004b). A number of other ‘labour’ parties also registered or re-registered after 1999—including the curiously named Party of Indonesian Businesspeople and Workers (PPPI)—and a total of three, including PBSD, passed the Department of Justice and Human Rights’ administrative verification procedures. The other two labour parties were the Indonesian Labour Force Party (PTKI), the Indonesian Workers’ Congress Party (PKPI) (KPU 2004c; KPU 2004d). Only PBSD passed the final stage of verification required to participate in the 2004 election, in which it was determined that Pakpahan’s party had a presence in 22 Indonesian provinces (KPU 2004b). Although the PRD-linked National Front for Indonesian Labour Struggle (FNPBI), the successor of the PPBI which remains an important force in informal labour politics, identified the Election as its major concern for 2003-2004 (Interview with Dita Sari, Chair of FNPBI, 13 July 2003), PRD’s successor, the People’s United Opposition Party (PPOR) did not appear on the Electoral Commission’s official lists for party registration process, although it was listed in at least one newspaper article listing parties that had failed the third stage of verification (Kompas, 4 October 2003).
Despite the fall in the number of labour parties contesting the election, the labour vote in 2004 was marginally better than in 1999. Pakpahan’s PBSD attracted 636,397 votes, or 0.56 percent of the vote (KPU 2004e). Nevertheless, in the context of the Indonesian labour force statistics, this result was extremely poor. Indonesian Bureau of Statistics figures indicate that in 2001, just over twelve million Indonesian (over thirteen percent of a total workforce of approximately ninety-one million) were employed in the manufacturing sector alone (BPS n.d.). While a large proportion of workers are not union members, he three main union confederations claim a total membership of around ten million. KSBSI, which is now affiliated to the WCL, claims 2.1 million members in 287 branches (Interview with Timbul Simanungkalit, Member of Central Leadership Council of KSBSI, 3 July 2003), while KSPSI claims 4 million members (World Bank 2003). Meanwhile, KSPI’s 12 union affiliates collectively claim some 3.1 million members (ICFTU-APRO n.d.). Although no firm figures are available on what percentage of members is regularly paying dues, and numbers of due-paying members are definitely lower than these estimates, these figures suggest that hundreds of thousands, and perhaps millions, of unionists in Indonesia are not voting for the parties that claim to represent labour.

Explaining labour’s poor electoral performance

The reasons for labour’s poor turnout are complex. Some of them relate to the political immaturity of the electorate in general, and others stem from the characteristics of the workforce. There are strong internal ties in particular working-class suburbs, but there is little sense of community amongst Indonesia’s waged workforce as a whole. Instead, a rigid hierarchy exists between different groups of workers, and there is little recognition of their common interests (Ford 2003).

However, much of the problem lies with unions themselves. There are fierce, ongoing debates about the ‘proper’ function and composition of unions in Indonesia (Confidential Interviews 2003), but most of the current generation of labour activists have been strongly influenced by socio-economic definitions trade unionism, as demonstrated by attitudes within the labour movement towards ‘labour’ parties in the 1999 and 2004 Elections. The post-Suharto government continued to mobilise the anti-political unionism rhetoric of the New Order period in its critique of political labour. For example, on the occasion of the foundation of Bhoka’s party, PPI, Minister for Manpower Bomber Pasaribu’s expressed concern that PPI would be exploited as a vehicle for its founders’ political interests, thus recreating the conditions of the Old Order era, when workers ‘were used as political targets in general elections and then they were left behind’ (Jakarta Post, 29 May 1998). Meanwhile, and more significantly, there was demonstrable disquiet when Pakpahan announced that he would form a labour party for the 1999 election within the labour movement itself. Labour activists, some of whom were unionists from SBSI itself, continue to publicly and privately question his motives, accusing him of using workers for his own purposes (Confidential Interviews 2001, 2003).

Conclusion

Formal politics is an effective mechanism through which labour can increase its ability to influence society in general and conditions in the industrial relations arena in particular. Under Suharto’s New Order regime, labour was strictly prohibited from developing ties with political parties or becoming involved in other ways in electoral politics. The New Order’s aims were both pragmatic and ideological: the regime wanted to harness Indonesian workers to achieve national development, and it feared a return to the ‘political chaos’ of the post-Independence period when unions were closely linked to political parties. The New Order justified its concerns in terms by invoking an indigenous philosophy of state corporatism and a unique interpretation of contemporary international ideas about unionism, which emphasised the socio-economic function of unions. It supported this stance by producing a body of labour history that demonised politically-affiliated unions in the post-Independence period—a literature which was influential amongst the labour opposition.

With the exception of the radical PPBI, the ‘alternative’ unions of the period formally rejected the possibility of developing ties with political parties in the late New Order period. Although Muchtar Pakpahan and a number of other labour activists have since embraced formal politics, the majority of unionists remain reluctant to make alliances with existing political parties or establish
their own, and do not approve of those attempts that have been made to do so. While members of Pakpahan’s own union appear to be voting for PBSD, other unionists and workers have failed to rally behind their self-appointed political representatives—a fact demonstrated by the poor levels of support for labour parties in both the 1999 and 2004 elections. As a consequence, although the New Order’s policy forbidding labour’s participation in formal politics has been revoked, labour has little chance of being represented in the national parliament or other elected bodies for some time to come.

1. Department of Manpower is a short form for the official Indonesian translation of Departemen Ketenagakerjaan dan Transmigration.
2. Indeed, a special feature of New Order labour policy was the contradiction between its emphasis on the official union’s socio-economic aims and its separation from Golkar, the ruling political organisation, and the strong links between the two in practice. Many in the union’s central leadership were members of Golkar with no background in union affairs. Retired bureaucrats and retired members of the military were also strongly represented at lower levels of the union hierarchy (Hikam 1995; Kusyuniati 1998).
3. As Hadiz (1997) points out, many other alternative labour histories adopted the New Order’s orthodoxy.
4. SBSI was formed under Pakpahan’s leadership in April 1992, not long after the first ‘alternative’ union, the Solidarity Free Trade Union (Serikat Buruh Merdeka–Setia Kawan, SBM-SK) collapsed.
5. Bhoka died before the election was held.
6. I attended the party’s launch on 13 July 2003 in Jakarta.

References

Batubara, C (1991) Manpower Problems and Policy in Indonesia, Jakarta, Department of Manpower.
Department of Manpower (DoM) (1997) The Rights [sic] to Organise in Indonesia, Jakarta, Department of Manpower.
Dewan Pengurus Pusat Serikat Buruh Sejahtera Indonesia (SBSI) (n.d.) Serikat Buruh Sejahtera Indonesia (SBSI), Jakarta, SBSI.


