TESTIMONY BY THE ASIA WATCH COMMITTEE
Before the U.S. Trade Representative
Concerning Labor Rights in Indonesia

October 1987

The following testimony is offered with respect to Section 502(b)(8) of the Trade Act as amended. That law prohibits a government from receiving trade preferences under the Generalized System of Preferences if it has not taken or is not taking steps to afford internationally recognized worker rights to workers in the country, including the right of association and the right to organize and bargain collectively. The Asia Watch Committee is an independent, Washington-based human rights monitoring organization affiliated with the Helsinki and Americas Watch Committees. The Asia Watch Committee prepares comprehensive reports on observance of internationally recognized human rights throughout the region, and makes its information available to concerned citizens, the media, members of Congress and the Administration, and international organizations. Asia
Watch now monitors human rights conditions in Asian countries of varying ideologies, including India. We note that the Indonesian government does not permit visits by formal fact-finding missions; nonetheless, Asia Watch has been able to obtain detailed information on human rights conditions from a variety of sources.

Asia Watch believes that the government of Indonesia is not taking steps required by the law to advance the rights of workers. We believe that the information presented below strongly supports this position, and, accordingly, that Indonesia should be suspended from the GSP Program. We understand that the Indonesian and United States governments have close and cooperative relations, and that a suspension of GSP benefits would create diplomatic challenges for U.S. officials. However, we believe that in order to maintain the integrity of U.S. law and of this Review process, political considerations should not play a role in determinations under Section 502(b)(8).

Before proceeding with our discussion of labor rights, we note that the Indonesian government's general hostility towards dissent makes it extremely difficult to obtain detailed information on labor rights. First, the Indonesian press is very limited in the kind of information it may publish due to restrictions in the Press Act and other legislation. Secondly, Indonesian workers or worker representatives who can provide information to organizations such as Asia Watch incur risk of reprisals. Activists who have disseminated information on labor issues have been subjected to harassment and interrogation by the
authorities. Moreover, we have received a credible report that such persons have also been dismissed from their jobs. Another limitation on information on labor rights is the systematic denial of access to Indonesia for human rights monitoring organizations. Finally, those researchers who are able to enter the country find that laborers and their supporters are extremely reluctant to discuss issues with foreigners. When information is provided, it is usually given on the condition that it not be made public.

Asia Watch submits that this climate of fear and intimidation is, in and of itself, an abuse of the rights of workers in Indonesia. In particular, it represents a significant restriction on their rights of free expression and free association.

I. Overview.

Despite its fierce anti-communist orientation, the government of Indonesia has developed a system of labor relations that in many respects resembles systems found in Eastern European countries. A government-dominated labor organization -- the All Indonesian Union of Workers (SPSI) -- is the only trade union federation permitted; authorities have quickly stifled independent efforts at local organization and deny the existence of labor as a movement independent of government; and imagined potential "trouble-makers" are systematically denied employment opportunities.

To appreciate the logic of government action that will be described below, it is important to understand the nature of "Pancasila Labor Relations," which the government has adopted for
Indonesia. "Pancasila" was conceived by Indonesian President Sukarno and others in 1945 as a broad set of social and political principles, and was designed to bridge ideological differences within the nationalist elite. The principles of Pancasila -- monotheism, humanitarianism, nationalism, democracy, and social justice -- are not, in and of themselves, incompatible with pluralism and labor rights. However, President Suharto has elevated Pancasila to a state ideology, and all social organizations are now required by law to adopt it as their "sole principle." More importantly, the law gives the Executive the authority to disband organizations that do not comply with the ideology as interpreted by the government, and officials have used Pancasila as a means to eliminate opposition to official policy. They have done this by claiming that dissent is incompatible with Pancasila in general, and Pancasila Labor Relations in particular.¹

The government's orientation with respect to labor relations is accurately described in a 1987 study by the International Commission of Jurists (ICJ):

[The] main purpose [of Pancasila Labor Relations] has been to obfuscate the inherent conflict of interests between labor and management. ... Actions branded as counter-Pancasila have come to be labelled "subversive." The principle of consensus is made sacrosanct, yet for consensus to hold in situations of inherent conflict, the "consensus" must be prescribed by the ruling power. The inevitable dissent is thus condemned as being anti-consensus, hence anti-Pancasila, and hence subversive.²

In its Country Reports on Human Rights Practices for 1986, the Department of State noted the Indonesian government's position with respect to Pancasila and internationally recognized
labor standards:

Although Indonesia is a party to a number of International Labor Organization conventions on the right to organize and bargain collectively and on forced labor, government officials have made clear that Indonesia's obligations under these conventions will not be allowed to interfere with "Pancasila" labor relations. ³

The current labor structure reflects a long-held government commitment to prevent autonomous labor organization, and can be traced to the political turmoil and change in government during the mid-1960s. During this period, thousands of members of worker organizations were imprisoned and unions were banned. Having neutralized the union movement by 1968, the government in 1973 initiated the formation of the All Indonesian Labor Federation (FBSI).⁴ The FBSI structure (which will be described below) lasted until late 1985, when the Indonesian Ministry of Manpower engineered the creation of yet another structure, the All Indonesian Union of Workers (SPSI). The SPSI further consolidates government control over the labor movement. To provide an understanding of the nature of the change imposed in late 1985, we will include a discussion of both the prior and current systems.

The FBSI membership consisted of 21 craft unions, designated according to industrial or professional sectors. Several characteristics of the FBSI combined to limit severely the rights of workers. Members of Golkar, the government party,⁵ dominated the leadership of the trade union federation and government appointees filled many FBSI positions.⁶ The obvious way for workers to avoid such controls would have been to establish independent unions outside the FBSI structure. However, under
Indonesian law (which will also be described below), the FBSI was the only permitted union federation. On a number of occasions, the Committee of Experts on the Application of Conventions and Recommendations of the International Labor Organization urged the Indonesian government to abandon this limitation of labor rights, but to no avail.

Independent voices within this government-structured labor federation were systematically silenced. Between 1973 and 1985, dozens of reports in the Indonesian press revealed that authorities replaced independent-minded factory-level union boards, fired and/or detained independent workers elected to lead factory-level locals, and suppressed attempts to establish locals. Given the lack of press freedom in Indonesia, press reports in all likelihood represented only a small percentage of such cases. In addition, the FBSI acted to stifle internal criticism. For example, the newspaper of the Metal and Ceramic Workers Union was closed in November 1981 by the Ministry of Information at the request of the Central Board of the FBSI. According to the Ministry, this action was taken because the contents of the publication was "in the direction of tendentious questions and incitements against fellow leaders of the All Indonesia Labor Federation."

Actions such as those described above have often relied upon the active involvement of security and police officials. In fact, the government appears to have recognized the importance of maintaining the strictest controls on labor when it named Admiral R. Sudomo as Minister of Manpower in 1983. Admiral Sudomo had previously headed the Operational Command for the Restoration of
Security and Order (Kopkamtib), the main internal security command of the armed forces.

Despite the severe limitations on the autonomy of the union movement under this union structure, the FBSI's twenty-one industrial unions did have a limited degree of independence. The change in structure, imposed at the November 1985 FBSI Congress, reflects a hostility toward even this very small degree of liberalism in industrial relations in Indonesia. At the Congress, the Ministry of Manpower played a remarkably active role in seeing that its goals for Pancasila Labor Relations were achieved. (The Ministry's role is discussed in a number of Indonesian publications of December 2, 1985, including Angkatan Bersenjata and Kompas. However, Indonesian press controls make it unlikely that these publications contained information on the full extent of the Ministry's involvement.)

First, it was determined that the twenty-one FBSI-member unions would be consolidated into nine "Departments," in a more centralized and hierarchical structure. Moreover, union officers at the central, regional, and district levels (i.e., all except those at the lower-most factory level) would be appointed rather than elected.

After a number of meetings with Minister of Manpower Sudomo during the Congress, the leadership designated a new chairman for the new union federation. The choice, Imam Soedarwo, was something of a surprise. At the time he was chosen, Soedarwo -- a member of the Central Committee of the governing party -- had no union experience, but was General Manager of PT Korwell
Indonesia clothing manufacturer. Moreover, he was also chairman of an employers' association, the Indonesian Textile Association. Echoing the sentiments of many observers, a foreign journalist asked:

How is it possible that a businessman, a 'boss,' can be elected chairman of a workers' organization?\[^{13}\]

Manpower Minister Sudomo answered this question shortly after the Conference in a revealing remark. Arguing that Indonesia's tripartite Pancasila Industrial Relations were more advanced than those of the ILO, he went on to say:

In Indonesia trade unions are even guided by businessmen. Abroad, businessmen pay no attention to unions and prefer there not be any.\[^{14}\]

On December 12, The Far Eastern Economic Review noted that the changes imposed at the Congress were so "sweeping" that many delegates were reduced to "numb shock" by its end:

[L]ocal representatives of the international labor bodies greeted the changes with dismay and some of them privately talked about phasing out their financial support.

Perhaps anticipating adverse reaction to the changes, Manpower Minister Sudomo made it clear that no other union federations would be tolerated. In declaring that he would not recognize any organization competing with the new SPSI, he gave yet another indication of his government's orientation toward the rights of workers to associate freely:

Everybody knows I'm the former Commander of Kopkamtib [the main internal security command of the armed forces] so don't try anything like that.\[^{15}\]

The Department of State's description of the SPSI also reveals that its establishment represents a regressive step in the area of labor rights:
The SPSI is the only trade union body legally permitted in Indonesia, and all organized workers must belong to it. The Government established this organization in 1985 as a replacement for the preceding quasi-independent national labor federation FBSI. [Emphasis added]...

Restrictions on the SPSI's autonomy include the imposition of government appointees in many of its positions, a requirement that its senior officials be active members of the government-sponsored GOLKAR, and extensive government intervention in labor-management relations.\(^\text{16}\)

In fact, reports suggest that there has been resistance to this new structure, and that the old organization's informal leadership in the component sectoral unions may still be playing some role. Moreover, the former General Chairman of the FBSI, Agus Sudono, was recently re-elected as a member of the Governing Body of the International Labor Organization for the 1987-1990 period. The three-member SPSI delegation to the meeting that elected Sudono unsuccessfully opposed his election. Competing letters circulated at the International Confederation of Free Trade Unions (ICFTU) in Brussels from the SPSI and the former component unions of FBSI. The letter from the former FBSI component sectoral unions supported Sudono's re-election, and its appearance suggested that the issues raised by the changes imposed at the 1985 FBSI Congress have not been completely settled. However, this apparent effort by former FBSI personnel to assert some independence, supported by representatives in the international labor movement, is not the result of Indonesian government tolerance of pluralism. Rather, it comes in spite of the government's deliberate effort to restrict the autonomy of the labor movement in Indonesia.\(^\text{17}\)
II. Major Restrictions on the Rights of Workers.

A. The Right to Organize.

Law 14 of 1969 states that "[e]very worker has the right to establish and become a member of a workers association," that "the formation of workers' associations is to be conducted in a democratic manner," and that workers' associations have the right to enter into contracts between workers and employers."18

However, the right to organize and associate is restricted by Articles 1 and 2 of Ministerial Regulation No. Per-01/Men/1975. To be registered as a labor organization, a federation must have a membership of not less than fifteen trade unions and have representation in at least 20 provinces. If the federation fails to meet these requirements, member trade unions and their respective subordinate units are denied membership.19 As stated above, this hostility toward alternative organizations was recently reaffirmed by the Ministry of Manpower.

On a number of occasions, the International Labor Organization has complained to the Indonesian Government about this restriction;20 however, the government has given no indication that it is prepared to permit the establishment of any truly independent, non-governmental labor organization.

B. Civil Servants

The government's treatment of civil servants well-illustrates its striking rejection of the most basic principles of freedom of association. In restricting the free association rights of civil servants, the government has gone well beyond the practice of simply prohibiting them from organizing independently. Rather, they have been forced into government-
controlled associations. This is a process that began soon after the coming to power of the New Order Government of President Suharto, and has continued to this very day.

Under the guise of "depoliticization" of the civil service, the government used the threat of dismissal to force civil servants to become members of workers associations under official control. First, in 1970, the entirety of the nation-wide civil administration in the Department of Internal Affairs were designated members of "Kokarmendagri" (Functional Groups Corps of the Ministry of Internal Affairs), under the threat of dismissal. The civil servants thus affected provided vast organizational support for the governing party. During the 1971 election campaign, this "monoloyalty" policy was extended beyond the Ministry of Internal Affairs and "Functional Groups" ("Kokar") were established in most government departments. Finally, in 1971, these functional groups were merged into the "Karyawan Corps" ("KORPRI"), which includes all civil servants and personnel in state enterprises. KORPRI leadership includes high government and governing party officials.

Under Law No. 3/1975 on Political Parties and Golkar, and implementing Regulation No. 20/1976, specified civil servants may not become members of political parties without official written permission. Permission may be rejected if the responsible official believes that membership would disturb the smooth execution of the duties of the civil servant. It may also be later revoked if the official considers that membership has disturbed the smooth execution of the civil servant's duties.
Those civil servants not specified must nonetheless give notice of intention to join a political party to the competent official, who must send official acknowledgement. All heads of bodies are required to keep a list of the names and records of civil servants who become members of political parties.

3. The Right to Strike.

Regulations limiting the right to strike are contained in Law No. 22 of 1957 and Presidential Decision No. 7 of 1963. The Presidential Decision exempts scheduled industries, projects, and government departments from the right to strike subject to sanctions of one year's imprisonment or a Rp. 50,000 fine. The listing includes 27 state and private corporations, 14 government departments and banks, and 20 development projects. According to the ICJ, the "extensiveness of the schedules, transgressing the most generous conception of 'vital' service industry, cannot be overstated."

While the extensiveness of Indonesia's limitations on the rights of workers in specified occupations does appear to fall short of accepted international standards, it may be irrelevant to discuss what fairly constitutes a vital industry for the purposes of the right to strike in Indonesia. This is because all workers -- whether or not they are in the scheduled industries -- are prevented from engaging in legal collective actions. As the Department of State has indicated,

The law requires government permission for strikes, which as a matter of practice is never given.

The Department's assertion appears to be based -- at least in part -- on the fact that Law No. 22 of 1957 institutes what is
akin to compulsory arbitration.\textsuperscript{25}

As recently as June 4 of this year, Manpower Minister Sudomo made the government's interpretation of the law clear. He said that there was a "national consensus" that strikes are inconsistent with Pancasila Labor Relations. Moreover, he said that Presidential Decision 7/1963 on Prevention of Strikes and/or Lockouts in Companies, Offices, and Boards prescribes penalties of up to a year or fines as high as Rp. 50,000 for anyone engaged in strikes or lockouts in places designated by the President as vital. He also pointed out that Law No. 22/1957 on Settlement of Labor Disputes "makes clear that if you want to strike [presumably, he was speaking here of strikes in non-vital industries] you have to ask for written permission."\textsuperscript{26}

4. The Role of the Security Authorities.

In mid-1981, the Labor Problems Assistance Team ("Tim Bantuan Masalah Perburuhan") was formed as a cooperative effort among various ministries, the FBSI, the Chamber of Commerce and Trades, and the Operational Command for the Restoration of Security and Order (Kopkamtib). The legal basis of the group is unclear, but it has reportedly been concerned mainly with industrial conflict in economically "strategic" areas.\textsuperscript{27} According to the ICJ, the national team is replicated at the local levels. Moreover, it appears as though Kopkamtib plays a central role in this effort. In a statement appearing in Kompas on January 16, 1982, Admiral Sudomo, the Commander of Kopkamtib who later became the Minister of Manpower, said:

It has become the task of Kopkamtib alongside the Ministry of Manpower to tackle cases of workers on strike....\textsuperscript{28}
As was mentioned above, newspaper stories in recent years have revealed that worker protests, including strikes, have resulted in repressive action by police and security authorities, at times working in conjunction with employers. According to reports we have received and believe to be credible, leaders of protests have been subjected to firings and/or interrogation by authorities.

In recent months, the Asia Watch Committee has received additional reports of mistreatment of workers by the authorities. In addition to such mistreatment occurring in the formal sector, we have received information on abuses against informal sector workers. According to reports from a number of sources, including the Jakarta Post, a number of peddlers were removed from one or more Jakarta bus terminals by security officers several months ago. According to representatives of the workers interviewed by the Indonesian press, some had been beaten and others made to stand for hours in the sun. The Post reported that:

\[\text{[t]he officers, threatening to put them in jail, also allegedly applied electric current to some peddlers and stepped on their feet. The boots worn by the officers had made the peddlers' toes bleed.}\]

The Post reported that the peddlers sought legal assistance from the Jakarta Legal Aid Institute, and an Institute lawyer indicated that he was aware of no legal basis for the effort to remove the peddlers.

5. Limited Sanctions Against Employers.

The Asia Watch Committee is also concerned that employers are not adequately deterred by authorities from taking abusive
and illegal actions against workers.

The Indonesian press has contained a number of reports of workers being deprived of wages owed to them, and it appears that government efforts on their behalf have been lacking in vigor. Early last year, for example, Sinar Harapan reported that as many as 682 rubber workers at the Ciastana plantation in Cianjur, West Java, had not been paid for a six month period by plantation management. The workers told the newspaper that non-payment of wages was a normal occurrence at the Ciastana plantation, and that in 1982-1983, a similar situation had occurred during a transition of management on the plantation. Although the Department of Labor was reported to have warned the company of several infringements of labor regulations at that time, a Department of Labor official in the later case (of the 682 workers) said that no action would now be taken against the plantation. He indicated that the Department's emphasis was on positive guidance rather than prosecution.31

In this respect, we are also concerned by reports that the government has limited access by concerned Indonesian non-governmental organizations to workers on plantations.


The government claims that well over one million persons were arrested and detained in conjunction with the change in government and political turmoil during the mid-1960s. The majority of those detained were accused of "showing sympathy" for the Indonesian Communist Party by their "attitudes and actions," but more than 95% were never formally charged or tried. By the end of 1979, most of these untried prisoners had been released,
some after having been detained for more than 13 years.\textsuperscript{32} Employment policies with respect to these ex-detainees and to former members of now-banned (but then-legal) unions, and with respect to family members of both groups, are in striking conflict with the most basic principles of non-discrimination, due process, free association, and freedom from \textit{ex post facto} laws.

The ex-detainees -- nearly one percent of the entire population if government accounts are credited -- cannot become teachers, university lecturers, journalists, lawyers, or traditional puppeteers (professions that would put them into contact with large groups of people), according to a Home Affairs Instruction issued in 1981. Furthermore, they may not be employed by the government or the military, or in sensitive industries. Moreover, Asia Watch has received reports that ex-detainees have been denied pension benefits after their re-entry into society.

The Indonesian government has also acted against persons who had never been subjected to detention, but who are alleged to have had leftist affiliations. For example, on orders of the Indonesian military, the American oil company Caltex Pacific fired over 600 of its employees in late 1985 due to their purported connections with a now-defunct oil workers union once associated with the Indonesian Communist Party. Tesoro Petroleum of the United States was similarly forced to fire 39 persons. At the same time, it was reported that nearly 1,000 workers for Pertamina, the Indonesian state oil company, were fired.
According to sources in Pertamina, some of the fired workers merely had family members associated with the union, which was banned some 20 years ago.  

Asia Watch has received distressing accounts of how this discrimination has adversely affected the lives of workers, and we have confirmed that these terrible practices extend to family members of persons suspected of "improper" former associations. Western human rights groups are not alone in expressing concern over this practice. Last year, Suara Karya reported that a member of Parliament from the Development Unity Party noted that the sons and daughters of former PKI members had now grown up and graduated from universities and were having difficulty getting jobs as civil servants as well as in the private sector because of "screening." It is not surprising that this account refers to difficulties with respect to the private sector as well as the public sector, as the government has created a climate of fear and paranoia surrounding this issue that makes it easy to understand why private sector employers would be loath to employ persons suspected of such "connections."

The purges, which some have speculated could have been due in part to the recent economic downturn, may have been related to a questionnaire that was reported first to have been issued to workers in the oil sector and later extended to all vital industries. The questionnaire is believed to have been administered to employees by the management of their respective enterprises. First workers were asked to submit their answers in writing, and they were later examined orally, either by a member of the management or by a local Kopkamtib representative.
Respondents have been asked to describe their family backgrounds and those of their spouses, to mention the religion and the organizations/parties which they have followed, to "tell the story of your family since you were small," and to give the names of spouses and closest acquaintances over the past three years. In addition, they have been asked to identify the basis of their convictions/religion, the "heroes" they admire, their attitudes toward protest demonstrations and banners, and their attitude about the role of the armed forces in civilian life.

One need only skim the Indonesian press to realize that this purging is continual. Shortly after the firings in the oil sector, Haluan reported that scores of civil servants in West Sumatra had been fired or pensioned from "vital positions" (apparently, most were teachers) for their purported past political associations. In May 1986, it was reported that 900 "ex-PKI" railwaymen were to be dismissed as a result of a recent screening of 11,000 employees of the railway network in Central Java. And in August 1986, Industry Department Inspector-General Lt. General (Retired) Harun Soiewardi told officers of state-owned enterprises attending the Department's 8th "National Vigilance Course" that despite such courses, the latent danger of communism remained. He strongly urged great care in giving "clearance" to anyone.

Finally, Asia Watch has recently received a report that some sixty dismissals took place at the Medan branch of the national electric company. The workers are believed to have been dismissed with one month's pay for family PKI "connections." In
addition, such dismissals reportedly spread to other branches of PLN. We do not have information as to the date of these dismissals or other details.
Endnotes

1. With respect to the government's position on Pancasila and dissent, see, e.g., statements by Armed Forces Chief of Staff General Benny Moerdani, in Jakarta Post, March 7, 1986; and statements by Golkar Secretary General Sarwono Kusumaatmadja, in The New York Times, February 2, 1987. Most of the citations to Indonesian publications below come from translations provided in Indonesia Reports and Indonesia News Service (Indonesia Publications, North College Park Station).


5. We note that the Indonesian government regards Golkar as a "functional group" rather than a political party. For the sake of convenience, not to mention accuracy, we will refer to it in this testimony as the governing party.


8. For example, for reports in 1984, see Merdeka, May 5, 1984, October 2, 1984; Pikiran Rakyat, October 10, 1984; Anykatan Bersenjata, December 15, 1984.

9. Id.; for additional reports during 1984, see Pelita, March 9, 1984; Suara Merdeka, August 20, 1984; and Merdeka, May 12, 1984.

10. Id.; for additional reports during 1984, see Kompas, November 5, 1984, November 6, 1984, November 7, 1984; and Merdeka, November 7, 1984.


18. Articles 11(1), 11(2), and 12, cited in Indonesia and the Rule of Law, at 126.
20. See note 7 and Indonesia and the Rule of Law, at 124.
22. Indonesia and the Rule of Law, at 129.
23. See the general opinions of the ILO supervisory bodies, as laid down in the general survey of 1983. ILO, Report III (Part 4B), 1983, at 63-70. Cited in Id.
27. Indonesia and the Rule of Law, at 131.
28. Id.
29. See notes 8-10, and Id.
31. Sinar Harapan, February 27, 1986.
32. Asia Watch, Human Rights Concerns in Indonesia, April 1986.

33. For press reports on these firings, see the November 5 editions of Asian Wall Street Journal Weekly, United Press International, Jakarta Post, Sinar Harapan, Agence France Presse, and Merdeka.

34. Suara Karya, December 4, 1986.

35. See Inside Indonesia, the Bulletin of the Indonesia Resources and Information Programme (IRIP), No. 8, October 1986 (Northcote, Australia).

36. Id.

