

INDONESIA

STATE OF SOCIAL DIALOGUE

For much of the Suharto regime, the [*Federasi Serikat Pekerja Seluruh Indonesia*](#) or Federation of Indonesia Trade Unions (FSPSI) was the only officially recognized trade union federation. All unions had to affiliate to the FSPSI and those outside it were not recognized. Other labor organizations, operating “illegally” at the time, included the *Serikat Buruh Merdeka Setia Kawan* or Independent Trade Union (SBM) and the *Asosiasi Jurnalis Indonesia* or Alliance of Independent Journalists (AJI). The [*Serikat Buruh Sejahtera Indonesia*](#) or Indonesian Prosperity Trade Union (SBSI) was another labor group founded in 1992, and only recognized in 1998. The SBSI currently represents some 1.7 million workers and is affiliated to the World Confederation of Labor (WCL). SBSI’s immediate past President - Muchtar Pakpahan - spent a number of years in jail and was only released in May 1998.

The [*Konfederasi Serikat Pekerja Seluruh Indonesia*](#) or Confederation of All Indonesian Trade Unions (KSPSI), a successor to the 1973 government-formed FSPSI, is the oldest trade union organization and remains the largest confederation with an estimated 4 million workers under its umbrella. It is the official union and is led by the Minister for Manpower and Transmigration. Since the fall of the Suharto regime, Indonesia has made some changes in its administration of labor. The Trade Union Act No. 21 of 2000 too provides broad rights of association for workers, with any 10 or more workers having the right to form a union. All eight ILO core conventions have been ratified by the Republic of Indonesia. Likewise the national constitution guarantees freedom of association and assembly. The new found freedom led to an immediate proliferation of trade unions. As of December 2001, more than 60 trade union federations existed in the country.

The *Kongres Serikat Pekerja Indonesia* or Indonesian Trade Union Confederation (KSPI), an umbrella for twelve union organizations held its founding congress in January 2003. Teachers mainly belong to *Persatuan Guru Republik Indonesia* or the Indonesian Teachers’ Association (PGRI) which, though is technically classified as a trade union, is more of a welfare organization. Employer interests are taken care of by the [*Asosiasi Pengusaha Indonesia*](#) or Employers’ Association of Indonesia (APINDO).

Major trade union federations in Indonesia

Trade Union Federation	Number of members	International affiliation
<i>Serikat Buruh Sejahtera Indonesia</i> (SBSI)	51,000 (Jun. 2003)	WCL
<i>Konfederasi Serikat Pekerja Seluruh Indonesia</i> (KSPSI)	4,000,000 (Jun. 2003)	
<i>Gabungan Serikat Buruh Industri Indonesia</i> (PB-GASBIINDO)	150,000 (Mar. 1988)	ICFTU*
Gerakan Organisasi Buruh Sjarikat Islam Indonesia (GOBSI)	52,633 (Oct. 1991)	ICFTU*
Kongres Buruh Islam Merdeka (KBIM)	130,000 (Mar. 1988)	ICFTU*
Sarikat Buruh Muslimin Indonesia (SARBUMUSI)	100,000 (Dec. 1992)	ICFTU*
<i>Serikat Pekerja Muslimin Indonesia</i> (SARBUMUSI)		
<i>Persaudaraan Pekerja Muslimin Indonesia</i> (PPMI)		
<i>Kongres Serikat Pekerja Indonesia</i> (KSPI)	3,112,059 (Feb. 2003)	

* Federations' rights and privileges as affiliates of the ICFTU remain in abeyance since the 104th Executive Board meeting (Brussels, 1-3 December 1993).

Source : ILO and ICFTU; union membership for SBSI and KSPSI is provided by the WCL. The rest is by the ICFTU.

TRADE UNION PARTICIPATION IN THE PRSP PROCESS

Bianca Kühl, writing in an FES report published in April 2003 (Social Standards in Indonesia: A Review of Existing Tools and Regulations) characterizes the PRSP process in Indonesia as follows:- "there is no commitment by the government of Indonesia to establish participation with labor organizations through the I-PRSP.

The government involves the private sector as a producer of goods and services, but not as an employer that takes over responsibility for people"¹.

What the SBSI wants

There is disquiet within the SBSI to the privileged position accorded by government to the KSPSI. The fact that the Minister of Manpower and transmigration is also the leader of the federation is seen as a conflict of interests. The SBSI would like the preferential treatment of the KSPSI brought to an end. It also calls on the government to look for internal sources of funding rather than deal with the IMF and World Bank.

The trade unions in Indonesia are at the very early stages of becoming

¹ This assessment is attributed to Islam, Iyanatul 2002. Employment and the Indonesian I-PRSP: A Preliminary Assessment, a draft for discussion at the roundtable on Employment, Poverty and Productivity, organized by ILO and Bappenas, May 11, 2002.

involved in PRSP, with support of [ILO Bureau for Workers' Activities](#). A tripartite meeting in which unions took part was recently organized by the ILO to introduce the PRSP process and to seek to encourage participation. The ILO has also translated an adapted version of the [ICFTU Guide to PRSPs](#) into the local dialect, *Bahasa*.

The [American Center for International Labor Solidarity](#) supported a network of Indonesian trade unions that focus on reforming the IFIs ([Asian Labor Network on the IFIs](#) - ALNI) to hold two educational activities on the PRSP in May and a second one in July of 2003.

LABOR CONTENT OF THE I-PRSP

Labor issues are not prominently featured in the 50-page [Interim Poverty Reduction Strategy Paper: A Process Framework of Strategic Formulation for Long Term Poverty Alleviation](#), adopted in March 2003. Nevertheless the document identifies four relevant policy interventions. These are i) creating opportunities through provision of jobs and businesses for the poor; ii) empowering the poor/community; (iii) capacity building in order to be able to work and produce in higher level of productivity, and to work for their own needs; and iv) social protection for the poor.

In the area of labor policy, the government aims at “regulating a sensible provincial minimum wage” as well as offering protection to informal sector businesses and its workers. Human resources development policy will take the form of improving the quality of human resources by improved education and health; and social, economic, and cultural organization and institutional strengthening.