

Indonesian workers strike against new, pro-business legislation

Ben McGrath
8 October 2020

Workers and young people are protesting this week across Indonesia against a bill rushed through parliament on October 5 that deepens the government's attack on working conditions and the environment. The government and President Joko Widodo are portraying the so-called omnibus bill as a job creation measure. It includes approximately 1,200 amendments to 79 current laws.

With a final vote on the bill originally slated to take place Thursday, labor unions and NGOs including the Confederation of Indonesian Trade Unions (KSPI), the Congress Alliance of Indonesian Labor Unions (KASBI), and the Labor with the People Movement (Gebrak) organized three days of strikes and rallies, set to start on Tuesday in order to allow workers to blow off steam and prevent an explosion of social discontent. Workers are already angry at bearing the brunt of the economic crisis caused by the COVID-19 pandemic.

When the bill was rushed through parliament on Monday, thousands of workers responded by demonstrating. Protesters attempted to rally in front of parliament's House of Representatives in Jakarta, but the authorities prevented them from doing so, using the COVID-19 pandemic as a pretext for banning demonstrations. The police and military personnel blocked roads to stop workers and other demonstrators from reaching the capital. The police continued to block access to the city the next day.

The KSPI claimed at least 32 organizations representing some two million workers in industries like textiles, automotive, and pharmaceutical are taking part in the strikes. However, under the pretext of avoiding infection from COVID-19, workers have been isolated from one another with strikers kept at their individual job sites rather than attending larger rallies.

In addition, the government is cracking down on

protests by spying on workers and students online, where much of the coordination for the strikes and rallies has taken place. The police have launched "cyber patrols" in order to spread lies, including about canceled strikes or by trying to paint the new law in a positive light.

None of this stopped thousands from taking part in strikes and protests in cities like Tangerang, just west of Jakarta and in Serang and Bandung, also on the island of Java. In the latter two cities, police used water cannons and tear gas on Tuesday to assault and disperse peaceful protesters. Police reportedly arrested at least 20 people accused of responding to police provocations by throwing rocks and fire crackers.

"The law will definitely affect the status of our employment," said Anwar Sanusi, a member of the Indonesian Metal Workers' Federation. The new law removes the three-year maximum length for contract workers, meaning these highly exploited workers could remain in precarious positions indefinitely at the discretion of employers. It also removes a requirement for the government to consider inflation when setting the minimum wage, meaning workers face a slashing of their real income.

Other measures include scrapping mandatory leave from workplaces including for childbirth, marriage, and bereavement. Overtime will also be increased by four hours a day and employers' mandatory severance pay will be reduced from 32 times a worker's monthly wage to 19 times.

Said Iqbal, the president of the KSPI, stated, "The omnibus law is an attack on the welfare of labor in Indonesia... we will continue the struggle." However, after this week's strikes, Said has stated the future struggle will be in the courts. In other words, workers are being told to entrust their futures to the same

capitalist state that is carrying out the attacks in the first place.

The bill will also slash the corporate tax rate from 22 to 20 percent by 2022 as well as eliminate income taxes on domestic dividends. Other regulations are also being eased, including foreign companies' participation in some sectors. The government will also set up a body to oversee land distribution.

On the environment, only businesses engaged in high-risk investments will be required to carry out an environment impact assessment prior to operations or to obtain a permit. The central government will take over some powers from local governments to hand out the permits.

The government claims the bill will attract foreign investment, which will create jobs and address the economic crisis facing the working class. In September, the government announced that 3.72 million people have lost their jobs as a result of the current pandemic. Indonesia has also entered a recession, with the economic growth in the second quarter falling 5.3 percent annually, the biggest fall since the Asian Financial Crisis in 1997–1998.

The office of the Coordinating Ministry for the Economy indicated last weekend that workers would continue to be forced to foot the bill for the crisis: “Investment costs in Indonesia are quite expensive and less competitive than neighboring countries... One of the reasons is the high standard of minimum wages in Indonesia compared to other countries and the high cost of severance pay in the event of a termination of employment.”

In addition to the economic impact, the social impact of the pandemic has been devastating. Indonesia has the second most COVID-19 infections in East Asia, behind only the Philippines. The government was slow to implement any measures during the initial outbreak. There are more than 315,000 confirmed infections, though the real total is likely far higher as testing lags far behind most of the world. More than 11,500 people have died, which is also certainly underestimated.

Given the volatile situation, there has been some pushback over the law from big business. A group of investors that include Robeco, Aviva Investors, and Sumitomo Mitsui Trust Asset Management sent a letter to the Indonesian government questioning the legislation. It stated: “While the proposed regulatory

changes aim to increase foreign investment, they risk contravening international best practice standards intended to prevent unintended harmful consequences from business activities that could deter investors from Indonesian markets.”

Their real concerns were summed up in an October 6 article in the *Diplomat*, which complained that Jakarta was courting political upheaval: “Cutting back on worker protections is only likely to increase the precarity of a large swath of the Indonesian public, with possible unintended political consequences.”



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact