

Two workers killed in protest at Indonesian nickel smelter

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At least two workers died during a protest at a nickel smelting facility on the Indonesian island of Sulawesi last month.

Locally employed workers at the plant in Morowali, Central Sulawesi went on strike over poor safety conditions and declining wages. Violent clashes broke out on January 14 between the strikers and those who remained on the job, resulting in the deaths of an Indonesian and a Chinese worker. Nine others were seriously injured and required hospital treatment.

Production at the Gunbuster Nickel Industry (GNI) smelter, owned by Chinese company Jiangsu Delong, was suspended as police arrested 71 people for questioning. Over 500 military and police personnel were deployed to the facility in the days after the protest. Listyo Sigit Prabowo, Indonesia's national police chief, said further reinforcements would be sent.

Police alleged that the striking workers set fire to company vehicles, dormitories and other equipment. Company management, together with local police, have launched an investigation into the incident.

Although the details of what led to the violence at the Morowali plant remain unclear, the protest was fuelled by growing anger at the appalling working conditions at nickel smelters in Sulawesi.

On the day before the protest, GNI worker delegates from the National Workers Union (SPN) – affiliated to “global union” IndustriALL – held a meeting with company management. The union delegates presented eight demands, including the implementation of standard safety procedures, the provision of PPE to workers, a halt to wage reductions and the rehiring of workers who had been terminated for going on strike previously.

The SPN sent the company a letter notifying a strike action if these demands were not fulfilled. As GNI

management replied that it would not meet any of the demands, the SPN called a strike for the following day.

The GNI facility was first established in December 2021, inaugurated by President Joko Widodo and a government contingent. It has an annual production capacity of 1.8 million tonnes and involved an estimated total investment of \$US2.7 billion. Its parent company, Jiangsu Delong, also carries out mineral mining and refining operations in Jiangsu province, China.

Over 12,000 workers are employed at the plant, including 1,300 Chinese skilled labourers. The company plans to increase the number of Indonesian workers to 30,000 as production grows.

As with other mining facilities throughout the mineral-rich Sulawesi, safety regulations are virtually non-existent. GNI workers have reported several fatal accidents over the past year, including a motorcycle crashing into heavy machinery.

This culminated in late December, when an explosion at the Morowali plant killed two employees. The accident triggered a spontaneous demonstration by GNI employees together with workers from surrounding factories supporting them.

Minggu Bulu, a former worker at the plant and member of the SPN union, said to news agency Reuters after the January 14 protest, “Work health and safety implementation is very poor, so we asked the company to implement it according to the law.”

In the protest's aftermath, Industry Minister Agus Gumiwang Kartasmita made a token statement of condolence over the two deaths, calling for more dialogue between unions and management on workers' rights and safety standards.

In reality, dangerous work conditions are a common and long-standing feature of Indonesian workplaces.

With the aid of the trade unions, companies are free to enact cost-cutting measures and exploit workers on subsistence wages to drive up profits.

Moreover, the GNI protest has taken place amid an environment of surging anger among the Indonesian working class. The devastating impact of the COVID-19 pandemic and global inflation have caused widespread immiseration and poverty for tens of millions. Last year witnessed mass protests by workers and students across the country over the rising prices of basic commodities such as cooking oil and fuel.

Local media has claimed that tensions between Indonesian and Chinese workers at the plant were a factor in the violence. The fight, Kompas reported, began when the strikers invited Chinese workers still on the job to join them. Those involved allegedly used iron bars and other factory equipment as weapons.

Whether true or not, Indonesian political parties and the corporate media have played a pivotal role in stoking anti-Chinese sentiment during the pandemic, particularly in Sulawesi.

In June 2020, a small group of protesters at Kendari airport, Southeast Sulawesi attempted to block the arrival of over 150 Chinese foreign workers who were going to work at a local nickel mine. Protesters echoed media claims that Chinese workers were stealing Indonesian jobs at a time when unemployment was growing rapidly.

The social crisis in Indonesia is a direct result, not of migrant workers, but of the pro-business, anti-worker policies of the Widodo government which provided billions in corporate bailouts to prop up the financial system when the pandemic began.

The immediate and heavy-handed military deployment at the GNI plant can only be explained by the extreme fear among big business and the government that strike action could spread among Sulawesi nickel workers. Such unrest would pose a threat to the major financial interests at stake in the booming nickel industry.

The Indonesian ruling elite is keen to leverage its world-leading reserves of nickel ore, due to the mineral's widespread use in electric vehicle batteries.

Since banning exports of unprocessed nickel in January 2020 to attract investment in downstream processing, Indonesia has signed more than a dozen deals worth over \$US15 billion for battery materials

and electric car production with global manufacturers including Hyundai, LG, and Foxconn. Widodo said earlier this month that he was “confident” that Tesla CEO Elon Musk would soon invest in the country.

National police revealed at a press conference two days after the Morowali protest that Widodo himself had ordered police to swiftly investigate the violence and restore order, calling for “firm action.”

In its statement after the protest, the GNI management hastened to reassure its investors, clearly nervous over the potential business impact of the events. “The company invites all parties to maintain the continuity of the GNI investment, which is a business that provides benefits not only for the benefit of the company, but also for the surrounding community and the country,” it said.



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