

PRESS RELEASE

ILO: Indonesia Shows Positive Developments in Labour Law Reform

JAKARTA (ILO News): The International Labour Organization (ILO), in collaboration with the Ministry of Manpower and Transmigration, will launch the ILO's Global Report, *Organizing for Social Justice*¹, and a publication titled *Major Labour Laws of Indonesia* on Wednesday, 26 May 2004, in Jakarta. Those publications will be launched by the Minister of Manpower and Transmigration, H.E. Jacob Nuwa Wea, and the ILO Country Director in Indonesia, Alan Boulton.

The launching will be held at YTKI Building, Jl. Jendral Gatot Subroto, Jakarta, which will be attended by all concerned parties such as leaders of employers association (KADIN and APINDO), workers confederations, international business community, government officials, practitioners and diplomatic representatives.

Globally launched in Bangkok on 20 May, *Organizing for Social Justice* is the first Report of the second cycle of Global Reports on freedom of association and collective bargaining under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work adopted in 1998. Meanwhile, the labour laws publication is a compilation of three major labour laws under the Labour Law Reform Programme of Indonesia, namely: *Industrial Dispute Settlement Act No. 2/2004*, *Manpower Act No. 13/2003* and *Trade Union Act No. 21/2000*.

The first Global Report was *Your Voice at Work* on freedom of association and collective bargaining launched in 2000. Other Global Reports have been: *Stop Forced Labour* on the elimination of forced labour in 2001; *A Future without Child Labour* on child labour in 2002; and *Time for Equality at Work* on the elimination of discrimination at work in 2003.

The latest Global Report, *Organizing for Social Justice*, says that despite continued threats to workers and employers seeking to organize, the broad, global picture of respect for fundamental rights at work is improving and more encouraging than it was four years ago.

"Violations of freedom of association rights of both employers and workers persist in different forms, including murder, violence, detention and refusal to allow organizations the legal right to exist and function," says the report. "People continue to lose their lives and their freedom for attempting to organize and defend collectively their fundamental rights."

Yet there are encouraging signs of progress in assuring fundamental rights at work, the study says. It notes that there has been "a general positive trend, linked to the spread of democracy, high rates of ratification of the fundamental international labour standards and increased transparency in global markets" and that we are moving towards eventual universal ratification of the relevant conventions.

¹ *Organizing for Social Justice*, a global report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, International Labour Office, Geneva, 2004, ISBN 92-2-113030-4, price 20 Swiss francs. See <http://www.ilo.org/declaration>

Organizing for Social Justice notes that labour legislation is the foundation for respect of freedom of association and the effective recognition of the right to collective bargaining. In relation to this, positive developments have continued to take place in a number of countries, including Indonesia. The enactment into law of the Industrial Dispute Settlement Act No. 2 on 14 January 2004 has marked the passage of the last of the three centerpiece laws envisaged under the Labour Law Reform Programme of the Government. The two other laws are the Manpower Act No. 13 in 2003 and Trade Union Act No. 21 in 2000.

“These three Acts represent the policy direction in the field of manpower, taking into account future needs and the interest of ensuring justice in society,” said Minister Nuwa Wea in his foreword. He also acknowledged dissatisfaction from some parties who feel that the Acts do not meet the community interests. “This condition cannot be avoided because it is impossible to cover all needs in the community due to differences in interest,” he continued, adding that the provisions of the three Acts aimed to accommodate all of the various interests to provide maximal solutions.

The Labour Law Reform Programme was launched by the Government of Indonesia in 1998 as an aftermath of the historic events that year in Indonesia which saw the reinstatement of democratic rule in the country and the ratification of ILO Convention No. 87 concerning freedom of association and protection of the right to organize. One of the immediate effects of these challenges was the renunciation of the old policy which allowed one trade union to have a monopoly in representing the workers, with the issuance of the Government Regulation on Registration of Workers Organizations on 27 May 1998. Since then, the number of free and independent trade unions has grown at a very fast rate. There are now more than 80 trade union federations registered in Indonesia.

In December 1998, a Letter of Intent was agreed between the Government of Indonesia and the ILO, in which the Government reaffirmed its commitment to ratify all the ILO core Conventions with the ILO committing in turn to provide technical assistance for the ratification and implementation of those Conventions. Indonesia later became the first country in the Asian region to ratify all eight ILO core Conventions.

“The new legislation and its publication is a concrete testament to one of the most important achievements in the reform era in Indonesia. The result may not be totally acceptable to all, which is not always possible, but it is reassuring to note that they indeed represent a product of the democratic process of social dialogue and consultation involving all the concerned parties,” said Alan Boulton, Country Director of the ILO in Indonesia.

For further information on findings of the ILO’s Global Report relating Indonesia, refer to the attachment.

ATTACHMENT

ILO Global Report on Freedom of Association and Collective Bargaining: Organizing for Social Justice

“The right to organize is one of the most powerful tools we have for promoting decent work and sustainable poverty-reducing development,” says ILO Director-General Juan Somavia. “This is a fundamental human right at work, a development right that we cannot do without. The question is not whether to respect these principles and rights—but how best to respect and make use of them.”

The principle on freedom of association and the effective recognition of the right to collective bargaining guarantees the ability of workers and employers to join and act together to defend not only their economic interests but also civil liberties such as the right to life, security, integrity and personal and collective freedom. It guarantees protection against discrimination, interference and harassment. As an integral part of democracy, it is also a key to realizing the other fundamental rights set out in the ILO Declaration.

According to the Report, positive developments have continued to take place in a number of countries, including in Indonesia. However, the report says that Indonesia is still dealing with consequences of the change of the single-union system, and much work should be done in terms of the promotion of the labour-management cooperation and effective social dialogue.

As part of the ILO’s technical assistance in the process of the Indonesian labour law reform, the ILO has developed the *ILO/USA Declaration Project on Promoting and Improving Industrial Relations in Indonesia* since May 2001. Supported by the United States Department of Labor, the Project has provided training for some 6,000 constituents in seven provinces, including 2,000 labour administrators, inspectors, conciliators and mediators along with an almost equal number of trade unionists and employers’ representatives.

The Project has conducted numerous activities dealing with capacity building, freedom of association, collective bargaining, negotiation skills, bipartite cooperation, gender equality, dispute settlement and effective implementation of the new labour laws. An innovative effort carried out under the Project was a seven-week course for 25 “emerging leaders” which took place over a period of nine months.

Organizing for Social Justice notes that in Indonesia, employers showed particular interest and enthusiasm for project activities related to industrial relations and human resources management, information and database system, collective bargaining and negotiation skills and international labour standards. The project familiarized managers—along with trade unionists—from 54 enterprises with principles, institutions and practices of workplace labour-management cooperation (LMC).

In anticipation of the adoption of Indonesia’s Dispute Settlement Act, several training workshops were held in seven provinces for government officers and representatives of workers’ and employers’ organizations on mediation, conciliation and dispute settlement. The Project also provided information, advice and references on comparative International practices to parliamentarians and officials considering the Dispute Settlement Bill.

As part of its work to help Indonesia implement Conventions on fundamental rights at work, the ILO was asked to assist in training police and military officers about human rights and international labour standards. The *ILO/USA Declaration Police Training Project* is part of a broader technical cooperation programme between the Government of United States of America and the Government of Indonesia. Started in 2003, the Project aims at supporting the efforts of the

Indonesian National Police (Polri) to enhance their understanding and capacity in handling industrial disputes and implementing the ILO fundamental principles at work.

The training programme will familiarize the police with fundamental principles and rights at work. It will inform officers about the rights of workers to establish unions and the mechanisms for resolving industrial disputes. Given the law and order issues which can arise during demonstrations, strikes or other forms of industrial action, the training will look at international experience of police forces in dealing with such issues.

A baseline study on police understanding and capacity was conducted by the ILO in collaboration with the Department of Criminology, University of Indonesia, from October-December 2003 in six provinces covered by the Project: North Sumatra, Banten, West Java, Jakarta, Central Java and East Java. Findings of the study reveal that there are still some misperceptions, particularly, about the government's role in controlling workers' and employers' organizations and the role of police in industrial disputes.