

Dancing with dictators

South Africa and Indonesia

A group of workers sit, legs crossed, on the floor of their rented shack bordering the massive Tangerang export processing zone to the west of Jakarta, the sprawling, populous capital city of Indonesia.

A picture passes from hand to hand, cut from the front page of the *Jakarta Post*: President Nelson Mandela, arm in arm with Suharto, Indonesia's aging military dictator. The photograph is photocopied. Prints circulate widely in the working class slums.

Months later there is more news. Suharto is in South Africa. He has been awarded South Africa's highest honour - The Order of Good Hope. He was given a high powered welcome: a 21-gun salute, a guard of honour, and a meeting with 14 Cabinet Ministers. Mandela reminded the world that Suharto had provided funds to facilitate the ANC's 1994 election victory. Hadi Martono, a spokesperson for the Indonesian Embassy, indicated that his country was considering buying armaments from South Africa and was interested in the Rooivalk Attack helicopter.

At the same time, the leaders of Indonesia's beleaguered new labour unions discover that COSATU organised protest action outside the Indonesian Embassy to coincide with Suharto's visit. In a memorandum handed to the Indonesian ambassador, COSATU stated that: "We come from a history of gross violation of human rights. It pains us to see other people suffering even worse repression than that

The ANC government maintains that trade links with authoritarian regimes such as Indonesia are in the South African nation's interests. It claims that human rights are not being neglected in this process. Rob Lambert disagrees. He calls for fundamental change in South Africa's trade policy.

inflicted on us by the apartheid regime. We will support oppressed peoples in every way we can. We want to highlight the trade union situation in Indonesia." COSATU affiliate, NUMSA, issued a statement saying that metal workers, "utterly reject growing diplomatic, trade and investment links between South Africa and Indonesia. We also feel that the relationship between the ANC and the military dictator must be reviewed, given the violation of human rights by Indonesia."

Indonesian workers also learn of the Tuynhuis protest. Forty union leaders were arrested for protesting outside parliament against Suharto's visit. In scenes reminiscent of the 1980s, unionists were physically abused as they were thrown into the police vehicles.

Indonesian workers are trying to comprehend the meaning of these two vastly different responses to their situation. On the one hand, they seem to be invisible to the ANC government. On the other, South African workers are clearly committed to a freedom that transcends borders.

COSATU's response captures the critical challenge facing progressive labour movements in the decades to come. If there is the political will within movements to challenge the current form of trade engagement, the *neo-liberal economic growth model* that is now dominant across the globe will itself be undermined. The will to work through and resolve the contradictions underlying the differing perspectives on trade and investment policy in South Africa has implications that extend well beyond the present struggle for democracy in Indonesia. The final outcome will determine the character of South Africa's engagement with globalisation, choices that will either undermine or consolidate democracy and social progress.

The 'nation's interests'

The ANC government claims to have good reasons for engaging with authoritarian regimes such as Indonesia. The terms of this engagement, articulated by the Department of Foreign Affairs, are that human rights are but one aspect of our relations with other nations. Others are investment, economic growth and equity, trade, economic partnerships and co-operation in global, multilateral and regional forums.

Since 1992, trade with Indonesia has increased by 300% to R1,24-billion, with the balance in South Africa's favour. Indonesia is one of the world's most populous nations. It is expected to be home to over 200-million people by the turn of the century. There is enormous market potential for South African manufacturers. Notwithstanding the recent financial crisis in Indonesia and the

IMF bailout, the World Bank is of the opinion that Indonesia will become the world's fourth largest economy within the next 20 years.

Government strategists in South Africa contend that promoting trade and investment with Indonesia will expand the South African economy, create jobs and enhance the nation's wealth. The ANC was elected to secure these basic goals. Indonesian links will therefore further the interests of ordinary South Africans.

Foreign affairs

Indonesia is a leading nation in the non-aligned block. It is a founder member of the Non-Aligned Movement (NAM) and Suharto is that movement's immediate past chairperson. South Africa has been allocated the next NAM chairpersonship in a new form of 'trioka' leadership which comprises past, present and future leaders working closely together. This will mean an intimate working relationship between the next South African president, Thabo Mbeki, and Suharto and between the two country's respective ministries. The advancement of NAM interests is further reinforced by South Africa's prominence in the Indian Ocean Rim trade initiative, which aims to foster trade co-operation in the region. Indonesia is also a key member of this grouping.

The non-aligned, developing nations are striving to assert their interests against the dominant interests of the northern-blocks of the US and the European Union. South Africa shares a common history with this group of nations because of the long struggle against colonial domination. Furthermore, the apparent economic success of these nations over the past two decades could serve as a model for the South African economy.

Such ties, argue ANC strategists, will advance South Africa's interests on two fronts. Economically, the country will be



Pic: Stephanie Phalane CDC Photo Unit

COSATU members demonstrate against Suharto.

placed in a better position to realise its domestic goals. Politically, these alliances will enhance South Africa's status, thrusting it to the forefront of the fight for disadvantaged countries in the global economy.

For all these reasons, trade and investment relations with Indonesia can be justified. The ANC government maintains that, within this strategic framework, the issue of worker rights is not neglected. At the WTO meeting in Singapore in December 1996, South Africa supported the social clause on worker rights being taken up by the ILO. This is consistent with the Nedlac decision to include memoranda of understanding on the status of worker rights in trade agreements.

The Indonesian state

The political system in Indonesia is, its leaders claim, a particular type of

democracy that accords with Asian cultural values.

The official state ideology known as *Pancasila* rests on a concept of society as family, in which the interests of society and the interests of the state are organically linked. This also applies to labour relations, where the state, employers and workers are said to share a common vision and common goals. The military is seen as playing a positive social role in promoting the development of this familial orientation. They are the guardians of the nation's social development.

The notion of a wider social role for the military originally grew out of the struggle against Dutch colonialism. Guerrilla forces were closely integrated into village life. This was a key factor in the attainment of political independence in 1949. ✓

Throughout the 1950s, Sukarno, Indonesia's first president, had to contend

with a high degree of political instability. The military asserted their right to a direct role in politics. In the late 1950s, top ranking military officers became directly involved in major companies

The Indonesian Communist Party (PKI) (the world's third largest communist party at the time) challenged the military's growing political influence. In the mid-1960s, General Suharto led a military coup that literally eliminated the PKI. It is claimed that more people were killed by the military in Indonesia in two years than in the entire Vietnam war, including the war against the French. Those who survived the killings were imprisoned. Many were executed by firing squad.

Political power is now concentrated in President Suharto. The military occupy a block of seats in parliament, the balance being 'elected' through a highly controlled process.

Suharto has used his political power to develop a complex web of patronage. Certain business leaders have been favoured with government contracts. The President has used their enormous wealth to promote his family's economic interests. The military are the bodyguard of this system.

Trade unions

Some analysts claim that Suharto's 'new order' has been able to attract foreign investment through creating political stability. Indonesia has moved from dependence on its oil and gas reserves for foreign currency and from an import substitution manufacturing policy to a growth path driven by manufacturing exports. This has generated high levels of employment in the new export processing zones that circle the major cities.

The regime has promoted itself in the global marketplace as a nation of disciplined, cheap labour. Ultra-low wage rates are a weapon in the competitive

struggle for foreign investment. In the early 1990s the official minimum wage rate covered only 60% of workers' minimum physical requirements. Many companies pay well below the minimum. Independent trade unions were banned after the coup, and replaced by state unions run by the military. In the factories, these unions operate as the eyes and ears of the system. Workers who support democratic organisation are interrogated by the military and dismissed

The government has certainly succeeded in its objectives. By the end of 1990, companies from the four Asian 'tiger' economies - Singapore, South Korea, Hong Kong and Taiwan had relocated to Indonesia, investing US\$7.5-billion in 606 projects in the country's export processing zones.

Child labour

The new factories in Indonesia are driven by child labour. Thirty nine percent of workers in the new industrial zones are under the age of thirteen. The balance is aged between 13 and 22. The majority of workers in the zones are young girls. When they enter the factories from their rural villages, their hopes are high. They dream of buying a new dress, going to the movies, or helping their parents back home.

These hopes are soon dashed. They work 16 to 18 hours a day. Their wages are not even sufficient to feed themselves. They are often sick from exhaustion and bad working conditions. They cannot return home, because capitalist agriculture has stripped Indonesian peasants of their small holdings.

The new unions

Neither the genocide following the coup, nor severe repression, have succeeded in stamping out the rich political culture of the past. Even during the darkest days of the 'New Order', small discussion groups of

Dita Sari

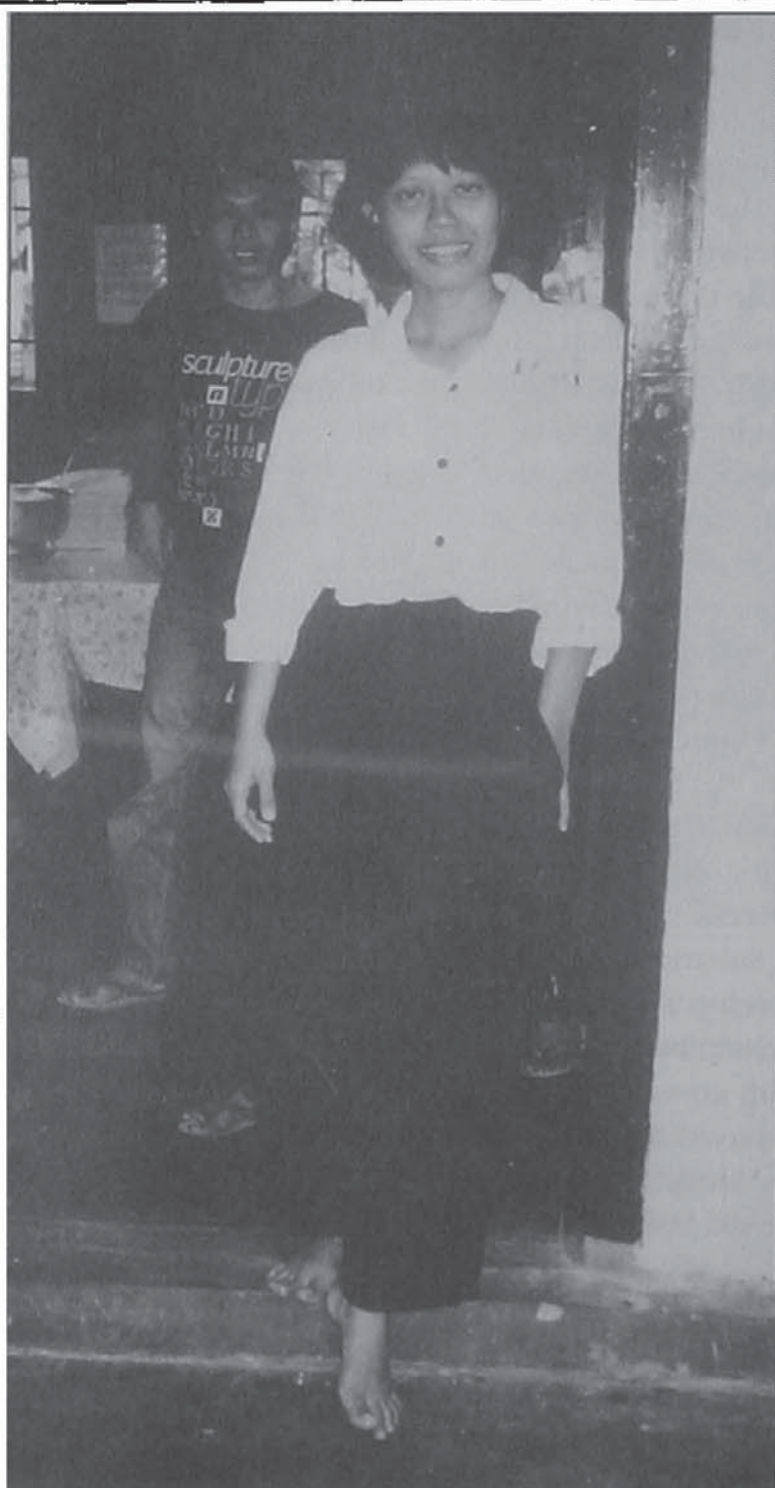
On 22 April 1997 Dita Sari was imprisoned for five years for her trade union work. On 15 November she was transferred to an intensive care unit in a semi-conscious state with advanced typhoid.

Dita Sari was born in Jakarta on 30 December 1972. In 1991 she entered the prestigious University of Indonesia to study law. She became involved in the student movement, Students in Solidarity for Democracy, and later left her studies to become a full-time organiser in the new labour movement. She was elected the General Secretary of the PPBI, the Indonesian centre of labour struggle, in 1994.

The increased worker militancy of this period meant that she became involved in many strikes. She was arrested by the military several times before finally being imprisoned. In an interview before her imprisonment, she provided some idea of the conditions she worked in: "In north Jakarta, we organised a committee of workers in a slum area. Most of the bravest, militant and disciplined organisers there are women. It is a hard area. Many unemployed people make trouble for the workers, asking them for money and harassing the women as they walk past. The women have to be strong both emotionally and psychologically.

Women in the area organise because they have nothing to lose. The women from poor peasant backgrounds come to the city to look for a better life, but they still receive a bad one."

Sari and the other leaders who are in prison or working under clandestine conditions inside Indonesia show the courage, vision and self-sacrifice that have always been the essential elements of



building genuine, representative labour movements. They – and the workers they represent – are the victims of the ANC government's present trade strategy. A campaign for their immediate and unconditional release needs to be generated in South Africa. Any relationship with Indonesia should be based on their release and the granting of trade union rights in terms of ILO Conventions 87 and 98 to Indonesian workers.

workers were established in the slum areas. Similar groups politicised university students. In 1990 the first independent labour movement, calling itself Setlakawan (Solidarity) emerged. Students became involved in organising activities.

Groups of workers were recruited in the factories, majorities were established, and workers began to press their demands. Strikes took place for the first time. However, Setlakawan collapsed and was superseded by new formations, principally SBSI led by Muchtar Pakpahan and the PPBI, whose General Secretary was Dita Indah Sari.

When President Clinton came to power in the US, his government threatened trade sanctions if Suharto did not comply with ILO conventions on freedom of association. This had an immediate effect. The repression of factory activists declined markedly and the space to organise expanded. Suharto also decreed several increases in the minimum wage rates. These meagre advances further encouraged workers. Clinton then caved in to intense pressure from the US multinationals, and de-linked trade access and worker rights, Suharto responded by cracking down on the new unions.

Key leadership, including Muchtar Pakpahan and Dita Indah Sari, are all now serving lengthy prison terms and the victimisation of factory activists has been intensified (see box, opposite). Despite the repression, industrial strikes have continued unabated.

How should South Africa respond?

The present trade policy of the ANC government totally ignores the plight of Indonesian workers. While Nedlac has agreed on the terms of a social clause to be inserted into trade agreements, this agreement has not been implemented.

COSATU needs to engage the

government and challenge the rationale of their engagement with countries such as Indonesia. This would involve changing current policies, including

□ 'Totality'

The Department of Trade and Industry (DTI) maintains that South Africa's trade relations should be based on 'the totality of South Africa's global relations'. The clear implication is that those who emphasize worker rights fail to recognise this 'totality'. The statement that human rights are 'but one aspect' of relations with other nations is remarkably similar to the statements Britain's Margaret Thatcher issued when she opposed sanctions as a weapon against the apartheid regime. In reality, worker rights are not even 'one aspect' of the strategy. Worker rights are excluded from bi-lateral trade agreements. COSATU needs to ask why worker rights and the imprisonment of labour leaders have not been formally raised in trade negotiations with Indonesia.

□ Economic engagement

The DTI also argues that, in its trade relations, a country cannot afford to fixate on worker rights alone. Other 'cornerstones' need to be considered, including "investment, economic growth and equity, trade, economic partnerships and co-operation in global, multilateral and regional forums." The department does not appear to understand that an emphasis on worker rights is a different way of engaging in all these areas. This does not ignore economic engagement. Instead, economic relationships are developed in a way that takes full cognisance of the social and political contexts shaping the competitive dynamic of the engagement.

One does not have to be an Einstein of economics to understand that the repression of trade union rights in one

country may create a competitive advantage over another country that recognises the rights of workers to organise and to bargain collectively. South African employers have to adhere to minimum conditions of employment, while their Indonesian counterparts operate completely unrestrained. Foreign companies which are investing in Indonesia are combining the world's cheapest, most intensively worked labour with the world's most advanced technologies. They are producing quality goods for world markets at prices that are well-nigh impossible to compete with. The pattern that is emerging is factory closures in nations where worker rights exist, and imports from countries where labour is repressed. This has vast implications for manufacturing employment in South Africa and for the country's trade balance. The lowering of tariffs in South Africa and the decline in currency values in Asia will accelerate this form of restructuring, creating new imbalances in the global economy.

❑ *Trade blocs*

One of the reasons the ANC government is courting Suharto is because it wants to play a leading role in the NAM. What credibility does the NAM have when persons such as Suharto lead it? What is the value of a movement dominated by authoritarian, anti-democratic regimes?

❑ *The social clause*

The ANC government sided with Asian regimes at the 1996 WTO meeting in Singapore to argue that the WTO was an inappropriate forum for considering the issue of worker rights. The issue has now been relegated to the ILO, which has no powers of enforcement. As the Indonesian experience demonstrates, authoritarian regimes only take worker

rights seriously when trade sanctions are threatened, just as the apartheid regime only began to negotiate with the ANC when trade sanctions began to bite. The ANC government appears to have misread the internal political dynamic within the US by arguing that the new assertiveness of the US administration was merely a move towards trade protectionism. This statement flies in the face of the present administration's active promotion of free trade. The ANC government has failed to recognise that the drive for a trade/worker rights intervention comes from grassroots organisations who are arguing for a balanced, democratically based form of globalisation rather than the present destructive, authoritarian form.

Towards an alternative

COSATU and other progressive formations in South Africa must apply intense pressure for changes in South Africa's trade policy.

Key demands might include:

- ❑ A special budget, controlled by the government and the progressive movement, should be established in the Department of Foreign Affairs to fund NGOs that are working in Asia to build the new union movements. There are obvious precedents for this. Many European governments directly funded COSATU programmes in the interests of advancing the democratic cause in South Africa. COSATU can draw on its own vast experience to promote the new unionism in a constructive way that avoids all the obvious dangers of foreign funding.
- ❑ South Africa must position labour attaches in the most authoritarian regimes in Asia to monitor the labour situation and advise the government. China, Indonesia, South Korea, and



Indonesian workers demand higher wages, September 1995.

- Malaysia should be made priorities
- Debate on the social clause should be reintroduced in Nedlac and the government held accountable for failing to apply the previous agreement. A new, more aggressive orientation towards worker rights needs to be advanced.

Advancing the cause of oppressed workers in Asia is a key challenge facing the worker movement in South Africa. Time and resources need to be devoted to this cause. Ways must be found to integrate this commitment with pressing local issues. Indeed, the outcome of local struggles is dependent on the depth of this wider international commitment. We are all aware of the South Africans who died in the cause of democracy and social justice in South Africa. Their memory demands integrity in international relationships, not medals on the breasts of ruthless dictators. ★

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