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Interview

# Indonesia: Conflict mounts over proposed labour laws

Monday 1 May 2006, by [BOULTON Alan](#), [MACGREGOR Marion](#), [PASARIBU Bomer](#), [SARI Dita Indah](#) (Date first published: 6 April 2006).

Dita Sari - Radio Australia

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-transcript-

Conflict is mounting in Indonesia over proposed changes to the country's labour laws. A bill to amend the current manpower act is due to be tabled in the House of Representatives next week. The changes would allow investors to put workers on limited contracts and would reduce severance payments for sacked employees. Some see the changes as necessary to revive the country's flagging investment climate. But the workers say they're being scapegoated and they're threatening to call a national strike if the bill goes through.

Presenter/Interviewer: Marion MacGregor

Speakers: Dita Sari, Chair of National Front for Indonesian Labour Struggle; Alan Boulton, director of the International Labour Organisation in Indonesia; Bomer Pasaribu, Indonesia's former minister for manpower

MACGREGOR: Wages may be low in Indonesia, but with workers guaranteed entitlements to things like parental leave and time off for religious holidays, things could be worse.

The trouble is, they may be about to get a lot worse, if changes to the current labour laws are approved by the Parliament.

While the details of the revisions haven't yet been made public, Indonesia's trade unions are already seeing red.

On Tuesday, thousands of people protested in major cities across the country.

Seasoned activist Dita Sari, who heads the National Front for Indonesian Labour Struggle, was among the demonstrators.

She says the workers are being scapegoated for the government's failures.

SARI: Substituting the real issue by blaming the workers for having too much protection that creates less investment. Well we think it's not fair, because the real problem is not the workers, it's the government's policy. The government's economic policies are creating very high economic costs. Recently they increased the fuel price by 108 percent and Indonesia's electricity price is

the most expensive in Southeast Asia.

MACGREGOR: The changes to be submitted to the house of representatives next week would allow investors to implement five year contracts, outsource all their work, and hire expatriates to manager-level positions.

They'd also see lower severance payments for sacked workers.

Dita Sari doesn't hold much hope that the Parliament will support the trade unions' position.

SARI: We don't think that the House of Representatives will be on our side.

MACGREGOR: So will this be fought out on the streets then, with more demonstrations by workers?

SARI: Yes we are trying to do that. And also we're trying to convince employers that we should fight together against the economic policies of the government.

MACGREGOR: Dita Sari.

It was she who three years ago, campaigned for provisions to be included in the current labour laws, giving women two days' paid menstruation leave a month.

That provision as well as a number of other benefits was passed into law.

Alan Boulton, the director of the International Labour Organisation's office in Indonesia, was involved in drafting that Act.

BOULTON: The law of 2003 was much much better than the laws that it replaced, and it did address the challenges in a modern economy of providing some sort of employment protections and standards. It remains good law, the changes that are being talked about are not changing the substance of the laws, it's changing the particular entitlements because it's said that these entitlements may be too high compared to countries that Indonesia is competing with in the ASEAN bloc.

MACGREGOR: With the revisions going to Parliament next week, the trade unions may be pessimistic.

But Bomer Pasaribu, Indonesia's former minister for manpower and now chair of the Legislative Council in the Parliament, is also concerned about the process.

He wants to see thorough consultations with unions, employers' organisations and the government first, before the changes are submitted to the Parliament.

PASARIBU: We can receive the bill if a tripartite consultation has consensus about that. That is why we ask the government, we ask trade unions, we ask employer associations: 'discuss it first, make a consensus building first before you send the bill to the Parliament or to the president'.