

Against Racialized Labour Politics: Chinese Capital and Conflict in Indonesia

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On Jan. 14, 2023, following a three-day strike organized by the National Workers Union of Indonesia (Serikat Pekerja Nasional, or SPN), a violent clash between Indonesian and Chinese workers took place in the facilities of PT Gunbuster Nickel Industry (GNI) in Morowali, Central Sulawesi. The tragic incident resulted in the death of an Indonesian and a Chinese worker.

Indonesian labour rights watchers and unions rightfully [point out](#) that it demonstrates the further corrosion of labour power in Indonesia, as President Joko Widodo (Jokowi) continues to pass “job creation” laws that [favour](#) investors over workers.

However, the fact that PT GNI is owned by a Chinese company whose imported Chinese migrant workers played an ambivalent role in this incident reveals the difficulty of forging working class solidarity against racialized labour politics in the context of China’s Belt and Road Initiative (BRI).

Anti-Labour Laws in Indonesia

The Indonesian state has made its anti-labour stance clear in the name of job creation. Having been passed by the People’s Representative Council (Dewan Perwakilan Rakyat, or DPR) of Indonesia on Oct. 5, 2020, and signed by President Jokowi on Nov. 13, 2020, the “Job Creation Law” (Undang-Undang Cipta Kerja) spelled the culmination of the Indonesian state’s assault on organised labour for the prior decade.

That it was passed through the omnibus method — by packing into an [812-page](#) document bills that addressed sovereign wealth fund, workers’ wages, taxation, the environment, investments, and firing — is another example of the Indonesian government [taking advantage of](#) the Covid-19 pandemic to minimize potential opposition.

Interestingly, the Constitutional Court ruled the Omnibus Law unconstitutional in Nov. 2021; in Dec. 2022, Jokowi utilized “Perppu,” which stands for “Governmental Regulation Substituting the Law” (Peraturan Pemerintah Pengganti Undang-Undang), to attempt to push through the legislature again. This time, the omnibus document grew to [1,117](#) pages.

For Airlangga Hartarto, the Coordinating Economic Minister, Perppu is tasked to provide security for [investors](#), especially foreign one, to ostensibly increase domestic consumption. In a sense, he’s giving away the fact that Perppu and its Omnibus predecessor were created for the business sector all along. The stated goal of “job creation” in reality meant increasing labour flexibility by deregulating labour protection, diminishing the bargaining power of workers, and outsourcing long-term contracts, among others, making labour even more contingent in a country that sees [more than 60%](#) of its population in informal sectors.

As scholar of labour law Nabiyla Risfa Izzati has [pointed out](#), the revitalization of the Indonesian

labour movement after the fall of Suharto in 1998 was soon trounced by the entry of the International Monetary Fund (IMF) due to the monetary crisis created by the New Order regime. The reforms led by the IMF and U.S. Agency for International Development (USAID) established the Manpower Law in 2003, which legalized fixed-term work and outsourcing systems in Indonesia, marking the beginning of Indonesian neoliberalism.

Izzati notes, however, that the 2003 Manpower Law still allowed for considerable government regulation and restrictions. UU Cipta Kerja of 2020 removed the maximum term limits for temporary contracts, expanded the types of outsourcable work, removed the sectorial minimum wages, and stripped employees of the rights of paid leave.

For the mining industry specifically, the Coal and Mineral Bill ([UU Minerba](#)) passed DPR in May 2020, months before the Omnibus Law. By defining the government's mining jurisdiction as "the land space, ocean space, and the earth within the Indonesian archipelago" and thus violating people's living spaces, increasing the land control period for business from 2 to 8 years, removing limits in special mining area, and criminalizing "rejections against mining corporations" while removing criminal sanctions for corporations, the new UU Minerba set the stage for the escalation of both labour abuses on mining sites and labour militancy in resistance.

Chinese Capital, Exploitation and Conflict

Owned by Jiangsu Delong Nickel Industry Company, PT GNI was established in 2019 and inaugurated by President Jokowi in 2021. As PT GNI not only mines but also smelts and refines nickel, Jokowi applauded the enterprise for bringing "[added value](#)" (nilai tambah) to the mineral, signaling Indonesia's transition from an exporter of raw materials to a processor of them as well.

A recent joint investigation by the magazine Tempo and Greenpeace Indonesia has [shed light on](#) the degree of deforestation caused by such smelting technique.

Though Jokowi promised domestic job growth with the opening of PT GNI, Chinese workers, who are housed in monitored dormitories, have been brought into Sulawesi from the get-go, often [without](#) the knowledge of their contractual details or a grasp of the Indonesian language.

Given the unsatisfactory working conditions, the National Workers Union of Indonesia (SPN) has also been militant at PT GNI from the get-go. In September of 2022, SPN PT GNI organized its first demonstration, [demanding](#) occupational safety and health procedures, making company regulations, and stopping the contingent contract status of Indonesian workers as well as unclear cutting of wages.

On Dec. 22, 2022, two crane operators at PT GNI were killed in an alleged smelting furnace explosion, leading to SPN organizing the subsequent strike from Jan. 11-14, 2023. Its list of demands this time included the previous ones, in addition to the rehiring of employees fired due to their participation in the last strike and the installment of air circulation in the warehouses.

According to the newspaper [Kompas](#), in the afternoon of Saturday, Jan. 14, several hundred workers were on strike before being stopped by the company's internal security forces. Many workers urged others to join their action which sparked a commotion, during which a "foreign worker" (pekerja asing) is said to have attacked a local worker. The incident escalated when foreign and local workers began throwing stones at each other, and it reached its peak at 9 pm when a "mob" (massa) damaged and burned a number of vehicles.

In addition to the two deaths, the clash [resulted in](#) several dozen injuries and the destruction of seven cars and 100 dormitory rooms. At least 500 military and police officers were on standby at PT

GNI the day after the event, and they arrested a total of 71 people.

Indonesian Unions Respond

Given the severity of the clash, many labour organizations and activists responded immediately, pointing to the history of exploitation and abuse at PT GNI as well as the greenlight to such practices provided by Jokowi's government as the prime reasons behind the tragedy.

[Timboel Siregar](#), the secretary general of the Pan-Indonesia Workers Organization (Organisasi Pekerja Seluruh Indonesia, or OPSI), points to the "secrecy" (ketertutupan) of the PT GNI facilities as the reason why legal supervision and enforcement is difficult there. According to him, the Office of Manpower (Dinas Tenaga Kerja) should be the key agency for such supervision.

KontraS, or the Commission for Disappeared and Victims of Violence, [suggests](#) that the Indonesian state should also take responsibility for the deaths. Referring to other deadly accidents that have occurred at PT GNI, KontraS calls for the government to monitor and take action against violations committed by such companies, in addition to immediately fulfilling workers' rights at the worksite; mechanisms of the state must be invoked to contain the power of capital.

Jatam, or the Mining Advocacy Network, put out a [press release](#) soon after the clash denouncing the "arrogance" of PT GNI. Their view of the role of the government is less sanguine: for Jatam, Jokowi's inauguration of the mining site and immediate use of the police to arrest workers instead of working to meet their demands reflect the "network of vested interests of the political elite" that enabled PT GNI's abuses, and its establishment would be impossible without the congenial relationship between the governors of Sulawesi and the Chinese tycoons funding the mines.

Jatam suggests that 10 workers have died since PT GNI started its operation, and that Chinese workers are paid more and put in more commanding positions than Indonesian workers. What's more, Jatam claims PT GNI also seized people's land illegally and polluted the surrounding rivers and air. As such, the organization demands the release of the arrested workers, the revoking of PT GNI's license, and legal proceedings regarding its violations.

In the wake of the tragedy, SPN held another demonstration alongside several other national labour unions. Their new demands included sanctions on PT GNI's owners, freedom of association for its workers, compensation for the deaths, and arrest of Chinese foreign workers, among others.

Racializing Labour Conflicts

Even if they were under slightly better conditions, Chinese workers at PT GNI laboured in an arduous environment and should have resonated with the Indonesian workers' demands. Why then did they actively break up the strike actions?

In an [interview](#) with Voice of America, Li Qiang, the executive director of China Labor Watch, noted that GNI management framed the workers' protest as an "anti-China move" (gerakan anti-China) and equipped the Chinese workers with steel batons to defend the facilities. According to Li, Chinese workers feared they would lose their jobs had they not fought against the Indonesians.

A recent [report](#) by China Labor Watch, which has conducted conversations with Chinese workers at PT GNI, reveals that SPN's demands were not circulated among the Chinese at all due to Chinese workers' inability to access Indonesian writing. This discrepancy allowed GNI's management to "creat[e] an image of Chinese 'us' vs. Indonesian 'them.'" The report states that under companies such as Jiangsu Delong, Chinese workers in Indonesia also suffer from wage arrears, physical abuses and surveillance, and unreported deaths are commonplace.

The language barrier and collision of national loyalty have undermined the potential for transnational solidarity between workers based on shared plight under exploitative working conditions. Such unevenness is further complicated by the longstanding association of the Chinese in Indonesia with capital. The destination of their wealth accumulation has always been seen as alien interests, from the Dutch during its colonial occupation to Chinese networks across Southeast Asia during the Suharto era. Though perhaps there's much truth in this perception, it would be a mistake to allow these elite tycoons to monopolize the Chinese identity, while overlooking the underclass of Chinese labourers who helped create that wealth.

Indeed, in an [interview](#) with *Tempo*, Katsaing, the chairperson of SPN Morowali, maintained that he was certain that if Chinese workers did not attack first, the clash would never have happened. He further implied that the involvement of the state and business must be prioritized in explaining this event over innate hostility between Indonesian and Chinese workers.

"We don't hate the Chinese; why would we hate them? This is precisely when we need to recruit them to a union, if indeed there are rules that regulate this. Because they are also wronged," said Katsaing.

Beyond Racialized Labour Politics

As Eli Friedman, a scholar of Chinese labour, has argued, labour activists should [side with workers](#), instead of the nation-states that are happily married to transnational capital. The Chinese workers brought by the tides of BRI to Indonesia should not be viewed as agents of the Chinese state.

Indeed, in late February, three Chinese workers at PT Indonesia Morowali Industrial Park [filed complaints](#) to Indonesia's National Commission for Human Rights accusing their employer of rights violations. The interests of Chinese workers are not aligned with that of Chinese capital.

Building from such instances of resistance and solidarity against states and capitals is the only way forward, and this requires overcoming the racialized labour politics.

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