

-2E-64-242-5

RM/R	REP	AF
1		
ARA	EUR	CE
	5	
NEA	CU	INR
		5
E	P	IO
12	2	5
L	FBO	AID
3		12
SP	SP	
	1	
AGR	COM	FRR
	10	3
INT	LAB	TAR
	6	
TR	XMB	AIR
ARMY	CIA	NAVY
3	20	5
OSD	USIA	NSA
34	10	3
116		45
9		6

CONFIDENTIAL

RGR	FOR RM USE ONLY
RSL	
	HANDLING INDICATOR
DEST	

TO : DEPARTMENT OF STATE

INFO : BRUSSELS, KUALA LUMPUR, MANILA, MEDAN, ~~PHILADELPHIA~~ DELHI, SINGAPORE

FROM : Amembassy DJAKARTA

DATE: July 18, 1968

SUBJECT : Current Assessment of Indonesian Trade Unions

DOS REVIEWED 02-APR-2008: DECLASSIFIED FOR RELEASE IN FULL

REF

Introduction and Summary

What the Indonesian non-communist trade unions do in the next year or so to overcome the lethargic and apathetic characteristics which have too long been identified with them will reveal just how sincere they are about building viable institutions capable of assuming responsibilities compatible with legitimate trade unions. If they continue to function as they have in past years, it is highly doubtful that they will ever amount to more than what they are now: confused, fragmented and overly preoccupied with the body politic.

Never in the history of this irrepressible movement has the time been more propitious than now for the development of modern, progressive trade unions. The political climate, in which the trade unions played a very decisive role, is such that trade unions need no longer worry about reprisals from old order elements, and the once ubiquitous and omnipotent communist trade union, SOBSI, is no longer on the scene to thwart whatever efforts non-communist unions may wish to make in the direction of change.

Whether they will chart a course in this direction is a moot point at this time. Hopefully, they will sense the urgency and act accordingly. If they continue to ignore these realities, however, hope will automatically become ~~despair~~. Of course, change means a break with tradition and, unfortunately, many union leaders in Indonesia are inclined to resist change because it may force them to assume roles they now ignore. Moreover, too many of them are committed to the status quo.

Group 3

Downgraded at 12-year intervals, not automatically declassified.

FORM 4-62 DS-323

CONFIDENTIAL

FOR DEPT. USE ONLY

☒ In ☐ Out

Classified by: POL/LAB:RLW/kinshaw-sd 7/16/68

Contents and Classification Approved by: POL:RE Masters

Though SOBSI is no longer on the scene to retard the progress of non-communist unions, there are several elements on the scene which are equally disturbing--elements which have beset the Indonesian trade union movement for more than 50 years. These elements are well known to observers of this movement--elements such as: (1) ideological and political differences; (2) religious differences; (3) multiplicity of trade unions; (4) petty personality conflicts; (5) subservience to political parties; (6) too many voices representing trade union views on substantive matters; (7) outdated and unworkable labor legislation; and (8) a paucity of funds.

Whether or not trade union leaders are prepared to reconcile the many differences which beset the trade union movement is uncertain at this point. One cannot expect change overnight nor can one look with any degree of optimism at the reconciliation of these differences which stand in the way of progress. Moreover, and this is perhaps the major problem facing the trade unions in this country, the proliferation of the movement in policy-making areas is condoned as well as accepted, and the prospects for improvement in this area are very slim indeed.

Progress, regardless of what other steps non-communist unions may take to affect it, is threatened as long as the above problems are around to haunt them. This is where the real challenge lies; this is where the break with tradition is necessary; and this is where the much-needed new concepts will be found.

#### Politics: A Way of Life

One of the principal deterrents to trade union progress is the direct and indirect associations Indonesian unions have with political parties. Though this is considered by many observers of Indonesian unions to be deleterious in many ways, one must accept the fact that this is a way of life for the trade unions in this country. From the very inception of trade unionism in Indonesia, trade unions have very definitely been an integral part of the body politic. One has to search far and wide to find a trade union free of political encumbrances. Most unions, including practically every principal federation, have some connection with political parties: some are known as labor arms, while others, though professing independence, have an indirect relationship.

It is not the association that concerns observers of the Indonesian trade union scene, including the reporting officer, it is the extent to which they are subservient to and dependent upon political parties. The relationship is, based on past as well as current performance, definitely more subservient than, say, partner. Most trade union leaders, however, like to believe otherwise. They are inclined to believe that they do, in fact, exercise a great deal of influence in shaping party policy. The policy-making machinery of the various parties belies this belief. Trade union

CONFIDENTIAL



representation on policy-making bodies is minute when compared to that of other constituent organizations. Moreover, and this many leaders are reluctant to admit, trade union leaders who are members of legislative bodies by virtue of their party affiliation do not act independently of the party leadership; their actions are always in line with party policy.

There are quite a few union leaders who refuse to face the fact that they are limited operationally and that the political party relationship impedes as well as impairs the development of a sound trade union structure. On the other side of the coin, however, there are an equal number whose sole aim is to free their unions from the dictates of political parties. This is not to suggest, nor should it be so construed, that these leaders are sponsoring a complete break with political parties. What they want is a better understanding of the trade union's role in the body politic, and that role should not be one which relegates the trade union movement to the backroom.

Regardless of how well-intentioned the exponents of change may be, trade unions will continue to have the same kind of a relationship with political parties as they have now. The politico-union relationship is so steeped in tradition that it will take a revolution to change it. Moreover, principal leaders of most federations are content with this arrangement because it helps to ensure the flow of operational funds for their respective unions. What could possibly happen in this relationship, however, is that the unions will be allowed a larger voice in party affairs than they have now. Of course, this will only eventuate if the leaders of the unions become more assertive and demand a meaningful role in the policy-making councils of the parties.

#### Too Many Voices

One of the major weaknesses of the Indonesian trade union movement is the proliferation of its policy-making vehicles. On a national basis, not to mention the inordinate number in the outer islands, there are three different bodies functioning in this field: the trade union section of Sekber Golkar, which is an amalgam of organizations supposedly free of political party influence; the Joint Secretariat of Indonesian Trade Union Federations, an advisory body based in the Manpower Ministry to which trade unions assign second- and third-echelon leaders; and the Indonesian Workers' Joint Action Front (KABI), the so-called political arm of the trade unions. Add to this the sixteen trade union federations and the sizable number of independent



CONFIDENTIAL

unions, each of which, at times, pursues selfishly-motivated policies, and one can readily understand why the trade union movement is unable to develop the kind of structure which is necessary to attract worker loyalty. Unfortunately, this, too, is accepted as a way of life, and the prospects for improvement are very slim indeed.

It is this proliferation which makes it practically impossible for the Suharto Government to take the unions seriously or, for that matter, to view them as a decisive force in the community. One can understand the Government's dilemma in this regard. Even if it wanted to view the unions differently, it would indeed have a difficult time finding the power base. This is perhaps why the Government ignores trade unions with members in government instrumentalities when it is considering wage increases for civil servants.

Proliferation, providing the policy-making process produces decisions, is not evil in itself. The basic problem facing the unions is that they never seem to arrive at decisions regardless of which body assumes jurisdiction. The best illustration of what happens when unions are asked to make a decision was the way in which they handled the selection of the Workers' Delegate to the June Session of the International Labor Organization (ILO). The Government, acting on the advice of the Manpower Minister, referred the selection to the Joint Secretariat of Indonesian Trade Union Federations. After weeks of debate, during which consensus was not possible because of petty jealousies, the Secretariat decided that each of the ten constituent unions should name a candidate and the Manpower Minister be asked to pick one of the ten named as delegate. This illustration merely points up the fact that trade unions, like most Indonesian organizations invested with the responsibility of decision making, are part of a system -- a system in which consensus is the norm and if consensus is not possible, the matter under consideration is referred elsewhere for decision.

This is one area where the unions will have to break with tradition if they are to get the much-needed direction they now lack. What the unions do about this in the foreseeable future is difficult to predict. The reporting officer is not sanguine about the possibility of corrective action taking place. Admittedly, some leaders are not too happy about the way in which the movement operates in policy-making areas. It is questionable, however, that they have what it takes to produce change. Hopefully, and hope is the best that one can expect at this time, they will be able to convince those who now ignore the seriousness of the matter that corrective action is imperative for the well-being of the movement.

CONFIDENTIAL



Too Many Trade Unions

There are just too many trade unions in Indonesia. The latest count shows that there are sixteen federations competing with each other for membership. Out of the sixteen, however, about ten can be considered functional. This is unhealthy to say the least and it deters rather than helps the growth of trade unions. Moreover, they are not true trade unions, nor are they, in fact, representative. They have "paper" memberships. As a matter of fact, each of the union federations claims the same members in many areas. The petroleum industry is a good example of this. Though not all federations operate in this industry, those which do report such exaggerated numbers that one finds more members than there are actual employees. This, too, is a way of life in this country. Why leaders of the federations continue to delude themselves by claiming members they do not have is difficult to comprehend. The only plausible explanation one can offer is that Indonesians do not like to admit weakness.

What will happen in the way of consolidation is open for speculation. It is possible that the Government will be forced to reduce the number of federations if the unions themselves continue to ignore this need. The reporting officer believes that this is what might eventually happen. It is unlikely that the unions will take the initiative. There are too many sharp differences among the various leaders -- differences concerning religion, ideology and, perhaps the sharpest, political.

There are people in the movement nonetheless who favor working out some kind of an arrangement to bring the unions closer together. These are people who are convinced that the military is not favorably disposed to the evolution of a dynamic, free and independent trade union movement, one which will make demands upon the Government to improve the lot of Indonesian workers. They believe that the best way to protect themselves against possible military encroachment is to develop machinery to unify the trade union movement in order to (1) repel any threats which may eventuate from the military or some other internal force (communists), and (2) establish a viable organizational structure which will make it more difficult for the military to reject trade unions as part of the social structure.

Of course, one must realize that the division in the trade union movement stems from the fact that unions in Indonesia are mainly appendages (or mass organizations) to the parent political party or power group and thus are even one step further removed from meaningful contact with each other than are the political parties. Add to this the complication of personal rivalries, and one perceives a bleak picture indeed for any significant trend towards cohesion.

CONFIDENTIAL

CONFIDENTIAL

Djakarta A- 694

6

Hopeful Signs

Despite the obvious negative tenor of this report, there are some very hopeful signs on the trade union horizon. There seems to be an awareness on the part of some trade union leaders that change is necessary if the unions are to play the role for which they were intended. Moreover, the trade union movement is more and more becoming a repository for university graduates to vent their dissatisfaction with the status quo. It is this element which will make the most noise for change, and the leaders of the respective unions will be required to mend their ways if they wish to remain leaders.

Certainly the most hopeful sign was the decision of many unions to heed Horace Greeley's advice: go West they did! A current assessment of the number of unions now associated with Free World labor bodies shows that three federations are affiliates of the International Confederation of Free Trade Unions (ICFTU), two are affiliates of the International Federation of Christian Trade Unions (IFCTU), and many are associated with International Trade Secretariats. Also, three other federations are currently considering affiliation with the ICFTU.

This alone augurs well for the future of Indonesian trade unions. Free World labor bodies are planning to play a more significant role in Indonesia -- a role which will help develop a responsible and progressive trade union institution, one which will be responsive to the challenges facing Indonesia as it enters the crucial stages of economic development.

Another hopeful sign is the change in attitude of Indonesian trade union leaders towards American Unions. No longer does one hear cries that American unions are "lackeys" of the capitalists. Indonesian trade union leaders are more and more looking to American unions for guidance and help. American unions can (and should) be of tremendous help to the leaders of Indonesian unions as they look to the future. Tangible evidence that American unions are concerned about the problems of Indonesian unions will have a salutary effect on what the unions in this country do about the weaknesses outlined in this report. The fact that the AFL-CIO is currently trying to work out with AID/W a program for Indonesian unions fashioned in the same mold as that which is now operating in South Vietnam is one of the most hopeful signs for the future of Indonesian unions.

"GREEN" *for*CONFIDENTIAL