

Labour and Democracy? Reflections on the Indonesian Impasse¹

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Conventional theories about the emergence of democracy have not proven particularly helpful in the case of Indonesia. For example, it was a capitalist crisis – and not a process of socio-economic modernisation – that gave birth to the world's third-largest democracy in May 1998. Nor was it the growing bourgeoisie and middle classes that offered resistance against state and private authoritarianism and fought for human rights and democracy, but rather marginal intellectual groups among students, scholars, lawyers, social and cultural workers, and journalists. Moreover, it was not until the fall of Suharto that the West really began to support some aspects of democratisation. Only a few years later, however, many of the attempts to craft democracy (originating from southern Europe and Latin America) had largely failed. The idea had been to compensate for the structural constraints on democracy: first, through foreign support to skilful institution-building; second, by promoting elite acceptance of constitutional democracy (in return for protection of its private economic and social powers); and third, through agreements between reformist incumbents and moderate dissidents that would marginalise radicals and prevent popular revolts. But such support to supposedly "ideal" institutions remained subject to the operations of existing power relations. For instance, it is impossible to trade privileged private property rights to capitalists in exchange for political democracy and the rule of law as long as business is in critical need of partisan intervention by politicians, bureaucrats, judges and officers who, moreover, are also engaged in the primitive accumulation of capital. Within the scholarly discourse, all this is increasingly well understood. But why is it, then, that the mainstream, albeit less fashionable, theory of Rueschemeyer et al. (1992) that sees the working class as the main pro-democratic force under capitalism has not made much sense either – neither before nor after the fall of Suharto?

Throughout much of Asia, the Left (and especially the Maoists) used to focus more on the need for "enlightened leadership" than on democracy, and more on the rural masses than on "modern" workers. This applied also to new democracies like

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Indonesia in the 1950s. Here, as elsewhere in the region, capitalism had been held back by imperialism and indirect colonial rule. Industrialisation was weak, and workers were few. Some three decades later, by the early 1980s, however, hardly anyone would disagree that the number and proportion of formal as well as “informal” Indonesian wage labourers had increased dramatically within agriculture, plantation, mining, construction, manufacturing, and services (see Manning, 1998 and Hull, 1994). So why has labour not been more significant in promoting democracy, thereby furthering its own interests?

Various explanations for the minimal role of workers in democratisation have been put forward. The first and most general is that pre-capitalist forces and relations of production have remained important. For instance, there are still huge peasant-based agricultural and informal sectors, and severely repressed plantation-labour. This has prevented working class organisation. Meanwhile the adjoining modern production of relative surplus value has been increasingly characterised by mobile capital, new technology, individualisation, downsizing, flexibility, putting out, fragmentation and the like. This means that instead of generating unifying and large workplaces, contemporary production techniques and technologies have resulted in complicated and atomising forms of subordination and exploitation (see, e.g., Thomas, 1995). Therborn’s recent grand theoretical proposition even suggests that “the great epoch of the industrial working-class movement has come to an end [because] industrial labour only came to dominate post-agrarian employment in Europe [while] it never did so in the US, Japan or South Korea” (Therborn, 2001: 100–101).²

Against this, however, one may argue with Munck (2002) that there is also a new dynamics of international social movement – labour organising in relation to globalisation. Moreover, as Beckman (2000a; 2000b) and others insist, capitalism is actually expanding, if seen from the Third World horizon. This is not a repetition of Warren’s (1980) notion of “progressive imperialism”, what others then baptised the internationalisation of capital with new international division of labour, or what contemporary activists label “globalisation”. Beckman’s point is rather that all this generates capitalist relations of production, massive expansion of wage labour, and not just the marginalisation of many people but also the growth of huge new workplaces – not in all areas, but in vital and strategic sectors. In several cases, he notes, there is even a tendency towards more public services and organised agreements with labour (social pacts), as capitalists do not always want to pay for infrastructure and social services. Together all this may actually reinforce the role of labour.

On the political level, such an expansion of capital may even serve to unify the international labour movement and pave the way for struggles over democracy. This is because economic expansion undermines the Communist argument that since capitalism has been impeded by imperialism there must be enlightened political shortcuts to progress. It also undermines the Social Democratic thesis that since modernisation is delayed, but remains a precondition for democracy, there may have to be middle-class coups and technocratic engineering to pave the way for modern development (see Törnquist, 1984b, 1991, 2002).

² Therborn also notes the importance of the “erosion of traditional deference, religious as well as socio-political” due to “social modernisation”. This means that people speak up, but they are also more individualistic, undermining “the traditional collectivism of the Left”.

On the level of organisation, one may argue that that it should be possible to overcome the current tendency within capitalism to generate not just huge workplaces – where it is comparatively easy for labour to organise – but also considerable marginalisation and individualisation. For instance, it has proved possible to organise employees democratically and to win democratic elections under far less developed capitalism with proportionally fewer wage labourers, as shown by the Indonesian Communist Party (PKI)³ and the Kerala Communists in the mid-1950s (Törnquist, 1984b , 1989, 1991). And today there has been successful organising of unemployed workers, as in Argentina (Petras, 2001) and in South Africa’s dynamic combination of community and workplace organising.

At this point one might have to argue that there must be other vital factors that explain why labour has not played a significant role in the struggles for democracy. The obvious candidate is authoritarian subordination and repression. Many say that this has been particularly severe east of India, and there is much to this. For a long time, successful dictatorial politics in East and Southeast Asia subordinated the labour movement. In Indonesia, the rightist organised massacres of the mid-1960s eliminated the Left. This kind of authoritarianism, moreover, was a basic but often neglected precondition for various brands of the “Asian Miracle”, including that in China. (see Deyo, 1989; Hadiz, 1997; Thomas, 1995).

Of course, not all the specific labour regimes connected to the modern factories and service sectors that emerged in Indonesia were based on extra-economic force (see Kammen, 1997: 79ff, 386ff). But the latter was a last resort also for “modern” managers. It remained vital in many less modern workplaces, especially state-owned ones, and was a precondition for the miracles to get started in the first place. The weakness of class-based labour organising remained critical for political stability.

However, not all the blame can be put on authoritarian forces. Some of the major difficulties actually preceded authoritarian repression, with the Left itself contributing to the decline of democratic rights and liberties, with Indonesia as an obvious and tragic case. In the immediate post-colonial period, things looked bright. True, radical leftists were marginalised and the Communists had been defeated during the war of liberation. But, in the early 1950s, the Communist Party became a pioneer of modern mass organising and democracy. It built extensive popular organisations, including a huge trade union movement. The party did very well in the 1955 parliamentary elections, won the partial 1957 local elections, and became the world’s third largest Communist party. This contrasted sharply with the fortunes of the Western-oriented social democrats, who failed to mobilise the masses, lost out in the elections, and turned to elitist administration and manoeuvres. Yet, when the Communists had to choose between the difficult struggle of defending liberal democracy and what looked like a shortcut to power via intensified anti-imperialism, the nationalisation of Dutch companies, and political protection by President Sukarno, they took the shortcut. This, of course, was not unusual. There are many cases where Leftists and union leaders have accepted restrictions on rights in order to gain material benefits and political privileges. This was a factor that enabled takeover of Dutch companies by the army after 1957, and to control labour, and most specifically, the trade unions. A state of emergency was declared and further elections were postponed. In 1959, the army joined forces with Sukarno in proclaiming a “guided democracy”,

³ Not all acronyms have been spelt out, with the idea being to make sense of them in English.

thus paving the way for more than thirty years of repression and exploitation. So while structural factors and limited political opportunities were indeed important, it is clear that the course of history was not inevitable; leftist analyses, priorities and strategies were also critical (Törnquist, 1984b).⁴

The Western-oriented liberals and social democrats, who had failed to gain mass support also, and more actively, paved the way for repression. When the Communists and Sukarno rallied the masses, the liberals and socialists bet instead on Western support for liberal students and friendly generals. That legitimised the massacres of the Left and the ousting of Sukarno. This was in accordance with the mainstream argument that, in order to withstand political chaos and the rise of leftists and Communists, modernisation had to be supplemented by the “politics of order” (Huntington, 1965; 1968) and what were to be known as “middle class coups” in the Latin American context. The calculation was that Western-oriented technocrats and Suharto’s generals would not just eliminate authoritarian nationalists and Communists but also promote capitalist modernisation and democracy. The result, however, was a monster state with a middle class that was dependent on military and political patronage.

For these reasons, hardly anyone regarded Indonesian democracy as a particularly viable project, even after many years of the modernising New Order and the rise of the third wave democracies in southern Europe and Latin America. Most analysts deemed that democracy in Indonesia would remain impossible until capitalism had developed further and the middle class had become more independent and liberal. By the early 1980s, for instance, few even mentioned a possible role for workers, let alone the rural poor, and especially not in the context of democratisation.⁵ Those who were more sympathetic to their potential pointed to problems of extreme oppression and minimal political space that limited protests, and made organised action problematic.

Consequently, the first question for this article is whether labour was so disinterested in democratisation under the New Order, and whether it really was so stymied by repression. In this context, one should note that, despite many obstacles, protests and demands for democratic rights did emerge. Hence we will also need to ask why labour was relatively unimportant in the opposition to and final ousting of Suharto. Finally, there is the puzzle of why labour has not become a major actor in the further development of democracy after Suharto’s fall, now that there is more room for manoeuvre.

A struggle for democratic rights under Suharto?

⁴ Of course, the situation faced by the Left was difficult. When “guided democracy” was proclaimed in 1959, the PKI had few alternatives but to stick to “the only game in town”, a point forcefully stressed by the late Herb Feith in our last conversation (Yogyakarta, October 2001). But there had been potentially alternative paths to choose before that. And at least to the extent that theory and strategy mattered, it is clear that the party itself gave priority to anti-imperialism over democracy at an early stage; it even nourished assumptions that its nationalist allies were inevitably democratic.

⁵ Among the few exceptions were INDOC (1981) with updates, and Mather (1983) though they rarely mentioned any pro-democratic potential.

While the first part of the argument that the rising bourgeoisie and the middle classes would be key democratic actors has proven wrong, we still need to interrogate the second part of the thesis: that radical labour remained democratically unreliable, blocked by authoritarianism, and thus remained politically insignificant.

During Suharto's time, my own proposition was that the basis for the tensions between many Leftist positions and democracy was being undermined. Suharto's authoritarianism and repression were major obstacles to any struggle for democracy. Yet, while most of the middle class would continue to enjoy material benefits and the masses would be efficiently subordinated and repressed, there would be good reasons for students to protest against corruption, or for principled development workers and lawyers to object to the lack of human rights, or for journalists to resist the closing down of their publications. Political and military oppression was intrinsic to the kinds of primitive accumulation of capital that dominated in Indonesia and was a cornerstone of the regime. Most peasants and, more importantly, wage labourers who wanted to fight for a better living would thus also – despite the many and complicated forms of subordination and exploitation – have another thing in common: the need to tackle the extra-economic subordination and the lack of basic rights and freedoms that were a part of primitive accumulation. Even if that resistance would not necessarily make them fully-fledged democrats, they would at least have good reason to turn against the oppressors and the encroachments of the state, and to demand basic rights and fair governance (Törnquist, 1984b, 1984c). Did this hypothesis about the potential of wage labourers in democratisation make more sense than the opposite, and dominant, argument? Yes, but only in part.

In the late 1970s and early 1980s there were signals from both rural and urban areas that the major conflicts between labour and capital involved state political organs that facilitated primitive accumulation – for example, in expropriating land and other resources, in protecting environmentally dangerous industries, and in handling and repressing labour protests and strikes. However, despite several instances of protests against mistreatment and the use of force, as well as requests for basic freedoms and rights, the major wave of strikes in this period was essentially related to economic demands, beginning with the devaluation of the rupiah in November 1978. It is also obvious that strikes and protests took place mainly in modern, private and often foreign-owned units where extra-economic subordination of labour was less predominant and less efficient than in the “informal” sectors and state-owned companies. In the latter, only state-dominated corporatist organisations were permitted.⁶ This was compounded by the fact that the second phase in most strikes and protests usually involved local bureaucrats, politicians, the police and the military. The labour regime (in terms of the rules and their social and political bases) was not just characterised by the state corporatist *pancasila* principles (see Ford, 1999), but was increasingly militarised. This is illustrated by the role of Admiral Sudomo in curbing the unrest of this period. Sudomo was head of the operational command for security and order (*Kopkamtib*) and then also minister of labour, with additional control of the civil bureaucracy (see Törnquist, 1984c, 1991).

⁶ At the same time, however, it is important to underline that the situation was (and is) so complicated that one often hesitates to make generalisations; see, for instance Saptari's (1994) analyses of how private companies were particularly successful in undermining workers' resistance.

Workers frequently tried to demand basic freedoms and the right to assemble and organise, but were usually forced simply to defend themselves and their livelihood. So while there was pro-democratic potential, not even the few semi-independent union activists (with some backing from old social democratic networks) found alternatives other than to retreat into strictly economic unionism (Hadiz, 1997; Lambert, 1997; Ford, 1999; Törnquist, 1984c, 1991).

There are both similarities and differences between such dynamics and the next major wave of strikes and protests, from the late 1980s to the crackdown on labour in 1994. During this period, with the expansion of capitalism, the Indonesian working class increased substantially (see Hadiz, 1997; 2001, pp.108ff). Kammen (1997) stresses the importance of the structural changes from the mid-1980s, when lower oil prices paved the way for two major tendencies: first, efforts by economically liberal technocrats, foreign donors and international organisations to open up Indonesia's economy; second, the interest of state-capitalists, bureaucrats, and officers (and their offspring) in privatising what they already commanded or could get access to. Thus emerged a kind of "despotic liberalism" that saw a combination of new deregulation and privatisation sustained by political and military monopolisation of markets and resources. This system of despotic liberalism was to be the background for the economic collapse in 1997–98.

Even at an early stage, however, this also caused conflict among the dominating groups over access and methods. First, and this is Kammen's major thesis, the modified accumulation of capital led to problems of subordinating and disciplining labour. Previously, for instance, the then-dominant system of the export of raw materials with import-substitution industries could live with both extensive primitive accumulation and some compromises with labour. This was because much of the cost of this could be compensated through oil incomes and/or by passing them on to the buyers. From the mid-1980s, however, the new and increasingly private (domestic and foreign) industries primarily produced for the world market, and were exposed to increased competition. No longer could the costs of protection, contacts, and repression be passed on to the buyers; they had to be compensated through higher productivity and increasing rates of exploitation. Consequently the ruling factions quarrelled, and workers protested. Kammen (1997: 387) has thus directed attention to an important trend. However, he is mistaken in seeing the structural changes as a precondition for strikes in the first place – otherwise how can we explain earlier strikes and protests?

As in the earlier wave of protests and strikes, it might be said that the workers were most active in demanding better pay in the sectors where primitive accumulation and extra economic subordination of labour were least efficient. On the surface, this speaks against my hypothesis. But that hypothesis mainly concerned the general importance of extra-economic factors in the accumulation of capital and subordination of labour. Hence it was less about the immediate causes for the rise of strikes and protests, and more about their character and the potential importance of links between "economistic" class interest and demands for democratisation.

A closer examination reveals more than conflicts between more market-disciplined capitalists and those able to rely more on protection and the extraction of rents. The market-capitalists also had to deal with the protected capitalists. And, just like the protected capitalists, the market-capitalists had to call on local bureaucrats, politicians, police and military when the labourers went on strike. And, of course, workers were not asking so much for total political change as for better pay and

employment conditions. Even so, they repeatedly called for basic human and organisational rights.

Over the years, the conflicts among the dominant groups over access and methods with the rise of despotic liberalism also led to the creation of some limited space for dissidents and popular protest. This was most visible towards the late 1980s, in fact almost coinciding with the fall of the Berlin Wall. These two factors made it somewhat less difficult and more common to campaign not just for human rights but also for democracy in Indonesia. Nor was this limited to receptive intellectuals. When I go through my notes from 1983 and on the activist discourse, it is clear that labour was engaged – though more isolated, and more eager to relate democracy to their instrumental interests.⁷ We may consider a few examples.

In late 1990, human and organisational rights were vital to the first efforts under the New Order to form an independent union, SBM *Setiakawan* (Solidarity). A vital precondition was the marginal but new space for manoeuvre that had been created by internal conflicts among the ruling groups. This space was not confined to the export-producing productive units, as indicated by Kammen. Several new radical protests erupted at this time, including the well-known rural case of Kedung Ombo.⁸ In the main, *Setiakawan* was a voluntaristic attempt by radical former student leaders who wanted to link up with peasants and labour. They engaged principled human rights activists (such as the late H.J.C. Princen) in addition to NGO leaders, labour activists and some rank-and-file workers. Predictably, then, much of *Setiakawan*'s demise by early 1992 was due to internal conflicts over the primacy of politics as against immediate worker demands – but not, as far as I am aware, over the importance of human and organisational rights.

A second important aspect of labour organising at the time was the inability of dissidents to challenge the regime's organisational monopoly. This called for new methods of resistance and struggle. Various human rights NGOs tried to represent, defend and promote the cause of labour, but the most important strategy was to avoid unfavourable opportunities within the factory gates, by supporting labour organising in local communities. This is reminiscent of Latin American experiences, where such community labour groups played a vital role in the pro-democratic struggle (see Hadiz, 1997, 2001; Ford, 2000; Payne, 1991).

⁷ I will draw on these notes throughout this paper. They come from a comparative research project on popular movements and democratisation in Indonesia, Kerala (India), and the Philippines, based on my earlier studies of radical politics in these contexts, on news clippings, informal documents and interviews with key informants and leaders – initially about 50 in each context, then several others – during field visits from the late 1980s to the present. I am grateful to all friends, colleagues, political and trade union leaders and activists who, in a spirit of mutual trust and interest in critical ideas, have spent a great deal of time in discussions with me. Also, in Indonesia, I am indebted to “Bimbim’s” operational support. The first case studies have been published – see Törnquist (1993, 1996, 1997, 1998a). Follow-up studies of the People’s Campaign in Kerala and the collapse of the New Order regime in Indonesia are partly published (see Törnquist, 2000a, 2000b. For the general perspective, see Törnquist, 1998b and 1999). A comparative study is forthcoming, with a summary of the main arguments appearing in a long essay commissioned by UNRISD (Törnquist, 2002). I also draw on the ongoing project on and with the democracy movement in Indonesia, see Budiman and Törnquist (2001) and Priyono, Stanley and Törnquist et al. (2003). This research has been financed by the University of Oslo and SAREC, the department for research-cooperation within the Swedish International Development Authority.

⁸ For Kedung Ombo, see Budiman and Törnquist (2001: Ch. 1); for *Setiakawan* see Bouchier (1994) and Hadiz (1997: 145ff).

Third, the connections between basic economic demands and human and organisational demands also became central in 1993 with the increasingly broad and unifying campaign in defence and in honour of Marsinah, a young woman labour leader at a watch factory in East Java who was kidnapped, sexually assaulted, and murdered. Moreover, in this case, many more rallied than just radical and politicised workers.

Fourth, the post-*Setiakawan* SBSI union, the Indonesian Prosperous Workers' Union of 1992, also retained a focus on the primacy of basic rights, even though it was formed under the dominant leadership of trade union lawyer Mochtar Pakpahan, who had criticised the politicisation of *Setiakawan*.

Fifth, even the largest strike under the New Order – partially SBSI-initiated, in Medan 1994, and involving some 20–30,000 workers – was not only about economic demands but also about rights basic to democratisation and to enable workers to fight for better pay and to resist repression (Budiman and Törnquist 2001: Ch. 3).

A related pattern emerges from discussions with NGO activists involved in supporting various independent local labour groups and embryonic unions. Their efforts were in fact often even more focused on issues of democracy. In addition to demanding human and organisational rights, they also criticised the centralist and top-down practices of young urban political activists as well as centralist and dominant independent leaders such as Pakpahan.

Nor was this solely a concern of idealistic intellectual NGO activists. At times there were signs that rank-and-file workers were also involved in promoting unified action against oppression. One case involves the early 1990s rise of Forsol (Labour Solidarity Forum), a co-ordination body of various NGOs active among the workers in Greater Jakarta. As usual, the NGOs differed in views, methods, and spheres of interest, but a major strike, with repercussions affecting workers associated with all the NGOs, saw active workers demand that the NGOs act together. It is unlikely that the active workers could have founded Forsol themselves. Equally, it is clear that divided NGOs and international trade union facilitators in favour of unity would not have done this without substantial pressure from below. Some NGO leaders observed:

In Forsol we get to know each other and divide the territory. But we also agree on fighting for some basic goals like the right to form free unions, getting rid of military intervention as well as obstructive government regulations, ... and the protection of child labour Anyway, the basic thing is that it wasn't us that initiated this co-ordination. Rather it was active workers who began to organise the supportive NGOs.⁹

Finally, among the examples of labour involvement in democratisation, it is unlikely that students would have been able to force the elite to dump Suharto – as happened on 21 May 1998 – had they not been backed up by widespread protests and anger directed against the dictatorial regime by ordinary workers. This came about after

⁹ Interviews with NGO labour activists Teten Masduki (Jakarta 11 November 1994 and 19 July 1996) and Arid Merdeka Sirait (Jakarta 8 November 1994 and 14 August 1996), who used very similar formulations (with the exception of the point of child labour, which was Sirait's alone); and Fauzi Abdullah (Jakarta 17 July 1996 and 16 August 1996) concurred with this formulation of the issues – see Törnquist (1997).

the 4 May decision by Suharto and his politically naive economists to rely on authoritarianism and reduce fuel subsidies to an even greater extent than the IMF had demanded, thus generating substantially higher prices on most vital products (as much of the costs to produce and distribute them were related to the price of fuel).

Why was labour unimportant in the ousting of Suharto?

Despite these and other indications of widespread interest in basic democratic rights, there is no doubt that labour played only an indirect role in the birth of Indonesian democracy. Why was this? An adequate response would require an analysis of both the dynamics of specific union work at the factory level (see e.g. Pincus 1996) and the politics of democratisation involving labour as well as the better known pro-democracy activists. While the former is beyond the scope of this article, we shall address the latter. One illustrative point of departure, then, is the spontaneous answer given by experienced and insightful labour, human rights and democracy activists to my apparently naive question less than two weeks before the crackdown on the democracy movement on 27 July 1996. I had asked how it would be possible to combine the ongoing attempts at unifying labour groups in the spirit of Forsol, and the then-dynamic initiatives to bring together pro-democratic groups in the independent electoral watch movement KIPP, to support Megawati but also to seek ways to move beyond her populist leadership. The answer was, “but those are two entirely different projects”.

Obviously these processes had different points of departure and different logics, but were they really two different projects? Weren't links between politicised urban intellectuals and popular grassroots organisations desperately needed? Wasn't it already a fact that previously cautious journalists who, two years earlier had lost their limited freedom to write and publish, had then realised that both their livelihood and indispensable rights called for democracy? Hadn't they both formed an independent union (the AJI), and combined with an institute for the promotion of free culture, media, and research (the ISAI), and linked these to more general pro-democratic efforts such as KIPP, the electoral watch movement?¹⁰ So why wasn't there a similar link drawn between workers' livelihood struggles, their rights to organise, and democracy?

Initially I thought that this attitude might be typical of the invisible fences between elitist central-level work and local, more popularly-oriented efforts. But even radical NGO advocates of local popular efforts in Central Java looked surprised when I asked if they would be prepared to relate their grassroots networks to an electoral watch movement like KIPP. “No”, they said, for that might be a dangerous and partisan politicisation of their efforts at “conscientising” workers and promoting self-organisation. Their worry was that to become associated with something which could be related to opposition politics or, worse, to radical and young democratic socialist activists. The latter had officially proclaimed their People's Democratic Party (PRD) as well as explicitly political and militant labour organisations such as the PPBI,¹¹ in order to establish top-down links between the people and the dissident elite. Many pro-labour NGOs tried to “protect” labour from vested political interests. Yet others were established by disenchanted former members of pro-government unions. And much of

¹⁰ For this so-called Tempo case and its importance, see Budiman and Törnquist (2001: Ch.4).

¹¹ The Centre for Indonesian Labour Struggles (Dita Sari was its dynamic leader); the PPBI was banned in 1996 and activists tried to work instead in various local unions and group – which in 1999 came together in the new FNPBI (National Front for Indonesian Labour Struggle).

the international support to civil society work made little difference, characterised as it was by links with pro-government unions and marginal “non-political” support to “alternative unionism” and scattered NGOs.

There were, of course, also more daring NGO reactions. For instance, a few groups, including KontraS (The Commission for Disappearances and Victims of Violence) did their utmost to defend the young political activists when they were singled out as scapegoats after the 27 July 1996 crackdown and subject to harsh repression. Of course, there were many dedicated labour activists who continued their difficult and risky work (see, for example, La Botz, 2001). And there were important strikes and various other actions even after the crackdown of the mid-1996. But the general point here is simply that the connections between unionism and politics before the New Order were never really re-created. While these links were party-dominated under Sukarno, there were neither significant attempts to rebuild the old links nor to create more autonomous ones under the New Order. Hence, there were no political vehicles to promote the expansion and organisation of concerns about authoritarianism and the lack of freedom into concerted demands for democracy. The specific point, then, is that this lack of links, aggregation and focus explains much of why labour failed to play a vital role in the rebirth of democracy.

Several of the young political activists related to the PRD who had been repressed in 1996 and 1997 bravely managed a comeback from early 1998. They made intensive efforts, with organisations such as Forkot and KOBAR,¹² to link the rising and new student movement with labour at the factories and urban poor communities (La Botz, 2001). As students often told me, “at least it was possible in Korea”. But then again they were usually able to offer only general political issues to rally around. And they had just a few, weak partner organisations at the factories and in the communities to relate to.

Why was labour’s contribution to democratisation after Suharto so weak?

Despite the economic crisis and the fall of the Suharto regime, labour has not made rapid advances. Admittedly, the early 1950s, with its ethos of national liberation, had shaped a far more favourable political conjuncture than existed during the struggle against Suharto in the late 1980s. But, in recent years, labour has appeared paralysed when compared to the rapid advances made almost fifty years ago. Hadiz (1997: 188), then, is partly incorrect in assuming that the break-up of the repressive regime and the fragmentation of state power “can only work in favour of Indonesia’s fledgling independent workers’ movement” (see Hadiz, 1998). Today, workers do not play a vital role in defending and developing the infant democracy, despite the undermining of former authoritarian structures and the new space for action.

On one level it is easy to agree with Winters that one explanation for the weakness of labour after May 1998 is that labour was not much involved in the overthrow of Suharto in the first place. Even though the exclusion of urban and rural labour was central to Suharto’s politics, and was “a time bomb waiting to detonate”, this came about not in the form of “frustrated and angry social forces” against the status quo,

¹² Forkot stands for *Forum Kota* (City Forum) a radical student network-organisation based in Jakarta advocating linkages between students and common people; KOBAR stands for Workers’ Committee for Reform Action.

but through the explosion of “a personalised political infrastructure that set the rules of the game for the whole country” (Winters, 2000: 149).

Yet there are problems with this line of reasoning. Winters does not, as we have tried to do, look into the reasons why labour was so weak. Like so many others, he seems to believe that, since labour was organisationally and politically insignificant, conflicts between labour and capital were unimportant. Hence it is concluded that it was “finance capital [that] sank Suharto” (Winters, 2000: 147). That is exaggerated, for as has been indicated, Suharto fell and democracy was given a chance because the combination of despotism and liberalism had made it increasingly difficult for him to govern the economy and to guarantee sufficiently profitable monopoly rents to domestic and foreign capital. This in turn generated space for many more actors – dissatisfied groups within the elite, as well as dissidents, and even labour. It is only at the point of conflicts (including that between capital and labour) that several strong actors and forces, including finance capital, lost confidence in Suharto. Finance capital did not do away with Suharto’s authoritarianism; rather it was desperately missing his previous efficient authoritarianism! In fact, by obstructing human rights and democratisation and contributing to the economic crisis and its resulting social and human consequences, capital and Western governments only accidentally helped to do away with Suharto. Ironically, it was only after the IMF had been frustrated, that Suharto’s reduction of subsidies leading to sharply increased prices caused widespread popular anger, for a brief moment turning the students into a substitute for the lack of popular organising, and triggering the end-game during which internal conflicts even among those very close to Suharto became acute.

In other words, it is true that labour had been weak for many years, but during the crisis that led up to May 1998 and directly thereafter, it was not just finance capital – or any other powerful force – that ran the show. In fact, there was room for manoeuvring by several actors, including labour. So, the crucial problem is not that labour had long been weak (since that would imply that labour would remain weak no matter what) or that other groups dominated (since that would imply that labour could advance only if the dominant forces somehow disappeared). Rather, the problem is that a new space for action had appeared, but labour was incapable of making much use of it, at least to this point.

Decreased bargaining power and divisive expansion

My view is that several factors are responsible for labour’s weak contribution to democratisation after Suharto. The first is structural. As already indicated, the fall of Suharto and birth of democracy was not due to capitalist modernisation, but was due to a capitalist crisis. It was certainly not that capitalism was so dynamic and progressive that it had produced a strong and liberal middle class, or some kind of plural international capitalism, or even a strong working class. While the crisis created room for oppositional forces like labour, it also diminished the market bargaining power of workers. There were a few strikes, but labour generally lost ground, and dismissals became the order of the day. Women workers were particularly hard hit by the crisis. Unions within banking, for instance, were facing almost total close-down of many of their workplaces. Semi-privatised, local bossism and thug violence were employed against strikes and protests (Aspinall, 1999; Hadiz, 2002; Ford, 2000b and 2001). According to labour organisers, millions of workers have since sought to go abroad for jobs, survive within the “informal sector” or, when possible, to leave the new industrial and commercial areas and return to

their villages (where the labour market was also tight, especially in Java). This process continues. Recently there have been some particularly severe factory closures in the export-producing textile and garment sector. Labour market figures are unreliable, but there has definitely been a sharp increase in the number of the under- and unemployed. Less than half of the new job-seekers on the market during 2004 are expected to be “absorbed” (*ICFTU-APRO Labour Flash* 15 August 2003).

Compounding weak bargaining power, labour’s approach to the politics of democratisation has been flawed, and labour has been unable to effectively use the expanded political space. Structural weaknesses may be the major obstacle to labour promoting its interests under democratisation. However, insufficient political capacity and perspective are equally important, especially as they relate to how people themselves may be able to alter the structures and promote their interests.

Relatively few workers are formally unionised – currently, according to the Minister of Labour, just 20 percent of the 40 million workers in the “formal sector” (*Jakarta Post*, 10 July 2003). Even so, in the late 1990s, many workers did respond to the new public space and sought to expand unionism. That was not the major issue. The real problem was that there was little unified action to protect workers during the crisis and to try to maintain or enhance their bargaining power. Instead there was intensified fragmentation and factionalism. Discussions with activists indicate three reasons for this. Firstly, various groups of labourers wanted to become as independent as possible from the state-controlled unions, old union bosses and their various external patrons. Progressive groups opted for exit rather than voice, and there was a substantial expansion of labour organising, but this also proved divisive. Secondly, and ironically, there was a need for the many new groups and unions to obtain their own political and other contacts and patronage. Thirdly, when membership fees were negligible, there was a similarly ironic need for all groups to seek to mobilise extra resources, including from foreign sources.

There were four major bases to this divisive expansion: centralism, NGOs, sectors and factories, and foreign funding. Centralism made use of old organisations, institutions, perspectives, and contacts in trying to build nationwide unions. This, of course, included the still-dominant Suharto-era government-backed union FSPSI (All Indonesia Labour Federation) and its 1998 breakaway but weaker sister FSPSI-*Reformasi*. Both, however, have suffered divisions and defections in the face of the formation of new, independent sectoral and local unions. From early 2003, the constituents of FSPSI-*Reformasi* have been largely within the new Indonesian Trade Union Congress (ITUC, with the Indonesian acronym KSPI), which we shall return to below. There are also elements of centralism within the independent national federation SBSI, established in 1992, and dominated by Mochtar Pakpahan. SBSI has expanded but also suffered splits and defections. There are similar, but much more politicised centralist tendencies, within the smaller FNPBI (National Front for Indonesian Labour Struggle) under the leadership of Dita Sari, even though PRD-related FNPBI seems, at times, to act independently. Organisationally, FNPBI consists of rather autonomous member associations which are more like political labour groups than unions. Under this category of centralism we should also include a whole series of minor unions that are related to political parties, socio-religious organisations or simply to powerful patrons. Most of the

more significant of these have Muslim connections.¹³ Others, related to the PDI-P (Megawati's nationalist party) and the PNI (the smaller and older nationalist party), may either become minor dissident groups or subordinate themselves to PDI-P member Jacob Nuwa Wea, who has become chairman of the FSPSI and Minister of Labour and Transmigration under President Megawati.¹⁴

The second basis for growth was NGO-supported labour groups which transformed themselves into unions, usually on a local or, at best regional, basis.¹⁵ These new unions have continued to draw extensively on various NGOs, many of which are active within the general framework of legal aid and human rights, and many of which depend on international support.

The third, and partly overlapping, point of departure for expansion is sectoral unity and organisation within individual factories. This is often related to defections from the larger unions or groups or the increasing independence of factory units. The best-known examples are probably FOKUBA (Indonesian Federation of Banking and Financial Employees' Organisation) and ASPEK (Indonesian Workers' Association). These used to be one, organising employees in the financial sector, but have since expanded to other service sectors as well. There are also other independent sectoral unions, for instance within the educational and the food, hotel and restaurant sectors, and many local factory unions, independent as well as more or less "yellow" unions.

The fourth and also overlapping basis for growth is access to foreign funding and solidarity. International NGOs choose their local partners. International trade union secretariats connect to their respective sectors and attempt to promote new and dynamic initiatives (examples are seen in the banking, food and hotel and restaurants sectors). SBSI retains its links with the World Council on Labour (WCL) and is thus competing with initiatives supported by the International Confederation of Free Trade Unions-Asian and Pacific Regional Organisation (ICFTU-APRO). The ICFTU-APRO has been supporting FSPSI-*Reformasi*-related unions, and seems keen to include sections of FSPSI as well. Meanwhile Friedrich Ebert Stiftung of Germany has links into most of the moderate labour initiatives. The American Centre for International Labour Solidarity (ACILS) includes others as well, and even tries to keep the left oriented Dita Sari happy, presumably to prevent accusations of excluding potentially important radicals. Meanwhile, the ILO promotes some education, and various well-meaning international trade union secretariats and pro-labour groups in, for instance, Australia and northern Europe are trying to assist genuine but often marginalised groups and activists.

¹³ This refers primarily to five groups: (i) SARBUMUSI, which is related to NU (the world's largest Muslim organisation, traditional in terms of religion, pragmatic and, under Abdurrahman Wahid, became almost liberal in terms of its politics) and PKB (the largest of the post-1998 parties related to NU); (ii) GASPERMINDO, with links to the ICMI (the organisation of Muslim intellectuals that gained some important space under Suharto from the early 1990s and was politically under the patronage of Habibie) and PDR (a minor political party related to the union and sections of ICMI); PPMI, with links to the PBB (Muslim Workers' Brotherhood organisation linked to the rightist Muslim Crescent Star Party); (iv) GASBIINDO, with old links to Masjumi and led by former SPSI boss Agus Sudono; and (iv) SPK, related to Partai Keadilan (militant social justice oriented Muslim party).

¹⁴ The FSBDSI related to the PDI-P, while KBM, KPNI and KBKI are related to the PNI.

¹⁵ For instance, the groups supported by SISBIKUM formed the GSBI; the Humanika Foundation backs SB-Regional; the Arek Foundation supports SBK; the Yapusham Foundation is related to the SBM-SK; the Bakti Pertiwi Foundation supports SBJ; LBH-Jakarta backs GSBM; Institut Social Jakarta sponsors the PKU. Many more could be added, such as the groups supported by the Labour Education Centre in Bandung and the various other branches of the Indonesian Legal Aid Associations.

The problems of expansion through international backing are further magnified by efforts on part of foreign partners to guide and support co-operation and unification within the labour movement. Indonesian actors who happen to be viewed favourably by foreign partners are gaining an important strength.¹⁶ To date, four “unity projects” have dominated:

- The Indonesian “strongman” project of mobilising international support for sustaining the influence of the old, but still active, FSPSI. On the Indonesian side this is primarily backed by government and the three dominant parties (Golkar, the PDI-P and the Muslim unity party established under Suharto, PPP). Many international partners were initially hesitant to support FSPSI, preferring to support reformist forces. Now, however, they seem prepared to accept that FSPSI has retained its political influence, “national” organisational capacity, and its ability to dominate officially-sanctioned tripartite negotiations.
- To the extent that it survives, the second project is based mainly on the efforts by ACILS (and, earlier, the Norwegian Federation of Trade Unions, amongst others) to bring together various *reformasi* groups in a forum for solidarity (FSU). The major initial partners were the FSPSI-*Reformasi*, SBSI, FNPBI, SARBUMUSI, ASPEK, and FOKUBA. Thereafter, other unions have been incorporated in this project. Among the major problems it faces are disputes among the FSPSI-*Reformasi* constituents and the internal division of power in the FSU between large and small unions, the actual strength of which is very hard to estimate.
- The third project, primarily initiated by the ICFTU-APRO, succeeded in early 2003 in formally constituting the Indonesian Trade Union Congress (ITUC/KSPI). Its foundation is in national sectoral federations, several of which have a background in the FSPSI-*Reformasi* and have their individual relations to international trade unions secretariats. Attempts have also been made to attract affiliates of the old FSPSI.
- The last project follows from the other three. SBSI has been unable to dominate the FSU group and has been isolated from the ICFTU-APRO initiation of the ITUC since SBSI is affiliated with the rival WCL. Hence SBSI has advocated that the only two unions with national organisational influence are the old FSPSI and SBSI, and that these should form the basis for united action. Mochtar Pakpahan, for one, has actively promoted this view.

In this process of crafting unity from outside and from above, there are two main losers. The first is FNPBI. Even though it may be allowed to participate, this will be in a subordinate position, and only after the rules have been decided by others. Second, and probably more inevitably, the various grassroots-oriented unions with ambitions to build democratic structures from below are likely to be shut out.

Meanwhile further divisions are nourished by the fact that the visible and unifying common enemy – Suharto and his all-powerful state – has left the scene.

¹⁶ In terms of political orientation, “national” organisational clout, good recommendations from the old elitist PSI-Christian-Masjumi-NGO (PSI is the defunct Western-oriented social democratic party, elite-cadre-network-factions of which, however, remain important in some Jakarta circles. Masjumi was a major Muslim party in the 1950s, but, as with the PSI, elitist networks remain important, not least in relation to alumni-student groups), circles with privileged Western contacts, capacity to communicate efficiently in English, and to be present in Jakarta when foreigners arrive.

Instead there is administrative, political and economic decentralisation-cum-fragmentation. Provincial and especially district governments now have far greater influence over taxation and the regulation of local business, and the disposal of insolvent companies and state-owned enterprises. Subordination and repression is increasingly localised and semi-privatised, including the hiring of thugs and militias. Some of those thugs and militias are attached to leading political parties –Golkar, PDI-P and PKB (see Ford, 2001; Hadiz, 2002). The centralised labour regime is thus a shambles. When economic force on the labour market is insufficient, it is then up to business's own contacts among local political bosses, the police, the military, and the underworld of thugs and gangsters to handle the situation.

What can unions do? One possibility is that they can rely on increased local and regional strength in order to deal with district and provincial administrations, politicians, military leaders and businesspeople and their various thugs-cum-security personnel.¹⁷ Another possibility is to rely on central organisations, and support and contacts at the national level. Various combinations are possible, and while the regionalising and localising tendency may be ascendant, this centralising line may have regained some strength under the more centralist Megawati regime. Within the central tripartite bodies, the government has decided to allot seats proportionally to the three umbrella organisations (“labour groups” mainly used for small and/or non-formal associations), FSPSI, SBSI and ITUC, which have established themselves as confederations: KSPSI, KSBSI and KSPI.

On top of all of this there are the problems developing from “horizontal” conflicts. These are not just conflicts between labourers with different religious and ethnic loyalties – some of which are exploited by local business and bosses in order to “protect” their fiefdoms in exchange for jobs to “loyal” workers and/or “sons of the soil”. These conflicts may also involve peasants who take advantage of the weakened authoritarian structures to claim back their expropriated land from plantations – on which plantation workers also are struggling to sustain their jobs and livelihood. Such conflicts obviously call for wider and unifying perspectives, compromises, compensations and safety nets on a higher level. But, as indicated, the tendency is rather one of localisation and fragmentation.

Fragmented politicisation and conflicting alternatives

Unions need political contacts and support. At both the central and local levels, almost all union activists have focused on influencing politics by way of pressure politics, lobbying and networks/clientelism. FSPSI leaders have been pre-occupied with demonstrating that they have fewer links to Golkar than in the past. They have good relations with the PPP and have appointed the PDI-P's Jacob Nuwa Wea, Megawati's minister of labour, as their new leader. The FSPSI-*Reformasi* (now essentially within the ITUC/KSPI) seems to have been less successful in this respect, especially at the local level. While the SBSI has made a point of not wanting to associate with non-labour based parties, it has scarcely managed to rally even its own members in support of a minor attempt to form a labour party. Mochtar Pakpahan, however, has retained his personal political ambitions and co-operated with Jacob Nuwa Wea, the PDI-P Minister of Labour. The FNPBI is related to the PRD but often tries to take an independent stand

¹⁷ An additional problem for local-level unions is that the district labour courts which arbitrate on industrial strikes accept only workers' representatives who have a university education.

on labour issues, not least in order not to be branded “revolutionary socialist”. Dita Sari herself has spoken up on the need for a unified labour party, beyond the PRD (see e.g. Jakarta Post May 6, 2002), and by July 2003 she was the driving force behind the new People’s United Opposition Party, *Popor* (Inside Indonesia, October-December 2003). Due to the marginal role of the PRD, the FNPBI has to find extra-parliamentary channels to more powerful political players – which has not been too principled and successful and is likely to be an additional reason for various tensions. Sectoral, independent, and NGO-based unions have been initiated, often in order to steer away from political dominance. They want to carefully pick their allies, often on an individual basis. Under Wahid’s presidency, some established links with progressive Muslim groups and unions, but this has not expanded now that the political situation has changed. Finally, NGOs themselves stand to lose from organised mass politics, meaning that they tend to favour electoral systems with single-member constituencies and the promotion (and influencing) of “friendly” personalities. This means that the role of authoritarian parties (and, unfortunately, progressive parties also) will be minimised, leaving the way open for American-style pressure group politics and lobbying.

Given this preoccupation with forming “a group of one’s own” to counter authoritarianism, the divisive basis for expansion, and the focus on pressure politics and “good contacts”, labour has played a minimal role in parliamentary politics. The question of how to handle the social and economic crisis was not even an issue in the 1999 elections – the first free elections since the 1950s. None of the influential parties are aligned to the major social and economic cleavages; all rely on patronage, bossism, and religious and cultural values. This is not to say that the causes of this state of affairs are deeply rooted in seemingly unchangeable religion and culture. Rather they are rooted in relations of power and related perspectives. It is not so long ago that the Communists had some twenty million sympathisers who, at least to some extent, gave priority to dealing with socio-economic cleavages. But, to date, the attempts at forming labour parties on the basis of established trade unions have failed miserably – this is true not only of those growing out of the old FSPSI and circles close to Suharto,¹⁸ but also of Mochtar Pakpahan’s National Labour Party (*Partai Buruh Nasional*).

A major outcome of all this, so it appears from my interviews over the years, is that wage labourers, and many union activists too, do not see any relation between struggles at the workplace and those over politics. It seems that workers who raise their fists and talk of class struggle at the local workplace may equally well vote for a charismatic politician without a labour agenda, explaining that “there is no viable political alternative”. And when myriad problems emerge at the workplace and their livelihoods are at stake, workers may choose the local union with the best capacity to protect them and deliver on these issues, even if this capacity results from shady deals with employers and local politicians – again, as “there is no viable union alternative”.

This in turn has paved the way for two alternative strategies (beyond the centralist logics of the FSPSI-*Reformasi* and the SBSI.) among progressive worker-activists and their respective NGO sympathisers. The first line, which is advocated by labour activists such as Hemasari Dharmabumi, is to try to uphold local control and independence by building genuine, democratic, and viable unions on the local level. This is attempted on the basis of workers’ specific interests and the local, contextual,

¹⁸ The Indonesian Workers’ Party (*Partai Pekerja Indonesia*), the All-Indonesia Workers’ Solidarity Party (*Partai Solidaritas Pekerja Seluruh*), and the Labour Solidarity Party (*Partai Solidaritas Pekerja*).

opportunities and balances of forces. The second strategy, which has been at least tentatively suggested by Dita Sari, is to identify the specific but general (and potentially strategic) issues that may separate genuine leaders and workers from collaborators and blacklegs and unify workers at different levels and in most contexts. Tactical alliances may be built around the celebration of International Workers' Day, as well as to protest against oppressive structural adjustment policies, privatisation at the expense of the workers, and new labour laws. Such alliances may include unions as well as student action groups and NGOs. The idea is that the alliances may become strategic and link local with national and concrete union demands with wider political programmes.

The major problem with the bottom-up strategy is that too few workers may be consistently interested in its programmes. It is an uphill task for principled and genuine worker-activists to compete successfully with unions that are much more willing to compromise and that are resourceful in providing immediate gains for their members. Moreover, such employer-friendly unions may well be able to both strike a balance with government interest in rebuilding a viable labour regime, and benefit from internationally sponsored unity projects. Also, it is difficult to judge to what extent attempts at combining community and workplace organising (as in Latin American and South African social movement unionism) may help in a context where the established and powerful parties and existing civil society organisations are based on socio-religious and ethnic community groups that tend to be conservative.

But general-issue alliances can be troublesome. It is true, for instance, that workers are becoming far more aware that their own concrete demands are dependent upon Indonesia's debts and the structural adjustment programmes – which calls for political change. And it is also true that there have been extensive and forceful demonstrations against attempts at undermining the comparatively progressive *reformasi* laws from 2000 about, for instance, employers' responsibilities in connection with dismissing workers and the right to strike. In late September 2002, some 1000 workers even tried to storm the parliament precinct in Jakarta to protest a draft labour law which, they claimed, would allow employers to fire them arbitrarily. This, together with many other potential regulations that workers deemed unfair (or, if they were fair, were not expected to be upheld) were seen as a potential time bomb by observers and activists alike. Yet the main chapters of the law were implemented, and following the extremely unfortunate Bali bombing, the regime was able to enhance its control of dissent.

On a general theoretical level one may well argue (with Beckman 2000a), that even business should be interested in a more legitimate and efficient labour regime – which would regularise basic labour issues – indeed, it is suggested that it is more expensive to handle thousands of furious unorganised workers than to strike a deal with their unions and call upon the state to provide decent social security and unemployment schemes.¹⁹ But this calls for resources which, to my knowledge, nobody – including foreign donors and/or investors – seems to be capable and willing to invest. True, the IMF and the World Bank, for instance, were eager to involve organised labour in attempts to promote a social pact in post-crisis South Korea. But that presumed that organised labour was already so strong that it could not be neglected. Yet the need to unite on certain issues may be related to central-level negotiations and certain specific

¹⁹ For instance, the chairman of the American Chamber of Commerce in Jakarta, James Castle of the Castle Group, has given voice to the need to recognise that “labor, management and government depend on each other”, implicitly calling for a functioning social pact (*Jakarta Post* 20 July 2001).

local manifestations, without affecting how local unions have to defend workers' interests on a daily basis at the workplace. In other words, it does not seem that the local problems of defending workers against exploitation and oppression generate calls for this kind of unity. Rather, it is often disparate central issues, often not entirely critical to workers daily workplace struggles that promote this limited unity.

The problem is not that it would be impossible, in principle, to reconcile the two streams of progressive worker-activists and their related NGO sympathisers. Theoretically it is a matter of identifying when broad local–national co-ordination is essential for the success of struggles for the basic interests of workers at the plant level. The historical evolution of such dynamics can be analysed in various countries and contexts. The real problem is instead that the two streams have grown out of two different logics – even though both suffer from the elimination of the entire Leftist popular movement and tradition. One logic tries to recreate that Leftism through shortcuts from above. The other logic involves rejecting much of the old centralist and ideological co-ordination, and concentrating on networks and citizens' own actions and management. Neither of these logics fits well into the other. The individuals involved often compete over connections, resources, and the like, neither trusting each other nor sharing a common and wider project.

Conclusion

Capitalism has expanded in Indonesia, especially since the mid-1980s. Despite this, organised labour has not been a decisive force in the process of democratisation. This article sought to understand this. It can be agreed that the current uneven and often divisive forms of capitalism may prevent workers from playing the kind of decisive role they have in Europe and parts of Latin America. However, it may prove no more difficult to organise labour now than, for instance, decades ago in Indonesia or in even Kerala, where there were fewer industrial workers and more people in the so-called informal sector. Moreover, Indonesian labour is expanding its numbers. History may not repeat itself, but new dynamics may unfold, and it is possible that economic development may reduce the temptation to adopt authoritarian shortcuts to progress.

Looking at the Indonesian case, political authoritarianism and a capitalism characterised by primitive accumulation, seem better explanations for the marginal role played by labour than explanations that focus on uneven and divisive forms of capitalism. Under the strong authoritarianism that prevailed until May 1998, few had deemed any form of democratisation to be a particularly plausible proposition in Indonesia.

On closer examination, however, we find that labour did try to resist economic exploitation. Moreover, when doing so they also opposed authoritarian forms of primitive accumulation of capital. Thus, whenever possible, labour frequently put basic social, civil and political rights on the agenda. The room for political manoeuvre expanded from the mid-1980s as a result of conflicts among the ruling groups that were struggling over the combination of economic liberalism and political and administrative despotism. The end of the Cold War further expanded the potential political space. Yet the connections between unionism and democratic politics (but not necessarily party politics) were never reinvented. And those who did try to build such links mainly opted for shortcuts by way of general issues driven by centralised leaders. It is true that labour did not play a major role in Suharto's fall. But this does not mean that the conflict between labour and capital was unimportant or that Suharto was overthrown by finance

capital (as some have suggested). Finance capital, among other dominant groups, lost confidence in Suharto's ability to deliver only after he could no longer regulate the tensions of despotic liberalism. Ironically, it was to a large extent the anger among ordinary labourers over Suharto's 4 May 1998 decision of to reduce subsidies even more than demanded by the IMF that boosted student protests and convinced the ruling elite that the captain would have to leave the ship.

This, then, raises the question of why it was that labour has not been able to take advantage of post-Suharto opportunities. The major structural factor involved is that the world's third-largest democracy was not born of the development of capitalism, but of a deep social and economic crisis, which meant that labour's bargaining power was substantially diminished. Equally important has been the lack of capacity to make use of the new space that existed. The major problem was not that workers did not try to organise; they did. Yet they found no better way to fight the remnants of authoritarianism than by creating a myriad of autonomous groups and organisations. Ironically, that in turn called for divisive patronage and resources – primarily through authorities at the centre, NGOs, sectoral organisations and foreign supporters. Meanwhile there is no unified enemy left to fight, given the disintegration of the state apparatus and increasing privatisation, localisation and decentralisation of resources and struggles for power. There is no clear-cut labour regime to tackle, only a jungle of businessmen, bosses, and semi-private militias to survive. Some labour activists have tried to work their way in actually existing civil society, characterised by horizontal conflicts. Others have tried to link up with patrons at the centre and to recreate top-down organisations. Today there is a desperate lack of political support and relevant programmes. Almost everybody continues to rely on pressure politics, lobbying and networks/clientelism.

The tragedy is that none of this is new or isolated. This is part of a more general and problematic pattern of the whole pro-democracy movement. That wider pattern involves a lack of links between central-level, often elitist, activists who give priority to human rights issues, fighting corruption or focusing on single political issues, and those activists who promote popular efforts that focus on local initiatives in civil society rather than political organisation and change (Törnquist, 2002; see also Priyono et al., 2003).

In the case of the attempts of progressive workers to build a viable alternative to the established union projects, this pattern is reproduced in two ways: firstly in the form of top-down and more political issue alliances on the one hand and bottom-up democratic unionism on the other; secondly, in terms of the lack of a common wider project within which the two streams could be reconciled.

One scenario, therefore, is that, while one may hope that the two vital and potentially important progressive streams could somehow come together, they are more likely to remain separated – and to lose out. Radical central-level initiatives may be outmanoeuvred (and partly co-opted) in the internationally backed push for a functioning national labour regime (which calls for a moderate but reasonably strong and unified central union organisation) – while grassroots activists are likely to be marginalised in the form of local pressure and lobby activists, unable to join together and federate from below.

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