

Campaigning against union busting and labour market "flexibilisation" – with a focus on Indonesia

Transcript from APPEC 2007 Conference, Sydney, 1 September 2007

Kelly Dent, labour rights advocate, Oxfam Australia

Asia has been a major destination of transnational corporation investment since the 80s as most countries started to promote economic development based on export-oriented industrialisation. This has been accompanied by the deregulation of trade and investment policies and therefore full integration, often with disastrous effects into global economy. These transnational corporations use their power at the top of their global supply chains to squeeze their suppliers, the factories that they sub-contract to and smaller enterprises as well as home based workers to deliver.

This pressure is dumped immediately on to workers in the form of low wages, even longer hours at faster work rates, verbal abuse, dangerous working conditions, denial of trade union rights, high levels of sexual harassment. Particularly when we take into account that 80 per cent of the people producing garments, sportswear, shoes, fashion accessories etcetera in Asia in particular, are women.

Jane Kelsey spoke before about the women coming from the rural areas to work in urban areas and we saw in the 1980s in Asia a very large number of young women workers who came from rural areas to live and work in urban areas to support their families and support themselves. We saw those women come to earn a living but barely earn enough to live on, still working for poverty wages and living in the slums, and that continues to this day.

So labour regulation is being eroded, deregulated or "flexibilised" and with this we are seeing a dramatic increase in precarious work including short-term contract work, as obviously is also occurring in Australia. Key examples from Asia would be Indonesia, Thailand and the Philippines, particularly in terms of the very short-term contracts and the further sub-contracting out of labour and labour hire agencies but obviously it is happening in the other countries as well.

We are seeing an increase in informalised work, such as home-based work but also informalised work arrangements. With fewer rights and less ability to organise to claim their rights, workers worldwide are forced into a position of competition with each other.

In terms of some of the large corporations and brand retailers producing goods, many corporations also purport to have codes of conduct to hold the suppliers accountable to the labour standards, but their own buying strategies, which I outlined a little bit before, often make it impossible for these standards to be met.

One of the campaigns that Oxfam Australia with others has been involved in and is still involved in is the Nike Watch campaign — and originally that was looking at raising awareness of the conditions faced by workers in Asia who were producing Nike products and mobilise people into action. That campaign continues but there has been a move away from only campaigning around bad conditions to more of a focus on ensuring workers rights to organize, form and join unions and collectively bargain and ensuring that these are upheld. This is obviously so that workers have a collective voice to demand their human rights, secure decent work with dignity and a living wage. Workers trying to organise in Asia, as in the rest of world, face huge obstacles and severe oppression and often they pay with their lives and we've heard some examples this morning of guest workers in Australia but there are many others as well.

Just a couple of small examples: in a factory that was producing for Reebok in Indonesia the chairperson and the secretary of a new union were attacked by local thugs who smashed a bottle over the union chairperson's head and forced him to sign a statement closing down the new union. He also reported that people came for five days in a row to his house at night and threatened that they would kill him if they continued with their organising activities.

In a factory in Sri Lanka which was producing for Nike and Columbia — a factory called Jakalanka — it was reported that the Union Secretary was being assaulted by five unknown men and a female member of the executive union committee reported that four men had threatened her with death if she didn't leave the union and she spoke about them threatening to, and I quote, "put her in the lagoon" if she continued her union activities. There was a happy ending of sorts with this particular work factory, because after a very hard struggle the union was recognised and the union has been able negotiate, collectively bargain. The problem is that they have had trouble in negotiating wage increases, because there are not enough orders in the factory and there is not a high enough price being paid for those orders to allow meaningful bargaining to occur.

I will just focus very briefly now on the issue of short-term contract labour. The issue of short-term contract labour has been gaining momentum in many countries. I want to briefly focus on Indonesia as it is a focus of a lot of Oxfam Australia's work on labour rights. It's increasingly common to find garment factories with 50 per cent or more of the workforce employed under a short-term contract basis, this is often despite years of workers working in the factory so we are not talking about a matter of months. Contract workers are disqualified from the rights and benefits of regular workers such as paid

leave, being able to associate with the union of their choice, annual bonuses and the like and this is often happening in violation of Indonesian law because this states that a contract worker cannot perform principal work in the factory.

Short-term labour is being used as a strategy to break unions or prevent them from forming and again is another way of violating workers fundamental human rights. Transnational corporations also must recognise that haphazard buying practices impact on conditions especially last minute orders contributing to the phenomena of short-term contract workers contributing to informal, precarious work arrangements, contributing to workers not being able to have a voice to organise into unions to claim their rights.

Obviously governments have a responsibility to ensure that labour rights are protected by properly enforced state regulation as well. I did have a section on some of the work that we do, in terms of the campaign work to support workers rights to organise, which you can access at www.oxfam.org.au Unfortunately I am out of time, so I will leave it at that. Thank you.