

THE INDONESIAN LABOUR RIGHTS PROJECT

By Duncan Green

From 1997–2013, Oxfam Australia’s Indonesian Labour Rights Project (ILRP) worked to help achieve ‘sustainable livelihoods for workers’ in factories in Indonesia that form part of global supply chains for major sportswear brands. As a result of sustained campaigns, the world’s largest sportswear brands, such as Nike and Adidas, now take workers’ rights more seriously than a great majority of other transnational companies, including smaller sportswear companies.

The ILRP illustrates an important aspect of Oxfam’s work on active citizenship – supporting the rights and agency of people in the workplace.

BACKGROUND

From the early 1990s, public interest grew in the conditions facing sportswear workers. Individuals, campaign groups and journalists began to expose the low wages and long working hours experienced by sportswear workers, primarily in Asia. Nike products were a particular focus. Throughout the mid-1990s and into the 2000s, groups across the globe, including the Clean Clothes Campaign, United Students Against Sweatshops, Oxfam and The Canadian Catholic Organisation for Development and Peace, publicly pressured Nike to improve conditions for the workers who made the company's goods. As global pressure on Nike grew, and local workers and trade unions spoke out, the company started to take more public responsibility for the conditions of workers in its supply chain.

WHAT HAPPENED?

The ILRP used a combination of country-level capacity-building and convening/brokering conversations between supplier companies, workers and others to build trust and find collective solutions. In addition to supporting collective solutions to common problems and grievances inside factories, the ILRP also provided campaign support to individual factory cases.

When unions were experiencing harassment (dismissal, suspension) by management in sportswear factories in Indonesia and these unions had exhausted internal remediation efforts in the factory, then the ILRP would amplify their campaign to international audiences and leverage consumer pressure on the sportswear brands to improve respect for union rights in the factory.

These factory campaigns, as well as a general push on the whole industry, were backed up by international press and consumer campaigns in Australia and with global partners like the Clean Clothes Campaign. Subsequent evaluations suggest that the ILRP made a significant contribution to workers' campaigns for their labour rights to be upheld within sportswear factories in Indonesia.

BUDGET

The budget was an average A\$230,000 per year (including three full-time positions and programme costs from July 2007 to June 2013). Costs prior to 2007 were smaller, with less staffing from 1997 to 2007.

MONITORING, EVALUATION, LEARNING

The programme was evaluated in 2006 (a self-evaluation with extensive interviews with partners, companies, academics, activists); in 2011 (as a contribution to an internal Oxfam Australia Advocacy review that included its work on labour rights); and in 2013 (through a consultant evaluation of Indonesia programme).

THEORY OF CHANGE

Power Analysis

The principal power relations can be summarised as:

1. Blockers/sources of power working against the ILRP objectives:
 - The economic power of brands over suppliers and supplier companies over workers. The dominant business model of transnational companies is fast, flexible and cheap production to a high quality. Buying companies put pressure on their suppliers, who in turn put pressure on their workforce, resulting in widespread labour rights violations and undermining of the effectiveness of codes of conduct and the application of national and international laws and standards. Buying companies have previously tried to distance themselves from any responsibility for the human rights of workers in their supply chains. Without buying companies recognising their obligation to the workers who make their products, there was no reason for factory management to feel obliged to uphold workers' human rights within the workplace.
 - In Indonesia, the social power of men over women (including within the trade union movement and frequent sexual harassment by male supervisors of female workers). Within trade unions women were not encouraged to take on leadership roles within work places and within unions. Sexual discrimination by male factory supervisors added to other pressures on women in the workplace. There were also cases of discrimination against pregnant workers.
 - Parts of the trade union movement suffer from the legacy of the period of the Suharto dictatorship in Indonesia, notably in the form of corporatist trade unions aligned to particular political interests rather than to those of their members. Some unions continue to actively cooperate with factory managers to suppress worker activism.
2. Drivers/sources of power working in favour of the ILRP objective:
 - The power of consumers and active citizens in Australia and other richer countries writing letters, using (more recently) social media and public protest to put pressure on companies – this is a key factor in making companies taking responsibility for workers in their supply chains. Companies do not want to risk the reputation of their brand.
 - A growing women's movement in Indonesia. Women workers and women in their homes were seeking to change power dynamics and take leadership roles within their workplaces. Many of these women have been actively involved in factory campaigns as well as broader initiatives like the Freedom of Association Protocol.
 - An active (albeit fragmented) trade union movement emerging after the fall of President Suharto in 1998. Garment and footwear unions have successfully come together in recent years.
 - An organized and motivated international movement and network of activist groups, international non-government organizations, international unions and community

groups that have campaigned and strategized together as well as with Indonesian groups, through processes like the Play Fair Alliance.

Change Hypothesis

Oxfam's hypothesis was that empowerment of workers, particularly women, requires the removal of impediments that prevent individuals from acting. These include personal factors that deter activism, such as the need to work long hours to make more money, fear of harassment and lack of knowledge of their rights. Obstacles also include weak enforcement of legal requirements by both company and public officials.

The choice of Indonesia was based on a combination of two factors. Firstly, it was the largest sportswear producer that has good laws on freedom of association compared to the other two countries that have a large volume of sportswear production, China and Vietnam. In addition to a vibrant trade union movement, it therefore had strategic significance for the brands, and an 'implementation gap' between policy and practice that provided an ideal campaign target. Secondly, Indonesia provided a way of demonstrating the kinds of problems and issues that workers face globally in Nike and Adidas supply chains. Groups and unions in other countries have watched the campaign in Indonesia with interest.

Oxfam's change strategy

The ILRP grew out of Oxfam's campaigns on the practices of Nike in the mid-1990s. This led to looking at other brands and forming alliances with organizations like the Clean Clothes Campaign, and the formation of the Play Fair Alliance. Although this work persuaded the global brands to greatly improve their policies, they often were not being implemented in the factories.

The ILRP campaign, Indonesian unions and international campaign and union groups sought to address this weakness. The 2009 meeting between the groups represented the beginning of a new, more deliberately collaborative way of working with brands, suppliers, and Indonesian groups, looking at the concrete problems at country level and developing practical solutions together with the aim of preventing freedom of association (FOA) violations before they occurred. That shift also involved the Indonesian trade unions being at the centre of any strategy, with Oxfam playing a supporting role both at national and international level. A 2013 evaluation concluded:

Without Oxfam, the links between the unions and the international networks would be more limited, and without Oxfam, establishing and maintaining a relationship of peers between the brands and the unions, which are structurally in opposition, would be difficult... No other parties to the talks had the stature of Oxfam, or could bring a sense of non-partisan integrity for such a process (local NGOs were seen as too pro-union in a way that Oxfam is not, despite being pro-labour).

A further aspect of Oxfam's 'value-adding' was its ability to bridge between local organizing, national convening and brokering, and international campaigns. The balance of local-to-global evolved constantly, in order to keep up momentum for progress in the negotiations and the factories.

Oxfam's change strategy combined four components to strengthen the position of workers,

particularly women, by supporting the unions internally, and their ability to communicate and negotiate with multinationals as equals. These were:

1. Promoting corporate accountability

- Facilitating constructive dialogue between the private sector and worker organizations (including the decent work protocol negotiation process and corporate accountability training).
- Educating and influencing the private sector – Oxfam’s direct engagement (providing resources to the private sector such as audio visual material on the decent work protocol and ‘Checking Up On Labour Rights: A basic assessment tool for the labour policies and practices of international companies’.¹
- Influencing the broader corporate accountability discourse (contributing to research such as the Australian Research Council-funded project on non-judicial corporate accountability mechanisms, Australian superannuation research on supply chain Corporate Social Responsibility risks).²

2. Strengthening workplace rights within company supply chains

- Facilitating dialogue between affected workers and international sportswear company representatives.
- Building worker capacity to understand international supply chains and available redress mechanisms (training on how to research companies, understand codes of conduct, etc.)
- Supporting specific factory campaigns when unions faced discrimination/dismissals and wanted international campaign support. Oxfam would amplify the voice of workers to an international audience who would then pressure sportswear companies.

3. Active citizenship: engaging citizens to help influence change and promote labour rights

- Engaging and informing citizens, consumers and investors to urge companies to uphold workers’ rights.

4. Gender justice and empowerment

- Gender and leadership training for worker organizations, particularly women workers.
- Embedding gender justice in labour rights work, for example insisting on women worker participation in a decent work dialogue process and corporate accountability training; and highlighting gender issues as a major component of responsible supply chain practice in dialogue with the private sector.

It is noteworthy that the change strategy seeks enforcement of existing laws and conventions (such as the International Labour Organization (ILO) Conventions and the UN’s Guiding Principles on Business and Human Rights, known as the Ruggie Principles after their author) rather than changes to the law. Lobbying for changes to the law is understood to be more the role of Indonesian civil society and not the place of Oxfam.

RESULTS AND OUTCOMES

Within Indonesia

The campaign led to the agreement of an industry-wide Freedom of Association Protocol that promises significant and lasting benefits. This is only the first of three protocols scheduled for negotiation, the other two being on job security and the living wage.

Following two years of support by Oxfam and others, the Freedom of Association Protocol was signed in June 2011. By November, Nike, Adidas, Puma, New Balance, Asics, and Pentland had signed, along with suppliers PT Nikomas Gemilang, PT Panarub Industry, PT Tuntex Garment, and PT Adis Dimension Footwear. In December the SPTSK KSPSI union became a signatory, bringing the total number of workers covered to more than 700,000. By March 2013, 47 out of 51 Adidas suppliers had signed up. By September 2013, the total number of Adidas, Nike, New Balance, Puma, Asics and Pentlands' suppliers had reached 71 signatories.

The ILO's Better Factories programme uses training on the protocol as one of its tools, spreading the protocol's impact to non-participating brands such as GAP and Walmart. The protocol has enabled unions to deal directly with brands over labour and FOA issues, making brands accountable to workers.

Within the protocol there are some specific wins for worker organizations, including:

- union officers getting time off for union work;
- unions being given office space;
- recognition of dues collection;
- unions being allowed to make announcements;
- unions being allowed to give information to members.

More fundamentally, these wins are an acceptance of the legitimacy of unions, their right to represent workers, and their right to negotiate to hold brands responsible for the conditions in their suppliers' factories – clear advances over any global codes of conduct.

What is not made explicit in the protocol but happened as a side effect, is the improvement in communication between the brands and the unions, which in the past had been very tense and is now more constructive. A similar improvement occurred between the management of the supplier factories and the unions: the protocol has given the unions the courage and tools to bargain more effectively.

Some of the most significant impacts were on gender relations and the roles of women within the labour movement. Oxfam has supported a range of partner organizations to run gender and leadership training programmes for some 300 people, mostly women factory workers and union representatives. Oxfam also supported unions working in garment and other factories to create their own gender programmes and strategies, providing links between unions and training opportunities.

In 2012, women who participated in a training session in West Java decided to form their own Caucus for Women Workers, attended by 30 women leaders. While its ultimate goal is

to promote the adoption of women's rights in collective bargaining agreements in the factories, the Caucus is used as a space for women to discuss wider challenges in their homes, workplace and communities and to come up with creative solutions. With Oxfam's support, the Caucus is now developing its own training programme about women's health and reproductive rights. Women and men who participated in Oxfam gender programmes in East Java have created a similar network.

The protocol was merely a first step. The unions, together with the Play Fair Alliance, are now trying to get the brands and suppliers to move forward on agreements on job security and the living wage – the two other main issues facing workers today.

In addition, the ILRP contributed to several specific improvements in employment conditions:

- Public lobbying of Adidas, including 3,000 messages from the concerned public, resulted in workers, including trade union leaders who lost their jobs in 2006, being re-employed at Adidas supplier Ching Luh Indonesia (CLI);
- Emails from Oxfam supporters helped to ensure that union leaders who were sacked from the Adidas Panarub supplier factory received a monthly hardship allowance while they campaigned to get their jobs back. This union was re-established the following year inside the factory.

Globally

- After Oxfam and others publicized the cases of workers being exposed to toxic substances, Nike in 2011 changed manufacturing processes with reduced exposure to toxins (toluene).
- After long-term campaigning between 2005 and 2008, Nike, Puma, Levi-Strass, Timberland and Adidas publicly released the names of their supplier factories, meaning that workers' conditions can be independently verified.
- In 2012, Nike and Adidas limited use of short-term contracts³ in supply chains, improving job security for hundreds of thousands of workers. For the previous 10 years, Oxfam had consistently raised short-term contracts with Nike and Adidas in campaign correspondence and in research on Nike and Adidas.
- September 2011: The Just Group instituted a ban on sandblasted jeans in response to an Oxfam campaign over the health impacts of the sandblasting process.
- June 2012: Pacific Brands, makers of King Gee and Hard Yakka, banned the use of deadly sandblasting throughout the factories that make its denim products following an Oxfam Australia public campaign.
- May–October 2013: Oxfam Australia spearheaded a public campaign pressuring Australian garment companies to join European and US companies and sign the Bangladesh Fire and Safety Accord. The Accord ensures independent safety inspections of Bangladesh suppliers and a range of other safety measures. Six Australian companies joined the Accord, marking the first time that so many Australian garment companies have joined an international safety initiative of this kind.

CRITICAL JUNCTURES: EVENTS AND SURPRISES

According to Valuing Citizen-led Change, a May 2013 Oxfam Australia analysis, 'particular events or unforeseen circumstances [did not have] a significant impact on the actual activities' (p.8). If true, this is a surprising finding. Typically, shocks, such as institutional crises, changes of leadership, scandals and conflicts play an important role in driving change. It may be that what looks in hindsight like a continuous and smooth process of implementation was experienced at the time as a sequence of small shocks, requiring staff to 'ride the wave' of events, as in most campaigns.

Certainly huge staff commitment was regularly required to help the parties to the protocol negotiations overcome moments of doubt and crisis, when the entire process ground to a halt amid acrimony and threats of walk-outs. Some of the causes for disagreement were cultural, e.g. the brands' failure to understand the symbolic significance to the trade unions of physically signing the protocol document when it was finalized. Cultural translation and diplomacy were required in both directions – with the brands and (via some particularly dedicated national staff) with the unions, in a constant effort to maintain relationships, repair damage and get people back in the room.

One unexpected side effect of the ILRP was to improve trust and collaboration between different Indonesian trade unions, (as part of the legacy of corporatism under Suharto, a newly independent union movement includes at least five separate independent unions working in the garment sector). According to Elly Rosita Silaban, President of the Indonesian Footwear, Leather, Textile and Garment Federation (Gardener 2012: 55):

Previously we didn't know one another, we weren't close with other trade unions like SPN, GSBI, KABSI and SPTSK, but during this process, we no longer would say that I come from this particular union: we sat down together and our demands were the same. So we've strengthened one another without differentiating between who has the most members and who has the least. No! We've become united under our shared goal.

WIDER LESSONS

One important lesson is the need for stamina, long-term relationship-building, problem solving and long-term commitment. More than a decade of consistent campaign pressure created the environment in which sportswear brands were prepared to sit down and negotiate the Freedom of Association Protocol. Such commitment is hard to achieve in an aid business based on multi-year programme cycles, and constant financial pressures. After 17 years of support, the Australian campaigning end of the ILRP was discontinued in June 2013, leaving only programme work in Indonesia and a very small amount of short-term capacity to support labour rights in Bangladesh following the Rana Plaza collapse in April 2013.

A further lesson of working in such multi-stakeholder initiatives is that individuals matter, as do corporate structures:

Of the major sportswear companies involved, Adidas has put by far the most effort into negotiating the Protocol and without the active engagement of Bill Anderson and his SEA Asia Pacific team it is unlikely the process would have progressed as far as it has. In a 2008 interview with another researcher (Garwood 2011), Anderson said that whereas many companies situated their labour rights compliance teams within their public relations departments, Adidas' SEA team was in a separate department within the company, and he claimed the SEA team had significant clout within Adidas. (Connor and Phelan 2013)

The 2013 evaluation identified improved efficiency as a further benefit of the model of change adopted:

By adopting a facilitation approach Oxfam can also concentrate more on assisting worker and other community organizations in developing their own skills in networking and communicating with international stakeholders and effectively articulating their own rights and interests. There are several advantages to this approach. Firstly, by developing the skills of worker and community organizations to engage on corporate accountability issues independently of Oxfam, we create a more sustainable program based on an empowerment approach. Secondly, this approach can reduce the time and energy that Oxfam has previously spent supporting individual cases and allow us to focus more on expanding our impact. Thirdly, it will allow Oxfam to position itself more as an information resource for the private sector in improving their policies and practices on labour issues – providing “best practice” examples, assessment tools etc. A further consideration is that this approach is also more risk sensitive and appropriate to Oxfam's current operating environment.

CONCLUSIONS

The success of the ILRP is an example not just of active citizenship, but of leverage. Through a combination of Australian and international consumer pressure on sportswear companies, playing a supportive role in national-level talks and supporting individual workplace campaigns, Oxfam linked the local, national and international levels and created leverage for change.

Its judicious and careful combination of capacity-building, brokering conversations and relationships (which turned into negotiations) between workers, suppliers and brands, and international campaigns, enabled the ILRP to have an impact disproportionate to its size.

Such work was enormously demanding, requiring dedicated, talented staff able to network with a wide range of players, see events through the eyes of both workers and companies, and build trust between all sides.

It also required excellent understanding between Oxfam staff at local and global levels, as they sought to bring Oxfam's brand (and to a lesser extent, money) to bear in helping create better livelihoods for Indonesia's factory workers.

FURTHER READING

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ANNEX: TIMELINE

From mid-1990s	Oxfam campaigns on Nike and other footwear and clothing companies in Indonesia.
2003	Group of organizations come together to form the Play Fair Alliance.
2005	Adidas supplier Panarub dismisses entire union leadership after strike. Oxfam campaign for re-instatement generates thousands of letters to Adidas. Emails from Oxfam supporters help to ensure those workers receive a monthly hardship allowance while they campaign to get their jobs back. In the end the union leaders choose to accept a settlement offered by the factory, however the union has since been re-established in this factory.
April 2006	Oxfam releases report 'Offside! Labour Rights and Sportswear Production in Asia' in the lead-up to the 2006 Football World Cup.
2006	1,450 Indonesian workers, who lost their jobs when an Adidas supplier closed down, are given new jobs at the Indonesian Adidas supplier Ching Luh International, including a number of the trade union leaders. This happens after sustained campaigning, during which 3,000 messages were sent to Adidas by the concerned public.
June 2008	78 trade unions, NGOs and representatives from global sportswear brands meet in Hong Kong to discuss the recommendations made by the Play Fair Alliance, in its 'Clearing the Hurdles' report published in advance of the Beijing Olympic Games.
2008	'Sector-wide solutions' document drawn up for Indonesia by Oxfam Australia, Maquila Solidarity Network, and Clean Clothes Campaign in consultation with Indonesian unions.
November 2009	Discussions on protocol begin in Jakarta at a workshop attended by representatives from Nike, Adidas, New Balance and Puma, from four large sportswear supplier factories, five Indonesian textile and footwear unions and six Indonesian labour NGOs. Representatives from three international groups attended from the Play Fair Alliance: International Garment Leather Workers' Federation, the Clean Clothes Campaign and Oxfam Australia. Powerful testimonies by women trade union leaders, such as Sari Idayani, convince brand representatives that action is needed.
June 2010	Frustrated by the lack of progress in the protocol negotiations, trade union leaders organize a demonstration in Jakarta, involving workers from at least five sportswear factories.
July 2010	Adidas and the union leaders hold a constructive meeting that results in continuation of the negotiation.
June 2011	Freedom of Association Protocol signed, covering the implementation

of FOA within factories and freedom of information. A number of multinational companies and large Indonesian trade unions join by the end of the year.

September 2012

Standard Operational Procedures for the protocol signed.

November 2012

Establishment of the national FOA committee agreed under the protocol.

September 2013

Two-year review of FOA protocol in Jakarta concludes that the protocol is working. The brands find it useful to be able to analyse where their suppliers are making progress in implementing freedom of association. The unions use it as a tool to negotiate more effectively with the factory management. However, all agree that the implementation should be improved.

NOTES

1 S. Rennie (2013) 'Checking Up on Labour Rights: A basic assessment tool for the labour policies and practices of international companies', Oxfam Australia. Available at: <http://policy-practice.oxfam.org.uk/publications/checking-up-on-labour-rights-a-basic-assessment-tool-for-the-labour-policies-an-296870> (accessed 3 November 2014).

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3 PLAY FAIR (2012) <http://www.playfair2012.org.uk/short-term-contracts-nike/> (accessed 6 October 2014).

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