

Blocked by Neoliberalism: A Glance at the Workers Movement's Role in Achieving a Just Transition

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Abstract

An effort to protect workers throughout an economic transition to a sustainable economy gave rise to the concept of a just transition. This is because the transition will have an effect on the employment in which workers are engaged. Based on this concept, this study examines Indonesia's worker response to a just transition. Non-doctrinal research was used to conduct the study. This study shows that the question of a just transition is not now at the forefront of the workers movement in Indonesia. Neoliberalization of Indonesian labour law, *nollen vollens*, encourages the workers movement to continue concentrating on economic concerns, particularly those involving the fundamental rights of workers. Under these circumstances, Indonesia runs the risk of failing to accomplish a just transition, which would put workers in a 'dark world' while the economy moves towards a green economy.

Keywords

Climate Change; Green Employment; Just Transition; Workers Movements

A. Introduction

Nowadays, there are many different ways that countries and regions are connected to one another as well as to other countries due to the loss of jurisdictional borders. Much of this connection is driven by the need for capital to expand and develop in exploring and exploiting from one place to another, particularly from the global north to the global south. Market liberalization and the rise of cross-border trade and other cross-border economic activity are two manifestations of this movement.

Due to the polluting nature of the production systems used by companies that conduct cross-border transactions or relocate their production locations to developing countries, the expansion of cross-border trade ultimately has a negative impact on the environment.¹ The more a company expands and grows, the more a country's environment suffers. These production processes eventually result in a state of unprecedented environmental harm. Consequently, the tremendous climatic change that mankind is currently facing is a result. According to Marquez et al., the atmospheric concentration of carbon dioxide has risen to 415 parts per million (ppm), the highest amount ever documented in human history.²

In terms of climate change, developing countries are the ones most impacted by it, including biodiversity loss, environmental degradation, and all other effects that jeopardize how their citizens maintain their way of life.³ Such things are happening in Indonesia, where rising sea levels have an impact on sanitation, disaster risk, health, ecosystems, and agriculture in coastal areas.⁴

¹ Rehana Parveen, "Globalization, Climate Change and Global Environmental Law," *International Journal of Environmental Science* 4, (2019): 35-39, 37.

² Antonio Ferrer Marquez et.al, "The Contribution of Social Dialogue to the 2030 Agenda: Promoting a Just Transition Towards Sustainable Economies and Societies for All," *Research Paper the Trade Union Development Cooperation Network*, 2019, 8.

³ Olga Strietska-Ilina et.al, *Skills for Green Jobs: A Global View*, (Geneva: International Labour Office, 2011), 167.

⁴ Read further on Kementerian Lingkungan Hidup dan Kehutanan <The Ministry of Environment and Forestry>, *Roadmap Nationally Determined Contribution (NDC) Adaptasi Perubahan Iklim* <Roadmap Nationally Determined

Even though a production system like the one that uses fossil fuels can cause environmental harm, it must be admitted that it can also create a variety of jobs, either directly or indirectly, like the opening of coffee shops (*warung kopi*) around the mining area. It has become impossible to ignore the destructive production processes that have created a wide range of jobs.⁵ Recognizing that there is an intersection between the production system in the extractive industry and the availability of jobs, policies issued in the context of mitigation or adaptation to climate change must take into account the human element—the workers—involved in these destructive production activities.

The preposition that was mentioned above led to the creation discourse on "*just transition*." This discourse focused on combating the challenges that arise from the transition to a low-carbon economy, including those who engage in harmful economic endeavors. In Indonesian discourse, the topic of the transition to a low-carbon economy is not a new one. Like Poerwantika et al., they noticed the Indonesian state's commitment to achieving the transition to a low-carbon economy through the ratification of several international law instruments as well as the formation of international collaboration to further Indonesia's transition efforts.⁶ The study found that the Indonesian government's transitional efforts did not pay much attention to employment-related factors. Which things will be reviewed in this article?

Additionally, Setyowati's analysis makes clear how untouchable employment-related concerns are. Setyowati's study unequivocally demonstrates the effects of the economic shift to a low-carbon economy, namely how the private sector's engagement in financing patterns has

Contribution Climate Change Adaptation>, (Jakarta: Kementerian Lingkungan Hidup dan Kehutanan Republik Indonesia, 2020), 2.

⁵ Greg Muttitt and Sivan Kartha, "Equity, Climate Justice and Fossil Fuel Extraction: Principles for a Managed Phase Out," *Climate Policy* 20, no. 8 (2020): 1024-1042, 1026.

⁶ Tine Ratna Poerwantika et.al, "Diplomasi Lingkungan: Indonesia dalam Mewujudkan Transisi Energi Post-COP26 <Environmental Diplomacy: Indonesia in Realizing the Post-COP26 Energy Transition>," *Jurnal Multidisiplin Madani* 2, no. 9 (2022): 3569-609

led to social injustice and energy inequality.⁷ Regretfully, studies of the transition to a low-carbon economy in Indonesia often take their views away from aspects of employment and workers themselves. Based on this background, the research problem is to determine the extent to which the workers movement contributes to the development of a just transition and its implementation in Indonesia.

B. Method

This research is categorized as non-doctrinal research based on how the problem was posed. Case studies and a statute approach are both used in this research. The workers' movement response to climate change is the main topic of the case studies in this research. Data for the case studies was found through web research that involved finding and grouping data sets according to how pertinent they were to the workers movement's response to climate change. The collected data was qualitatively examined in order to provide descriptive results that could be described in narrative form.

C. Result and Discussion

1. A Just Transition: An Overview

Just transition emerged historically from the Cold War-era workers movement in the United States. Tony Mazzocchi, a key figure in the Oil Chemical and Atomic Workers Union, realized that the Cold War's disarmament posed a threat to the livelihoods and jobs of workers in the chemical industry around the 1970s.⁸ Therefore, Mazzocchi recognized the need for the government to provide assistance to workers in the chemical industry who were employed during the war to prevent them from losing their jobs and means of subsistence as a result of

⁷ Abidah B Setyowati, "Mitigating Inequality with Emissions? Exploring Energy Justice and Financing Transitions to Low Carbon Energy in Indonesia," *Energy Research & Social Science* 7, no. 1 (2021): 1-10.

⁸ Tony Mazzocchi, "Crossing Paths: Science and the Working Class." *New Solutions: A Journal of Environmental and Occupational Health Policy* 8, no. 1 (1998): 27-32. See also Tony Mazzocchi, "Building a party of our own." *A New Labor Movement for the New Century*. (London: Routledge, 2012), pp. 281-293.

disarmament.⁹ His observations of the state intervention in the provision of aid to the veterans of World War II served as the catalyst for such views of Mazzocchi.

After turning his attention back to the environmental policies in place at the time, Mazzocchi maintained his belief that the state needed to step in and regulate the chemical industry. In the 1980s, a flurry of laws protecting the environment prompted Mazzocchi to propose the idea of “superfund for workers.” This idea was developed in response to the widespread job losses as a result of environmental policies.¹⁰ The superfund for workers was designed to offer monetary and educational aid to workers who were displaced as a result of environmental protection policies, much like the state intervention for World War II veterans. Worker organizations in North America later referred to this idea of a superfund for workers as “just transition” during the 1990s.¹¹ Even as early as 1998, trade unionist Brian Kohler made reference to the idea of just transition, which aims to combine respectable employment and environmental protection.¹² Therefore, the just transition conception aligns work and environment rather than placing them in opposition.

The historical context gives rise to the concept of just transition, which emphasizes that the transition to a world without carbon monoxide emissions and a low-carbon economic system must include justice and equality as essential components.¹³ Nobody, not even workers, should be left in a world of darkness as a result of the transition to a greener world. In order to protect workers whose jobs,

⁹ Ben Cahill and Margaret Allen, *Just Transition Concepts and Relevance for Climate Action: A Preliminary Framework*, (Washington: Center for Strategic & International Studies-Climate Investment Funds, 2020); Just Transition Research Collaborative, “Mapping Just Transition(s) to a Low-Carbon World”, *Research Report United Nations Research Institute for Social Development*, (2018), 6.

¹⁰ Cahill & Allen. *Just Transition Concepts and Relevance for Climate Action: A Preliminary Framework*.

¹¹ Cahill & Allen.

¹² Anabella Rosemberg, “Building a Just Transition: The Linkages Between Climate Change and Employment,” *International Journal of Labour Research* 2, no. 2 (2010), 125-61, 141.

¹³ Raphael J Heffron and Darren McCauley, “What is the ‘Just Transition’?,” *Geoforum* 8, no. 8 (2018), 74-77.

communities, and way of life are threatened by climate change, which will be addressed in order to create a sustainable world, the concept of just transition emerges in the worker sector.¹⁴

The start of the 2015 Paris Agreement contains the idea of a just transition in normative building. It is noted in this agreement that there is a need for a just transition for employees as well as the establishment of respectable and high-quality positions in line with national development goals. Naturally, few people questioned the socio-economic repercussions of climate change after the United Nations Framework Convention on Climate Change (hereinafter UNFCCC) was established in 1992 and the Kyoto Protocol discussions,¹⁵ including the effects of climate change and the related policies for the job sector.

Although it only materialized in the 2015 Paris Agreement, the International Trade Union Confederation (hereinafter ITUC) has previously embraced the just transition idea. At its second congress in 2010, the ITUC approved a just transition policy to tackle climate change. The ITUC outlines its commitment to advancing an integrated approach to sustainable development through just transitions, where social progress, environmental protection, and economic interest are placed within the framework of a democratic government where labour rights and human rights are respected and gender equality is achieved.¹⁶ The fact that the ITUC has taken the initiative to use the concept of just transition as a strategy for addressing climate change demonstrates how this issue has entered the workers union discourse, where just transition has evolved into a concept where workers rely on their hopes for justice in a transition process that frequently leaves them behind.

There are four ways to view a just transition. These include maintaining the status quo, management reform, structural reform, and

¹⁴ Cahill and Allen, *Just Transition Concepts and Relevance for Climate Action: A Preliminary Framework*.

¹⁵ Rosemberg, "Building a Just Transition: The Linkages Between Climate Change and Employment," p. 128.

¹⁶ International Trade Union Confederation, "Resolution on Combating Climate Change Through Sustainable Development and Just Transition", *2nd Worl Congress Vancouver*, (June 21-25, 2010), 2.

transformative initiatives. The four strategies are explained below.¹⁷ The first way to view a just transition concept is through the status quo approach. Corporations and proponents of the free market frequently endorse this strategy. The call to action is aimed at promoting green capitalism rather than the downfall of the capitalist system. This strategy acknowledges the significance of compensating and/or offering new employment to employees who may lose their jobs as a result of the transition to a low-carbon economy.

This status quo approach explicitly places a greater emphasis on the role that businesses play in the transition. The government merely supports or does not obstruct the shift that businesses are attempting to make. Since corporations are solely accountable for “formal employees” under Indonesian Manpower law, this approach will exclude informal workers, which are not covered under Indonesian labour law. If this approach is used to transition to a sustainable economy, informal workers will be left behind in a dark future.

The next transition will be approached in a way that stresses the fact that the justice and equality desired throughout the transition already exist in an established economic system. Because the current system is just and inclusive of equality, the shift to a low-carbon economy does not aim to overthrow it. The management reform approach is characterized by this viewpoint.¹⁸ In this approach, the state has the authority to step in and enact new laws or change already-existing ones. The power and economic paradigms, however, remain unchanged.

The third approach to seeing the just transition concept is the structural reform approach. Both distributive fairness and procedural justice are assured by this method. In order for decision-making about the transition process to be inclusive and equitable, and for different stakeholders to jointly own and govern a new, low-carbon economic system.¹⁹ This shows that the structural reform approach encourages stakeholder collaboration to make decisions rather than having the state

¹⁷ Just Transition Research Collaborative, “Mapping Just Transition(s) to a Low-Carbon World”, pp. 12-15.

¹⁸ Just Transition Research Collaborative.

¹⁹ Just Transition Research Collaborative.

decide them from above. In this example, stakeholders include employees and impacted communities.

The final approach is a transformational approach. Because the present political economy system, particularly capitalism, is thought to be the system accountable for the current social and environmental challenges, this approach places an emphasis on the need to alter the current political economy system.²⁰ In addition to highlighting the need to change the current political-economic structure, it also spreads other avenues to create a radically different perspective on how humans and the environment interact. In essence, this strategy aims to topple the existing political-economic order while pursuing an alternative course through the development of a new understanding of the relationship between humans and nature, one that goes beyond the current perception of humans as being presented with nature in order to meet their needs.

The just transition agenda became central because there is a clear connection between workers and climate change. The trade unions stressed that the economic impact of climate change, notably on the labor market, will be significant. If considerable measures to minimize greenhouse gas emissions are not adopted, issues will develop.²¹ Additionally, although lowering greenhouse gas emissions is essential, actions taken to combat climate change will have an effect on a number of industries that employ people, including those that rely on fossil fuels, steel, aluminum, and other energy-intensive industries.²²

In light of the severity of the impact that climate change has on employment, policies pertaining to climate change may be split into two groups based on their emphasis on climate change mitigation and adaptation.²³ While adaptation policies concentrate on attempts to

²⁰ Just Transition Research Collaborative.

²¹ International Trade Union Confederation and Trade Union Advisory Committee to the OECD, "Trade Union Statement to COP13-United Nations Framework Convention on Climate Change," *COP13 Bali-Indonesia*, (2007), 3.

²² International Trade Union Confederation and Trade Union Advisory Committee to the OECD, p. 6. *See also* Rosemberg, "Building a Just Transition: The Linkages Between Climate Change and Employment.

²³ United Nations Framework Convention on Climate Change. "Just Transition of the Workforce and the Creation of Decent Work and Quality Jobs", *Technical Paper*, (2020), 12.

adjust to the effects of climate change, mitigation strategies concentrate on lowering greenhouse gas emissions.²⁴ The employment sector is one that will unquestionably be impacted by the climate change policies that are implemented, both in terms of adaptation and mitigation measures. This shows that one of the areas that needs to get enough attention in the many measures the state implements in response to climate change is the employment sector.

There are at least four effects of climate change on employment in the conceptual framework. The creation of jobs is the first effect. Demand for workers will rise across a wide range of economic sectors as a result of climate change that results from low-carbon and sustainable economic development in the infrastructure, service, and product sectors, like the fields of renewable energy, organic farming, etc. Job replacement is the next consequence of climate change. As a result of the economic adjustments that take place in order to adapt to climate change, some of the current occupations will be replaced after the climate change that has already happened.²⁵ This effect may be seen, for instance, in the switch from a high-carbon economy to a low-carbon economy, when renewable energy sources are used more frequently instead of fossil fuels. The required talents and job skills will alter as a result of this adjustment.

The loss of jobs is the third effect of climate change. Without a direct successor, certain positions might be abolished. Eliminations happen when something is removed or reduced in amount. The evolution and redefinition of work come last. The majority of current workers are expected to experience this influence. Existing workers will see how their roles change and are redefined. similar to metal workers in the automobile sector. The employee will also find himself working on electric or fuel-efficient vehicles as a result of the adjustments.²⁶

2. Indonesian Context on Law and Just Transition

When talking about a just transition, it is difficult to exclude considerations of environmental law since these topics, together with

²⁴ United Nations Framework Convention on Climate Change.

²⁵ United Nations Framework Convention on Climate Change.

²⁶ United Nations Framework Convention on Climate Change.

those relating to climate change, and other concerns resulting from environmental harm, fall under the overall purview of environmental law. However, given that the study's main focus is Indonesian labour law, a discussion of environmental law is adequate to demonstrate the state's overall commitment to combating climate change.

Indonesia's climate aims and policies receive a "very inadequate" grade in the Climate Action Tracker's assessment of targets and actions. This figure demonstrates that Indonesia's climate policies and promises are really geared toward raising emissions rather than lowering them. Indonesia is thus wholly at odds with the Paris Agreement's 1.5°C temperature target.²⁷ Along with this assessment, the government has accepted the UNFCCC as a reaction to climate change, as indicated in Law Number 6 of 1994 Concerning Ratification of the United Nations Framework Convention on Climate Change. The Indonesian government ratified the 2015 Paris Agreement, which is part of Law of the Republic of Indonesia Number 16 of 2016 concerning Ratification of the Paris Agreement to the United Nations Framework Convention on Climate Change, specifically to facilitate the transition to a low-carbon economy. As a result of ratifying the Paris Agreement, Indonesia is required to maintain the pace of increase in the average world temperature below 2°C and work much harder to prevent temperature increases to 1.5°C over pre-industrial levels.²⁸ In addition to the ratification of the Paris Agreement, Indonesia must reach the peak of global greenhouse gas emissions as soon as possible in order to meet the temperature objective over the long run.²⁹

The Indonesian government has set a goal to cut greenhouse gas emissions by 26% by 2020, yet this number is expected to rise to 41% if there is international support.³⁰ Additionally, it is known that the Government of Indonesia has an aspiration for transformation carried

²⁷ Climate Transparency, *Indonesia Climate Transparency Report: Comparing G20 Climate Action Towards Net Zero*, 2021, 15.

²⁸ Article 2 Paris Agreement to the United Nations Framework Conventions on Climate Change.

²⁹ Article 4 Paris Agreement to the United Nations Framework Conventions on Climate Change.

³⁰ Pemerintah Indonesia <Indonesian Government>, *Updated Nationally Determined Contribution Republic of Indonesia*, 2021.

out by adopting a mix of primary energy supplies, as per Article 9(f) of Government Regulation Number 79/2014 concerning the National Energy Policy. When, in 2025, the share of new and renewable energy is at least 23%, the share of oil is less than 25%, the share of coal is at least 30%, and the share of natural gas is at least 22%, In 2050, the share of coal will be at least 25%, and the share of natural gas will be at least 24%.

Despite these actions, the Indonesian government acknowledges that its policies on climate change aim to strike a balance between sustainable growth and poverty reduction.³¹ This demonstrates how the Indonesian government sees the fight against poverty and the pursuit of sustainable development as competing goals. The government's seeming opposition to these two ideas may have consequences for policy-making that resemble a zero-sum game where one party is sacrificed for the sake of the other. Atteridge and Strambo, who performed their investigations in Ronchester, England, as well as in Newcastle, have noted this. The transition period marked by a decline in industrial activity continued for a considerable amount of time, but neither the national nor local governments took any steps during this period to prepare their citizens for the loss of employment and sources of income.³²

3. Neoliberalism Poses a Challenge to Indonesia's Workers Movements

In the struggle for worker rights, worker unions must be a driving force. Because workers individually hold a very weak and defenseless position in front of employers. Worker unions serve as a collective force controlled by workers. Climate change is another factor that highlights the need for this union. Green and Gambhir also highlight the crucial role that trade unions play in educating, organizing, supporting, and advocating for workers with regard to the connections between jobs and

³¹ Indonesian Government, *Updated Nationally Determined Contribution Republic of Indonesia*, 2021.

³² Aaron Atteridge and Claudia Strambo, *How Can Socio-Economic Transitions be Better Managed: Lessons from Four Historical Cases of Industrial Transition*, (Stockholm: Stockholm Environment Institute, 2021), 8.

the implementation of a low carbon economy in the context of combating climate change.³³

Trade unions have different opinions on just transition and climate change in general, as shown by their engagement in the shift to a low-carbon economy, as noted by Thomas and Doerflinger. It was further highlighted that there are three categories of trade union views regarding the transition and climate change, including trade unions that are against the transition, trade unions that accept the transition with restrictions, and worker unions that are in favor of the transition.³⁴

Trade unions that deny that there is a transition, deny that there is climate change, and reject the solutions that have been developed to reduce carbon emissions. The trade unions that hinder the transition, in the meantime, recognize that there is scientific agreement that climate change is real and, in theory, support the need for a decarbonization strategy. However, because the state's proposed laws don't include any provisions that would result in fundamental changes, the trade union is attempting to stifle minimally effective legislation. Additionally, these restricted trade unions are hesitant to actively participate in transitions since they are primarily concerned with the impact of the shift on employment. These trade unions are also looking for other strategies to combat climate change.

The latter, meanwhile when they found a question, are worker unions that promote the shift to a low-carbon economy. Trade unions adopt this stance when they support decarbonization programs and actively participate in the changes being made, while also acknowledging the scientific community's agreement that climate change is real and happening now.

The participation of trade unions in the institutional framework of policy development and execution at all levels is necessary in light of the function and significance of trade unions. This is in keeping with the recommendations made by the ILO, which highlight the

³³ Fergues Green and Ajay Gambhir, "Transitional Assistance Policies for Just, Equitable and Smooth Low-Carbon Transitions: Who, What and How?," *Climate Policy* 20, no. 3 (2019), 1-20, 5.

³⁴ Adried Thomas and Nadja Doerflinger, "Trade Union Strategies on Climate Change Mitigation: Between Opposition, Hedging, and Support," *European Journal of Industrial Relations* 26, no. 4 (2020), 382-99, 388-9.

significance of social discourse in the shift from a high-carbon economy to a low-carbon one.³⁵ Includes, of course, the participation of unions in state-sponsored discourse. The existence of trade unions is crucial for just transitions, which has several interpretations of what it means. Of course, the aim is that this would result in the construction of a fair transition without making employees sacrifice or fall behind in order for trade unions to be able to represent workers and advocate for worker's interest.

The Indonesian government's failure to take action to lessen the effects of climate change on the employment sector is the first matter that worries trade unions. Employers dominated the employment sector policy-making up until what transpired afterwards. Just transitioning under these circumstances will merely keep things as they are. Oppression will continue to be a side effect of the shift to a sustainable economy. Although the economy is improving, worker exploitation and oppression have also improved. The economy is turning green, but the oppression and exploitation of workers have also turned green.

The ILO predicts that by 2030, the switch to low-carbon energy will cost a total of six million jobs while creating twenty-four new ones.³⁶ This projection is based on a production scenario that keeps global warming below 2°C. Jobs will be produced even as we switch to low-carbon energy sources. The ILO has acknowledged that it is unlikely that jobs will be allocated equitably across all industries and places where they are lost. Similar to how workers who leave their jobs may not always spread in the same manner as workers who gain a job. Like Strietska-Illina shows, finding work in a new world of work may be challenging for vulnerable populations, including low-skilled workers and handicapped individuals.³⁷

Even if a low-carbon economy is preferable in terms of combating climate change, it does not ensure that disparities that exist

³⁵ International Labour Organization, *Guidelines for a Just Transition Towards Environmentally Sustainable Economies and Societies for All*, (Geneva: International Labour Office, 2015), 5.

³⁶ International Labour Organization, *World Employment Social Outlook 2018: Greening with Jobs*, (Geneva: International Labour Office, 2018), 43.

³⁷ Strietska-Illina, et.al. *Skills for Green Jobs: A Global View*.

at this time will be eliminated or decreased.³⁸ Therefore, the low-carbon transition is likely to result in a variety of losses and challenges, particularly for communities that currently rely heavily on carbon-intensive activities, as well as the perpetuation of inequalities that exist temporarily in the current system,³⁹ if change is not managed properly. This includes Indonesia, where there are currently at least 207,683 people employed both in the formal and informal sectors of the economy.⁴⁰ In February 2021, people who were employed in the informal sector were discovered to be 78.14 million people, or 59.62% of the workforce.⁴¹ Therefore, without effective and good transitional measures, the different issues that workers are presently facing would persist in the new system, endangering the worker's dignity, which is something they are striving to defend.

Similar events have occurred in Ronchester, where the individuals most impacted by and susceptible to change are not the ones who can take advantage of the new possibilities that present themselves as a result of the changes that have been made.⁴² Additionally, different employment sectors will be affected differently by the shift to a low-carbon and sustainable economy, and new jobs won't necessarily be generated at the same time or in the same locations as ones that are being lost.⁴³ What transpired in Ronchester illustrated the second issue with

³⁸ Oliver W Johnson et.al, "Intersectionality and Energy Transitions: A Review of Gender, Social Equity, and Low-Carbon Energy," *Energy Research & Social Sciences* 7, no. 1 (2020), 1-14, 2 & 11.

³⁹ Atteridge and Strambo, *How Can Socio-Economic Transitions be Better Managed: Lessons from Four Historical Cases of Industrial Transition*, p. 5.

⁴⁰ Extractive Industries Transparency Initiative, *Laporan Eiti Indonesia 2019-2020*, (Jakarta: Kementerian Energi dan Sumber Daya Mineral Republik Indonesia, 2022), 151.

⁴¹ Direktorat Statistik Kependudukan dan Ketenagakerjaan <Directorate of Population and Employment Statistics>, *Booklet Sakernas (Survei Angkatan Kerja Nasional <National Labor Force Survey>)*, <https://www.bps.go.id/publication/2021/08/09/790fa89d429d8-6821c12f57b/booklet-survei-angkatan-kerja-nasional-februari-2021.html>, Accessed March 22, 2024.

⁴² Atteridge and Strambo, *How Can Socio-Economic Transitions be Better Managed: Lessons from Four Historical Cases of Industrial Transition*, p. 9.

⁴³ Marquez et.al, "The Contribution of Social Dialogue to the 2030 Agenda: Promoting a Just Transition Towards Sustainable Economies and Societies for All", p. 18.

the low-carbon economic transition, which calls for trade union participation. To ensure that all workers have equitable access to the employment created by the transition, trade unions must be actively involved.

Given the aforementioned possibilities, trade unions' contribution to a just transition is essential. Either by making sure the government responds to climate change by taking action, or by making sure the government's responses don't leave other worker groups behind. Worker unions must also understand that just transition is a concept that encompasses both a process and an outcome. An equitable transition is equitable not only because the outcomes are equitable.

Regarding the trade union movement in Indonesia, it is well known that worker unions have had several fights throughout the course of history, ranging from the war for independence to the struggles under the authoritarian New Order era. The fight to uphold normative rights is currently the main focus of the workers movement. The author correctly points out that the erosion of neoliberalism in current Indonesian labour law particularly in labour-legislation is the cause of what I perceive as a merely survival battle with no intention of presenting improved circumstances. For instance, despite worker union efforts to kill the Job Creation Act, Government Regulation Number 2 of 2022 about Job Creation continues to beat at the heart of Job Creation. Regardless of how the trade unions feel about climate change, they are still working to liberate themselves from neoliberalism; therefore, this is not the center of their current battle.

Even if it doesn't seem like the workers movement is now focused on addressing climate change or moving toward a low-carbon economy, at least among trade unions affiliated with the Confederation of Indonesian Trade Unions (*Konfederasi Serikat Buruh Seluruh Indonesia*) (hereinafter KSBSI), this is starting to change.⁴⁴ It is known that KSBSI

⁴⁴ Konfederasi Serikat Buruh Seluruh Indonesia <Confederation of All Indonesian Trade Unions>, *Bahas Isu Perubahan Iklim dan Transisi yang Adil, KSBSI Kembali Gelar Rangkaian Lokakarya L20* <Discussing the Issue of Climate Change and Just Transition, KSBSI Again Holds a Series of L20 Workshops>, <https://www.ksbsi.org/home/read/1865/Bahas-Isu-Perubahan-Iklim-Dan-Transisi-Yang-Adil---KSBSI-Kembali-Gelar-Rangkaian-Lokakarya-L20--->, accessed March 24, 2024.

sponsored a worker 20 workshop through the KSBSI website, which raises questions about climate change and a just transition for workers.

4. The Workers Movements against Indonesia Neoliberal Agenda

Neoliberalization of Indonesian labour law is nothing new in the discourse on labour law in Indonesia. Since the years 1997-1998, waves of neoliberalization of Indonesian labour law have been rolling.⁴⁵ Neoliberalization of Indonesian labour law is currently being attempted with the passage of Law No. 11 of 2020 concerning Job Creation,⁴⁶ as well as Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation. As a result, the study in this sub-discussion will not provide any new information regarding the ways in which Indonesian labour law has been neoliberalized or which legal entities exhibit neoliberalism in labour law. This sub-topic will continue the current conversation by examining how the workers movement's efforts to achieve a just transition are impacted by the neoliberalization of labour law.

Generally speaking, under neoliberalism, the workers movement has to contend with a strong state safeguarding capital as well as with blatant competition in the free market. Neoliberalism's goal in doing this was to undermine the workers movement.⁴⁷ Given the strength of the workers movement, which has the potential to undermine the stability of the capital market and hurt investors, neoliberalism plainly seeks to undermine it.

Thus, it becomes understandable when it appears that the neoliberalization of labour laws has reduced the ability of workers to collectively negotiate with employers. The state's withdrawal from

⁴⁵ Muhtar Habibi, *Gemuruh Buruh di Tengah Pusaran Neoliberalisme: Pengadopsian Kebijakan Perburuhan Neoliberal Pasca Orde Baru* <*The Rumble of Labor in the Midst of the Vortex of Neoliberalism: Adoption of Neoliberal Labor Policies Post-New Order*>, (Yogyakarta: Penerbit Gava Media, 2009).

⁴⁶ Syahwal, "Dilema Hak atas Pekerjaan di dalam Kebijakan Pasar Tenaga Kerja Fleksibel <*The Right to Work Dilemma in Flexible Labor Market Policies*>," *Jurnal HAM* 13, no. 2 (2022), 271-86.

⁴⁷ Alex Foti, *Theory of the Precariat: Great Recession, Revolution, Reaction*, (Amsterdam: Institute of Network Cultures, 2017), 56.

regulating workers-employer relations and complete surrender of the provisions relating to workers-employer relations to the market or through an apparent agreement between workers and employers is what causes the weakening of workers' collective bargaining power in front of employers.⁴⁸ Additionally, the state sets laws that make it challenging for workers to engage in a lawful strike. Actually, one of the workers movement's concrete forms is the strike.

In the Indonesian context, obtaining a lawful strike is challenging, and harsh punishments when workers coerce them into participating in extra-legal strikes (unlawful strikes) have undermined the workers movement in Indonesia. In Indonesian labour law, workers who want to strike must first complete a number of administrative procedures, including requirements for planning a strike and criteria for actually staging a strike.⁴⁹ These concepts represent the function of the state under neoliberalism. The state is not allowed to meddle in the business of employers' workers unless doing so would safeguard capital and be profitable. By making it impossible for workers to organize a lawful strike, the state has effectively performed its duty to preserve and protect market interests.

It is acknowledged that the administrative requirements that workers must adhere to are quite onerous and make it challenging for workers to obtain a lawful strike. Caraway⁵⁰ asserts that the state interferes with the execution of strikes by imposing a number of administrative requirements that are challenging for workers to meet. This goes hand in hand with the unequal distribution of industrial actions between employers and workers,⁵¹ where employers find it

⁴⁸ Sergio Gamonal C, "The Right to Strike in a Neoliberal Context," *E-Journal of International and Comparative Labour Studies* 11, no. 2 (2022), 1-14, 5-6.

⁴⁹ Syahwal, "Menilik Konsepsi Filosofis dalam Konstruksi Yuridis Mogok Kerja sebagai Upaya Pemenuhan Hak Pekerja/Buruh di Indonesia <Looking at the Philosophical Conceptions in Juridical Construction Work Strikes as an Effort to Fulfill Workers' Rights in Indonesia>," *Jurnal Jentera* 4, no. 2 (2021), 574-587, 580-3.

⁵⁰ Teri L Caraway, "Labour Rights in East Asia: Progress or Regress?," *Journal of East Asian Studies* 9, no. 2 (2009), 153-186, 171.

⁵¹ Ari Hernawan, "Keseimbangan Hak dan Kewajiban Pekerja dan Pengusaha dalam Mogok Kerja <Balancing the Rights and Obligations of Workers and Employers in a Work Strike>," *Jurnal Mimbar Hukum* 24, no. 3 (2012), 418-30..

relatively simple to carry out a lockout of the company, which is inversely correlated to how difficult it is for workers to carry out strikes as their industrial action.

In addition to the direct impact on the workers movement, the neoliberalization of labour law also has an indirect impact on it. It is well known that the neoliberalization of labour law has made it more flexible, which has led to the emergence of new employment relationships that are not covered by labour law.⁵² Examples of the kinds of working connections in discussion include triangular employment relationships and fixed-term employment contracts.

In contemporary Indonesian labour law, employment relations based on fixed-term contracts and outsourcing are becoming more and more ingrained. Similar amendments to the Job Creation Law and the Job Creation Perp seem to favor the widespread usage of outsourcing employment relationships (triangular employment relationships) and employment relationships based on fixed-term contracts.⁵³ In reality, workers in non-standard employment relationships like fixed-term employment relationships and triangular employment relationships have undermined and even jeopardized workers unions.⁵⁴ Workers no longer intend to form a union, either as a result of a clear prohibition or in response to firm threats of terminating their employment relationships.

In reality, workers frequently hold the status of outsourced workers with fixed-term employment contracts. Workers usually

⁵² Eloisa Betti, "Historicizing Precarious Work: Forty Years of Research in the Social Sciences and Humanities," *International Review of Social History* 63, no. 2 (2018), 273-319, 301.

⁵³ Syahwal, "Menilik Konsepsi Filosofis dalam Konstruksi Yuridis Mogok Kerja sebagai Upaya Pemenuhan Hak Pekerja/Buruh di Indonesia <Looking at the Philosophical Conceptions in Juridical Construction Work Strikes as an Effort to Fulfill Workers' Rights in Indonesia>"

⁵⁴ Rina Herawati, *Kontrak dan Outsourcing Harus Makin Diwaspadai <Contracts and Outsourcing Must Be Become More Aware>*, (Bandung: Friedrich-Ebert-Stiftung and AKATIGA-Pusat Analisis Sosial, 2010), 19; Indrasari Tjandraningsih and Rina Herawati, *Diskriminatif dan Eksploitatif <Discriminative and Exploitative>*, (Bandung: AKATIGA-FSPMI-FES, 2010), 7.

disdain unions as a result. According to Lubis,⁵⁵ workers are primarily focused on jobs while holding out hope that one day outsourced workers will be hired on as full-time workers by user firms. Industrial relations have changed from being collectivist in nature to being individualistic as a result of the neoliberalization of labour law.⁵⁶

The result is that, as was already mentioned, the workers movement in Indonesia today still has to concentrate on issues like outsourcing, fixed-term employment relationships, wages, and other fundamental rights of workers. It is obvious that workers are not to blame for their movement's primarily economic focus. However, it is obvious that the human dignity of workers is in danger due to the current diminution of certain workers rights under Indonesian labour law.

Finally, we can reach Standing's aggressive claim that the workers movement faces an existential conundrum in the twenty-first century when faced with a scenario in which climate change and even global warming are harmful. Standing⁵⁷ argues clearly that while workers unions can gradually voice their concerns about climate change, when given the option to choose between lowering activities or working, most people will still choose to work. Workers have found it challenging to organize movements to manage the shift to a just, low-carbon economy because of the neoliberalization of labour law that is now taking place in Indonesia. The workers movement will keep concentrating on initiatives to uphold fundamental rights.

D. Conclusion

The business activities of today have severely harmed the environment. The occurrence of globalization and international trade,

⁵⁵ Khairani Lubis, "Implikasi Pengaturan Outsourcing terhadap Keberadaan Serikat Pekerja <Implication of Outsourcing Regulation on Trade Unions>," *Jurnal Hukum Respublica* 14, no. 1 (2014), 150-165, 156.

⁵⁶ Muhtar Habibi, *Gemuruh Buruh di Tengah Pusaran Neoliberalisme: Pengadopsian Kebijakan Perburuhan Neoliberal Pasca Orde Baru <The Rumble of Labor in the Midst of the Vortex of Neoliberalism: Adoption of Neoliberal Labor Policies Post-New Order>*, pp. 16-17.

⁵⁷ Guy Standing, "Understanding the Precariat through Labour and Work," *Development and Change* 45, no. 5 (2014), 963-980, 978.

as well as the enormous economic development, have helped to exacerbate the already existing climate changes. There is a great desire to put in place a number of mitigation and adaptation measures in response to climate change as soon as possible. One of the critical measures that must be taken right away is a just transition in order to prevent damage and the stranding of workers as a result of climate change and the policies put in place to address them. Just transition becomes a notion that requires the active participation of workers unions. However, given the neoliberal nature of labour law in Indonesia, a just transition will be challenging to achieve. Trade unions have found it challenging to actively participate in the shift to a low-carbon economy as a result of the neoliberalization of labour laws. This is due to the ongoing struggle of Indonesia's workers movement to uphold basic rights. Of course, this is understandable given the nature of labour law, which frequently reduces workers' rights. Based on this, Indonesia's transition to a low-carbon.

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