Interaction Ritual and Industrial Conflicts

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Abstract
This study examined industrial conflicts in East Java from the perspective of Randal Collins’ theory of interaction ritual. In particular, it looked at interaction ritual between labors and employers, members and committee of labor unions, and inter-labor unions after the New Order, and attempted to explain the significance of industrial conflicts among labors. In the post-New order era considered more democratic, the interaction rituals between labors and employers have not been effective. The ineffectiveness of the rituals could produce suspicion, lack in the spirit of work, and no sense of belonging, causing conflicts between the labors and employers. In addition, while freedom of establishing unions is considered democratic, it can also make labors disintegrated because the more the unions, the tighter the competition in recruiting the member. Horizontal conflicts are likely to occur as the labor unions also become exclusive and more concerned with their own interests, which then makes the negotiation capability and organizations of the labors become weak. Their bargaining position is also getting weaker since the number of labors who join unions becomes smaller as a result of the increased number of outsourcing workers. Another consequence is that each labor activist has different interpretation of industrial conflict. Some view it as a measure of last resort to press the employers, and some other see it as an arena of learning and struggling for labors’ normative rights.

Key words: industrial conflict, outsourcing, interaction ritual, normative rights, last resort, win-win solutions.

INTRODUCTION
Conflicts between labors and employers as well as rallies held on National Labor Day or other events post-New Order era are a socio-political phenomenon which has tendency to occur more frequently in many regions, including East Java. Whenever there is a new policy issued by the government, concerning the welfare of labors in particular, such as the cost of proper living, the determination of wage components and the minimum provincial/municipal wage, it is certain that rallies or, even, conflicts will take place, particularly when employers do not immediately resolve their demands.

A study conducted by SMERU Research Institute (2002) found that what the labors demanded during the industrial conflicts or a strike was a demand for non-basic rights such as increase in food allowances, transport allowances and menstruation leave. Based on the records of the Regional Office of Manpower in some research areas, disputes caused by issues non-basic rights occurred as many as 70%. Meanwhile, those caused by the demands for basic rights occurred as many as 30%. A study conducted by Sutinah et al. (2009) about the industrial conflict mapping in East Java found some pivotal issues related to conflict issues or industrial disputes, including issues about the wages (the amount of wages, wage components and the determination of wages), the increasing number of companies using contract labor and outsourcing, settlement of industrial disputes and so on.
In accordance with the data from January to July of 2011, there were strikes and labor protests as many as 26 cases in East Java, involving 24,256 labors with the number of working hours lost as many as 1,503,872 hours (Ditjend PHI and JSK, 2011). East Java was ranked second, after Banten (25,420 labors), by the number of labors involved. However, the number of working hours lost during strikes and demonstrations in East Java reached almost 80% out of national working hours lost. In the first semester of 2011 there was a tendency of increasing industrial conflicts ahead of Hari Raya, in which the labors went on strike and demonstrations to demand for holiday incentives and at the end of the year, upon the determination of the minimum wage for the following year.

Based on an annual report by the East Java Police as presented by the Head of Public Relations of the East Java Police, Police Commissioner Rahmat Mulyana, on Saturday (12/31/2011), throughout 2011, demonstrations in East Java dropped by 11.1 percent from the previous year (2010). In 2010 there were 1,254 rallies, while in 2011 there were 1,240 rallies. From January to June 2012 there were 548 cases with different causes of industrial disputes (conflicts), comprised of layoffs, demands for basic rights, conflicts of interest, conflicts between the unions/labors and strikes (Polda Jawa Timur, 2011).

What are the causes of the growing number of industrial conflicts occurring between labors and employers in East Java? Industrial conflicts are triggered by various factors, including low labor costs, the increasing number of companies using contract labors and outsourcing. On the other hand, the cost of basic needs increases due to rising prices of fuel oil. This article is not intended to explain the occurrence of industrial conflicts because of non-fulfillment of the basic rights of labors, but to argue that the conflicts are more likely motivated by the unsuccessful interaction ritual between labors and employers.

**METHODS**

The present study is a qualitative study using in-depth interview with labor activists. The activists are either the board of committee of labor unions or non board of committee members of labor unions in East Java. The number of activists interviewed in the present study was 16, who were chosen purposively. In addition to interviewing the activists, the researcher interviewed a businessman in East Java and two informants from The Regional Office of Manpower in Surabaya.

**LITERATURE REVIEW**

The present study uses non-Marxian perspectives, particularly Collins’ theory about interaction ritual or interactional conflicts that adopts phenomenology approach, thus emphasizing on deep observation at the level of individuals. Collins suggests that some of the basic elements of organizational theory consist of individuals who seek their own interests, who are willing to accept sanctions at the expense of the fulfillment of their demands. Therefore, the analysis at the micro level reflects relationship of domination and obedience, symbolized by the rituals of respect, trust, especially when lower status people interact with people of higher status. Such rituals may happen either in a state of open conflict, in meetings or daily conversations.

Abercrombie, Hill and Turner (2010: 274-275) explained that the industrial conflicts have various manifestations such as strikes, sabotage, output restriction, non-cooperation, etc., occurring either individually or collectively. Labor issues left unresolved (rallies, strikes, etc.) have caused a number of companies to pull out of the country. In this case, there are two phenomena emerging simultaneously, i.e. labor action in the form of demonstrations or strikes.
and the issue of investors leaving, relocating, and canceling their investment plans in Indonesia. These two phenomena have the same function, i.e. to pressure the government.

Given that there are a number of companies that will relocate their business, stopping the production process, using contract labor and outsourcing, protests by labors, directly or indirectly, will result in dismissals and other following problems such as the issue of severance pay. If these issues are not immediately resolved, new conflicts between labors and employers, or even with the State, will arise.

Conflicts between labors and employers, according to Haryani, are caused by both individual and organizational factors. Individual factors arise because of differences in individual characteristics or interaction between individuals, causing resentment toward others, miscommunication and mistrust between individuals. On the other hand, organizational factors comprise competition for limited resources, unclear responsibilities and legal rights, wage system, and power differences among members of the organization.

Less harmonious industrial relations caused by lack of mutual trust between labors and employers occur in most regions in Indonesia, including East Java. While labors see employers as the party that always expresses the loss, employers look at the labors and trade unions as the party that is full of demands regardless of the difficulties employers face (Euis D. Shadiman in Jurnal Ilmu Hukum Litigasi, 2009, Vol 19, Number 1 February). Law No. 13 of 2003 on Labour includes negotiation mechanism, but does not require negotiations between labors and employers when there is a problem of industrial relations between the parties, as expressed by Rekson Silaban, Chairman of the Confederation of Indonesian Prosperity Trade Union (KSBSI) (Rekson Silaban 2006 : 6).

Inconsistent law implementation makes employers easily avoid negotiations. As a consequence, industrial relations get disturbed and communication is hampered. This circumstance often trigger protests or, even, strikes. Collins explained unsuccessful interaction ritual, including communication between labors and employers which is not going well, becomes a source of industrial conflicts. Industrial conflicts, according to Collins, do not occur because one party (employers) holds power (authority), while the other party does not have the power (authority).

Authority relations or power relations, according to Collins, are a continuous hierarchical distribution where a number of people are given commands, which later becomes the basis for exploitation and social conflict in modern society that is increasingly industrialized (Syed Nur Santosa Kristeva. Negara Marxis dan Revolusi Proletariat, Yogyakarta: Pustaka Pelajar, 2011: 12-15). According to Collins, the main source of conflict in social life is the result of man’s efforts to influence or control the subjective definitions of others in order to increase his advantage in interpersonal encounter (Doyle Paul Johnson, ibid: 207 and George Ritzer and Douglas J. Goodman, 2003, ibid: 207).

Greenberg and Baron explain that industrial conflicts arise because of the differences in the interests of the company. Conflict is a process yielded by individual or collective action, and has negative effects on labors’ interests. Meanwhile, the Law No. 2 of 2004 on the Settlement of Industrial Relations Dispute defines industrial disputes as a dissent causing conflict between employers or a group of employers and labors or labor unions because of the dispute about the
Almost every year, East Java faces various socio-economic problems, among which are labor issues such as unemployment, low wages, strikes, layoffs, contract labor and outsourcing. Industrial conflicts recently occurred in the form of rallies and strikes, often with riot, road-blocking, hostage-taking, and so forth. Industrial conflicts are more likely caused by labors demanding improvements in facilities or working conditions. Sutinah (2010) (Sutinah, et al, 2009: 80) found that the facilities/working conditions in need of improvements were as follows.

<table>
<thead>
<tr>
<th>Facilities/Conditions Need Improvements</th>
<th>Very Necessary</th>
<th>Necessary</th>
<th>Fairly Necessary</th>
<th>Not Necessary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Wages</td>
<td>42.4</td>
<td>46.5</td>
<td>10</td>
<td>1.2</td>
</tr>
<tr>
<td>2. Holiday incentives</td>
<td>14.1</td>
<td>75.9</td>
<td>8.8</td>
<td>1.2</td>
</tr>
<tr>
<td>3. Overtime wages</td>
<td>5.9</td>
<td>78.2</td>
<td>13.5</td>
<td>2.4</td>
</tr>
<tr>
<td>4. Contract labors</td>
<td>52.4</td>
<td>32.9</td>
<td>12.4</td>
<td>2.4</td>
</tr>
<tr>
<td>5. Layoffs mechanism</td>
<td>16.5</td>
<td>68.4</td>
<td>8.2</td>
<td>4.7</td>
</tr>
<tr>
<td>6. Work hours</td>
<td>2.4</td>
<td>56.5</td>
<td>27.1</td>
<td>14.1</td>
</tr>
<tr>
<td>7. Workforce insurance</td>
<td>16.5</td>
<td>46.5</td>
<td>25.9</td>
<td>11.2</td>
</tr>
<tr>
<td>8. Labor union</td>
<td>8.8</td>
<td>47.1</td>
<td>22.4</td>
<td>21.8</td>
</tr>
<tr>
<td>9. Right to Worship</td>
<td>2.4</td>
<td>47.6</td>
<td>12.2</td>
<td>31.8</td>
</tr>
<tr>
<td>10. Leave</td>
<td>2.4</td>
<td>47.6</td>
<td>12.2</td>
<td>31.8</td>
</tr>
</tbody>
</table>


In accordance with the list, facilities/conditions that need improvement are of labors’ basic rights, in addition to the issues of contract labor, outsourcing and layoffs. The demands presented by the labors are closely related to physiological needs, which, according to the labors, can be resolved without having to go down to the street, as long as employers are willing to engage in dialogue with labors to discuss issues between labors and employers. In fact, a similar study also found that conditions such as wages, THR, overtime and transport are still insufficient. If fuel prices rise, the wages received is getting more insufficient. However, labors can understand suppose market demand is declining or rising prices of raw materials, as long as the employer expressed openly. The frequent occurrence is that either in difficult conditions or increased market demand, employers always state that the company is facing difficulties, causing distrust and the seeds of conflict.

Consequently, well established relationship between labors and employers will deteriorate, and the production process will also decrease, which can then lead to industrial conflicts that often disturb the public. On the one hand, industrial conflict is an issue that directly brings a serious impact on the business climate as a result of unsuccessful interaction ritual and communication deadlock. Even the company needs to take out a huge cost for security officers in addition to severance pay in case there is a layoff. On the other hand, there are issues of employment, unemployment and poverty which need to be addressed immediately.
Industrial conflicts in East Java, in general, can be seen through various rallies/demonstrations, protests and labor strikes. Central issues voiced out in the recent rallies include the abolition of outsourcing, contract labor, low wage rejection, other labors’ basic rights, and layoffs. In East Java, industrial conflicts between employers and labors occur frequently. Based on the number of labors involved in the rallies or demonstrations and strikes, the industrial conflicts occurred in a large scale. In various areas in East Java, protests to ask for holiday incentives prior to Hari Raya most certainly happen, as it did in July-August 2012 in which many labors demanded holiday incentives and higher provincial minimum wage that coincidentally occured nearly at the same time. Besides, rallies or demonstrations of labors in commemoration of International Labour Day on May 1, known as Mayday, invariably happen.

CONCLUSION AND SUGGESTION
The study found that the involvement of labors in various rallies, demonstrations and strikes are forms of industrial conflict motivated by the ineffectiveness of negotiations or dialogue involving bipartite and tripartite elements. In the mechanism of determining the costs of proper living and minimum wage, ‘deadlock’ occurred frequently. When labor representatives entered the room, the employers left and vice versa, so they could not sit together to solve the problems. The unsuccessful dialogue has made the interests of labors left unaccommodated, including low wages, determination of the minimum wage, costs of proper living and components of proper living. Thus, conflicts could not be avoided.

The increasing number of contract labors, outsourced labors in the production process (core business) and severance are an indicator of the lack of interaction between the employers (management) and labors. This causes labors to feel disrespected. In addition, the lack of socialization of related laws and regulations often creates suspicion of the government’s bias to employers, not to mention the inconsistent implementation of the legislation, as well as lack of commitment to implementing the regulations and policies. Thereby, industrial conflicts are not only because of the labors who are always demanding, but also issues of the communication deadlock among various elements involved in industrial relations. Labor as an element directly involved in the production process is often compared to the manufacturing machine. Thus, when the cost of production increases, the labors’ wage is the most flexible element to be pushed. Hence, the phenomenon of industrial conflict is not a stand-alone issue, but involves many intertwined elements.

Labors realize that they have a very pivotal role in the production process and hope they are recognized as partners by their employers. Holding rallies, demonstrations and even strikes is actually their last choice in order to make each element in industry realize their respective positions and consistently implement legislation.

In order to reduce the frequency of various actions held by labors to voice their demand, a number of recommendations below can be taken into consideration.

First, in order to minimize the occurrence of industrial conflicts, employers, the state (government) and labors should sit together to discuss the problems faced by employers and labors, so that their interests are met in one point and they can find solutions that are not detrimental to either party, but win-win solutions. Each party should be mutually tolerant. Employers have to be aware that labors are the spearhead of the production process, while labors also need to realize that the availability of job fields at such time is very limited.
Second, commitment of all related parties in industrial relations is required particularly in implementing policies, laws and regulations related to labors and employment issues. The state (government) who formulates legislation should not violate the provisions made, including freedom of association, the application of minimum wage and the use of outsourced labors so as not to cause 'prejudice' that the state (government) with its legislation is siding with the employers. As the state (government), admittedly or not, feels 'scared' against the threat of employers who will relocate their business overseas, labors are at disadvantaged position again.

Third, the state (government) and employers need to understand the significance of industrial conflicts among labors. Hence, in handling industrial conflicts in the form of rallies, demonstrations and even strikes, they should not be repressive. Instead, they should handle any conflict with a more empathetic and democratice approach, so that the problems can be solved without creating new problems. They need to understand that various labor actions are labors' efforts to fight for their basic rights, even they are done as their last choice (necessity) and last attempt when the dialogue and sit-down, either bipartite or tripartite is not reached.

Fourth, a joint forum may be needed to fight for labor rights and to raise awareness that the role of labor unions is to accommodate the aspirations of members (labors) and jointly defend or fight for labor rights, and not to become provider of outsourced labors. Therefore, the establishment of labor unions which have been regulated in the Law no. 21 in the year of 2000 concerning Trade Union/Labour Union requires supervision or control of the related parties concerned, whether the unions currently developing are appropriate or deviating the provisions. Thus, inter-union conflicts can be eliminated. The joint forum can be realized in the form of joint exercises and morning coffee session between employers (management) and labor representatives. It can be an "early warning system" so that various labor actions can be anticipated, and positive interaction rituals can occur.

Fifth, there is a need to evaluate the number of existing labor unions because the number of unions is not in proportion to the number of labors registered as the members. Increasing number of labor unions results in division among the labors and, consequently, makes labors' position weak and not solid. Therefore, control upon the unions is necessary.

Sixth, given the determination of minimum wage is the most crucial conflict trigger, the Wage Council should be objective and neutral. Discussion forums related to the results of a survey on the components of proper living are necessary prior to the submission of the proposed wage to mayor/regent or governor. Thus, the determination of the minimum wage can meet the interests of both sides, i.e. labors and employers. ***

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