

Outline of trade union rights violations at PT SC Enterprises



[Share in WhatsApp](#)

The below narrative describes the challenges faced by SP SCE union in organizing at PT SC Enterprises, including multiple violations of trade union rights by PT SC Enterprises management, as reported by SP SCE union and KASBI to Oxfam and the Clean Clothes Campaign.

This report takes carefully into account all the conferring documentation as well as numerous investigations and related statements obtained from SP SCE (affiliated to KASBI) and obtained directly from the parties involved.

On 11 March 2012 the Serikat Pekerja SCE union was established in order to promote the fulfillment of workers' normative rights within the factory.*¹ Since that time there is eligible evidence that there has been an orchestrated campaign by SP SCE factory management to prevent the SP SCE union for achieving this goal. An outline of actions taken by SP SCE management to severely limit freedom of association at the factory is as follows.



Solidarity demonstration for the PT SC workers

On 3 May 2012, workers in Line 6 of the Sewing Department reported that they were prohibited from leaving their workstations despite having completed their legally mandated hours and having achieved their production target. Besides they noticed that the Chief Supervisor of these workers insisted that these workers stay on and work overtime, in a practice known as “loyalty working hours”, which means unpaid overtime. Those refused to complete the unpaid overtime were threatened with dismissal. As Chairperson of the SP SCE union, Ebo Budiyanoto, spoke with the Chief supervisor to try to defend his members rights. However, Mr Ebo Budiyanoto's reasoning was not accepted and on the following day, 4 May 2012, Mr Ebo Budiyanoto was sacked.

On 9 May 2012, following a formal complaint regarding the aforementioned unfair dismissal a mediation was held

at the office of the Klaten Department of Manpower. Those union officials who attended the meeting reported that the factory had hired third parties to attend the meeting and try to pressure the local government to declare the union as illegal (despite its official registration with the department). They also reported feeling personally intimidated by the presence of these external people.*2

On 10 May 2012 PT SCE management dismissed all the SP SCE representatives who had attended the mediation at the Klaten Department of Manpower the previous day. Factory management claimed that these dismissals were due to the completion of contracts and to maintain efficiency. However, the fact that PT SC Enterprises is now training and hiring new workers seems to directly contradict this statement. Additionally, the contract of the workers who were fired were not due to expire and some were working under conditions which establish their legal status as permanent workers.

A further incident provides evidence that PT SCE factory management has engaged in systematic delegitimization efforts which result in a systematic attempt to suppress the SP SCE Union. At 10am on 10 May 2012 the factory supervisor brought together all the workers in each department to instruct them that the company had established a new union called the Independent Union (SPI). Workers reported that they then coerced workers into registering their names with this union.

Several workers refused to register and declared that a factory officer (initials OC) then asked them why they had refused. The officer claimed that KASBI was illegal, whereas whoever signed up to the new union would be guaranteed "protection, welfare and security". And more, if workers refused to sign up, they would be threatened with dismissal and the company would not take responsibility for their futures.

Indonesian Labour Law UU No.13/2003, specifically Articles 151 and 153, stipulate that if workers reject the termination of employment, negotiations must be held and if an agreement is not reached, the outcome shall be determined by an industrial relations dispute body. As long as the final decision remains undetermined, both employers and employees must continue to meet their respective obligations.

In accordance with this law, several members of the SP SCE leadership tried to meet their obligations as employees, by attending work at PT SC Enterprises on 12 May 2012. However, they were prevented from entering the PT SC Enterprises grounds by the factory's security guards. A list of 'Names of people who are not allowed to enter the grounds of PT SCE' had been posted at the security post, together with photographs of the listed workers. On that list, among others, were the names of the leadership and members of SP SCE that had been fired.

On 17 May 2012 an official ceremony was held to formalize the union established by factory management (the Independent Union or SPI). The ceremony was extravagant, there were singers and music bands who performed till night while at the same time PT SCE did not pay overtime wages. Many workers reported that they were forced to attend - as the gate was heavily guarded by PT SC Enterprises security and no workers were allowed to go home.

In response to the aforementioned dismissals, there were attempts by both members and non-members of the SP SCE union, who were still working at the factory, to demonstrate their solidarity. On 23 May 2012 they collected money to help one of the victims of the dismissals (a single parent who urgently needed money to pay her child's school fees). Many workers and union official declared that the finishing manager (Initial TM), the accessories warehouse manager (Initial A), the operational manager (Initial Y), the purchaser (Initial S) and the export-import manager (Initial I) summoned all the workers who had engaged in solidarity efforts. They told them that if they

continued to show support for their co-workers who had been sacked, or demonstrate any affiliation to KASBI, they would also be dismissed.

On 21 May 2012, 39 victims of the arbitrary dismissals officially challenged the dismissals at the Klaten Department of Manpower. At the same time as this development, the SP SCE attempted to hold negotiations. However, on 24 May 2012, when negotiations were meant to take place, representatives of the SP SCE, were violently evicted by PT SCE guards and several plain clothed men.*3

Following this incident, representatives of PT SC Enterprises management called together the workers of the Sewing Department. They claimed they were the leadership of the Independent Union. Some people testify that they insisted that KASBI was illegal and that if workers joined solidarity actions for KASBI they would be fired. They continued by stating that if they joined SPI their contracts would be extended but if they remained in contact with KASBI they would be forced to resign. They also claimed that people from KASBI only wanted to cause unrest in the factory and subsequently derive profit from that unrest.

On 31 May 2012 several workers from different departments reported to have been summoned by their supervisors and were once again told that if they provided solidarity to KASBI they would face consequences.

On 13 June 2012, a form was circulated entitled 'List of Names that Reject the Representation by KASBI Trade Union (Ebo Budiyanto et al.)'. Workers reported they were coerced into signing the form

In an effort to seek positive resolution of the aforementioned issues, the SP SCE union has sought to enter negotiations several times. However on each of the occasions such efforts have been met with intimidation, arbitrary dismissals and violations of human rights. This is despite the formal investigations and recommendations by the Klaten Department of Manpower and Klaten Regency Government, which found that a violation of workers rights had occurred and that the issues should be resolved via good faith negotiations.*4

On 25 June 2012 The Klaten Regency Department of Manpower issued an official Recommendation Letter (No 567/1320/14) that calls on PT SC Enterprises to re-employ the 42 wrongly dismissed workers. (see Compendium page 72-78)

On 6 July 2012 PT SC Enterprises transferred the SP SCE union chairperson, Ary Dewi Lisnawati to a new department without providing any reason. Ms Ary Dewi and another union official requested an explanation on a number of occasions and even wrote a letter about the incident to factory management. This letter explained that the transfers were not in accordance with Ms Ary Dewi's employment contract or her skills.

But rather than providing an explanation, on 12 July 2012 human resources department manager Mr Rifki Alfianto gave an oral order that Ms Ary Dewi should take leave from work up till Saturday the 14th of July. Mr Rifki Alfianto ordered Ms Ary Dewi to return to work the following Monday 16 July.

On Monday, 16 July 2012, Ms Ary Dewi arrived at work and tried to meet with the human resources department manager, however Mr Rifky refused to meet and sent forward a person called Mr Erwin. Ms Ary Dewi refused to be transferred once again and was then ordered to go home and wait for a response from the human resource department two days later.

As the order was only issued orally, Ms Ary Dewi asked for a written statement of the order in the form of a letter. The human resource department declined to provide a written statement. Mr Erwin instead ordered that Ms Ary Dewi write her own letter to seek permission for the leave. Ms Ary Dewi rejected this suggestion because she

herself had not requested to take leave, she wanted to continue to work.

On Tuesday, 17 July 2012, Ms Ary Dewi received a first warning letter and was ordered to go home once again until Friday 20 July. This order was also issued orally and no formal letter was provided when requested by Ms Ary Dewi.

She was then escorted by three security personnel, even when she went to go to use the bathroom. An altercation then occurred when one of the security personnel tried to break down the bathroom door to force her to immediately leave. This behavior was a form of harassment in complete disregard of women's rights and human rights.

At lunchtime Ms Yuni Endarwati, the SP SCE union treasurer was provided a letter that stipulated that her contract had expired and would not be extended. However, as we had previously stated in a formal complaint to the Klaten Labour Department PT SCE contracts have been in total violation of labour law or, at least, contain many legal defects. For instance Ms Yuni's contract had previously been extended four times, whereas contract extensions are not allowed to take place more than twice. If contracts are extended more than twice their expiry date no longer has legal status and the employee becomes permanent.

On this same day a number of members were threatened to be transferred to the Cleaning Service section if they continued to oppose management.

On Saturday 21 July the chair of SP SCE union, Ms Ary Dewi received her second warning letter (third warning letter can result in dismissal) and was suspended until Wednesday the following week.

On Sunday 22 July SP SCE union and KASBI Yogyakarta held a demonstration at elite housing estate, Casa Grande, where Mr Arrow Cavazza resides (Stephen Cavazza's son and general manager of PT SCE). The demonstrating workers met at the factory at 1pm, however a number were unable to attend because they were forced to work unpaid overtime, known as "loyalty hours". Many people present at that moment noticed that the factory was heavily guarded by local heavy men, security personnel and police. At 2pm the workers arrived at Mr Cavazza's residence. Here there were also a number of local heavy men who sought to provoke and intimidate the demonstrators. However the demonstration was otherwise peaceful and was documented extensively in local media.

Following the Lebaran holiday (19 - 24 August) many workers resigned from the factory, including SP SCE members. KASBI reports that harsh working conditions and forced, unpaid overtime were the main drivers of these resignations.

On September 20 2012 SP SCE members reported to Oxfam that orders continue to increase at the factory – together with production targets. PT SCE are still producing almost exclusively for Original Marines (particularly T-shirts and jackets) but on occasion make a small number of products for a label known as 'Key Hole'. Overtime at the factory continues to increase. From Monday to Friday overtime work frequently takes place until 8pm and on Saturday and Sunday until 4pm. SP SCE members still report that overtime work is not paid in accordance with legal regulations and the workers must reach their targets before overtime hours are recorded. For overtime work that the factory does acknowledge, workers are paid in installments rather than the full amount owed. Workers have been informed that those who refuse to undertake overtime will receive warning letters and will not be eligible for contract extensions. The factory is also continuing its practice of using informal piecework labour, which is outsourced to villagers from the surrounding district. They report being paid between Rp.300-800 per

garment.

The workers acknowledged a number of small improvements in the more recent contracts at the factory – for example they removed the clause that explicitly stated that pregnant workers or workers suffering ongoing sickness would be fired. In practice, however, SP SCE has observed few positive changes at the factory or in the treatment of workers.

On December 19, 2012, a worker testified that he saw the managers and supervisors having a meeting in the management room. Yudha, the production manager, who is also the chairman of the "Independent union SPI" was seen in the meeting. What was discussed in the meeting was unclear, he just saw a poster that read "Go To Hell KASBI" with a cross on the word KASBI.

On December 14th a meeting took place between union representatives (2 from KASBI and 6 from SP SCE) and PT SCE manager Rifky Alfianto with Rangkey Margana (PT SC Lawyer) and 3 other person. During the meeting unions officials submitted PT SCE the request to sign the FOA protocol and all other outstanding demands. The meeting did not brought any concrete result toward the resolution of the case and to any reliable process to address the dispute.

Mid-December PTSCE provided facilities to SPI such as an office room and computers in the factory.

On December 19, 2012 at 3pm, the representatives from the cutting and distribution departments gathered in the cafeteria. The management (Mr. Aser and Mr.Tatid) said PT SCE will be closed if Original Marines is continuously protested for implementing loyalty hours. They were invited to gather there and were order to stage a demonstration to defend SCE, because if SCE is closed they will not have jobs.

On December 20, 2012, at 7am about 200 workers were briefed at the factory before leaving for Klaten Labor District. Workers reported they were indoctrinated that the factory will be closed if they do not protest to reject SP SCE and defend SCE at the Manpower Department. Some workers saw the preparation of snacks in the factory cafeteria for the protesters at the Klaten Labor District office.

On December 21, management circulated a REJECTION FORM against the rehire of 42 people who were terminated and the workers were asked to sign it. Workers reported that if they did not want to sign, they would be terminated.

December 28, SCE workers were told to gather in front of the factory, and were told to hold the flag of SPI, while their photograph was taken by Yudha, the chairman of SPI, who is also the production manager. Workers also reported that they were forced to fill out an SPI membership form, under the threat that they would be terminated otherwise.

On 8 January 2013, workers testified that the working conditions at PT SCE had not changed. Amongst others they testified that:

- Overtime hours are not paid if the target is not met
- Overtime pay is not fully paid by the company in once, it is paid by installment system, depending on management approval.
- Many workers resigned from PT SCE because they cannot stand the long working hours and overtime pay which is always paid in parts.
- No work no pay rule was imposed in PT SCE. The workers do not get paid when the company is off and the

workers do not get paid when they are on sick leave.

- Some workers received warning letters for refusing to follow the extension hours
- Overtime pay is calculated according to the Rules and Regulation but the payment is in installments, so not directly paid.

1 The legal status of the SPSCE-KASBI can be verified with reference to its registration number: 060/OP/DINSOSNAKERTRANS/III/2012.

2 For official reports of the use of intimidation, see, e.g. <http://harianjoglosemar.com/berita/mediasi-buruh-pt-sce-panas-diwarnai-intimidasi-75337.html>

3 See, e.g., <http://manteb.com/berita/3428/Audiensi.Dengan.Manajemen.Pabrik.Buruh.Diusir.Paksa> or <http://krjogja.com/read/129808/keamanan-pt-sce-usir-buruh.kr>.

4 <http://jogja.tribunnews.com/2012/08/03/13-pelanggaran-pt-sce-dicatat-dinsosnakertrans>

Filed under: [PT SC Enterprises union Indonesia](#)

About CCC

Mission
How We Work
Local CCC's



At a glance

The Issues
FAQ
Get Active
Stay Informed

Living Wage

Why a living wage?
Asia Floor Wage
Sign the Living Wage petition

Contact

Contact Information
For the Press
About this site