

Java's Olympic Struggle: Faster, Cheaper, Poorer

By Andrew Burrell

Kanti, a garment worker, is one of the lucky ones. Each day at 7am, she trudges into the giant Kahatex factory on the dusty outskirts of Bandung, thankful she has a job when 40million of her compatriots do not.

By mid-afternoon, if she has worked fast enough, she will have stitched together her quota of almost 20,000 parts of the T-shirts her company produces for major clothing brands in Europe and the US.

For this, Kanti is paid a poverty-level wage of about \$3 a day. She and her husband, also a factory employee, receive a combined salary of 1million rupiahs (\$159) per month - barely enough to buy food, pay the rent and send money back to their family taking care of their seven-year-old son.

But Kanti knows she is much better off than the unemployed in a country without a social security system.

Still, the meagre wage and repetitive nature of the work are not Kanti's main grievances.

The worst part of the job, she says, is the constant pressure she and thousands of her colleagues at the Kahatex factory are under to meet the harsh individual targets that were introduced in 1999.

To achieve her designated target of sewing 19,550 "units" - or individual parts of T-shirts - each day, Kanti must operate like a robot, completing about 46 units per minute.

Kanti says in the past she was allowed to work overtime but this has been restricted and she must now meet the target by 2.30pm each day or face questions and possibly punishment from her supervisors.

"I'm always anxious and stressed that I won't fulfil the target because sometimes it is difficult to sew different colours so quickly," says Kanti, a dignified 28-year-old.

"I would like to be able to work some overtime, at least until 5pm, so I can meet the target more easily and maybe earn some extra money," she says.

Kanti's story is typical of the 1.2million garment factory workers in Indonesia where labour laws, strengthened since the fall of president Soeharto in 1998, have often failed to produce better conditions in the sweatshops that churn out sportswear and general apparel for export to the world's richest countries.

A new fear - job insecurity - has emerged to haunt the mostly female labourers who toil in the 1000 or so garment factories in or around Bandung, the centre of Indonesia's manufacturing industry.

At least 100 factories in the area have shut since 2002 as the big global brands such as Nike and Gap source more of their clothing from China and Vietnam, where wages are cheaper and productivity often higher.

More Indonesian workers are being employed on a temporary basis, allowing companies to evade their legal responsibilities to pay benefits such as maternity leave or severance pay.

Tens of thousands have lost their jobs, adding to Indonesia's chronic unemployment problem. The worst could be yet to come.

The Multi-Fibre Arrangement (MFA), a 30-year-old global pact that sets strict quotas on imports into the huge US and European markets, will expire on January 1.

Once the quota system ends, China, the world's largest producer of apparel and textiles, will probably dominate and Indonesia's share of the \$US500billion (\$680billion) market is expected to decline further.

At last week's parliamentary elections, Indonesian voters dumped President Megawati Soekarnoputri's ruling party, disillusioned with the government's failure to address bread-and-butter issues such as unemployment and endemic corruption.

In Bandung, Megawati's Indonesian Democratic Party of Struggle (PDI-P) was dealt a particularly harsh blow. After winning the seat with ease at the last election in 1999, its share of the vote has been slashed and it appears likely to lose to the rival Golkar party, which campaigned on a return to the economic stability of the Soeharto era.

For Kanti, the fear of losing her job is part of a post-Soeharto era of reforms that has promised much but delivered little.

Minimum wages in most provinces have skyrocketed - in West Java, of which Bandung is the capital, salaries have doubled in the past four years alone - but workers have found this has barely kept pace with the spiralling cost of living.

The end of the Soeharto regime led to an explosion in the number of trade unions, yet joining a union can be difficult and workers say membership of some organisations is a barrier to promotion.

Female workers have been granted menstruation leave of two days a month - a generous condition by Western labour standards. Yet all but one of the 10 women who spoke to The Australian Financial Review said they were afraid of taking it for fear of retribution and the need to get a medical certificate to prove they were menstruating.

Women are also allowed to take three months' paid maternity leave, yet some say they are too exhausted from work to have babies or simply cannot afford it.

Factories have introduced limited medical facilities for staff but done little to address injuries that are common such as electric shocks, headaches, back pain, varicose veins and needle-related wounds.

A major report by Oxfam released recently describes improvements at garment factories in developing countries as "very modest" - despite the bad publicity over working conditions which had forced some big companies to display more corporate social responsibility.

The report has set its sights on factories that produce clothing for the global sportswear giants such as Nike, Adidas, Puma, Fila, ASICS, Lotto and Umbro.

It claims that with the Olympics coming, the big brands were building record profits at "the expense of the dignity, health and safety of vulnerable men and women" who were producing the apparel and shoes for the event.

Long working hours, forced overtime, lack of job and wage security, poverty wages, denial of the right to unionise, poor health and mental stress are cited as the realities of life in sportswear factories.

"Far away from the media spotlight that will fall on the Athens Olympic Stadium [these workers] are involved in an epic struggle of their own – a struggle for survival," the report says.

"They are working long hours for low wages in arduous conditions, often without the most basic employment protection. The rights to join and form trade unions and to engage in collective bargaining are systematically violated.

"If labour exploitation were an Olympic sport, the sportswear giants would be well represented among the medal winners."

At the core of the problem, according to the report, is a business model based on ruthless price pressure, a demand for fast and flexible delivery and a constant shift in manufacturing location in pursuit of lower costs.

"Market power enables global companies to demand that their suppliers cut prices, shorten delivery times and adjust rapidly to fluctuating orders," the report says.

The big beneficiaries of this system are the sportswear companies themselves, which are generating strong profits.

Western consumers, too, are happy: the average price of a pair of trainers in the US has fallen from \$US41 to \$US36 since 1997.

At the bottom of this global supply chain are the garment industry's predominantly female workers, who are more likely to accept such low-paid work and who remain vulnerable to verbal abuse and sexual harassment.

One Indonesian worker told the Oxfam study: "Pretty girls in the factory are always harassed by the male managers. They come on to the girls, call them into their offices, whisper into their ears, touch them at the waist, arms, neck, buttocks and breasts, bribe the girls with money and threats of losing their jobs to have sex with them."

Kanti says she has never been the subject of such abuse because her supervisors at Kahatex are mainly women.

But she claims she has suffered because she is a member of a new Indonesian union called PPB, which boasts 8000 members in Bandung and has gained a reputation among factory bosses for militancy - mostly because it has pushed for benefits to which workers are legally entitled. Kanti says about 60 PPB members who recently protested against the individual target system have been fired.

And she believes that being a union member has precluded her from getting a promotion, despite her 10 years at the factory.

To be promoted, she says, workers need to develop a very close relationship with a superior and bribery is not uncommon.

According to the Oxfam report, traditional attitudes towards women's roles in developing countries such as Indonesia make it more difficult for them to become active union members. "Married women are expected to fulfil the main child-care and household responsibilities, despite long working hours - a fact which leaves them little time for trade union activities," it says.

Sitting on the floor of a house in the poverty-ridden backstreets of Bandung, Kanti laughs at the suggestion she might be able to save any of her 550,000 rupiah monthly income. But she says she dreams that one day she will be able to return to her village to start her own tailoring business.

"That way I can work in a business that is more humane. It wouldn't be like this place. All I want is to be able to provide a better future for my son."