After Rallies: Roles of Labor Politics in Shaping Social Security Reform in Indonesia

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Abstract. The study examines the role of the Indonesian labor movement in shaping social policy reform in Indonesia, particularly in health policy reform. The role of labor politics in the development and extension of social policy has been extensively debated. Strong labor politics typically result in more social spending and more social provisions for citizens. However, the idea of diminishing state resources following COVID-19 pandemic and neo-liberal employment policy is gradually eroding labor capacity to exert its political influence. This global trend has also affected labor politics and social policy in Indonesia. Utilizing the advocacy coalition framework and power resource theory to the labor movement's experience in Indonesia, this study asks how Indonesian labor unions navigating and creating policy changes in Indonesia's social policy landscape. Beyond the typical technocratic approach that is common in Indonesian social policy studies, the study contributes to the conversation on social policy change in countries with fragmented labor politics.

Keywords: Labor Movement, Health Policy, and Social Policy Reform

1 Introduction

In the past, trade unions have been crucial to the development of the welfare state and the growth of social protection. Trade unions have contributed to the growth and expansion of social protection[1]. However, the role of trade unions and the welfare state has changed (if not declined) in recent decades due to the financialization of development, which is a major aspect of neoliberalism. Trade unions' ability to advocate for social security expansion is coming under more and more pressure. A number of nations have actively worked to limit trade unions' capacity to organize and promote social policies. Meanwhile, there has also been pressure on the conventional welfare state model. The state is not required to offer comprehensive social security since, according to the neoliberal development model, residents are responsible for their own social security. Building social security systems in every nation has become much more difficult as a result of the worldwide shock brought on by the COVID-19 epidemic.

The events that took place in Indonesia are equally relevant to this global dynamic. Trade unions have played a significant role in social protection programs since the creation of the Law on Social Security Administering Body (UU Badan Penyelenggaran Jaminan Sosial) No. 24 of 2011 and the National Social Security System Law (UU Sistem Jaminan Sosial Nasional) No. 40 of 2004. Numerous trade union networks were involved, particularly in the creation of the laws that served as the foundation for

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Indonesia's social protection policies. Many of these networks were small, autonomous unions that sprang from the alternative labor movement supported by NGOs in the late Suharto era. Along with coalitions of farmers and fishermen, this coalition—later renamed the Social Security Reform Action Committee (Komite Aksi Jaminan Sosial)—also included well-known NGOs including the Urban Poor Consortium, Indonesian Corruption Watch, and the Trade Union Rights Center.

In addition to advocating for the passage of Law Number 24 of 2011 concerning the Implementation of Social Security, this campaign persuaded lawmakers and other parties of the significance of the labor movement in the policy process even though it did not initially garner the full support of the labor movement. A range of strategies were employed by KAJS to help guarantee the campaign's success. They attended parliamentary discussions on the BPJS law, partnering with individual politicians and academics, and filing citizen lawsuits[2]. But in the end, these strategies were bolstered by the union's ability to organize huge protests. Momentum peaked on May Day 2010, when some 150,000 workers protested in Jakarta, following a string of protests throughout Indonesia[3]. On July 29, workers protested before parliament once more, demanding that the proposed bill incorporate the suggestions of the appropriate parliamentary commission[4]. Hundreds of thousands of workers called for the government to ratify the implementing draft law right away on May Day 2011. With a petition signed by 50,000 people, hundreds of labor union members marched 250 kilometers from Bandung to Jakarta's Presidential Palace the following month. As the bill's passage date drew nearer, protests intensified, leading to a large-scale rally on October 28, the last day of the law's consideration. Some 30,000 people gathered outside the national parliament building to demand that the measure be passed. The demonstrators broke down the gates and entered the parliament complex after realizing that the two sides were still at odds. When Rieke Diah Pitaloka and Ribka Tjiptaning appeared to declare the measure into law that evening, the protest became a celebration [5].

The KAJS coalition underwent a transformation during its development. At the moment, labor unions' engagement in social protection programs is additionally formalized through the appointment of worker representatives to the Supervisory Board of BPJS Employment and BPJS Health as well as the National Social Security Council (Dewan Jaminan Sosial Nasional).

The 2023 Health Law poses a threat to social protection in the health sector. The shift from mandatory expenditure to a money-follow program is another factor contributing to the labor union's opposition to the health law. If mandatory spending is being implemented correctly, BPJS is responsible for covering all costs related to citizen care. However, labor unions are concerned about co-sharing or co-payments between patients and BPJS Kesehatan if funds are obtained through the initiative. Furthermore, because BPJS Kesehatan will be under the Minister of Health in the Health Bill, the Workers Union also objected to the distribution of health insurance contingency expenses, which they believed would be disturbed. According to the Workers Union, the new Health Law lessens the fulfillment of the people's right to health since BPJS Kesehatan will not be able to directly use the National Budget if it is put under the Minister of Health.

This research is motivated to examine the dynamics of trade unions' role in changes to

Indonesia's social protection policies. Research on Indonesian trade unions, particularly during and after the New Order (1968–2001), reveals the fragmentation that takes place inside trade unions and the poor aspects of labor politics. As a result, trade unions in Indonesia play a minor part in the formulation of national policy. This raises the following questions: What are the function and effects of trade unions in Indonesian social protection?

This study adds to the discussion regarding the function of labor unions and other non-governmental groups in the formulation of social protection policies. Theories of policy change have been influenced by documented studies on the function of social protection laws and trade unions in nations with developed policy systems. However, in research on the function of civil society and the process of policy change, the experiences of nations like Indonesia that have a fragmented history of trade unions and a limited role for non-governmental organizations have not yet taken the center stage.

2 Methodology

The research was conducted with qualitative research approach. Data collection was derived from in-depth interviews with labor union activists (7 activists) from various labor unions, one official from Indonesia's Partai Buruh (Labor Party), officials from BPJS Kesehatan and BPJS Ketenagakerjaan (5 officials). The data collection activities were conducted in March-October 2024.

3 Results and Discussion

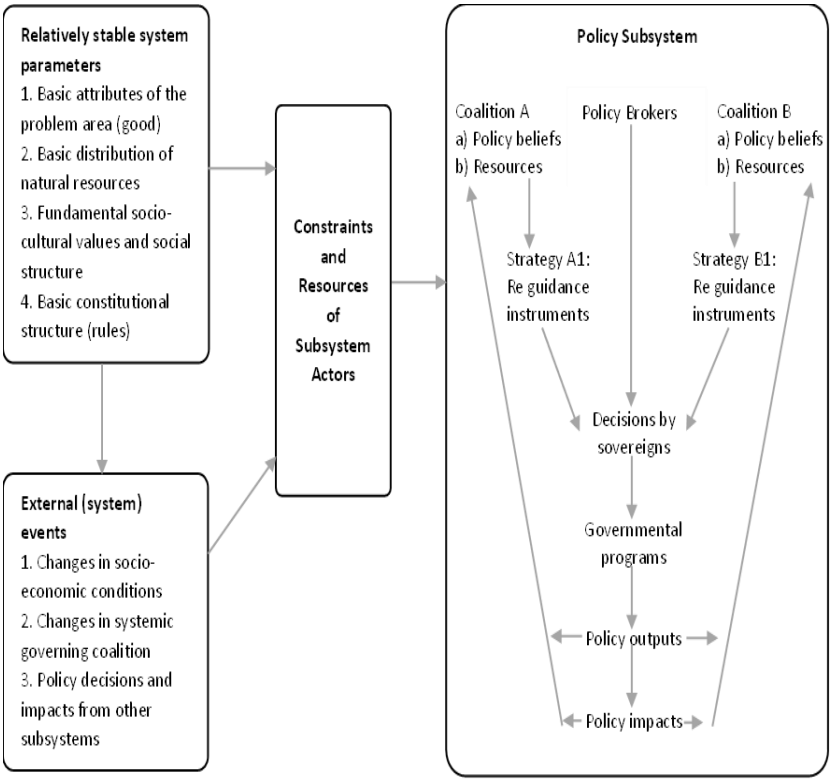
Path dependence theory, advocacy coalition framework, policy learning, policy diffusion, punctuated equilibrium, institutional change, multi-level governance, policy network, and disruptive innovation are some of theoretical frameworks on policy change in the public policy literature. Every method makes some assumptions in order to explain how policies evolve.

This paper takes advocacy coalition framework introduced by Sabatier [6] as the main theoretical framework complemented with Power Resource Theory [7]. This theoretical combination is chosen based on the assumption that public policy process is a cause-and-effect process in which policy change is influenced by the interaction of values and interests among policy actors. According to the advocacy coalition structure, policy change is a result from combination of factors such as the capacity of policy coalition to evolve and engage with one another [8]. The success of an idea in the current policy network and significant external changes or shocks to the political system interact to produce policy change, which in turn can lead to actors in the advocacy coalition pushing for policy change (see Diagram 1).

By connecting the idea of policy subsystems to the broader political system and considering advocacy coalitions—rather than merely formal organizations—as the key to policy change, this model makes a contribution to the field of policy change theory development[6]. Furthermore, this framework combines on top-down and bottom-up methods for studying policy change. This framework does not presuppose that all actors strive to maximize their own interests in order to promote the welfare of the group. This model views the concept of ideas and the origins of existing policies as one of the crucial

aspects of the policy change process because it assumes that actors have a limited capacity to process information and that they also perceive policy changes in accordance with a set of beliefs.

Diagram 1: Advocacy Coalition Framework's Policy Change Model



Source: Sabatier 1988: 132-135

Additionally, ACF is especially made for policy sectors with a high degree of goal conflict, technical ambiguity, and the complexity of policy actors from different governmental levels. This concept has been used in many significant cases, particularly in the areas of education, environmental or social issues, and energy. ACF does, however, face certain difficulties. It is particularly challenging to ascertain the opinions of policy players. Another challenging empirical procedure is mapping advocacy coalitions and identifying all internal and external factors that may have an impact on policy subsystems.

The Advocacy Coalition Framework (ACF) and Power Resources Theory (PRT) are complimentary methods for understanding how interest groups, including labor unions, shape public policy. ACF places more emphasis on the coalitions and belief systems that influence long-term policy processes than PRT does on the strategic mobilization of resources. According to Power Resources Theory (PRT), actors like labor unions use their economic, political, and social power resources to sway policy. Economic power

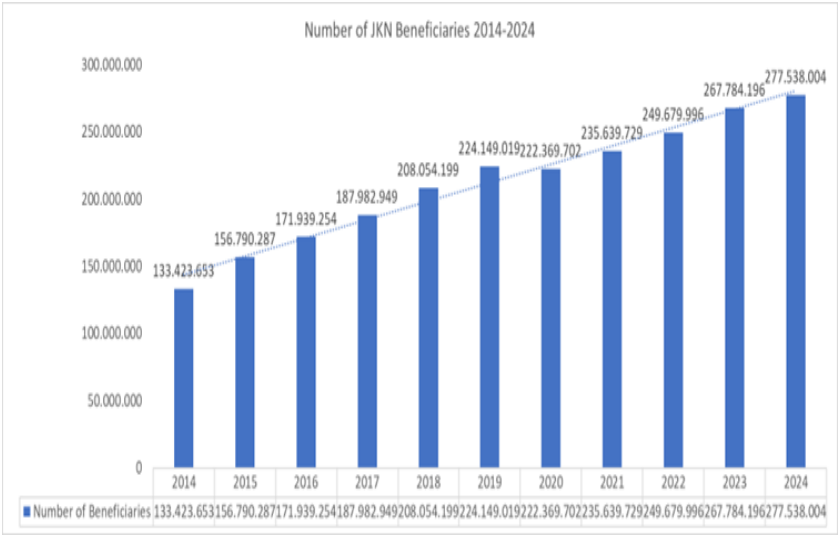
includes things like resource mobilization, collective bargaining, and strikes. Political power includes coalitions with political parties, electoral influence, and lobbying. Social Power: Organizing demonstrations, public opinion, and grassroots backing.

ACF investigates how advocacy coalitions—groups of people with similar views cooperating in a policy subsystem—interact to bring about policy change over time. Different actors (such as unions, non-governmental organizations, officials, and scholars) who have similar Core Beliefs—long-term ideological convictions like health care as a human right—and Policy Beliefs—specific policy preferences like extending BPJS Health coverage—make up coalitions. Learning and outside shocks like political upheavals, economic disasters, or public health crises that upset the status quo are how ACF policy changes. When coalitions modify their tactics in response to fresh knowledge, policy learning takes place.

Trade unions have been important defenders of workers' rights throughout Indonesia's post-1998) democratic era, and health care has always been at the top of their agenda. With the creation of the National Social Security System (SJSN) in 2004, which sought to provide universal social security, including health coverage, the movement for improved health benefits gained impetus.

As a significant victory for workers' rights, trade unions were instrumental in promoting the creation of BPJS Kesehatan in 2014. More than ninety precent of Indonesians are now covered by BPJS Kesehatan's health care program. As shown in Fig.1 below.

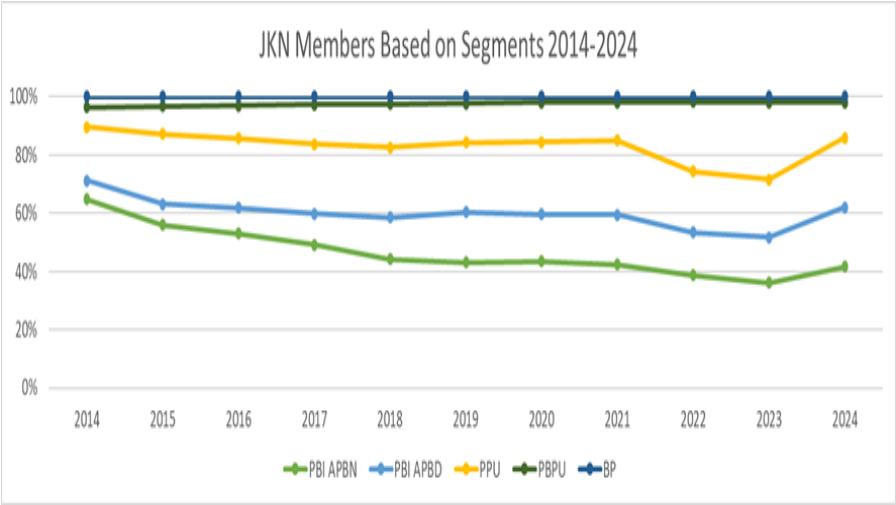
Figure 1. JKN Total Beneficiaries



Source: DJSN calculated by Author. 2024

The number of JKN members from infomal sector has also increased as shown in the number of registered non-salaried workers (Pekerja Bukan Penerima Upah/ PBPU) membership in the JKN program (Fig.2). This success is largely result of pressure from unions.

Fig. 2. JKN Memberships based on Membership Segments



Source: DJSN calculated by Author, 2024

Despite the fact that there are still large coverage gaps, the campaign was successful in increasing awareness and obtaining more financing, highlighting the role that unions play in promoting more equitable health care laws.

In order to guarantee the extension of BPJS Kesehatan benefits and protections, unions also have been working to monitor the implementation of BPJS Kesehatan program. They have frequently called for greater protection coverage, better access to services, and improvement of health care quality through protests, strikes, and policy discussions. For instance, unions have advocated in recent years to enhance care quality, shorten wait times at medical facilities, and broaden BPJS coverage to cover more extensive medical services. Furthermore, unions have backed changes to labor laws that guarantee health benefits are an essential component of employment agreements, particularly in industries like mining and manufacturing that require a lot of hard labor.

One noteworthy example of BPJS Kesehatan coverage expansion is the its expansion campaign. At first, BPJS was mainly designed for employees in the formal sector, with little enrollment among those in the informal sector, which employs the majority of Indonesians. In order to increase the accessibility of health treatments for informal workers, trade unions, such as the Confederation of Indonesian Trade Unions (KSPI) and the Federation of Indonesian Metal Workers Unions (FSPMI), organized actions to demand increasing health coverage and government support. these includes organizing awareness campaigns, petitioning the government, and holding rallies.

In addition to advocating for legislation, unions are essential in overseeing the execution of health care programs and guaranteeing that companies adhere to health care regulations. Unions keep a close eye on employer payments in the case of BPJS Kesehatan, making sure that businesses fulfill their duties to cover health premiums for their workers. Additionally, unions protect workers by reporting instances of employer non-compliance, fighting for workers' interests by confronting bureaucratic barriers,

and helping workers with BPJS Kesehatan claims. In order to support employees in disagreements over health care coverage, the union has partnered with legal aid groups. By conducting surveys and reporting problems like lengthy wait times, subpar facilities, and inaccessible services, the union has also attempted to hold BPJS Kesehatan responsible for the quality of its offerings. The union then brings these concerns to the attention of legislators. The role of labor unions in the implementation of BPJS Kesehatan has been positively welcomed by BPJS Kesehatan officials. BPJS Kesehatan regularly holds meetings with external stakeholders including with labor unions.

Nonetheless, the Indonesian labor movement faces a number of obstacles related to the health insurance policies. The first obstacle has to do with political resistance. Employers and government organizations frequently oppose unions politically, claiming that union demands for more health coverage are expensive. Proposed health care improvements are occasionally delayed or rejected as a result of this opposition. For unions, Indonesia's political and legal landscape poses serious difficulties. The legal framework in which Indonesian unions function are limited on their operations. For example, labor laws restrict unions' capacity to mobilize swiftly and efficiently by requiring lengthy bureaucratic processes to plan strikes and demonstrations. Unions fighting for improved health care laws have to get over these limitations, frequent delays and legal obstacles that lessen the effectiveness of their activities.

Furthermore, union demands have not always been supported by Indonesia's political environment. Economic expansion and foreign investment have been given top priority by succeeding administrations, frequently at the price of bolstering labor laws. Union demands for increased health benefits are occasionally viewed as an economic burden due to the government's strong ties to corporate interests, especially in vital sectors like manufacturing and mining. Policymakers frequently oppose unions because they believe that their demands for expanded coverage and more spending for health care conflict with Indonesia's economic goals.

The second obstacle has to do with union fragmentation. With numerous unions representing various industries and political interests, Indonesia's labor movement is dispersed[9]. Because different unions may emphasize different topics, this fragmentation can weaken collective advocacy efforts and result in a compromised fight for comprehensive health care reform.

The third obstacle relates to financial limitations with Indonesia health financing itself. BPJS Kesehatan's financial issues have caused financial strain on the system, which has led to late payments and a decline in the standard of care. The efficacy of union-led health care reform is limited since BPJS is still susceptible to budget deficits, despite unions' persistent calls for more financing. This has been a joint concerns of both BPJS Kesehatan officials as well as labor unions.

The fourth issue is how unions represent workers in the informal sector[10]. The majority of Indonesia's workforce is made up of informal workers, yet because of their unstable employment status, they are frequently underrepresented in union advocacy. In their health care campaigns, unions have found it difficult to successfully include informal workers, which hinders their ability to advocate for policies that will help this vulnerable population.

These difficulties show that although unions have made success in advocating for health care policies, structural problems in the political and economic structures still impede their advancement. More union cooperation, creative lobbying techniques, and possible alliances with governmental and non-governmental groups will all be necessary to remove these obstacles[11].

With these structural barriers in mind, compared to neighboring nations with more restrictive union frameworks, Indonesian unions have a comparatively substantial impact over health care policy in the larger Southeast Asian context. For instance, in Malaysia, unions are subject to stringent government controls and have less policy influence, which leaves workers with fewer comprehensive health coverage. In Thailand, unions must deal with extremely stringent regulations.

Although they confront similar obstacles to Indonesia, including funding and unequal access for informal workers, Indonesian unions have been instrumental in promoting universal health coverage. In terms of tactics to increase access to healthcare, Indonesian unions have learned from labor movements in these nearby nations. Indonesian unions have cited Thailand's unions' successful advocacy for government subsidies for low-wage workers under a universal health care system as one of its strategic planning. Although Indonesian unions confront many obstacles, this comparative research shows that their relative autonomy enables them to have a substantial impact on the promotion of health care policies.

4 Conclusion

The article has shown that despite the fragmented and relatively weak political capacity, labor unions in Indonesia have a significant influence on social policy reform, particularly regarding health policy reform. By contextualizing the advocacy coalition framework and power resource theory to the labor movement experience, the article elaborates two areas in which the labor unions have influenced the shape of health protection policy in Indonesia. They have a significant role in pushing the implementation of health protection for all and also play an essential role as watchdogs in implementing health protection in the country. These successes, however, are still constrained by the underlying structural problems faced by the Indonesian labor structure and political realities. More union cooperation, creative lobbying techniques, and possible alliances with governmental and non-governmental groups will all be necessary to remove these obstacles.

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