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# Global Codes and Local Conduct

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Corporate Codes of Conduct and the Roles, Collaboration and Relationship  
between Local Labor Actors in Indonesia

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## **Abstract**

Existing research points both to the importance of local actors' participation in the development and implementation of private regulation of workers' rights (such as codes of conduct) and to the need for cooperation between unions and non-governmental organizations (NGOs). However, there is limited previous empirical research into the role of local actors in private regulation and previous research also shows that the collaboration and relationship between unions and NGOs can be rather complicated. To address these gaps, this study examines local unions' and NGOs' views on codes of conduct (CoC) as a tool to enforce workers' rights within the Indonesian garment industry. The study also explores the roles of, as well as the collaboration and relationship between, Indonesian unions and NGOs.

Through a qualitative Minor Field Study in Indonesia, fifteen interviews with local unionists and NGO activists were conducted. Our findings show that unions and NGOs view CoC positively as an alternative instrument to improve working conditions. However, both groups also identify several shortcomings of CoC, such as CoC lacking local adaptation and legal enforcement. As a consequence, local actors and international companies have started to collaborate in a new way (called the Play Fair Alliance) to address workers' rights issues through legally binding protocols. Furthermore, on the basis of our findings, we have added to existing literature into union-NGO collaboration by developing a typology of the main roles of unions and NGOs in Indonesia. This systematization reveals three areas where both unions and NGOs claim to have a role, also being the areas in which unions as well as NGOs state that they meet to collaborate. Finally, our findings point at the union-NGO relationship being characterized by great ambiguity, resulting from an unclear role division as a consequence of the specific historical circumstances of the Indonesian labor movement.

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## Abbreviations

<b>ACILS</b>	American Center for International Labor Solidarity
<b>AFW</b>	Asian Floor Wage Campaign
<b>ASEAN</b>	Association of Southeast Asian Nations
<b>CBA</b>	Collective Bargaining Agreement
<b>CCC</b>	Clean Clothes Campaign
<b>CoC</b>	Code of Conduct
<b>CSR</b>	Corporate Social Responsibility
<b>EMI</b>	Equipo de Monitoreo Independiente de Honduras
<b>FES</b>	Friedrich Ebert Stiftung
<b>FoA</b>	Freedom of Association
<b>GDP</b>	Gross Domestic Product
<b>ILO</b>	International Labour Organization
<b>LIPS</b>	Lembaga Informasi Perburuhan Sedane
<b>NGO</b>	Non-governmental organization
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>RLS</b>	Ratcheting Labor Standards
<b>SIDA</b>	Swedish International Development Cooperation Agency
<b>SPSI</b>	Serikat Pekerja Seluruh Indonesia
<b>TNC</b>	Transnational Corporation
<b>TURC</b>	Trade Unions Rights Centre

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# 1. Introduction

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*The purpose of this first chapter is to introduce the topic of the study. Hence, a background discussing globalization, corporate codes of conduct and local labor actors will be given. Furthermore, the purpose of the study will be explained and four research questions stated. Finally, the delimitations of the study as well as some terminology will be described, and the disposition of the thesis presented.*

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## 1.1 Background

*“We are in the middle of the transformation of how to make the corporations responsible with labor issues. What instruments should we use? We are trying to find out, and we are still working with the framework. Codes of conduct have existed since 20 years, now it is time for my generation to have a breakthrough and to make a difference.” (NGO I)*

As illustrated by the Indonesian NGO activist in the quote above, local workers in developing countries are searching for ways to increase the responsibility of multinational corporations. Parallel to this movement, the list of revealed and published scandals connecting international companies to the conduct of foreign suppliers is extending: subcontractors to Nike preventing the formation of labor unions in South Korea and offering pittances to workers in Indonesia; a supplier producing for Guess not paying required minimum wage; 150 employees dismissed as a consequence of trying to form a union at a supplier factory in El Salvador producing for Gap; unacceptable working conditions and child labor at a subcontractor producing for Disney in Haiti and Indonesia (Klein, 2000). Since scandals such as these attract attention from the public community and consumers, they could risk harming the image of a company. Consequently, there has been a growing need for international corporations to control the behavior of their suppliers overseas, leading to the creation of codes of conduct (CoC) (Barrientos, 2002 *in*, Jenkins, Pearson & Seyfang, 2002). In general, these codes aim to control issues such as child labor, freedom of association (FoA), wages, forced labor, working conditions and the right to bargaining collectively (Jenkins et al., 2002).

In order to offer any improvements in working conditions and reduce the risk of bad publicity, codes of conduct have to be implemented and translated into practice at supplier factories overseas. However, previous research points at a lack of implementation of codes of conduct (Locke, Qin & Brause 2008; Yu, 2009), and suggests local actors in the countries of production playing an important role in implementing codes (Barrientos, 2002 *in*, Jenkins et al., 2002). At the same time, existing research also points at local unions and NGOs starting to use codes of conduct as a tool in their own struggle to improve workers' rights (Fruendt, 2004; Rodríguez-Garavito, 2005), and address the importance of collaboration between these two actors (Gallin, 2000; Ross, 2006). Realizing this, questions regarding how local labor actors in



the countries of production view the possibilities of codes of conduct and how local unions and NGOs relate to one and another arose.

To address these questions, we travelled to a country where issues of workers' rights as well as codes of conduct are common and significant - Indonesia. The country being the world's third-largest democracy with a young labor movement, being a large exporter of textile and garment, and facing problems of corruption (Landguiden, 2010) further made it an interesting case of choice. During a two month *Minor Field Study* sponsored by the Swedish International Development Cooperation Agency (SIDA) we had the privilege to learn more about these issues by conducting interviews with local labor unions and labor NGOs. Through the experiences of the interviewees we aimed to get a picture of the possibilities and shortcomings of codes of conduct as well as acquire a greater understanding of the interaction between the two groups of local labor actors. It is this picture and this increased knowledge that we aspire to share through this thesis. However, before moving forward to specify our research questions, we will first take a look at the background that has shaped the current situation. This background will take its point of departure in a discussion concerning globalization and the emergence of corporate social responsibility (CSR). Later, it will focus more specifically on corporate codes of conduct, before turning to local labor actors in general, and Indonesian unions and NGOs in particular.

### **1.1.1 Globalization and corporate social responsibility**

As Stutz and Warf (2005) argue, “*globalization refers to worldwide processes that make the world, its economic system, and its society more uniform, more integrated, and more interdependent*” (p. 13). More and more industries are becoming global, moving from a national context to a transnational context. This trend has resulted in several consequences such as increasing competition, global outsourcing, technology achievements and homogenization of consumer preferences (Egels-Zandén, 2008). In particular the textile and garment industry is a well known global industry where transnational corporations outsource their manufacturing to developing countries, such as Indonesia, to achieve lower production costs (Stutz & Warf, 2005). In turn, Egels-Zandén and Hyllman (2007) argue that lower labor costs often leads to inferior working conditions and to a “*'race to the bottom' in terms of workers' rights*” (p. 207). In line with this, Jenkins et al. (2002) argue that employment at supplier factories often is temporary, overtime compulsory, wages are varying, social protection is lacking and organization of workers is poor or non-existent.

Globalization together with new technologies has also brought new sources of information and opportunities for stakeholders to pressure and monitor corporations (Werther & Chandler, 2006). Dicken (2003) argues that there are many different forms of anti-globalization groups, for example NGOs and labor unions. These various organizations urge people to become aware of the darker side of globalization in an attempt to see both the benefits and the drawbacks. As a consequence, companies increasingly face the risk of being exposed as violating workers' rights (Barrientos, 2002 *in*, Jenkins et al., 2002). In turn, as a mean to offset the potential risk of bad publicity companies have started to engage in corporate social

responsibility, a concept that the European Commission defines as corporations integrating; *"social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis"* (European Commission, 2011). As part of companies CSR commitment, codes of conduct have been developed as a tool aiming to take responsibility for workers at supplier factories overseas (Barrientos, 2002 *in*, Jenkins et al., 2002). Consequently, pressure from different stakeholders has led to corporations taking responsibility and working for improved labor conditions in their manufacturing factories.

According to Egels-Zandén (2008), the national context where industrial relations systems were entrenched has shifted to a transnational context. The enlargement of the context has had several effects on the relational system, including the involvement of new actors, mainly NGOs, to be part of the collective bargaining for workers' rights, redistributing the power of these actors, and the transition from being legally based to voluntary governance. Governments today are not keeping up with the world integration, which has led to a lack of governance and a shift of power (Dicken, 2003). While labor unions and governments have been weakened due to transnational relations systems, NGOs are becoming more influential, filling a gap in governance. NGOs have historically primarily interacted with governments, however, this is now shifting to NGOs interacting more with TNCs as governments are retreating and TNCs influence is increasing (Egels-Zandén, 2008). In line with this, according to Arenas, Lozano and Albareda (2009), it is important for corporations to decrease their firm-centric view and look more on the relationship with and among other stakeholders. However, although NGOs' global participation, *"NGO influence and relationship with business also depend heavily on national and regional contexts"* (Doh & Guay, 2006 *in*, Arenas et al., 2009, p. 180). International NGOs are often recognized as one of the main actors in the implementation of CSR, since they put pressure on corporations to take responsibility for their business. On the other hand, smaller, local NGOs have not been participating in the CSR movement to the same extent (Arenas et al., 2009).

### **1.1.2 Codes of conduct as a tool to enforce workers' rights**

After a company has developed and signed a code of conduct, the *"ratcheting labor standards (RLS) model of codes of conduct"* (p. 209), offers an explanation of the succeeding process and how codes can create a broader market incentive for firms (Fung, O'Rourke & Sabel, *in* Rodríguez-Garavito, 2005). According to this model, TNCs would after adopting a code enforce it within their global value chains. Barrientos (2002 *in*, Jenkins et al., 2002) argues that this enforcement is possible due to the power dominance of global buyers, as they are able to place or remove orders from suppliers. The TNCs would then reveal the location of the supplier factories and permit monitors to investigate the level of code compliance. Furthermore, multi-stakeholder organizations and international organizations would monitor the monitors and publically announce their findings. Finally, investors and consumers would consider these findings when making investment and purchasing decisions. Hence, a market incentive for TNCs to continually improve working conditions in order to compete for better rankings would emerge (Fung et al. *in*, Rodríguez-Garavito, 2005). Furthermore, revealing a

gap in code compliance could offer actors that are striving for improved working conditions a source of countervailing power towards multinational companies. This power stems from the risk of embarrassment of companies as a consequence of them not keeping their word. According to Rodríguez-Garavito (2005), *“the politics of shame may be highly effective”* (p. 224).

In contrast to legally based regulation, private regulation such as codes of conduct is based on a *“soft law”*, a voluntary concept that governs international corporations. While violating this voluntary law increases the risk for scandals that can damage the brand image, it does not result in legal sanctions (Vogel, 2009). According to Vogel (2009), there are today several codes of conduct active around the world and one supplier or product can be subject to several different codes. The study by Yu (2007) demonstrates that most codes of conduct are concentrated to labor-intensive industries, such as the textile, garment and footwear industry. Furthermore, the content of the codes often differ from one code to another, even though the majority are based on the core conventions of the International Labor Organization (ILO). The impact of codes of conduct also vary and depend on several factors including the extent to which the codes are implemented and how genuine companies are in their CSR efforts (Yu, 2007).

According to Prieto-Carrón et al. (2006), the debate regarding CSR and codes of conduct should be broadened to not only include northern actors and perspectives, but also the perspectives of the actors *“on the ground”* in developing countries in the global South. These actors, they claim, are *“often missing from the lists of stakeholders, or physically absent from stakeholders’ meetings and forums”* (p. 984). In line with this, Barrientos (2002 in, Jenkins et al., 2002) argues that the translation of a corporate code into practice will *“depend on the existence and activity of civil society and labour organizations at different nodes of the chain, and how active they are in pressing for improvements in labour standards”* (p. 68). Looking at a South-East Asian context, Welford and Frost (2006 in, Visser & Tolhurst, 2010) further address the need of collaboration between suppliers, international companies, governments and NGOs in the development of CSR frameworks in South-East Asian countries. To sum up, there are voices calling for an alternative approach to the current CSR and codes of conduct movement that to a larger extent involves local actors. Consequently, we will in the next section introduce these actors more specifically.

### **1.1.3 Local labor actors**

Globalization has challenged the position of unions through declining memberships. Additionally, large international corporations and the decentralization of industrial relations have led to decreased union influence in the labor movement (Egels-Zandén, 2008). The functions of labor unions in a globalized environment are being endangered due to such factors as the high demands on flexibility (Rachmawati, 2009). The labor movement and its actors’ involvement differ by geographical location. In the global North, labor unions are strong and legitimate, working together with the workers on the ground handling labor issues.

Labor unions in the global South, on the other hand, often face different circumstances; they are not as strong nor are they welcomed by governments or companies. Whereas, labor unions and workers in Europe have legally defined rights to engage in collective bargaining and thus are able to influence corporate decisions (Preuss, 2008). Furthermore, according to Yu (2007), northern labor unions are often involved in the negotiation concerning working conditions, while unions in the South do not possess this privileged role and are instead often opposed.

According to Bendaña (2006), NGOs often have different approaches depending both on the geographical arena and the ideological choices made. Labor NGOs in the global North are not very involved with working conditions in the same context, but rather, focus on the conditions in the global South, i.e. working globally. Whereas, labor NGOs in the global South concentrate on the context in which they are active, i.e. they are working locally. Traditionally, labor issues have been addressed by a national tripartite including corporations, unions and governments. However, in many developing countries the traditional tripartite is either insufficient or not functional, which leads to the involvement of other actors, such as NGOs (Frundt, 2004). However, according to Ford (2009), research concerning labor movements in post-colonial developing countries has almost solely focused on labor unions as the appropriate tool for organized labor. Consequently, other actors that are involved in worker rights issues, but do not meet the union criteria, have to a large extent been ignored. In line with this, Spooner (2004) argues that while working conditions are worsening, even more labor unions acknowledge *“the importance of developing good relationships with NGOs, especially where the latter are clearly having a strong international impact”* (p.26). Therefore, considering that other actors’ involvement is especially relevant for developing countries, Ford (2009) states that *“the case for looking beyond traditional industrial relations actors is even stronger in emerging economies”* (p. 207).

In the case of Indonesia, Ford (2009) argues that not only labor unions but also labor NGOs play an important role in the labor movement: *“NGOs’ continuing and evolving engagement as labour movement institutions in a context where independent trade unions can register is thus highly significant as it suggests that there is indeed a place for non-union organisations in the labour movement in Indonesia”* (p. 202). Additionally, Alfonso, Herrera and Roman (*in Visser & Tolhurst, 2010*) acknowledge the importance of NGOs in the Indonesian labor movement. According to Ford (2009), the involvement of NGOs along with unions in the labor movement has been highly shaped by the political history of the country. As independent labor unions were not permitted to form during the Suharto era, 1966-1998, it fell on labor NGOs and non-worker activists to organize workers and assist them in their struggle for improved working conditions. Besides sharing the commitment to promote worker organizing and increased worker rights, the NGOs involved in the labor movement differed in many ways. The basis of their work differed ideologically from being inspired by human rights, feminism, Marxism or Christianity. In the same manner, the activists composing the NGOs ranged from being ex-trade unionists to human rights activists and students. One reason why NGO activists were engaged in the labor movement was due to their belief that they could contribute knowledge and resources that the workers lacked, i.e. knowledge and

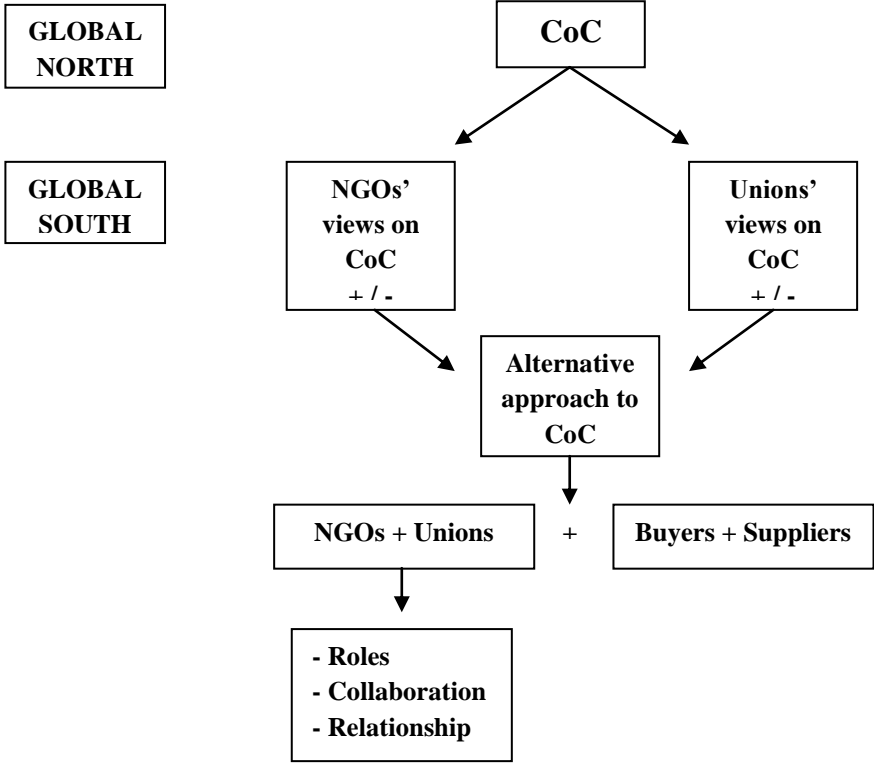
resources as a consequence of their background as middle class intellectuals. However, the legitimacy of their involvement in the labor movement was questioned by several actors, including NGO activists themselves. As a consequence, disagreement regarding the expectations of their role and the extent of their involvement in the labor movement created an “*extremely complicated relationship between the NGOs and Indonesia’s workers and worker-activists*” (Ford, 2009, p. 133).

## **1.2 Presentation of research problem**

As the background above demonstrates, the internationalization of business has forced multinational companies to face new problems related to production overseas. Consequently, as these problems are becoming increasingly apparent and public, there are growing efforts from companies to handle these issues and take on an extended responsibility covering foreign actors. Hence, voluntary codes of conduct have appeared as a contract between multinational companies and local suppliers aiming at regulating working conditions at supplier factories and increase the responsibility of TNCs (Bartley, 2007; Egels-Zandén, 2008). However, research point at a lack of implementation of such codes (Locke et al., 2008; Yu, 2009). In line with this, Barrientos (2002 *in*, Jenkins et al., 2002) argues that the implementation is dependent on the activity of labor actors in civil society. In the same manner, research by Rodríguez-Garavito (2005) shows that numerous unions and NGOs, in the global North as well as in the global South, have started to view codes of conduct as a potential tool in their struggle to enforce labor rights. However, Rodríguez-Garavito (2005) states that there is little empirical research on the function of codes of conduct on the ground and “*the way codes are perceived and used by local actors*”, such as workers, unions and NGOs (p. 204). Also Egels-Zandén and Hyllman (2007) address this lack of research by arguing that “*much is known of codes of conduct in general, but little is known of how codes in practice affect workers’ rights in developing countries*” (p. 208).

In order to reach an efficient implementation of codes of conduct, cooperation between local labor actors is important (e.g. Frundt, 2004; Rodríguez-Garavito, 2005; Ross, 2006), as well as cooperation between local labor actors and international companies (Rodríguez-Garavito, 2005). However, previous research shows that the collaboration and relationship between unions and NGOs can sometimes be rather complicated (Rodríguez-Garavito, 2005; Ford, 2009). Gallin (2000) argues that unions’ and NGOs’ “*joint impact on social and political events can be quite powerful.*” (p. 1). However, when collaboration between unions and NGOs fails it can severely damage the work of both actors. Regarding the collaboration between unions and NGOs in the specific Indonesian context, Ford (2009) addresses the need to further investigate their respective roles in the labor movement. She points to a lack of consensus among scholars concerning the importance and nature of NGOs’ involvement in labor issues and states that “*much remains to be done to reach a fuller understanding of their role*” (p. 208).

Understanding that local actors' involvement is important for an efficient implementation of CoC, we will take our point of departure in the exploration of local unions' and NGOs' views on CoC in Indonesia, as demonstrated in Figure 1 below. Realizing that cooperation between local labor actors is further important, we will later turn our focus to examine the roles, collaboration and relationship between the two groups of actors in the Indonesian labor movement. Our hope is that by examining the cooperation between Indonesian unions and labor NGOs, transnational companies within the garment industry will benefit from a greater understanding of these actors, thereby potentially facilitating future collaboration in the area of CSR. In turn, this improved cooperation between local labor actors and TNCs could increase the efficiency and the quality of the implementation of TNCs' CSR commitment. Ultimately, this could enhance the possibility of reaching the shared objective of all three parties, i.e. improved working conditions in the many garment industries in Indonesia.



**Figure 1** Overview of the research problem - from northern codes of conduct to the roles, collaboration and relationship of local labor actors in the South

**1.3 Purpose**

The broader purpose of this master thesis is to contribute to a greater understanding of how to increase the efficiency of the implementation of multinational corporations' CSR commitment towards supplier factories in developing countries. Consequently, in order to reach this broader purpose, we have followed the corporate tool aiming at regulating foreign working

conditions to its local context. Hence, one specific purpose of the study is to examine local unions' and labor NGOs' views on this corporate tool, i.e. the corporate code of conduct. Furthermore, since previous research points to the importance of the involvement of local actors in order to improve working conditions in accordance with the aim of the code of conduct, we will in this study further focus on these actors. More specifically, the purpose is to map the different roles of unions and labor NGOs in the Indonesian labor movement, as well as to examine the collaboration and relationship between these two actors.

## 1.4 Research questions

In order to reach the purpose of the study, four specific research questions will be further explored:

- *How do Indonesian labor unions and labor NGOs **view codes of conduct** as an instrument to enforce workers' rights in the garment industry?*
- *What current **roles** do unions and NGOs have in the Indonesian labor movement?*
- *How do unions and NGOs within the Indonesian garment industry **collaborate**?*
- *What characterizes the **relationship** between unions and NGOs in Indonesia?*

## 1.5 Delimitations

We have chosen to study local labor unions and labor NGOs associated with the textile and garment industry in Indonesia and their struggle to improve workers' rights. We chose to focus on this industry since it is highly labor-intensive and workers' rights are often violated (e.g. Stutz & Warf, 2005; Ross, 2006; Yu, 2009). Thus, this study is delimited to only focus on labor issues and will not further explore other aspects of CSR, such as environmental issues. Furthermore, this study is delimited to concentrate on Indonesia, a country important to the international textile and garment industry where many global brands produce their products. Indonesia further has problems with corruption and the enforcement of the national law, which have led to both companies and local actors turning to codes of conduct as an alternative tool to improve workers' rights (Locke & Romis, 2007). Due to limited resources and time we have focused on actors in the provinces of West Java and Jakarta, since the majority of the manufacturers within the textile and garment industry is located in these regions.

## 1.6 Terminology

To facilitate the understanding of the study, we would like to clarify some expressions used throughout the thesis. By the terms “north” and “western”, we refer to developed countries mainly concentrated in the global North. In the same manner, when using the term “South” we refer to developing countries primarily situated in the global South. Our intention is not to categorize but rather to facilitate the reading. When expressing the multinational company being the buyer in the supply chain, we have used the terms “buyer”, “brand”, “company”, “TNC”, “multinational corporation”, and “international company” synonymously. In the same manner, when expressing the supplier being the factory producing for the international company, we have used the terms “supplier” and “factory” in parallel.

To avoid any misunderstanding, since unions were not permitted during the dictatorship of Suharto, what later became unionists have during this period been referred to as “worker activists”. However, when talking about “worker activists” or “labor activists” in the post-Suharto era, we refer to NGO activists and not unionists. Furthermore, always when using the terms “unions” and “NGOs” it implies *labor* unions and *labor* NGOs. Also, when speaking about “Indonesian NGOs”, this includes international NGOs with local presence in Indonesia as well as NGOs founded in the country. Finally, by the division “insider” and “outsider” we intend to separate between two ways of engaging in the labor movement. While “insider” refers to activities or interaction directly involving workers, “outsider” implies an indirect involvement with workers.



## 1.7 Disposition

- Chapter 1:** The first chapter of the thesis aims to give the reader an **introduction** to the topic studied. Hence, a background to the issue is outlined as well as an explanation of the research problem and the purpose of the thesis. Furthermore, the research questions and the delimitations of the study are presented and some terminology explained.
- Chapter 2:** In the second chapter of the thesis, a **theoretical framework** to the subject studied is presented. This framework is based on previous research regarding unions' and NGOs' views on codes of conduct as well as their roles, collaboration and relationship.
- Chapter 3:** The third chapter aims to explain the **method** used when undertaking this study. Considerations regarding methodological choices, collection of empirical data and analysis procedure are explained as well as the credibility of the study discussed.
- Chapter 4:** The **empirical findings**, as a result of the field trip to Indonesia, are presented in the fourth chapter of the thesis.
- Chapter 5:** In the fifth chapter, an **analysis and discussion** based on the theoretical framework and the empirical findings is presented.
- Chapter 6:** In the last chapter of the thesis, the **conclusions** of the study are presented and the research questions answered. Furthermore, contributions of the study and some recommendations are given, as well as suggestions for further research.

## 2. Theoretical Framework

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*This second chapter aims at building a theoretical framework and a historical background to the topic studied. Hence, previous research concerning NGOs' and labor unions' views on codes of conduct will be presented, as well as previous research regarding the roles of the two actors and the collaboration and relationship between them two. Since existing research from an Asian context is scarce, the theoretical framework will to a large extent be based on studies conducted in other parts of the world, primarily in South America. However, recent research by Ford (2009) offers a rare and unique insight to the specific Indonesian context.*

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### 2.1 Views on codes of conduct

*“The fact that a corporation has printed up a code of conduct does not, in fact, offer any real assurance to consumers that goods are produced under safe working conditions, without polluting the local environment, or that the workers who made them were paid even the legal minimum wage, offered any kind of protection from harassment or discrimination, or allowed any rights to free association.” (Seidman, 2005, p. 182)*

As the quote above illustrates, there are different opinions towards CoC, which have to be considered when studying the concept and its possibilities and limitations. In line with this, Prieto-Carrón et al. (2006) argues that suppliers often find ways to work around the CoC, bribing monitors or telling the workers what to say during audits. Furthermore, this implicates problems implementing CoC and that organizations, such as unions and NGOs, lose faith in the document. There are lots of different opinions regarding CSR and corporate codes of conduct. The opinions differ from country to country, and also from stakeholder to stakeholder. Consequently, this section will present some of these different views, both negative and positive, and will focus on NGOs and unions and their experiences from using CoC as a tool to improve workers' rights.

#### 2.1.1 Labor unions' views on codes of conduct

According to Preuss (2008), CSR first came as an American response to the larger role that private corporations had adopted. As an American concept, CSR met difficulties in other parts of the world as well as among certain stakeholders, for example unions. Today several unions see possibilities with the CoC and have tried to integrate the CSR concept in their everyday work. However, some unions still view the concept negatively; that it is overlapping their efforts and that it will undermine their position. Preuss (2008) further argues that unions see themselves to have an important role in the labor movement, namely representing the workers. Unions also believe themselves to be important actors in the ongoing CSR

movement, however, unions in Europe have still not fully adopted the concept and are approaching CSR suspiciously (Preuss, 2008).

#### **2.1.1.1 Positive viewpoints**

According to Frundt (2004), labor unions acknowledge that codes can help as long as they make the individual consumer aware of problems existing in the factories. Moreover, when workers are aware of CoC and how the tool can assist them, a known brand will be in the unions' and workers' favour. Furthermore, several unions believe in nonprofit monitoring, and see greater advantages than disadvantages. Jenkins (2001) argues that unions have commenced to see alternative ways of using CoC and that they support specific codes that encourage freedom of association and create possibilities for the government to improve the enforcement of the national law.

In the article *Global Governance and Labor Rights*, by Rodríguez-Garavito (2005), local labor unions' struggle to empower workers was successful in using CoC as a tool together with a genuine and transparent monitoring system. Furthermore, labor unions in this case did not only improve workers' rights, but they also grew stronger themselves and could continue the fight giving workers a voice in the factories (Rodríguez-Garavito, 2005). However, the struggle is often long and hard and workers need to be persistent and sustain under threats and assaults to succeed. If workers continue to fight, use all tools available and work together with other organizations, both national and international, then workers will succeed in improving and maintaining workers' rights (Ross, 2006).

#### **2.1.1.2 Negative viewpoints**

There are certain CSR elements that labor unions in Europe have been especially critical of and the voluntary aspect is one of their foremost critics. Furthermore, a majority of the unions in Europe demands that CSR efforts, which companies claim to implement, are reported and that they should be legally binding. In line with this, unions also criticize the transparency of companies and consider it to be hard to measure their CSR commitment and to know what they actually are doing (Preuss, 2008). According to Justice (2002 *in*, Jenkins et al., 2002), labor unions in developing countries sometimes consider CoC to be an attempt to privatize the national law and to substitute collective bargaining.

According to Frundt (2004), a majority of the labor unions in Central America have a rather negative attitude towards CoC. They believe CoC to be more of a marketing tool than a tool to improve working conditions in the factories. Unions believe codes to substitute for the national law, which creates problems since the codes have no legal enforcement. Moreover, labor unions believe that the monitoring is made to protect the brand image and not the workers. Unions further consider CoC to be a useless tool if the workers are not properly informed about its content and benefits (Frundt, 2004).

Labor unions believe NGOs to be insufficient as monitors, since NGOs often come from middle-class families that know a lot about the political situation in the country but have little experience of the situation of workers. The study by Frundt (2004) further demonstrates that labor unions consider organizing and collective bargaining to be better tools to use in the struggle for workers' rights than CoC. According to Jenkins (2001), unions are sceptical to the descent and development of CoC as it has derived from western companies. In response to CoC being a management concept, unions have demanded that companies discuss and develop the CoC together with unions before it is being implemented (Justice, 2002 *in*, Jenkins et al., 2002).

### **2.1.2 NGOs' views on codes of conduct**

Looking at examples from a South American context, local unions and local labor NGOs often regard governments as unreliable to enforce the national law and protect workers. Consequently, new strategies and tools, such as CoC, are instead used in the process to improve workers' rights. Furthermore, unions have been, and are still today, often oppressed by suppliers in Central America, which has led to the need of other actors involvement in the struggle for workers' rights; NGOs (Rodríguez-Garavito, 2005). According to Harrison and Scorse (2004 *in*, Ross, 2006), NGO activists sometimes question themselves and wonder if *"they have really helped any workers to actually improve their conditions."* (p. 65) However, previous research from Indonesia shows that activists pressuring factories notably improved workers' wages in the textile and footwear industry. In turn, this indicates the importance of NGOs in the labor movement (Ross, 2006).

According to Jenkins (2001), there is a difference between NGOs in the global North and NGOs in the global South; they have different roles and are also viewing CoC differently. The following quote illustrates how southern NGOs view their role in the labor movement, *"Southern NGOs see themselves as augmenting the role of trade unions. This can either be through supporting and providing training for trade unions in those areas where they exist, or facilitating the organization of groups which traditionally have weak trade union links"* (Jenkins, 2001, p. 18). This section will account for the views of both northern and southern NGOs, to present an image of the different opinions concerning CoC as a tool to improve workers' rights.

#### **2.1.2.1 Positive viewpoints**

According to Rodríguez-Garavito (2005), various NGOs in developing and in developed countries see great potential in CoC and urge all stakeholders in the labor movement to use this tool to improve workers' rights. NGOs, who are involved in the labor movement as monitors in the study by Rodríguez-Garavito, can detect and expose abuses against the CoC, which leads to brands putting pressure on their suppliers to improve and change. According to an interview made by Bartley (2007) with an NGO, NGOs turned to CoC as unionism and

enforcement of the national labor law failed to help workers in their struggle; *“it seemed like we needed to add consumer pressure to legal, diplomatic, and trade pressures. And so it became not a choice of either this or that, but an additional weapon in the arsenal for human rights”* (p. 333).

The following quote illustrates the optimistic view that NGOs in the North have on CoC, *“Given the lack of an inter-governmental system for regulating TNCs, they [northern NGOs] see comprehensive codes of conduct, which are effectively monitored and independently verified, as a means of constraining corporate power”* (Jenkins, 2001, p.11). Furthermore, the studies by Jenkins (2001) and Ross (2006) show that NGOs pressuring companies by threatening their brand image often leads to an improvement in labor rights. According to Frundt (2004), NGOs created to monitor factories in Central America believed CoC to offer help in areas where the national government had shown little interest to intervene. Furthermore, NGOs had some success in making suppliers change and take responsibility for their workers, when getting the national and international public aware of the situation and the brand to put pressure on the suppliers (Frundt, 2004).

### **2.1.2.2 Negative viewpoints**

When workers are misinformed or do not understand how CoC work, the concept will fail to increase workers' rights (Frundt, 2004). In line with this, Prieto, Hadjipateras and Turner (2002, in; Jenkins et al., 2002) argue that the lack of worker awareness of CoC is a major problem. Even if unions know that the factory have a CoC, they do not know what it means since it is seldom translated into their language. Another problem acknowledged by NGOs in the study by Frundt (2004) concerns subcontracting. Suppliers that fulfil the CoC obligations often have subcontractors producing for them that do not meet the requirements of the CoC. Southern NGOs further have concerns regarding the origins of CoC and feel sceptical of the close collaboration that NGOs in the North have with brands concerning CoC. Furthermore, NGOs in the South do not want the CoC to ease the pressure on governments to continuing improving the enforcement of the national law (Rodríguez-Garavito, 2005).

### **2.1.3 An alternative approach to codes of conduct**

According to Rodríguez-Garavito (2005), the existing firm-centric approach to codes of conduct, as introduced in the previous chapter, is incomplete since it does not consider the profound power asymmetries between TNCs and suppliers on the one hand and workers and local labor organizations on the other. Consequently, Rodríguez-Garavito (2005) argues that a new approach to global labor regulation is needed that looks beyond the supplier-buyer relations and *“puts the issues of countervailing political pressure and empowered participation front and center”* (p. 210). This is primarily done through strengthening the capacities of labor support organizations in developing countries and creating institutional designs that enables workers to organize and bargain collectively. In order to realize this,

institutions and political pressure are required to operate on two levels. The first level, consisting of states and international organizations, has to create political and legal conditions that enable the second level, e.g. local workers, unions and labor support organizations, to participate in continuous monitoring and negotiations concerning labor conditions. Hence, Rodríguez-Garavito (2005) concludes that *“sustainable improvements in working conditions in global factories depend on worker empowerment”* (p. 211).

In line with Rodríguez-Garavito (2005), Prieto-Carrón et al. (2006) also address the issue concerning power asymmetries between different stakeholders, arguing that those power relations determine the alliances that are established and what kind of issues that are addressed. Prieto-Carrón et al. (2006) even argue that the codes of conduct of multinational corporations contribute to produce and reproduce those power asymmetries. Furthermore, in order for CSR initiatives to be legitimate, they claim, the content and implementation of these initiatives have to be adapted to the particular circumstances in the places where they are realized. According to Prieto-Carrón et al. (2006), there is a *“need to go beyond ‘one size fits all’ approaches towards a contextualized understanding of what CSR can and does mean for poor and marginalized groups in the global South”* (p. 986).

As mentioned earlier, research by Frundt (2004) reveals that union leaders in South America share the view that workers have to become knowledgeable about codes in order for them to offer any improvements in working conditions. Moreover, Frundt (2004) finds that South American workers are suspicious of the northern origins of the codes and concludes; *“monitored codes could simply become bureaucratic shields, but they could also be weapons for rights. This latter will happen only if workers have a direct stake in the process”* (p. 64). In line with this, Yu (2009) addresses the issue concerning worker awareness and argues that workers need to be represented and more involved in the process of CoC. To increase the worker representation, information and education are needed. Yu (2009) further finds that worker participation has positive effects on the CoC implementation.

## **2.2 The roles of unions and NGOs in Indonesia**

To understand how the present roles of unions and NGOs in Indonesia have been developed, a historical background is needed. Labor unions have a long history in Indonesia, accounting back to the early twentieth century. However, the power of unions has not always been strong, especially not during the dictatorship of Suharto and his New Order (1966-1998). Consequently, other actors such as labor NGOs became important in the Indonesian labor movement (Ford, 2009). This section will account for the development of the different roles of unions and NGOs in Indonesia.

### **2.2.1 Suharto's New Order, 1966-1998**

According to Ford (2009), the roles of unions and NGOs in the Indonesian labor movement have not been static during the last twenty years. As mentioned in the introduction, during the Suharto era unions were not legally permitted to form. Consequently, only one union established by the government was present, SPSI (Serikat Pekerja Seluruh Indonesia). During the New Order, NGOs played an important role in the labor movement; *“labour NGOs organised factory workers, provided training and legal aid, and lobbied the government, multinational and international NGOs on their behalf”* (Ford, 2009, p. 62). The government accepted labor NGOs as long as they did not get involved in the organizing of workers and challenged the one-union policy. Consequently, during this time in Indonesia workers required someone else than unions to unite them, a task that fell on the NGOs. During the New Order, NGOs could prosper and grow and found several opportunities and ways to support the labor movement. A difference was drawn between labor NGOs and alternative unions, and NGOs became known as the *“outsiders”* in the labor movement (Ford, 2009, p. 84), and the role of NGOs included encouraging unions and supporting them with training, research and legal aid (Ford, 2009).

Two different types of labor NGOs were developed during the New Order; grassroots NGOs and policy NGOs. Some NGOs combined grassroots organizing with advocacy, while others solely focused on one out of these two approaches. The role of grassroots NGOs included organizing factory workers, providing them with legal aid and research, and further keeping contact with other stakeholders. Moreover, grassroots NGOs conducted training and supported organized strikes. Policy NGOs, on the other hand, provided workers with advocacy and research as well as used media and campaigns to make the public aware of labor violations. Consequently, it was the policy NGOs who increased the national and international awareness about the labor conditions in Indonesia (Ford, 2009).

### **2.2.2 After the resignation of Suharto**

The resignation of Suharto 1998 surprised labor activists as well as NGOs, and they were both unprepared to take advantage of the situation. Unions directly started to organize themselves. However, according to the labor NGOs in the study by Ford (2009), unions were building sandcastles, since they were very small and fragmented and had no knowledge about organizing or handling membership. Consequently, the unions could not help the workers in their struggle as they were supposed to do. After the fall of Suharto and the Reformasi, the NGOs had to reposition themselves, i.e. they had to step back and find new niches in the labor movement that still needed to be fulfilled. The NGOs were struggling with their change of position and felt powerless in helping the workers. The policy NGOs did not know how to proceed, since their former strategies now were outdated. Also the grassroots NGOs had to change their focus, turning from grassroots organizing to policy advocacy. However, the majority of the NGOs agreed that the future of the labor movement lay in the hands of the unions (Ford, 2009).

NGOs as well as unions were insecure about the role of NGOs in the labor movement. The NGOs wanted to help the unions, but at the same time they wanted the unions to grow strong and independent. As time passed by, the NGOs became more confident and realized that they would continue to play an important role in the labor movement. Meanwhile, the labor unions started to feel controlled by the NGOs, although the unions, according to themselves, now had gained bargaining power and were able to manage by themselves. Furthermore, the NGOs had problems withdrawing since the unions lacked skills and knowledge about organizing and the NGOs did not want to leave the workers to their fate. The tensions that arose between unions and NGOs during these years were also a result of the inability of NGOs to create a more equal relationship with unions and leave old hierarchies behind (Ford, 2009).

According to Ford (2009), a major problem after the New Order period was the fragmentation of the labor unions. There were many unions, but with no substance, i.e. the unions were not united and strong. Drawing on this, some NGO activists felt that they were obligated to be involved within the labor unions, helping them temporarily. However, the majority of the NGOs prepared themselves for the retreat and the day when unions would be able to manage by themselves. At the same time, the will of the stakeholders in the labor movement to find a long-term NGO participation continued. Unions accepted NGOs as an equal partner or as being a supportive system taking on functions that unions lacked, such as research and legal aid. Ford (2009) argues that the NGO activists, as opposed to the workers, possessed knowledge about labor issues, legal education, time, money and international support. Consequently, the new role of the NGOs, according to Ford (2009), was to continue to offer support in areas where unions needed help or were lacking knowledge, such as in networking, research, legal aid and sometimes training.

### **2.2.3 NGOs as outsiders**

NGOs have been known as outsiders since the late New Order, and still today possess this role. Moreover, one of the main roles of labor NGOs, both grassroots and policy NGOs, has been capacity building, i.e. to make unions strong, independent and democratized. The following quote illustrates how labor NGOs believed themselves to have a responsibility to get involved in the labor movement: *“Students and NGO activists had the capacity to intervene in the Indonesian labour movement precisely because they were educated members of the middle class”* (Ford, 2009, p.107). In numerous countries around the world, labor lawyers, students, researchers, and other individuals are recognized to be part of labor unions, while in Indonesia labor unions are only open for workers. Hence, labor NGOs in Indonesia see themselves as outsiders who support unions alongside the labor movement (Ford, 2009).

Student labor activists in the study by Ford (2009) however believe that to be able to support and help workers fully, NGO activists need to become one with the workers. Consequently, students believe that NGOs should forget their role as outsiders and instead become insiders. According to Ford (2009), however, a majority of the NGOs strive to be separated, to work as outsiders, assisting, encouraging and empowering unions. Furthermore, Ford (2009) notes that



NGOs describe themselves with words that emphasize the difference between unions and NGOs, i.e. words like middle-class, non-worker and outsider. On the contrary, workers saw this separation as a problem and blamed it on the fact that NGOs did not realize their role in the labor movement. In the late New Order, workers were more convinced than NGOs about the important role that NGOs played in the labor movement, as expressed by one NGO activist; “... *activists feel that their involvement as outsiders in positions of leadership within the labour movement is a necessary but temporary evil in an uneducated society*” (Ford, 2009, p. 196).

## 2.3 Collaboration

Given the difficulty of separating the very activities of collaboration from the essence of it, we will in this section just briefly address some areas in which Indonesian unions and labor NGOs collaborate, before turning to the relationship as a consequence of collaboration in the next section. Focus will be on the collaboration between unions and NGOs in the post-Suharto era, i.e. from 1998 onwards. Furthermore, some examples of previous research concerning union-NGO collaboration in other countries will be presented in the end of the section.

According to Ford (2009), labor unions and labor NGOs in Indonesia have begun to collaborate in the area of public advocacy campaigns. In the beginning, this cooperation was restricted to unions that already had established links with NGOs, but later came to include a wider spectrum of unions. The first known campaign in which unions and labor NGOs collaborated was, according to Ford (2009), in a campaign against Habibie’s labor legislation. Furthermore, other examples of collaborative efforts between unions and labor NGOs in Indonesia are joint seminar series and workshops. Examples of this are seminars and workshops that have been run in Jakarta by policy NGOs such as LIPS (Lembaga Informasi Perburuhan Sedane) or international organizations like FES (Friedrich Ebert Stiftung) (Ford, 2009).

Other collaborative initiatives between unions and labor NGOs have taken the form of forums. One example is the *Worker and NGO Forum for Workers’ Justice* that was active between the years of 1999 and 2001. Another example, involving a total of 60 unions and NGOs, is the *Committee against the Oppression of Workers* that was established in the beginning of the presidency of Megawati. Furthermore, attempts have been made to establish a more permanent forum for cooperation between unions and labor NGOs, such as the *Indonesian Labour Movement Syndicate* formed in 2002. Among the unions, the proponents for such a permanent forum argued that workers are in need of friends from universities and NGOs. The opponents, on the other hand, viewed labor NGOs as interfering with union responsibilities and argued that such a forum should be composed by labor unions only, in order to best serve the unionists. Consequently, the *Indonesian Labour Movement Syndicate* did not last long. However, new union-NGO forums have been established since then (Ford, 2009).

Pushing the idea of collaboration somewhat further, as mentioned earlier, some NGO activists propose that individual non-worker activists could become permanent members of labor unions. This would offer unions immediate access to specialists within their organizations in areas such as education, research and legal aid. However, several NGO activists stress that these roles should be limited to the giving of advice and thus not imply any decision-making (Ford, 2009).

Collaboration between unions and NGOs in Indonesia are not an exception, but rather in line with previous research and examples from other countries. According to Eade (2004), labor unions and NGOs work for the same goal but with different strategies. However, Eade (2004) sees a great need for the two actors to “*engage in constructive dialogue and to work together towards a common cause.*” (p. 6). In line with this, Braun and Gerhart (2004) argues that unions and NGOs view codes of conduct differently, which have created tensions between the two labor actors. According to O’Rourke (2003), and Braun and Gerhart (2004), the union-NGO collaboration often counterbalance international companies’ influence in the code of conduct driven struggle for workers’ rights. Furthermore, previous research illustrates how collaboration between unions and NGOs is central in order to maintain workers’ rights in many developing countries (Rodríguez-Garavito, 2005; Ross, 2006; Egels-Zandén and Hyllman, 2007).

## **2.4 Relationship**

The ambiguity surrounding the role of labor NGOs in the Indonesian labor movement has strongly affected the relationship between unions and NGOs in Indonesia. As described earlier, from the first entry of NGOs in the Indonesian labor movement until the beginning of the 21st century, major changes concerning their role have taken place (Ford, 2009). As we will see, these changes were both a consequence of NGOs’ contested relationship with worker activists, as well as a source to the difficulties in that relationship. Hence, in order to better understand the current relationship between labor NGOs and unions in Indonesia, the history of their relationship will be explored in further detail. In addition, to get a more nuanced understanding of the relationship between unions and NGOs in the Indonesian context, short examples from other parts of the world will also be presented.

### **2.4.1 NGOs interfering**

According to Ford (2009), during the late New Order an “*extremely complicated*” relationship between labor NGOs and worker activists emerged “*as a result of different expectations of the terms of NGO involvement and the extent of their commitment to the labour movement*” (p. 133). As presented earlier, the basis for this could be found in the fact that most NGO activists believed that they could never fully be a part of the Indonesian labor movement due to their inability to truly share the troubles of the workers, even though being able to sympathize with them. One NGO activist in the study by Ford (2009) explains this

reasoning: “*They [workers] see from their hearts and their stomachs. We see from our heads*” (p. 126). Consequently, the contributions of the labor NGOs were restricted by their background as non-worker intellectuals (Ford, 2009).

At the same time, some worker activists instead addressed their main concerns regarding NGO activists to be “*divided interests and the tendency of grassroots NGOs to take a dominant position in their relationship with worker groups*” (Ford, 2009, p. 142). The NGO activists were aware of these concerns, but argued that even though being problematic they might be inevitable, considering the need for institutional stability and the different backgrounds and perspectives of non-worker activists and worker activists. In turn, this inability of NGO activists to understand the priorities and the experiences of workers was further criticized by worker activists (Ford, 2009).

According to Ford (2009), the ambiguity surrounding the extent of involvement that was considered appropriate for labor NGOs revealed a structural shortcoming in the relationship between NGOs and workers. Ford (2009) further explains: “*while worker-activists criticised NGOs for being too controlling, they were even more concerned about the point at which labour NGOs stepped back and left workers to manage their own campaigns*” (p. 149). Consequently, worker activists found themselves struggling when having to consider whether the disadvantages of being dependent on an NGO outweigh the advantages of that dependency (Ford, 2009).

In the end of the New Order era, worker activists became less tolerant of the inconsistency between their own and labor NGOs’ view regarding NGOs’ role in the labor movement. According to Ford (2009), this was a result of worker activists becoming more confident as a consequence of their relation with labor NGOs. Hence, the fact that there was growing critique towards the labor NGOs could, according to Ford (2009), be viewed as a sign of success of NGOs’ efforts to educate the workers. Consequently, the more educated the workers got, the smaller the gap between them and the NGO activists that had been educating them became (Ford, 2009).

During the first decade after the fall of the Suharto regime 1998 and the emergence of independent unions, the tensions between worker activists and NGOs surfaced and there was a significant shift in the relationship between the two groups. As explained earlier, the NGOs had to redefine their role and, according to Ford (2009), kept on wavering “*between their desire to help workers and their belief that they had no legitimate role in the labour movement*” (p. 181). Furthermore, while some of the newly established unions continued to work with the labor NGOs that had helped to found them, others separated as a consequence of conflicts over resources and relations. However, according to Ford (2009), both groups came to the realization that it was necessary to clear out the roles and mutually agree on a division of those roles. It was further crucial that the NGOs did not continue to dictate the unions. Hence, in order to enable this, NGO activists proposed “*the development of a “cooperative relationship”, in which “unions were set free” and labour NGOs acted as a “connector ...*” (Ford, 2009, p. 188). Consequently, NGOs decided to promote the establishment of independent unions. According to Ford’s findings (2009), all NGOs

participating in her study in year 2000 argued that the preferred tool for organizing labor was registered labor unions. Hence, some labor NGOs decided to break with their former worker groups, either gradually or through a more direct cut. However, either way of trying to break the ties with the former worker groups, those unions continued to be dependent on “their” NGOs. According to one NGO activist in the study by Ford (2009), the unions kept coming back to the NGOs whenever things went wrong or they needed something. The reasons for this, Ford (2009) argues, are both to be found in the lack of skills of labor unions as well as in the unwillingness of NGOs to let go of the control and their guiding role. This reluctance of some NGOs to let go of old hierarchies in order to enable a more equal relationship contributed to create further tensions between some unions and NGOs, which eventually resulted in several conflicts between the two groups. However, according to Ford (2009), the majority of the NGOs in contrast argued that NGO activists had to stop performing activities that unions could manage by themselves. This view was further shared by unionists, who also put emphasis on the necessity of NGOs to see unions as equal partners. Thus, Ford (2009) concludes that *“even when both parties were committed to finding a new model for their relationship, this was not always easily achieved”* (p. 191).

Even though the relationship between worker activists and NGO activists has been somewhat difficult over the years, worker activists have nevertheless maintained their relationship with NGOs. According to Vedi Hadiz (*in* Ford, 2009), in year 2000, *“even the most anti-NGO workers actually do still say that they want to maintain contact with labour NGOs”* (p. 148). Furthermore, one union leader, whose union has cut off ties with their former NGO sponsor after a conflict, states that even though refusing to deal with this NGO, they stay open to collaborate with other NGOs that respect their independence. Unions’ need of labor NGOs is further illustrated by one labor unionist in the study by Ford (2009): *“NGOs and unions are different, but unions shouldn’t be arrogant. They need the NGOs”* (p. 197).

Difficulties in the relationship between unions and NGOs can be seen in other contexts as well. According to Arenas et al. (2009) and their study conducted in Spain, unions are skeptical towards labor NGOs and their role in the labor movement. Several unions in their study see NGOs as unwanted actors who take on roles that traditionally have belonged to the unions. Furthermore, unions are unsure about NGOs’ intentions and demand a clear division of roles. The NGOs on the other hand are aware of the unions’ critical viewpoint concerning their involvement and that *“unions are questioning their role, even viewing them practically as competitors”* (Arenas et al., 2009, p. 186) and the NGOs are concerned about the contested union-NGO relationship. Furthermore, Preuss (2008) has in his study found that unions are *“keen to point out that they nonetheless occupy a special status”* (p. 155) in the discussions of workers’ rights.

#### **2.4.2 International influence and funding**

Labor NGOs to a larger extent than unions depend on donors in order to get funding for their activities. During the New Order, labor NGOs in Indonesia to a large extent obtained their

funding from foreign donors, due to their international connections. They either received this international funding as block grants or on a project basis (Ford, 2009). According to Ford (2009), the government and other actors, such as labor activists, criticized this dependence on international funding, arguing that it made the NGOs being primarily accountable “upwards” to the donors rather than “downwards” to the workers. Especially the NGOs that obtained their funding on a project basis were receptive to donor influence, since their projects had to fit the donor’s agenda. This led to some NGOs running programs that did not necessarily reflect their own priorities or the acute needs of the workers. One example of such a program that many NGOs run on the basis of the international trend rather than on the needs of the workers was a gender program. Furthermore, each labor NGO having its own priorities and agenda made it difficult for NGOs to work together in order to reach the best results for the workers. In addition, the pressure among NGOs to stand out and perform better than other NGOs, in order to continue to receive funding from their donors, further prevented cooperation (Ford, 2009).

The need of the NGOs to be perceived successful in the eyes of their donors further encouraged a relationship of dependence between the NGOs and their sponsored worker groups. Some labor activists even argued that labor NGOs “sold” the workers in order to get funding for their projects. They accused the labor NGOs for discouraging worker militancy and condemned the ways in which their dependency on external funding impacted on the NGO sponsored worker groups. These labor activists argued that the NGOs were afraid of letting the workers act because it would threaten the privileged position they had established in the labor movement. Consequently, criticism like this weakened the moral position of the labor NGOs (Ford, 2009). Ford (2009) even argues that the *“perceptions of excessive donor influence were perhaps the strongest threat to the legitimacy of Indonesia’s labour NGOs”* (p. 141).

The issues related to the funding of the NGOs have continued to be sources of friction between NGOs and unions in the post-Suharto era. Access to funding has remained to be perceived as a way in which NGOs try to maintain their influence over unions. Furthermore, changes in funding priorities of the donors have caused several NGOs troubles, since some donors have switched their focus to instead support other issues or the newly established unions (Ford, 2009). According to Ford (2009), this new situation where unions received funding directly *“brought into question the brokerage role NGOs had always played”* (p. 193). As a consequence, some worker activists started to oppose the guidance from NGOs, since their monopoly over the funding had come to an end (Ford, 2009).

### **2.4.3 Workers versus intellectuals**

During the New Order, there was a sharp division between labor organizations composed by workers from the working class and labor organizations composed by non-workers from the middle class. Between these two classes there was a significant difference of life experiences which, according to Ford (2009), *“set the tone of the relationship between workers and non-*

*worker labour activists*” (p. 107). As a consequence, how these two groups should relate to one another was a commonly debated question.

According to the New Order government, there was no place for non-worker intellectuals in the labor movement. However, even though the government strongly opposed the involvement of student groups and alternative unions, it had a less hostile attitude towards labor NGOs (Ford, 2009). According to Ford (2009), the reason for this is to be found in the status of labor NGOs as *“limited-membership organisations of middle-class, non-worker outsiders”* (p. 82). However, at the same time as these characteristics of labor NGOs provided them with space to participate in the labor movement, these very same characteristics also created an obstacle in the relationship with workers. The reason for this was that NGOs had difficulties justifying the involvement of non-worker outsiders in activities traditionally intended for workers. Consequently, Ford (2009) argues that the relationship between labor NGOs and workers during the period of the New Order was *“highly contested”* (p. 82).

In the study by Ford (2009), NGO activists as well as workers and worker activists are asked to describe the relationship between NGOs and workers. According to Ford’s findings (2009), both groups used contradictory terms when describing their relationship. One NGO activist used terms like *facilitator, partner* and *friends*, while another activist chose to describe the relationship as analogous to that of a doctor and patient. Similarly, some worker activists chose terms like *facilitator* and *partner* while others used terms such as *educator* and *mentor*. This indicates that there was uncertainty from both groups regarding whether the relationship between NGO activists and worker activists was considered to be equal or hierarchical. According to Ford (2009), this *“uneasy balance between these two approaches characterised labour NGOs’ relationship with workers ...”* (p. 111).

As a consequence of the social gap between non-worker activists and worker activists, some challenges regarding communication and voice emerged. The communication issues mainly concerned practical matters, such as NGOs using a language that workers could not relate to or that confused them. The question of voice related to the paradox of some NGOs aiming to increase workers’ capacity to speak for themselves, and the very same NGOs also speaking *“as intellectuals on behalf of the workers”* (Ford, 2009, p. 113). One NGO activist in the study by Ford (2009) explains this further; *“NGOs became too dominant [...] They started off trying to make space for the workers to speak but, perhaps without being conscious of it, they created a situation where only they could become speakers”* (p. 114). This has further been the case after the New Order era, since some NGOs do not believe the workers to be ready to speak for themselves. According to Ford (2009), NGO activists have, however, been aware of the tension between speaking on behalf of workers and encouraging workers to speak for themselves. Ford (2009) further argues that NGOs for a long time have been self-reflecting about their role in the relationship with workers, as one NGO activist in her study puts it: *“We are here to empower workers, not to empower ourselves by our relationship with them. We have to be self-critical and ask ourselves in whose interest we’re acting”* (p. 115). To conclude, Ford (2009) states that at best NGO activists managed to increase the voice of workers, and at worst they developed an asymmetrical and hierarchical relationship.

Previous research from other contexts also identifies the relationship between unions and labor NGOs to be complicated by class differences and cultural dimensions. Spooner (2004) finds in his study that the union-NGO relationship is difficult as a consequence of organizational, cultural or policy differences, as well as “*a mutual lack of understanding of respective roles and objectives*” (p. 19). In line with this, unions are critical towards NGOs and their self-appointed leadership, since NGOs only are accountable towards funding institutes while unions are accountable before their members (Spooner, 2004). According to Gallin (2000), there are great differences between NGOs and unions. Several NGOs have a culture of charity and philanthropy, while unions have a culture of solidarity. The culture of charity is often based on a top-down relationship between unequal actors, while solidarity is a relationship between equal actors with equal obligations. Hence, this difference in culture is also demonstrated in the different agendas of the two labor actors, which can lead to a conflicted relationship (Gallin, 2000).

#### **2.4.4 Union-NGO relationship in a different context**

In order to get a somewhat more nuanced picture of the relationship between unions and NGOs, we will briefly turn from the Indonesian context to look at one example of union-NGO relation in another developing country - Honduras. This example illustrates the relationship between a South American NGO, *Equipo de Monitoreo Independiente de Honduras* (EMI), and a local Honduran union. Unlike the NGOs that have been in focus when looking at the Indonesian labor movement, EMI was created to function as an independent monitor. However, as in the case of New Order Indonesia, EMI emerged as a consequence of lack of union action (Frundt, 2004).

According to Frundt (2004), the relationship between EMI and the local union was complicated. On the one hand, EMI helped the union to gain legal and company recognition as well as pressure the manager to rehire a union leader. On the other hand, EMI was criticized for taking over union responsibilities, “*for publicly complaining about the union and creating mistrust among union members*” (Frundt, 2004, p. 47). The union even accused EMI of being allied with the supplier and finally asked the monitors to stay away from the factory. EMI then realized that they were interfering with union responsibilities. According to one member of EMI, they felt like they “*were between two seas*” (Frundt, 2004, p. 48), since the union on the one hand was seeking their help and on the other was attacking them. It ended with EMI being dissolved. In the analysis after the closure of EMI, one member concluded that the role of EMI should had been to create a dialogue that was straightforward and did not threaten to substitute for any other actor. However, Frundt (2004) argues that also unions could learn from the EMI experience. The researcher states that the participation of other groups in civil society, other than the traditional tripartite, i.e. business, labor and government, is necessary to solve labor issues. Hence, Frundt (2004) concludes that “*unions must anticipate how to gain their [groups in civil society] cooperation and support*” (p. 48).

## 2.5 Summary

In this chapter, previous research has been discussed in order to better understand the potential of codes of conduct and the situation of labor actors in Indonesia as well as in other parts of the world. Regarding codes of conduct as a tool to enforce workers' rights, unions and NGOs from different contexts address negative aspects such as lack of local awareness, the origin of CoC and its usage as a marketing tool, the risk of CoC to substitute for national labor law and the disadvantage of CoC as not covering subcontractors. On the other hand, the positive aspects discussed mainly concern CoC as offering an alternative tool in the struggle for workers' rights and being effective in pressuring international brands and their suppliers. Moving on to the different roles of NGOs and unions in the Indonesian labor movement, we can see that there is still today an uncertainty concerning the division of roles. During the New Order, unions were not allowed to organize, which left labor NGOs with the important role to help the workers. After the fall of Suharto and the introduction of freedom of association, unions were established and with time grew stronger. As a consequence, the NGOs had to reposition and step back, allowing unions to have the main role in the labor movement. Consequently, NGOs took on an outsider role, i.e. helping unions and workers from an outsider approach. As many unions still today lack sufficient knowledge and experience to manage on their own, they remain dependent on the support of NGOs. Consequently, collaboration between unions and NGOs is needed and in this chapter we have seen that unions and NGOs often collaborate within forums and in certain areas such as research and public advocacy campaigns. However, due to the unclear roles, collaboration is often difficult and the relationship between the two labor actors ambiguous and conflict based. Previous research addresses the conflicts to concern NGOs interfering with the work of the unions and disagreement regarding the extent of NGO involvement in the labor movement. Moreover, conflicts have arisen as a consequence of issues related to funding and international influence, i.e. unions criticizing NGOs for thinking more about money than the workers. Finally, the different backgrounds of unions and NGOs, as workers and non-worker middle-class intellectuals, further seem to complicate the contested relationship between the two groups. In addition, previous research concerning the roles, collaboration and relationships between unions and NGOs in other contexts have been discussed, one example being the Honduras case where we could see that unions and NGOs tried to collaborate but that the relationship as well was complicated.





### 3. Method

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*The purpose of this chapter is to give the reader an overview of the methodological choices made in this study and describe the procedure of the Minor Field Study in Indonesia. First, choices concerning research approaches and research designs will be presented. Second, methodological considerations concerning the collection of empirical material will be explained, as well as the subsequent analysis procedure. Finally, the credibility of the study will be discussed.*

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#### 3.1 Methodological choices

Since we are aiming at acquiring a greater understanding of local actors' subjective views on codes of conduct and the relationship between unions and NGOs in Indonesia, this study has been inspired by a hermeneutics approach. Furthermore, the study is based on a combination of an inductive and a deductive research approach, i.e. an abductive approach (Patel & Davidson, 2003). As theories concerning local actors' views on codes of conduct and the current roles, collaboration and relationship between Indonesian unions and NGOs are scarce, an inductive approach was applied during the first steps in this study. In practice this meant that even though studying some previous research before leaving for Indonesia in order to be prepared, we studied the major part of the literature composing the theoretical framework after collecting the empirical material. We believe that doing this allowed us to stay more open to new information during the interviews and minimize the risk of us controlling the "direction" of the interviews. Moving further in the process, a more deductive approach was applied. Our findings were tested against existing theories and previous research in order to draw conclusions to answer our research questions (Patel & Davidson, 2003).

Concerning the choice of research method, as the aim of this study is to get a deeper *understanding* of how local actors view codes of conduct and how they collaborate, a qualitative method has been applied (Holme & Solvang, 1991). According to Holme and Solvang (1991), a qualitative method has its strength in its ability to provide an overview over the issue studied, which enables an increased understanding of social processes. This method is further suitable when aiming to create an empirical basis in order to construct a theory, which is in line with the aim of this study. Furthermore, in order to collect empirical material, the method of qualitative semi-structured interviews has been used. According to Holme and Solvang (1991), the application of qualitative interviews aims at creating a basis of more profound and complete knowledge about the issue studied. Moreover, Mack et al. (2005) argue that interviews are suitable when aiming at collecting empirical material concerning people's experiences and perspectives, especially regarding sensitive topics. Thus, considering both the aim of getting profound knowledge from a subjective perspective and the sensitive nature of the topic at hand, we regard interviews to be an appropriate research design in order to collect empirical material for this study.

## **3.2 Collection of empirical material**

As all the empirical material in this thesis has been collected in Indonesia, the collection of empiricism has constituted a major part of the study. It has been a fairly long process; starting with the application for the opportunity to do a Minor Field Study, participating in the preparation course held by SIDA, and finally, spending two months in Jakarta and its surroundings collecting empirical material. However long, it has given us an invaluable opportunity to learn from local actors in Indonesia, which has not only enriched this study but given us valuable experiences and knowledge beyond this project. Hence, in order to get a greater understanding of the process collecting the empirical material, considerations regarding the country of focus, selection of interviewees, and the conduction of the interviews will be presented.

### **3.2.1 Country of focus – Indonesia**

Indonesia was selected as the country of focus for this study, since it is a country of importance to several international brands when it comes to manufacturing textiles and garments. Furthermore, the social conditions in Indonesia are poor, resulting in one third of the population living in poverty (Landguiden, 2010). As mentioned earlier, the country further has an interesting and changing labor movement, where actors such as unions and labor NGOs, are trying to find their respective roles.

During the New Order the dictator of Indonesia, Suharto, focused on developing different industries in Indonesia in order to replace imports with national products. With his efforts paid off, in 1991 the industry sector passed the agriculture sector in contributing to the country's economy. Suharto favored the export industry, which still today is a crucial part of the country's GDP. Furthermore, the low labor costs contributed to the vast inflow of foreign capital as well as the blooming of the textile and garment industry during this era (Landguiden, 2010). In line with this, one of the most important sectors for the Indonesian economy is the textile and garment industry, providing the country with not only important job opportunities but also contributes to export earnings. Furthermore, Indonesia is one of the principal producers of textile and garment within the ASEAN region, with about 8000 manufacturers concentrated in the areas around West Java and Jakarta (Express Textile, 2005).

Some of the major problems in Indonesia today concern corruption and insufficient legislation. The current president of Indonesia, Yudhoyono, is striving to decrease corruption and improve the jurisdiction, in order to increase foreign investments. Just shortly after he became president he undertook major changes, improving the Indonesian economy. However, high unemployment and corruption are still today serious problems to be solved (Landguiden, 2010). Previous research indicates that difficulties such as these lead actors within labor movements to look elsewhere than to the national law to improve workers' rights, leading unions and labor NGOs towards other alternative tools, such as codes of conduct (Rodriguez-

Garavito, 2005). Consequently, to sum up, this section demonstrates several reasons why Indonesia is an interesting country of choice, including the dependency on exportation, national issues such as corruption and a dysfunctional national law, the relatively young and inexperienced labor movement and, finally, the usage of alternative tools such as CoC to improve workers' rights.

### 3.2.2 Selection of interviewees

According to Mack et al. (2005), only a sample of a population is chosen as focus in qualitative studies. The desired characteristics of this selected sample are determined by the aim of the study as well as the characteristics of the main population. Furthermore, to single out this sample, various sampling methods can be used. One of the most common sampling methods, according to Mack et al. (2005), is the strategy of *purposive sampling*. This strategy implies the selection of respondents on the basis of certain preselected criteria relevant to the specific research questions. Hence, using the strategy of purposive sampling, we had to find a sample of respondents that met certain criteria that guided us to collect the empirical material needed to answer our research questions. Since this study focuses on labor unions and labor NGOs, we naturally had to select respondents representing both these groups. Furthermore, since we are aiming at investigating the views on codes of conduct as a tool to enforce workers' rights, we had to select unions and NGOs with ties to an industry where codes of conduct are a common way to address these issues. Consequently, we have focused on unions and labor NGOs with connections to the textile and garment industry. Hence, the sample of interviewees selected in this study was chosen on the basis of the following two criteria:

- **Presence in Indonesia:** labor unions that are officially recognized in Indonesia and NGOs with local presence in the country.
- **Area of activity:** labor unions representing workers in the textile and garment industry and NGOs involved in labor rights issues with some experience of working with codes of conduct.

By great help from people that previously have done research within this area in Jakarta, we obtained contact information to suitable interviewees meeting these criteria. These respondents were later complemented on site with additional interviewees through the use of *snowball sampling*, i.e. asking current interviewees about suggestions on other potential interviewees suitable for the study (Mack et al., 2005). The size of the total sample was, as proposed by Mack et al. (2005), determined by the objectives of the study as well as by the time and resources available during the field study. Furthermore, the size was to some extent also determined by theoretical saturation (Mack et al., 2005), since the last interviews did not add much new information.

### 3.2.3 Conducting interviews

During our two months field trip to Indonesia, in December and January 2010/2011, a total of 15 interviews were conducted lasting on average about one hour each (see Appendix 1 for a list of the organizations participating in the interviews). Eight of these interviews were held with different labor NGO activists, while six were held with different labor unionists. In order to get a nuanced sample, we aimed at interviewing unionists from different levels within the unions as well as from unions of different sizes. In the same manner, we aimed at selecting NGOs working with different issues within workers' rights, such as legal aid, networking, training and capacity building. The specific respondents were selected on the basis of their experience of working with codes of conduct and collaborating with unions/NGOs. Many times this implied interviewing union leaders or NGO activists in leading positions. The majority of the interviews were held in the capital Jakarta, while the rest were conducted in the city of Bandung, approximately four hours by car from Jakarta. Additionally, one interview was conducted with a manager at a garment industry located in the outskirts of Jakarta. However, since this interviewee did not meet the criteria defined for the sample of participants in this study, the purpose of this interview was merely to get a greater understanding of the garment industry as such and the particular role of the supplier in this industry. Consequently, it helped us to get a more nuanced picture of the roles of the different actors within this industry and realize some of the difficulties facing suppliers.

In the majority of all the interviews in total, including all interviews with unions except in one, an interpreter had to be used. Two different interpreters helped us during our time in Indonesia; one in Jakarta and one in Bandung. Both speak Bahasa Indonesia as their first language and English as their second language. However, as neither of them work as professional interpreters, they have limited experience of interpreting, which of course has risked affecting the quality of the translation negatively. In order to increase the quality of the translation and avoid misunderstandings, we made sure that the interpreter always understood the question correctly, and similarly, that we got, and understood the whole answer. Nonetheless, we realize our dependency on the translation of the interpreters and understand that it might have affected the interviewees' answers as well as how we understand those answers. The interviews in which we did not receive help from an interpreter were conducted in English. Even though some of the respondents in these interviews were struggling somewhat when speaking English, we could communicate in a perfectly satisfactory way and we were consequently content with the interviews as such.

All interviews conducted were based on the interview guide that had been developed before starting with the actual interviews. In accordance with the recommendations of Kvale and Brinkmann (2009), the interview guide was constructed to include all the topics to be covered during the interview, as well as suggested questions (see Appendix 2). Furthermore, when constructing the interview questions we considered the need of the questions to both *"contribute thematically to knowledge production and dynamically to promoting a good interview interaction"* (Kvale & Brinkmann, 2009, p. 131). Consequently, the guide aimed to cover three main areas: an introductory part covering personal and organizational questions, a second part treating the views on codes of conduct, and a third part covering questions

regarding the union-NGO relationship. While the first part mainly aimed at promoting a good conversation, the second and the third part aimed at creating the knowledge production we were searching for. However, even though aiming to cover all the topics included in the guide, we tried to stay attentive to the interviewee, and adjust the questions to fit the conversation and the particular circumstances.

Generally, when collecting empirical material through the use of qualitative interviews a challenge is to minimize the risk of getting answers that express what the interviewees believe the researcher wants to hear rather than what the interviewees actually believe themselves (Patel & Davidson, 2003). In order to avoid this situation, Holme and Solvang (1991) suggest that the interviewer use different approaches when formulating the questions and during the interview explain the value of obtaining the opinions of the interviewee. Since we were aware of this risk we tried to stay attentive to this during the interviews, and to stress the importance of learning from the experiences of the interviewee. Furthermore, there are some challenges associated with conducting interviews across cultures (Kvale & Brinkmann, 2009). According to Kvale and Brinkmann (2009), since norms of interaction with strangers may differ between cultures, it is important to be aware of the fact that various cultural factors might affect the relationship between the interviewer and the interviewee. Consequently, it is important to learn about the foreign culture and about verbal and non-verbal factors that might cause confusion in an interview situation (Kvale & Brinkmann, 2009). Hence, in order to minimize this risk of cultural differences affecting the collection of empirical material, we studied the Indonesian culture and ways of communicating in Indonesia before conducting the interviews. Furthermore, in order to reduce the risk of losing valuable information, all interviews, except the one held with the manager at the garment factory, were taped and later transcribed (Jacobsen, 2002).

When presenting the empirical material in chapter four, all interviewees, unions as well as labor NGOs, have been anonymized. This has been done in order to protect the interviewees, since issues concerning labor rights tend to be sensitive to their nature. Furthermore, to facilitate the understanding of the quotes taken directly from the transcribed interviews, the quotes have sometimes been “cleaned”, i.e. adjusted for some grammatical errors. However, as far as possible, the interviewees own expressions and wording have been kept as it appeared during the interviews. Since previous research address the lack of local labor voices in developing countries being presented in empirical studies (Rodríguez-Garavito, 2005; Prieto-Carrón et al. 2006), we have in this study chosen to provide much space to the presentation of the empirical findings and the local voices in Indonesia.

### **3.3 Analysis procedure**

According to Wibeck (2000), there are different ways in how to process collected material. As we in our study decided to use semi-structured interviews and to record these, a transcription based process was used. Wibeck (2000) further argues that a transcription based process is a precise and high-quality method to use when conducting a qualitative study. Moreover, there

are different levels of transcription; the highest level, level one, is very detailed, while the lowest level, level three, only accounts for the content and not for how it was expressed. As we have conducted interviews in English, which was not the first language of our participants, we have used level three in our transcriptions and therefore only accounted for what the participants said, not how it was said.

In order to study our interviews and later analyze these to find out what they mean, the first step was to code the material and segment the material under different categories. As Charmaz (2006) states; “*coding is the first step in moving beyond concrete statements in the data to making analytic interpretations.*” (p. 43). The empirical material in this study, as mentioned earlier, consists of conducted interviews, which were recorded, transcribed and later divided into different categories. In this section it will be described what the coding process looked like and further how we decided to categorize our material.

According to Charmaz (2006), grounded theory coding builds the analytic frame from which the analysis is developed. Furthermore, grounded theory coding consists of two phases; first the open coding phase and secondly the focused, more selective, coding phase. A well-conducted coding process facilitates the understanding of the participants’ viewpoints. Furthermore, Charmaz (2006) argues that language is an important aspect to consider when coding. All individuals have different perspectives and ways of using language and often share different languages with different groups of people; “*our codes arise from the languages, meanings, and perspectives through which we learn about the empirical world, including those of our participants as well as our own*” (p. 47). During the coding process in our study, we first read the transcriptions several times in order to identify patterns or contrasts among the participants’ statements. As a result, we divided the material into five different categories; codes of conducts, Play Fair, roles, collaboration, and relationship. According to Charmaz (2006), the initial coding process implicates to further compare the material with other material, trying to find either differences or similarities. It is also important to not assume attitudes but rather to try to understand the participants’ points of views and experiences. After having done the first division, we read the material again to make sure that we did not misplace or forget any statements, which also allowed us to reconsider and find further subcategories, as illustrated in Figure 2 below. As Charmaz (2006) states, passing on to the focused, more selective, coding process lets the researcher explain larger segments of the collected material and determine the adequacy of the coding. The coding process is an active process where the researcher makes choices and takes actions to analyze the material, which indicates what direction the material will take. As demonstrated in Figure 2 below, we further identified subcategories during the focused coding process, such as; negative and positive views on codes of conduct from unions as well as labor NGOs, different roles executed by unions and/or labor NGOs, collaboration areas and different relationship difficulties between the two actors.

<b>Codes of conduct</b>	<b>Play Fair</b>	<b>Roles</b>	<b>Collaboration</b>	<b>Relationship</b>
<b>Unions' views</b> – Positive – Negative  <b>NGOs' views</b> – Positive – Negative	<b>The idea of Play Fair</b> - Differences - Functions  <b>Positive aspects</b>  <b>Negative aspects</b>	<b>Unions</b> – Organizing – Monitoring  <b>Unions and NGOs</b> – Advocacy – Training – Research  <b>NGOs</b> – Supporting – Capacity building	<b>Between unions and NGOs</b>  – Play Fair – Advocacy – Training – Research	<b>Difficulties</b> – Interfering – Funding – Backgrounds

**Figure 2** Categories and subcategories made during the study.

### 3.4 Credibility

According to Patel and Davidson (2003), the two different concepts, validity and reliability, do not mean the same when conducting a qualitative study as when conducting a quantitative study. In a qualitative study, as the one we are conducting, the two concepts are very closely linked and are better put under one term; authenticity. The term must furthermore be considered throughout the whole study, from the collection of material to the analysis. In line with this, the researcher must succeed to gather sufficient material in order to conduct a reliable analysis and capture different nuances expressed by the participants (Patel & Davidson, 2003). The number of interviews conducted in our study we believe provides us with sufficient information in order to conduct an analysis together with previously made research. Patel and Davidson (2003) further argue that already in the process of transcription, researchers affect the material and must be aware of the authenticity. Communicative validity means that the researcher lets other researchers as well as the participants take part of the results in order to provide feedback. Even though not being able to let the participants provide us with feedback before finishing the study, we will send our thesis, when finished, to several participants as we want to stay transparent and share our results and interpretations. However, our supervisor, an experienced researcher within the studied area, has provided us with continuous and valuable feedback throughout the entire process. Furthermore, we do not view our material to serve as ground for drawing general conclusions, but rather to give a deeper understanding of the situation of unions and labor NGOs in Indonesia.

#### 3.4.1 Criticism of sources

According to Ejvegård (1996), it is important to critically examine the reliability of the printed material used in a study. Hence, Ejvegård (1996) suggests that the material used is examined regarding its authenticity, independency, concurrency and recency. Consequently,



these four “principles” of criticism of sources have guided the selection of the printed material included in this study. We have aimed at mainly selecting sources that are recently published and that are academic to their nature, such as published scientific papers and books. Furthermore, when using an internet source we have tried to be particularly critical regarding the source of the content as well as the content itself.

In general, our aim has been to base the theoretical parts of the study on a variety of sources, enabling a more nuanced picture of the topics addressed. When selecting the sources studied, we aimed at finding research focusing on codes of conduct in relation to local labor actors, as well as studies looking at the relationship between unions and NGOs. To accomplish this, we have been inspired by studies from South and Central America (e.g. Frundt, 2004; Rodríguez-Garavito, 2005; Ross, 2006), Asia (e.g. Egels-Zandén & Hyllman, 2007; Yu, 2007; Yu, 2009), and Europe (e.g. Preuss, 2008; Arenas et al., 2009). The studies conducted in South and Central America have been especially valuable in order to understand local labor actors’ attitudes towards codes of conduct. Consequently, research from this part of the world is frequently presented in the theoretical framework.

Even though there is previous research within this area from various parts of the world, studies focusing on local labor actors in the specific Indonesian context is scarce (Ingleson, 2011). However, a recent study by Ford (2009) offers an excellent exception by providing a relevant and comprehensive source of knowledge concerning the development of the Indonesian labor movement. The study by Ford (2009) has further been acknowledged by Ingleson (2011) in a review in the latest number of *British Journal of Industrial Relations*. According to Ingleson (2011), the book by Ford (2009) is “*a well-researched book that considerably enriches our understanding of workers and unions in contemporary Indonesia*” (p. 394). Consequently, we regard this source to be the most suitable when examining the history and development of unions and labor NGOs in Indonesia, leading to large parts of the theoretical framework being based on the study by Ford (2009).

## 4. Empirical Findings

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*In this chapter, the empirical findings from the interviews conducted during the field study in West Java and Jakarta, Indonesia, will be presented. Since previous research call for presentation of local actors' voices, we have chosen to let the empirical findings expressing these voices to be a major part of the study. First, empirical findings concerning unions' and NGOs' views on codes of conduct will be introduced, followed by empiricism regarding the roles, collaboration and relationship between the two local labor actors.*

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### 4.1 Codes of conduct as a tool to enforce workers' rights

The usage of codes of conduct as a tool to enforce workers' rights is a fairly new strategy among labor unions and NGOs present in Indonesia. In short, the strategy is based on the idea of local unions urging international brands to put pressure on their suppliers in Indonesia in order to improve working conditions in local factories. Even though the strategies of the interviewed unions in large are based on this structure, the very procedure how to execute this may vary. Some unions contact the brands themselves, while other unions go through an NGO in order to contact the buyer. Some unions further try to pressure the supplier directly by bringing the code of conduct to the collective bargaining agreement (CBA) negotiations, in order to make it a part of the CBA. Moreover, some unions and NGOs use the code of conduct in order to initiate international campaigns, aiming to make the brands put pressure on local suppliers. However, many of the informants stress that it is still today not many workers or unions that know about codes of conduct and how to use it as a tool in their struggle. Furthermore, some of the unions and NGOs that do use it as a strategy seem to question the efficiency of the code of conduct. Hence, the views on codes of conduct of unions and NGOs in Indonesia will be explored in further detail below, as well as an alternative strategy to this instrument. All interviewees, unionists as well as NGO activists, have been anonymized in the following presentation of the empirical material.

#### 4.1.1 Unions' views on codes of conduct in Indonesia

According to our findings, several unions view codes of conduct as a complement to the national law, a supplementary tool to use in order to improve workers' rights in Indonesia. However, different unions have different experiences of using CoC, and therefore also different opinions about how efficient this tool is.

#### 4.1.1.1 Positive viewpoints

As the following quote illustrates, unions believe CoC to be an alternative tool to use in the struggle for workers' rights when the factory is a supplier to an internationally known brand. According to the general secretary of union C,

*"We have experience to use the CoC as an alternative tool for our struggle, especially inside the factory [...] In the beginning the CoC was very helpful because there was an international interest from international NGOs, especially concerning famous brands like Nike, Adidas and Levi Strauss."*  
(Union C)

Even though codes of conduct have been active in many factories in Indonesia for the last ten years, some unions at local level still do not know much about this instrument or how to use it. Union F, one of the largest unions in Indonesia, has not yet started to use CoC as a tool at branch level, but has heard about it and feels positively about a future usage. However, at national level, unionists from the same union are well informed about CoC and even state that they are using it. The quote below illustrates that union F, at branch level, believes that if given more information and education about CoC, it would start to use it as a tool to enforce workers' rights.

*"I think that we maybe in the future will start to use CoC as a tool, now we know more about it and I think that the employees also must know about the CoC, so now we need to inform and educate the workers about CoC."*  
(Union F)

Several unions believe that codes of conduct sometimes can be more efficient as a tool than the national law itself. This belief is based on suppliers being more afraid of the brands' actions, than the sanctions of breaking the national law. Therefore, CoC can function as an efficient way to put pressure on the suppliers. The following quotes illustrate three different unions' positive views on the possibilities of CoC as compared to the national labor law, which according to them is inadequate and slow.

*"The CoC is more effective compared to Indonesian law because when I contact the brands it is much more efficient compared to using the law itself, going to court for example."* (Union A)

*"The factories are more afraid of that the brands will move their business than the effects of not following the labor law. If the brands stop their production then they all loose their jobs."* (Union B)

*"I see CoC as very helpful, because the factory owners are more afraid of the brands than the Manpower Institution."* (Union E)

According to the local union leader of union E, the CoC can be used as an alternative way to protect their members. Codes of conduct should not substitute for the national law but rather be seen as a complement. The union first tries to use the law, and if that is not working it instead turns to the CoC.

*“I see CoC as an alternative way to protect our members. Since CoC come from the brand it is an effective tool to use to pressure the factory. If we have problems we mainly refer to, first the law and second the CoC.” (Union E)*

#### **4.1.1.2 Negative viewpoints**

According to the president of union A, one of the weaknesses of CoC is that it has to submit to the national law. By this he means that although CoC is a good instrument aiming to improve workers' rights, it falls short when having a clause not requiring suppliers to assume a greater responsibility than to follow the national labor law. The following quote provides an example of how the CoC falls short to improve workers' rights regarding the specific issue of wages.

*“For example, about wages, in Indonesia the minimum wage is very low, and in the CoC it's higher, but as the CoC say that the factory has to follow the Indonesian law, the wage stay very low.” (Union A)*

The general secretary of union B believes that a code of conduct mainly is used as a marketing tool, aiming to improve the brand image of the company rather than to improve the working conditions in Indonesia. Furthermore, the union believes that the problem lies in the lack of implementation of the CoC, and not in the content of the CoC, as indicated in the following quote.

*“I think that the CoC is more for the brand image and not so much for the workers here in Indonesia [...] The main problem is if the law or the CoC is implemented in the factory.” (Union B)*

In line with this, the chairman of union D states that CoC does not work at all and that the document is only posted on the walls in the factories for show. The following quote illustrates that the CoC too often falls short of changing the working conditions in reality and that this has led to a disbelief in codes of conduct among workers and unions.

*“I think that few activists and workers know about CoC, because CoC is just like an announcement on a board. I don't think that it's working. The trade unions have been discussing CoC for maybe ten years, but now I think trade unions and workers don't believe in CoC anymore, because it's not working.” (Union D)*

The fact that the CoC does often not cover the subcontractors of the suppliers is another negative view that is causing workers to not trust the CoC. Moreover, the process for workers to complain about poor conditions that is not in line with the CoC is both too complicated and too long. This is further viewed to be a way for factory managers to circumvent and conceal complaints to not reach the international brand. The quotes below demonstrate that CoC is a global contract, a creation of brands alone, while the needs of the workers are local.

*“When a factory has a contract with a brand, the brand has contract with only one factory, while that factory has a lot of subcontracts, so in the first*

*factory there can be CoC, but not in the factories of the subcontractors.”*  
(Union D)

*“The process of complaining about something includes a lot of processes and those processes are covered of layers so that the complaints don’t reach the main target.”* (Union D)

According to the chairman of union D, CoC is only a repackaging of the brand, a way to commercialize the brand in order to create goodwill and make money. Once again this illustrates the belief that CoC is nothing but an empty promise. In reality, nothing has changed in the factories, except that a paper named “code of conduct” now hangs on the wall.

*“The CoC is like a repackaging, just to make people see, consumers see, that they [the brands] apply labor rights in the factories, like marketing [...] Nothing has changed, the only thing that has changed, is the code of conduct itself, the paper.”* (Union D)

As stated earlier, labor unions have different experiences of working with CoC. While some unions have long experience and knowledge about CoC, others have barely started to use the tool in their struggle. In line with this, one negative view expressed by unions is the lack of knowledge and education about CoC, which often leads to a lack of implementation.

*“In some of our factories there are CoC, but it’s not implemented since the workers don’t know about the CoC. The management doesn’t inform their employees about the CoC [...] so if there is a conflict, they don’t use CoC because they don’t know about it.”* (Union F)

According to the general secretary of union C, codes of conduct is an inadequate tool to use since it is developed by the brands alone without the involvement of any other actors. This unilateral development of CoC contributes to create gaps and deficiencies, as well as a lack of local adaptation. However, unions acknowledge that since the start of the development of CoC, the tool has slowly begun to change in order to cover more areas where protection earlier was lacking.

*“CoC is made by the brand owner, not by the supplier. This is different from the OECD which is a tripartite; the union, the brand and the government [...] Since five or six years many CoC is changing and including more conditions.”* (Union C)

#### **4.1.2 Labor NGOs’ views on codes of conduct in Indonesia**

According to our findings, the majority of the labor NGOs present in Indonesia communicates with international organizations, unions as well as other NGOs, and therefore often knows more about codes of conduct than local unions do. However, NGOs do not have the same fighting position as unions do, which limits their possibilities helping unions implementing the CoC.

#### 4.1.2.1 Positive viewpoints

In line with the findings of unions' views addressed earlier, representative of NGO L and the director of NGO K, regard CoC to be a helpful tool in order to pressure buyers and their suppliers. However, the director of NGO K also states that workers and unions do not know how to use CoC as a tool to improve workers' rights. The national level often possess information and knowledge about CoC, however, this does not always reach lower levels within the union. The following quotes illustrate that unions must know how to use CoC in order to make a difference, since corporations often do not care about the national labor law.

*"I think it [CoC] is a good thing but only if you know how to use, and can use it as a tool. It's only tools. Actually we have a good regulation on labor law, but it's also just a tool and if you can't use that tool, you can't do anything. To pressure the buyers and the companies we can use these tools, because we can ask the buyer to see what and why things are happening in the different companies. So that's a good thing with the CoC tool, because the buyers don't see our labor laws, they don't look and they don't care, they only see their own codes. So if the trade unions use the CoC to tell the buyer that the factory didn't apply it, then they will interfere. So it's important that all trade unions know about the CoC and that's why I choose the training program, if they know how to use that tool, it's good." (NGO L)*

*"Like this pen, if you give it to someone who doesn't know how to use it then it becomes useless, and the good pen loses its function." (NGO K)*

As explained by the unionists earlier, using the labor law often implies a very slow and inefficient process. Therefore, CoC can be used as a quicker supplement to the national law. The representative of NGO L argues that the unions must use both the national law and the CoC in parallel, i.e. that the two tools should complement each other. Since CoC is not equally efficient when used on its own, the following quote demonstrates how codes of conduct should be used according to the representative of NGO L.

*"I know why the tool [CoC] have not been successful in their [a local union] case, it's because they didn't use the regulation at the same time as the CoC. You must use both the regulation and the CoC together." (NGO L)*

In line with this, the program officer for the gender program at NGO G explains that CoC should be viewed as a complementary tool that can connect the workers to the buyers.

*"CoC is more like a complementary tool additionally to the national law; it's a tool or a bridge that can connect the workers with the buyers, because the CoC belong to the buyer." (NGO G)*

According to the deputy director of NGO H, all tools available are used in the fight for workers' rights. By this the deputy director means that no tools should be excluded and that by using multiple ways of addressing the problem it is more likely that a solution can be reached.

*“We use all tools that we can to improve workers’ rights, and then sometimes CoC can help and give better working conditions to the workers.”*  
(NGO H)

#### **4.1.2.2 Negative viewpoints**

According to several NGOs in our study, CoC is viewed to be somewhat limited to only pressure suppliers through international campaigns. Violating the codes of conduct does not imply any legal sanctions and, therefore, CoC is only effective when international brands take action to pressure their suppliers.

*“The only thing that you can do through CoC is international campaigns, so the world knows that the factory is not operating in the standard of the grant. Hoping that the brands could put pressure on the factories.”* (NGO M, Volunteer)

*“I know that in some cases the unions use CoC for campaigns, but it’s not very effective. Since the factories use the law and the minimum standards. CoC only work to put pressure and it’s not always effective.”* (NGO H)

Furthermore, the management of the factories does often not inform their employees about the CoC and their rights. According to the executive secretary of NGO M, factories simply post the CoC on the wall and leave it with no further explanation or codification. The CoC is also rarely translated into the local language, which prevents the workers from understanding its content and, consequently, their rights. The following quote demonstrates how the CoC can exist in a factory but stay unseen. Even the unions do not always know about the CoC and its possibilities, which clearly limit the potential of CoC as a tool in the struggle for workers’ rights.

*“The CoC here is not implemented well, they [the factories] put it on the wall in a frame two meters up where nobody can see it or read it, and it’s in English with very small letters.”* (NGO M, Executive secretary)

As mentioned earlier by some unionists, another negative viewpoint expressed also by the NGOs concerns the fact that CoC is not legally binding. According to the head of the R&D division of NGO I, the lack of legal sanctions is one of the greatest weaknesses of CoC.

*“CoC is not legally binding on the brands, corporations, TNCs and there is no tangible accountability on CoC, it is just internal supervision and monitoring.”* (NGO I)

In line with this, NGO I states that the CoC in the end only gives advantages to the corporations that created them, and not to the unions and their members as it is supposed to do. This further illustrates how labor NGOs are losing faith in the CoC, as expressed by the head of the R&D division of NGO I below.

*“It’s [CoC] like a flower to beautify the garden.”* (NGO I)

Even though there is a code of conduct in the factory, it does not automatically mean that it is implemented. According to the head of the information and documentation division of NGO J, unions are sometimes afraid of using the CoC, since the buyer might discipline the factory by shutting it down or moving their business somewhere else.

*“There are many violations in the factories and if the union tries to go to the buyer and the buyer penalize the factory in Indonesia, then the union is afraid that the factory will be closed or moved to another place.” (NGO J)*

According to the program officer for the trade union program at NGO G, unions do not enough integrate codes of conduct in their everyday work. The CoC is not attractive enough as a tool for the unions, since it merely is a *soft law* and unions rather work with tangible advocacy in the court, i.e. with the national labor law.

*“The unions didn’t manage [to integrate the CoC more in their organization], it’s not attractive enough, it was and stayed marginalized. The reason can be that it’s just soft law, they can’t rely on those kinds of tools. Even the real law is not reliable, so how can they trust a soft law?” (NGO G)*

#### **4.1.3 An alternative strategy to codes of conduct**

*“... when we need the brand we don’t talk about code of conduct anymore, we have made new concepts.” (Union D)*

As a reaction to the weaknesses and disappointments of CoC, unions and NGOs in Indonesia have started to work on finding new ways to make multinational corporations take responsibility for workers’ rights. One example of such an initiative is the Play Fair Alliance in which local unions, NGOs, suppliers and international buyers meet in order to agree on protocols concerning freedom of association, job certainty and wages. Currently, five unions, eight NGOs and four large international brands within the sportswear industry are part of the Play Fair Alliance in Indonesia. As illustrated in the quote below, the aim is to create an instrument that offers local actors a more concrete tool than the current corporate code of conduct.

*“The idea is to make a concrete protocol; you know that tangible measurable protocol how the brands can implement the freedom of association and how they can be bowed with their commitment on human rights respect. So, I learned that it was like the actions on the disappointment on CoC itself, because CoC is not like legally binding on the brands, corporations, TNCs and there is no tangible accountability on CoC, it is just internal supervision and monitoring.” (NGO I)*

However, some NGO activists regard the Play Fair Alliance to be part of the CoC movement and only a further attempt to make CoC work. The representative of NGO L and the executive secretary of NGO M give voice to this view.



*“Actually the issue is the same, like Play Fair, they address the same issue with codes of conduct. I mean, Play Fair is a part of the CoC movement ... “*  
(NGO L)

*“Play Fair Alliance is to make CoC work I think”* (NGO M, Executive secretary)

According to the head of the R&D division of NGO I, the protocols of the Play Fair Alliance will differ from the current codes of conduct in two important ways: the protocols will be legally binding and will be a result from negotiations between unions, NGOs, suppliers and buyers and thus not only a document from the brands alone. The development of the idea to make a protocol as a new strategy to CoC is explained by the head of the R&D division at NGO I.

*“So, first actually the brands have initiated by the Oxfam and other international NGOs to come up with the idea to make a similar instrument just like CoC, but then the union bargained to make like a more progressive instrument that can be legally binding for them. Then, during the discussion and our planned idea, I suggested that we adopt kind of like bilateral agreement, like internationally, but it is between the brands and the unions.”*  
(NGO I)

Consequently, during the negotiations two sides are formed; one side consisting of unions and NGOs, and one side composed by brands and suppliers.

*“We all meet, but we make like a labor side, trade union side [...] we try to make it with trade union; NGO and trade union [...] “We have our own protocols; trade union have it with the consultation with NGO, and then also the brand have it with the consultation with the factory here, with the supplier here” [...] “We have our own draft, both sides [...] then we come together to bargaining...”* (NGO M, Deputy director)

According to the deputy director of NGO H, the Play Fair Alliance is *“a first try to make a bridge between the buyer and the unions”*. However, the chairman of union D views unions to have a unique role in the alliance.

*“... the main idea is about how the labor union could work to be a mediator between the factory, brands and the labor itself.”* (Union D)

Also the general secretary of union C points at the importance of unions participating in the process.

*“... we made the protocol on the freedom of association. This is the most important, that’s why we start from this. Because the union is the tool, the struggle tool for the workers, we cannot talk about the wages, we cannot talk about the contract, we cannot talk about the social security if the workers they have no tool...”* (Union C)

The executive secretary of NGO M states that she is hopeful regarding the future potential of the Play Fair Alliance. According to her, the Play Fair Alliance gives them a valuable forum

where they can not only meet with the supplier in Indonesia, but also with the international brand. The involvement of the brands is crucial, since, according to the executive secretary of NGO M, local actors are dependent on the brands in order to bring about a change.

*“It’s a good forum, we don’t have that forum before. We just bargaining with the Indonesian company, supplier; they can’t do anything without the brand.” (NGO M, Executive secretary)*

Also the general secretary of union C views the creation of a forum such as the Play Fair Alliance as rather positive.

*“At least we can sit together with the brands, the supplier and the union, talking about some issues...” (Union C)*

However, even though the general secretary of union C acknowledges that the idea of Play Fair is good, she questions the efficiency of the concept. Since they have not yet reached any agreements, she doubts the future potential of the Play Fair Alliance.

*“... in the beginning, the idea was good. But over the years, as we have followed this negotiation, we not got the hope in the future. Because we only see, nothing happens.” (Union C)*

The general secretary of union C further questions the willingness of the international brands to participate in the negotiations, since they merely seem to view their role as supporting. She is critical to the attitude of the brands and stresses the importance of their participation in the process of developing the protocols.

*“The brands they have to be involved in the debating too, because the protocol is not only the interest of the union and the supplier, but the brands as well. The brands have the interest with this protocol, if they want to create better conditions in their subcontractors. But Adidas say that: “yeah, but our position is only supporting ...” (Union C)*

If the Play Fair protocols will manage to bring about the change that many actors experience the CoC incapable of doing is something that the future will have to tell. However, what seems to be certain is that alternative strategies to codes of conduct will continue to arise until a change in working conditions occurs. The head of the R&D division of NGO I, gives voice for this mindset.

*“We are in the middle of the transformation of how to make the corporations responsible with labor issues. What instruments should we use? We are trying to find out, and we are still working with the framework. CoC have existed since 20 years, now it is time for my generation to have a breakthrough and to make a difference.” (NGO I)*

Furthermore, it should be stressed that the Play Fair Alliance is only one out of several initiatives and networks concerning workers’ rights issues in the garment industry. Examples of other initiatives are the Code of Conduct (CoC) Network, the Clean Clothes Campaign (CCC) and the Asia Floor Wage (AFW). The head of the R&D division of NGO I explains

why their organization has moved on from being active in the CoC Network to instead be involved in the Play Fair Alliance.

*“ ... at that time, the most possible and visible way was to get involved in that network [the CoC Network]. But today it has developed into other networks like the Play Fair Alliance [...] I just try to find the best way.”*  
(NGO I)

## **4.2 The roles of unions and NGOs**

As being mentioned earlier, in order to understand the relationship between unions and NGOs in Indonesia and the different roles they play in the labor movement, it is important to consider the political history of the country. Consequently, several of our interviewees shared their views on the historical development of the Indonesian labor movement during the interviews. To facilitate the understanding of the following presentation of the empirical findings, we would like to briefly repeat some of the history, as it was told to us by the general secretary of union C. According to the general secretary of union C, unions and NGOs started to collaborate over twenty years ago, during the Suharto regime. Before the Reformasi era, it was impossible for unions to organize, which led to NGOs organizing workers and assisting them with advocacy. Consequently, NGOs gained a lot of experience doing the job traditionally reserved for unions. Thus, when independent unions were set up after the fall of the Suharto regime and the introduction of freedom of association and speech, the unions had to learn from the very scratch how to act like a union. The only way they could obtain this “know how” was from the NGOs who knew about cases and had connections. However, as the unions grew stronger and gained more experience the NGOs had to step back and their role had to change. The general secretary of union C calls this *“the reposition of NGOs”*. Currently, according to the head of the R&D division of NGO I, there is no formal division of roles between unions and NGOs, but rather an informal division. Through different experiences, knowledge and backgrounds the two local labor actors have taken on diverse roles. In order to explore this further, a review of our empirical findings concerning the roles of Indonesian unions and NGOs will follow.

### **4.2.1 The roles of labor unions**

The majority of the roles that unions in Indonesia possess are more universal and clear than the roles of the NGOs. Considering the relatively young age of the Indonesian labor movement, the unions are still today learning about their roles and often need help from other actors. Through our study we have identified five main roles that unions possess: organizing, advocacy, training, research, and monitoring. These five roles will further be explained in this section.

#### **4.2.1.1 Organizing**

One of the main roles of the unions is to organize workers; to inform the workers about different issues and to protect their rights. This is a role that is unique for the unions, since labor NGOs do not usually interact directly or on a regularly basis with workers.

*“... the union is the tool, the struggle tool for the workers.” (Union C)*

*“They [the NGOs] don’t organize workers as we do, they don’t organize education or training.” (Union C)*

*“One of the roles of the union is to keep the democratizing still going in Indonesia.” (NGO H)*

*“The trade union have to organize and mobilize the workers to go demonstrate, this the NGOs can’t help the unions with. The unions must be able to do this on their own; it’s their job to prepare their members by lobbying.” (NGO J)*

#### **4.2.1.2 Advocacy**

According to our empirical findings, advocacy is a very important role of the labor unions in Indonesia. More specifically, advocacy implicates that unions help their members in court, do national and international campaigns, and assure that the factory managers are held responsible for their employees.

*“There are three main principles [in our union]: protection, advocacy and welfare.” (Union B)*

*“Yes, advocacy, that is what we do.” (Union F)*

*“... we do the advocacy and the campaigns ourselves. We have networks with other labor unions.” (Union D)*

*“One of the things that union E fight for is the right of welfare of our members, and secondly to give protection to our members and their families. We do this by advocacy, if a member has problems with the manager or the factory owner, we come in and assist the worker.” (Union E)*

*“I think that unions have to be active to fight for the labors’ rights because they know exactly what the labors need.” (NGO M, Volunteer)*

#### **4.2.1.3 Training**

A third role identified concerns unions giving training to their members, such as training about CoC and about the rights of the workers in the factories. However, since unions do not

have much money, training solely developed and performed by unions does not occur often. The quotes below illustrate how unions conduct training, and what this training is about.

*“Since the majority of our members are women, we do a lot of trainings about women’s rights, training from the base level to training for trainers.” (Union A)*

*“We do training for local union leaders together with ILO or other NGOs. For the members we don’t have training. At all the factories the CoC is posted on the walls, so we don’t think the members need training.” (Union B)*

*“We do training about the CSR every month [...] The training about CoC covers everything in the CoC book [that every worker have]: workers wage, benefits, collective labor agreement, overtime and so on.” (Union E)*

#### **4.2.1.4 Research**

Labor unions conduct research about the conditions inside the factories and about what is actually required according to national law and corporate codes of conduct. Unions conduct their research by collecting information about different factories and brands, as illustrated in the quotes below.

*“The union at plant level provides information about the [workers] conditions to the NGOs.” (Union E)*

*“The union’s role is to provide data for the campaigns.” (Union B)*

*“We ask the unions to collect data and information about the case, such as the issues, the accident, the supplier and how they have changed, where the network of the company is, for example Nike, they have to know where their factories are. When the unions have all that data, they can bring it to the CBA as proof.” (NGO J)*

#### **4.2.1.5 Monitoring**

According to our findings, local unions, together with governmental inspectors as well as internal inspectors from the brands, monitor the different factories. However, out of the interviewed unions, it was only a few that claimed to have this role.

*“The monitoring is done internally with the inspector of the brand and the local union.” (Union B)*

*“Monitoring we do together with the inspectors from the government, but it’s them who do the controlling.” (Union F)*

*“We [NGOs] train the unions to monitor [...] We don’t monitor because they are there, it’s them who face the problems everyday.” (NGO L)*

## **4.2.2 The roles of labor NGOs**

According to our findings, labor NGOs take active part in the current labor movement in Indonesia and possess several different roles in this movement. Through our empirical findings we have identified five main roles that fall on the NGOs: supporting, capacity building, training, research, and advocacy. We have further identified two different approaches regarding how labor NGOs are executing these roles; either as outsiders or as insiders, which will be further described in the following section.

### **4.2.2.1 Two approaches: outsider versus insider**

According to the deputy director of NGO H, it is beneficial for unions and NGOs to work together, as they both are aiming to reach the same goal. Nevertheless, unions and NGOs are two different actors, whom are interacting with the labor movement in different ways. Some NGOs believe that NGO activists should be involved within the unions and work side by side with the union members. However, on the contrary, the majority of the labor NGOs believe that NGOs should have an outsider role, i.e. support the unions from the outside. The quotes below illustrate how NGOs view their role in the labor movement and their collaboration with unions.

*“I think that NGOs have to be involved with the unions, not stay outside.”  
(NGO K)*

*“There are two kinds of fields in Indonesia about the relationship between the unions and the NGOs; the NGOs as the watcher, the outsider, and NGOs involved in the labor union.” (NGO H)*

*“I believe that intellectuals have to be members of the unions, not only factory workers [...] The unions need to open their membership so that not only workers that are working in the factories can be members.” (NGO K)*

The deputy director of NGO H explains that NGO H works both as an insider and an outsider and that the choice of approach is determined by the context. While some unions appreciate when the NGOs are involved inside the union, others prefer the NGOs to maintain an outsider approach.

*“One of the roles of the union is to keep the democratizing still going in Indonesia. So when the labor unions work with this role, the NGOs just support from the outside. When unions have a case about for example FoA or low wages, the NGOs help them from inside and gets involved together with unions to do campaigns, do advocating and so on.” (NGO H)*

However, according to the representative of NGO L, it is better to train unions to manage by themselves and for NGOs to focus on supporting the unions from the outside. Both the deputy director of NGO H and the representative of NGO L believe that whether NGOs can work within unions or not, is a question about trust, as illustrated in the quotes below.

*“It’s the unions who face the problems everyday; we [NGOs] are outsiders.” (NGO L)*

*“When we are inside we have to work together and collaborate, in many cases it’s a trust issue. It’s hard to develop the trust, sometimes the unions ask for help and the NGOs help out.” (NGO H)*

In order to prevent conflicts between unions and NGOs, the director of NGO K considers it important that the two actors work together and states that NGO activists should even become members within the unions. The unions would then consist of intellectuals as well as workers and become stronger. On the contrary, the following quote demonstrates what the current separation between unions and NGOs in Indonesia leads to.

*“In reality in Indonesia, we are all separated by someone who has power. The separation is that NGOs should just support and help from the outside and that the members of the unions only can be workers, this will fragment the unions and make them smaller.” (NGO K)*

#### **4.2.2.2 Supporting**

Turning to the roles of labor NGOs, our empirical findings demonstrate that a majority of the NGOs view their main role to be a supporting role. This role implies NGOs offering unions support such as providing information, translation, research or legal aid. Moreover, NGOs support unions by publishing articles in newspapers and organizing meetings. Several NGOs further stress that unions are the main actors, and that NGOs should enforce their role as leaders.

*“In NGO H we give support for the education, organizing and research for the trade unions.” (NGO H)*

*“We provide unions with what they need to improve workers’ conditions and the unions, if they need education, we will provide education, if they need help with advocating, we will help them with advocating.” (NGO K)*

*“According to me, the NGOs are there to support the unions, because it’s they who fight with the companies to improve workers’ rights.” (NGO J)*

*“The role of NGOs is to be the supporting system of the unions.” (NGO H)*

*“The NGOs are more a facilitator, assist in international campaigns, with advocacy and do trainings.” (NGO M)*

Also unions view the role of labor NGOs as to be part of a supporting system for the unions.

*“The NGOs are doing supplementary and complementary things on the side, helping the unions, while the real voice comes from the unions.” (Union B)*

As part of the supporting role, some labor NGOs support the unions by helping them to contact buyers and teaching them how to communicate with international companies.

*“NGOs helped by contacting the brands to put pressure on the factory.”  
(Union E)*

According to several of our interviewees, some labor NGOs further support unions through funding.

*“It was very hard for me to find funds to do training so that the workers would know their rights [...] First we had some funds from our members and then I made proposals to the parliament and NGOs such as FES. But FES wasn’t concerned about us since we were a small union, but wherever we get funds we make trainings.” (Union A)*

*“The funding is from the NGOs and the participants are from the unions.”  
(Union B)*

*“There are two NGOs that fund the labor unions in Indonesia: the first is FES and the second is ACILS.” (Union D)*

*“Organizations like CCC, FES, Oxfam and ACILS, all these donors can unite unions.” (NGO K)*

*“The networks only work if there are funds, so they are heavily depended on us who support them.” (NGO G)*

Labor NGOs also support unions by translating documents, e-mails and letters. Since NGO activists often have an academic background, they are sufficient in the English language. Unionists, on the other hand, with their background as workers, do often not speak or understand English.

*“The NGOs help us with the language; translate letters and e-mail to send to the buyers.” (Union A)*

Finally, the director of NGO K believes that labor NGOs were born merely to complement the labor unions and that NGOs only have a temporary role in the labor movement. When unions are strong enough to fight for workers’ rights on their own, the labor NGOs will not be needed anymore.

*“The NGOs were born just to complement the unions, and do what the unions can’t do. Yes, because today unions can’t do research and education so NGOs do it, but when they can do all this, then the NGOs will not be needed anymore.” (NGO K)*



### 4.2.2.3 Capacity building

A second role identified concerns NGOs working within the area of capacity building. According to the deputy director of NGO H, their aim is to democratize the unions, to make them stronger and more independent. Consequently, the role of the NGOs is to support the unions so that they can manage on their own.

*“NGO H’s main activity is to improve the capacity building of labor unions [...] Our belief is that trade unions are not democratic. The first reason is that all trade unions were born during the Suharto regime, which was not democratic at all. The Suharto regime created the unions in Indonesia, which means that the government created the unions and not the workers.”*  
(NGO H)

*“NGO M have two main focus: one is advocacy, which means you give consulting to trade unions and also handling cases, the other one is research. Within advocacy is capacity building for trade unions, so we have sustainability training for the trade unions, like labor law courses, labor law enforcement workshops and advocacy.”* (NGO M, Executive secretary)

Furthermore, unions are free to contact labor NGOs to ask for help with cases, and labor NGOs try not to interfere until unions have asked them to do so. As most NGOs believe the unions to be the main actor within the labor movement, it is up to them to decide whether labor NGOs should interfere or not.

*“We only get involved if they [labor unions] ask us for help, if they ask we will interfere.”* (NGO L)

Furthermore, according to the representative of NGO L and a volunteer at NGO M, it is important to build the capacity of unions and to make them stronger, through empowering them and helping them to unite.

*“Empowering the unions is what matters. I think it’s very good if unions become strong and united.”* (NGO L)

*“The unions are not united, this is where NGOs and NGO M comes in and try to unite labor unions, there are a lot of unions and it’s our responsibility to unite them.”* (NGO M, Volunteer)

### 4.2.2.4 Training

As in the case of the unions addressed earlier, also NGOs seem to possess a role that implies training. For example, labor NGOs give training to union leaders about CoC, so that they in turn can give training to their members. They further give training concerning how to monitor factories, how to make the management listen and how to contact buyers.

*“We [NGOs] train the trade unions to monitor the factories, the CoC and the implementation of the CoC [...] According to me, the NGOs have the role*

*to train the trade unions [...] So that the trade unions don't depend on the NGOs all the time. It's better if the trade unions become strong, have more power and know everything. It's the trade unions who are facing the problems everyday, we are outsiders.” (NGO L)*

*“What they [NGOs] mainly do is training, training about the CoC and information sharing.” (Union E)*

*“Every month we give them training about all of the issues about the workers' rights in Indonesia, especially about the advocating, and then about the labor law.” (NGO M, Volunteer)*

*“The main focus of NGO J is education, to improve workers' rights.” (NGO J)*

However, there are different opinions regarding the field of training. According to the general secretary of union C, this is not an area where labor NGOs should interfere. While she believes that labor NGOs can provide training in areas that unions do not have access to, such as training about political and economical situations, NGOs should leave training about wages and advocacy to the unions.

#### **4.2.2.5 Research**

A fourth role, also identified among the unions, concerns research. According to our findings, labor NGOs conduct research for and together with unions about the labor conditions in Indonesia. For example, two NGO activists in our study state that they do research in order to update unions about the labor situation in Indonesia.

*“We're making research that updates the unions about the labor issues here. One of them right now is the social security, a main struggle here in Indonesia, so we make research to strengthen our struggle in this issue.” (NGO M, Executive secretary)*

*“NGO H does research about the conditions of the workers in the textile and garment industry. The unions collect the information and then we analyze it together.” (NGO H)*

According to the general secretary of union C, labor NGOs are doing research and collect information that would be hard for unions to otherwise assemble. The quote below indicates how important it is for unions to be able to share the information that NGOs collect.

*“Their [NGOs] information is really important for us [unions], so useful for the unions.” (Union C)*

#### 4.2.2.7 Advocacy

According to our empirical findings, NGOs as well as unions claim to have a role implying advocacy. This area is, however, mostly left for the unions to manage, although unions sometimes ask for support and help from the NGOs, which then join the advocacy process. In the quotes below, it is illustrated how NGO M often help unions by offer consultation and handling cases.

*“I work for advocacy, which means that you give consultation to trade unions and are also handling cases in court for trade unions, we go to court as their lawyer, here at NGO M we are all lawyers.” (NGO M, Executive secretary)*

*“NGO M is a centre of advocacy and study for the trade unions [...] We do advocacy for cases, we assist them in court and are doing campaigns with other NGOs.”(NGO M, Volunteer)*

According to the president of union A, labor NGOs sometimes help unions with their campaigns. NGOs help the unions, since unions often are afraid to go public and risk upsetting the brands so that they move their business elsewhere. In the quote below, the president of union A explains the different roles of unions and NGOs when executing a campaign.

*“The roles are; the NGOs they campaign and the unions provide data for the campaigns, for example which factory it is, who they are producing for, who the investor is and other information about the case.” (Union A)*

### 4.3 Union-NGO collaboration

As mentioned earlier, unions and labor NGOs in Indonesia have a long history of working together. After the Reformasi and the introduction of FoA, unions had no knowledge about organizing workers, conducting advocacy or handling membership. The unions were in need of and are still today to a large extent in need of labor NGOs to help them in their struggle for better working conditions in Indonesia. Consequently, cooperation between the two local labor groups is important.

*“We work together if there is an issue that we can unite around.” (NGO L)*

According to our findings, even though union-NGO collaboration can take various forms, the main structure for collaboration seems to be networks and alliances, such as the CoC Network and the Play Fair Alliance.

*“We initiated the CoC Network as a forum, a platform, but we said from the very first that we don’t want to lead this network, it has to be led by the organizations involved.” (NGO G)*

The CoC Network and the Play Fair Alliance are forums where both NGOs and unions can meet in order to discuss issues, exchange information and train together. Examples of how these forums work are demonstrated in the quotes below.

*“The members in the CoC Network are unions, NGOs and individuals[...] We start to share information about the CoC, and created a training program in Jakarta, Bandung, Central Java and East Java to promote and socialize about the CoC.” (Union C)*

*“It’s [Play Fair Alliance] a collaborating forum where unions, NGOs and suppliers have meetings with the buyers. We make agreements and policies about the freedom of association for the unions in Indonesia.” (NGO H)*

*“It’s [Play Fair Alliance] a protocol made from the companies, unions and NGOs. All three are involved.” (NGO I)*

Furthermore, we have found three major areas where NGOs and unions often collaborate and work together, these three areas will be described in more detail in the following sections.

#### **4.3.1 Training**

The first area where unions and NGOs meet to collaborate concerns training. Together, unions and NGOs create training programs for local union leaders. These programs for example consist of training about CoC and how to use it as a tool. Furthermore, unions and NGOs share experiences with each other from different cases where CoC have been used, successful as well as unsuccessful.

*“We do training for local union leaders, together with ILO and other NGOs.” (Union B)*

*“Mainly what we do with the NGOs are seminars and trainings.” (Union B)*

*“We mainly do trainings and information sharing together with the NGOs.” (Union E)*

Seminars and training about how to monitor the factories and how to advocate for a larger budget to monitor are also made in cooperation between unions and labor NGOs.

*“NGOs help and educate us about how to monitor and how to increase the budget for the monitoring.” (Union F)*

*“Now when the majority of the NGOs collaborate with the unions the main activity is about educating, how to monitor, and how to train the advocating.” (Union F)*

### 4.3.2 Advocacy

According to our findings, a second area where the two groups of local actors meet to collaborate regards advocacy. By sharing their networks, labor NGOs help unions find international contacts, while the unions help the NGOs by sharing their voices and knowledge. As a consequence, information sharing is an important part when collaborating in the areas of advocacy.

*“For example the AFW, we do this together since we need the networking from the NGOs and the NGOs need our knowledge and voices.” (Union B)*

*“We have a long relation with the CCC, since 1998.” (Union C)*

*“Mostly what we do is information sharing with the NGOs [...] We discuss and switch information [...] because international NGOs have information that we don’t have.” (Union D)*

*“We [unions and NGOs] meet together to share information.” (Union A)*

*“We [unions and NGOs] share information and help each other.” (Union F)*

However, according to the chairman of union D, the information sharing is somewhat limited and could be better, as indicated in the quote below.

*“The international NGOs mostly share the campaigns that they do [...] There has not been any collaboration in research [between international NGOs, national NGOs and local trade unions], there could be a lot of possibilities of research, for example, if you compare the labors who produces for Adidas in Indonesia and in other countries.” (Union D)*

Furthermore, the NGOs sometimes help unions with their international campaigns, by contacting brands and media abroad, since NGOs often know English and have well established networks. The following quotes demonstrate in what way unions and NGOs collaborate concerning international contacts.

*“Yes, we collaborate with NGOs [...] Mostly the reason is language, we can’t send e-mails ourselves and the NGOs are often better at speaking English [...] Yes, so mainly translation, if we have a problem we write a letter, the NGOs translate it, we send it, it’s sent back, the NGOs translate it back to Indonesian again.” (Union A)*

*“There was a case of union basting [...] FES and TURC helped us with the international campaign, by contacting the brands.” (Union E)*

*“We collaborate with Justice for Education [...] to get a meeting with people from Nike and America.” (Union E)*

### 4.3.3 Research

The third and last area where unions and NGOs meet to collaborate is research. According to our findings, unions and labor NGOs share information with each other in order to better observe and report on working conditions in Indonesia. Unions gather information from their members in the factories and give this information to the NGOs. The NGOs later analyze the information to create training programs, which they execute together with the unions. Consequently, the information returns to the unions and their members in the end. The quotes below illustrate how NGOs and unions do research together and what different roles they play in this collaboration.

*“NGOs they can support by doing things that the unions can’t, like give input and information, do research.” (Union C)*

*“The main role of the NGOs is to do training, and the role of the unions at plant level is to provide information about the conditions to the NGOs, and then the NGOs can do training based on this information, so that the information is given back to the unions.” (Union E)*

*“We work together with NGOs only when we need research [...] they only do the research about the labor conditions and do education.” (Union F)*

## 4.4 The relationship between unions and NGOs

There is no straightforward answer to the question about the relationship between unions and NGOs in Indonesia. Whether it is a good relationship or not seems to depend on a number of factors such as the history and ideology of the organizations, their perspectives and priorities, and external and contextual factors. The quote below illustrates the ambiguous view that the deputy director of NGO H has of the relationship between unions and NGOs.

*“It’s like the relationship between boys and girls, complicated. Sometimes good and sometimes bad, it depends on the organizations” (NGO H)*

Also the head of the information and documentation division of NGO J shares this ambiguous view.

*“Hard to say, sometimes good, sometimes not. It’s 50-50, but in general, so far so good, between NGOs and unions.” (NGO J)*

Worth noting though, is that all of the unions interviewed either state that they believe the relationship between unions and NGOs to be good or acknowledge the need of NGOs. One main reason for this, mentioned by many unions, is the access to information that NGOs bring them.

*“...some unions said that we don’t need the NGOs, but I say that we need them, because NGOs are very important for information, because a lot of information are from them.” (Union A)*

Another reason mentioned by some of the unions, is the access to networks that NGOs offer, as illustrated by the leader of union E below.

*“I think that it is a positive relation between unions and NGOs, mainly because we can get the information faster this way and we have and can build new networks to get help easier.” (Union E)*

#### **4.4.1 Difficulties in the relationship**

Even though the majority of the unions, and also some of the NGOs, believe the relationship between the two actors to be good, quite a few of them also address some difficulties in their relationship. Mainly the difficulties concern NGOs interfering with the work of the unions, unions being suspicious of the source of funding of the NGOs, and differences in ideology, priorities and perspectives between the two actors. Hence, the empirical findings concerning difficulties in the relationship between unions and NGOs in Indonesia will be presented in the following sections.

##### **4.4.1.1 NGOs interfering**

As mentioned earlier, according to the director of NGO K, whether the relationship between unions and NGOs is good or bad depends on if the NGO is attentive to the preferences of the union concerning whether it should act as an outsider or an insider. Some unions prefer the NGO to stay on the outside, while others prefer the NGO to get involved from the inside. Consequently, it is important that the NGO is attentive to the context and the preferences of the union in order to enable a good relationship. This view is further shared by several other NGO activists, as well as unionists, as illustrated below.

*“...if they intervene too much, we stay away from the NGOs, but the NGOs that are on their own track and don’t intervene we like, we have a good relationship.” (Union A)*

*“...the NGOs have to know what kind of support they can do to help, they can give to the union, to the union movement. Because if they take over the position, it will only make a conflict ...” (Union C)*

Consequently, in order to avoid conflicts, it is important that NGOs avoid areas in which they could interfere with the work of the unions. According to NGO G, one example of such an area is advocacy.

*“The conflict is when the NGOs are asked to do advocacy work. That is the job of the unionist...” (NGO G, Program officer for the trade union program)*

Another example of such an area is training. As mentioned earlier, according to the general secretary of union C, NGOs contribute in a valuable way by giving training in areas where unions lack knowledge, such as political and economical matters. However, NGOs should let the unions do the training in areas where they can manage by themselves, such as wages. The general secretary of union C further states that it is important that the NGOs do not interfere with the independency or authority of the unions or diminish their role as leaders. Some of the NGOs seem, however, to be aware of the risk of interfering with the work of the unions. According to the executive secretary of NGO M, their aim is to avoid interfering with the role of the unions.

*“The NGOs are just assisting the unions, because we don’t want to interfere with what the labor unions are doing since they know what they need. But if they need us they can come to us for help.” (NGO M)*

However, at the same time as wanting to support the unions without interfering in an unwanted way, the program officer for the trade union program at NGO G argues that NGOs sometimes feel exploited by the unions.

*“Labor NGOs sometimes feel like exploited by the unions. We train you, educate you, but at the end when we try to help you, you take everything in charge.” (NGO G, Program officer for the trade union program)*

One explanation why unions do not want NGOs to interfere is, according to representative of NGO L, because unions are too proud to show weakness. The representative argues that unions believe they can manage on their own, and consequently they do not want NGOs to intervene in their sphere of activity.

*“The unions have the problem of proudness. They believe they can handle all their cases, and don’t want NGOs to interfere.” (NGO L)*

However, the representative of NGO L further argues that the problem concerns both parties, i.e. that not only unions but also NGOs believe they know best. Consequently, there is a suspiciousness of both parties that the other actor is only exploiting them, as explained by the representative of NGO L.

*“the leaders of the trade unions say that they are the best. [...] NGOs are also sometimes like that, they think they know best. It’s a general problem. They only think they are good. NGOs and trade unions have different perspectives, and they think that they are just using each other.” (NGO L)*

On the contrary, one of the local union leaders of union E argues that there are some ethics between unions and NGOs determining what each party does. In turn, this ethics and division of work reduce the risk of interfering with the work of the other actor and help to establish a complementary relationship between them two.



*“I think that there are some ethics that NGOs work in one way and the unions in another way, so we complement each other. For example, if the NGOs are having training, the NGOs contact the labor unions first and don’t contact the members directly.” (Union E)*

#### **4.4.1.2 The issue of funding**

Another source to the difficulties in the relationship between unions and NGOs in Indonesia concerns the funding of the NGOs. Several unions express suspiciousness concerning the source of the funding and the motives for the NGOs to run certain programs. The president of union A claims that some unions even believe the NGOs to “sell” the workers in order to get funds to survive themselves. This, of course, creates mistrust towards the NGOs and ruins possibilities to collaborate and establish a good relationship, as expressed by the president of union A in the quote below.

*“I think that the reason why the other labor unions don’t want to work with NGOs is because they think that NGOs sell the labors, sell the issues of labor so they can get funds for their work.” (Union A)*

This view is further shared by the general secretary of union C and the chairman of union D.

*“...some of the unions just think about the NGOs, they are only interested in the funding, they are really not interested in the labor movement.” (Union C)*

*“The labor unions are being careful with the NGOs because one big question for us is where the money comes from. We see that there are two types of NGOs: the first one is NGOs that really wants to help and the second one is NGOs that helps but with conditions. [ ... ] Conditions like the programs, like the projects have to be like this. The NGOs come and say “I can help you, but you have to do this, and the project is like this...”.” (Union D)*

The problem with NGOs having programs based on a certain funding is that these programs do not necessarily reflect the needs of the unions. Both unions and NGOs seem to be aware of this issue. Below are quotes from three different NGOs demonstrating the difficulties concerning NGOs running certain projects as a consequence of the terms of the funding, rather than running projects based on the needs of the unions.

*“I believe that the problem of NGOs is that they depend on funding to do projects and issues; they don’t listen to the real needs from below, just the money.” (NGO K)*

*“Some of the unions are quite distressed with the NGOs, and argue that some NGOs are project based...” (NGO I)*

*“...it can sometimes occur problems, because those NGOs don’t have programs that are based on their [workers] needs, like we do. Sometimes the other NGOs’ programs are based on like advocacy issues, and this sometimes makes problems in the unions because that’s not what they need.”*  
(NGO J)

However, even though funding clearly can be a source to conflicts between unions and NGOs, it can also be a reason that brings them together to collaborate. According to the director of NGO K, “... *funding can unite unions and NGOs*”. One such example, according to him, is the Play Fair Alliance.

#### **4.4.1.3 Diverse backgrounds**

A third area that can cause difficulties in the relationship between Indonesian unions and NGOs relates to the different backgrounds of the two actors, as being workers and middle-class intellectuals. Even though not always being expressed explicitly, this is demonstrated through the interviewees stating differences between unions and NGOs concerning ideologies, priorities and perspectives.

*“NGOs and trade unions, we are from different ideologies and different perspectives ...”* (NGO L)

*“The NGOs are a bit like the intellectuals of the CoC mechanism.”* (NGO I)

The director of NGO K develops this mindset further by explaining the practical implications of unions and NGOs having different ideologies. Sharing the same ideology will, according to him, bring the two actors together and facilitate a good relationship. On the other hand, having too diverse ideologies will create a distance between unions and NGOs and prevent collaboration.

*“If the NGO and the union have the same ideology they will be close and have a good relationship, but if they differ too much they will not work together.”* (NGO K)

Furthermore, in order to not create an undesirable distance to the workers, the director of NGO K states that he even avoids using the term “NGO”. This indicates a prevailing perception that NGO activists usually are from a different societal background than the workers, and that this difference can cause a distance between the two groups of actors.

*“I don’t tell people that I’m from an NGO when I call someone, I’m just same like you, a worker, I’m someone who wants to improve the working conditions.”* (NGO K)

Another reason to why unions and NGOs sometimes have difficulties working together and have a problematic relationship is because of different priorities. This can as well be viewed as a consequence of the different backgrounds of the two actors, leading to contradictory perceptions of what issues to prioritize.

*“...they both have their own priorities; NGOs say for example that the important thing is several payments that high, while the unions want to fight for their members and that everyone keep their jobs. That is two very controversial priorities.” (NGO G, Program officer for the trade union program)*

Also the chairman of union D acknowledges this problem and explains that since unions and NGOs have different perspectives, they tend to view one problem differently. While unions focus on problems on the ground, NGOs tend to address issues on a “higher” level. In turn, this creates a distance to the workers since they find it difficult to relate to the work of the NGOs.

*“For example, the labor unions have a more simple approach, like how they can raise the wages and the working conditions and things like that. While the NGOs, the labor say they talk on a quite high level about the industrial relationship, how to make a win-win solution and that’s just too broad. Or sometimes they come and talk about CSR, which for the labors it’s not quite their level, what they want is better working conditions and a raise of wages.” (Union D)*

Moreover, different perspectives between the two actors concerning how the NGOs should approach the unions are an issue that can influence the relationship negatively. While some unions believe that NGOs only should work with the national union level, NGO M believes that they as an NGO should work with any union level that is seeking their support, as illustrated below.

*“Maybe there is critique from the national union; “you should work with us, not the plant level”. If you ask about NGO M, maybe you will get that information, because they don’t like if we cut that bureaucracy. But here in NGO M we make a rule that we should work with any union, not discriminate them, and also all of the levels.” (NGO M, Executive secretary)*

Finally, even though the relationship between unions and NGOs in some cases seems to be difficult, both unions and NGOs state that the unions are in need of the NGOs. Below is a quote from the executive secretary of NGO M, illustrating her answer when being asked about the relationship between unions and NGOs.

*“...many difficult, but they still need NGOs. Yeah, maybe they think that NGOs use them for research only. But they still come, they still need, I think because of the fact, the real fact that they still need NGOs however.” (NGO M, Executive secretary)*

Also the general secretary of union C, that in the past has experienced a large conflict with an NGO, acknowledges the unions’ need for NGOs.

*“I think the NGOs, they have the position for the union movement, they are supporting, still needed for the union, for our struggle.” (Union C)*

## 4.5 Summarizing the findings

The empirical findings generated through the interviews with unionists and NGO activists in Indonesia contribute with knowledge in five main areas: unions' and NGOs' views on codes of conduct, an alternative approach to codes of conduct, the different roles of unions and NGOs in Indonesia, the structure of union-NGO collaboration and, finally, characteristics of the relationship between the two groups. Starting off by exploring the views on codes of conduct, we can conclude that unions as well as NGOs identify both positive and negative aspects. The positive viewpoints mainly concern the CoC offering a complement to the national law and an additional tool that is effective in pressuring international companies. The negative viewpoints, on the other hand, regard the lack of legal enforcement and local adaption, the risks associated with the use of codes of conduct, the lack of knowledge among workers, and the perception that the CoC primarily is a marketing tool for TNCs. As a consequence of the disappointments of codes of conduct, new ways of trying to make international companies take responsibility for workers' rights are on its rise in Indonesia. Consequently, we chose to explore one of these initiatives, the Play Fair Alliance, in more detail to gain greater insight to this new movement. Our empirical findings demonstrate that while some local actors are hopeful regarding this new strategy, others question the efficiency of the concept.

As cooperation between unions and NGOs, as well as between these two groups and buyers, are getting increasingly important, we further explored the roles, collaboration and relationship of unions and NGOs. Our empirical findings point at a division of roles where unions mainly are involved in organizing, monitoring, advocacy, training and research. In line with this, also NGOs seem to be involved in advocacy, training and research, but also in supporting functions and in capacity building. Furthermore, the three areas where both groups claim to have a role also appear to be the areas where unions and NGOs meet to collaborate. However, our empirical findings point at this collaboration sometimes being rather difficult as a consequence of a complicated relationship between the two groups of actors. More specifically, this complicated relationship seems to be a result of NGOs interfering with the work of the unions, suspiciousness surrounding the funding of NGOs, and of diverse backgrounds and perceptions of the two groups. The empirical findings will in the next chapter be analyzed in further depth and detail.



## 5. Analysis and Discussion

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*In this fifth chapter, the empirical material will be analyzed by being categorized and related to previous research. Furthermore, a discussion concerning the findings will be given throughout the chapter. Hence, the purpose is to deepen the exploration of the empirical findings in order to reach an answer to the research questions guiding this thesis.*

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### 5.1 Unions' and labor NGOs' views on codes of conduct

As demonstrated in our empirical findings, local actors identify possibilities as well as shortcomings concerning codes of conduct as a tool to enforce workers' rights. Furthermore, there are no great differences to be observed between the views of Indonesian unions versus the views of labor NGOs. Both unions and NGOs seem to agree that the greatest advantage regarding CoC is its possibilities as an alternative tool to complement national labor legislation. Similarly, the two actors share the view that two major shortcomings in the ability of CoC to improve working conditions relate to workers not being knowledgeable of CoC and the belief that the concept aims more to protect the brand image than enforce workers' rights. However, there seems to be a tendency of unions highlighting shortcomings related to the inability of CoC to take into account local needs, whereas labor NGOs stress the weakness of CoC as not being legally binding. In order to analyze the empirical material further, our findings will in the following section be examined in relation to the previous research presented in the theoretical framework and the introduction.

#### 5.1.1 Possibilities of codes of conduct

As mentioned earlier, unions as well as labor NGOs address different advantages of CoC that all relates to its possibilities to be an alternative tool in the struggle to improve workers' rights. More precisely, these advantages mainly concern two possibilities; CoC as being a complement to national labor law, and CoC as being a helpful tool in order to pressure international brands. In line with this, previous research from other parts of the world also identifies these advantages of CoC (Jenkins, 2001; Frundt, 2004; Rodríguez-Garavito, 2005; Ross, 2006). For example, research by Frundt (2004) demonstrates that NGOs in Central America consider CoC to be a helpful tool in complementing the national labor law. Also NGOs in the study by Bartley (2007) address this advantage of CoC. Furthermore, Rodríguez-Garavito (2005) states that South American NGOs in his study identify CoC to offer possibilities to put pressure on international brands and suppliers.

Concerning the CoC as a valuable complement to national labor legislation, one NGO activist in our study argues that it is because CoC can connect workers with buyers, giving them a

powerful tool outside of the national law. Some labor unionists explain this further by arguing that CoC is an efficient complement to the law since “*the factory owners are more afraid of the brands than the Manpower Institution*” (union E). Furthermore, one NGO activist states that the international brands primarily see their CoC and not the local labor law, which makes CoC an efficient tool to use among local actors. According to one unionist in our study, they first turn to the national law and if that does not work, they turn to the corporate code of conduct. However, one NGO activist instead argues that the CoC and the national law must be used parallel. There is an ongoing academic debate regarding CoC as either being a complementary tool to the national labor law or a substitute. Some previous research, as well as our findings, point at the importance of CoC being viewed as a complementary tool that does not in any way substitute for the national labor law (Jenkins, 2001). However, previous research from other scholars indicate that unions and labor NGOs view CoC to substitute the national labor law, and that corporations care more about their own codes than the national law (Frundt, 2004; Rodríguez-Garavito, 2005). According to Frundt (2004), there is a danger in codes substituting national law since CoC lacks legal force and it further risks to undermine “*the institutional ability of the state to implement its own laws*” (p. 56).

As stated earlier, the other advantage of CoC as an alternative tool concerns, according to several of our interviewees, unionists as well as NGO activists, CoC being efficient in order to pressure international brands and their suppliers. It is an efficient instrument to pressure the suppliers since it is a document from their buyers, who possess the power to place and cancel orders. In line with this, Barrientos (2002 *in*, Jenkins et al., 2002) argues that this power dominance of international buyers is what enables the enforcement of codes of conduct within global value chains. However, even though the power dominance of buyers might be viewed positively in this sense, local unions and NGOs as well as several researchers view this power asymmetry as problematic, which will be addressed further later on.

Finally, one NGO activist in our study points to the importance of using all tools available in order to improve workers’ rights, including the instrument of CoC. This is further acknowledged by Ross (2006), who argues that it is crucial to use every tool offered. Moreover, Bartley (2007) states that it is not about choosing one tool over another, but rather to view CoC as an additional instrument in the fight for workers’ rights.

### **5.1.2 Shortcomings of codes of conduct**

In contrast to the consistent view among unions and labor NGOs in Indonesia concerning the advantages of CoC, there is a somewhat more fragmented view regarding the shortcomings of CoC. The unions mainly address issues concerning the lack of local adaptation, such as the CoC not covering subcontractors, the CoC being a creation of the companies alone and the fact that many CoCs do not require a wider responsibility than to follow the national labor law. On the other hand, NGOs put emphasis on shortcomings related to the lack of legal enforcement, such as the limitation of CoC to only pressure through international campaigns and the fact that the CoC merely is a soft law. Furthermore, the NGO activists to a larger

extent than unionists address the risks associated with using CoC. However, as mentioned earlier, there are two areas of shortcomings that both unions and labor NGOs address; the lack of knowledge among workers and the CoC as being primarily a marketing tool.

According to several unionists in our study, there is often a lack of adaptation of CoC to local needs. For example, the CoC does seldom cover the subcontractors that account for a large number of workers producing for the company being the owner of the CoC. This issue is also addressed by Frundt (2004), who states that even though suppliers fulfill the requirements of CoC, they often have subcontractors producing for them that do not meet those requirements. Furthermore, according to one union leader in our study, a shortcoming of CoC is that it is developed by the brands alone, without any other actors being involved in the process. In line with this finding, interviewees in the study by Egels-Zandén and Hyllman (2007) address the unilateral development of CoC by TNCs and claim this to lead to CoC ignoring issues concerning worker involvement and influence. Furthermore, Prieto-Carrón et al. (2006) address the importance of local actors being involved in the debate regarding CSR. The researchers further state that CSR initiatives have to be designed to fit the contextual arena where they are implemented in order to gain legitimacy.

One major limitation of CoC, according to several NGO activists in our study, is that it is not legally binding, which limits the tool to only create pressure for voluntary actions. One NGO activist further questions how unions could trust a soft law, when even not the national labor law is reliable. Also Frundt (2004) addresses the issue of codes lacking legal enforcement, pointing at the risk of CoC substituting local law and consequently leaving workers without any legal protection. Furthermore, Preuss (2008) argues that labor unions in Europe also are critical to the voluntary aspect of CSR and call for CSR efforts to be legally binding.

Several unionists in our study state that there is a lack of knowledge about CoC among workers, as well as among union leaders. They further argue that the lack of knowledge leads to a lack of implementation. Also some NGO activists explain the lack of implementation of CoC as being a consequence of the workers being uninformed of the content and the usefulness of CoC. Turning to previous research by Frundt (2004), the lack of knowledge is demonstrated to be a major obstacle, since CoC is a useless tool if the workers are not knowledgeable about it. Also Prieto et al. (2002 *in*, Jenkins et al., 2002) acknowledge the lack of CoC awareness among workers to be a problem.

Several of the unionists interviewed in our study claim CoC to primarily be a marketing tool aiming to improve the companies' brand image. Also one NGO activist expresses the view that CoC primarily is designed to benefit the multinational companies and not the local workers. To further illustrate the view that CoC does not bring about any substantial change, this NGO activist makes an analogy in which CoC is compared to be nothing but "*a flower to beautify the garden*". In line with this, Frundt (2004) finds that labor unions in Central America believe CoC to be a marketing concept rather than a tool to enforce workers' rights. Furthermore, Riisgaard (2005) argues that the main motives behind companies developing and using CoC is to gain external legitimacy and offer an answer to union and NGO pressure.



**5.1.3 Summarizing the views on the shortcomings and possibilities of CoC**

As demonstrated in the previous sections, the views of unions and NGOs regarding codes of conduct as a tool to enforce workers rights are relatively similar. However, as demonstrated in Figure 3 below, there is a small difference to be observed concerning unions putting somewhat more emphasis on the lack of local adaptation of CoC, while NGOs to a larger extent than unions emphasize the lack of legal enforcement. Worth noting is that these two shortcomings of CoC are two of the major issues addressed in the Play Fair Alliance, as will be further discussed in the next section. Furthermore, one possible explanation to the distinctive views regarding the shortcomings of CoC could be due to different perspectives of unions and NGOs as a consequence of diverse backgrounds as workers and intellectuals. This will, however, be analyzed in more detail in section 5.4.3 later on.

	Possibilities	Shortcomings
<b>NGOs</b>	<ul style="list-style-type: none"> <li>- Complement to national law</li> <li>- Effective in pressuring brands</li> <li>- An additional tool</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Lack of legal enforcement</b></li> <li>- Risks associated with CoC</li> <li>- CoC as a marketing tool</li> <li>- Lack of knowledge</li> </ul>
<b>Unions</b>	<ul style="list-style-type: none"> <li>- Complement to national law</li> <li>- Effective in pressuring brands</li> <li>- An additional tool</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Lack of local adaptation</b></li> <li>- Risks associated with CoC</li> <li>- CoC as a marketing tool</li> <li>- Lack of knowledge</li> </ul>

**Figure 3** Summarizing the views of unions and NGOs regarding codes of conduct as a tool to enforce workers’ rights.

**5.1.4 Alternative ways to improve workers’ rights**

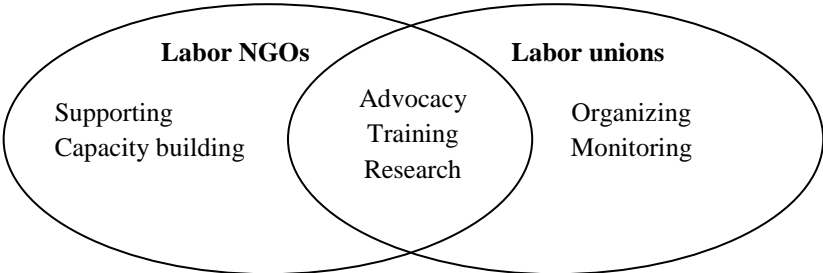
As mentioned in chapter four, empirical findings, an alternative strategy to CoC is currently on its rise in Indonesia. In this new strategy, the Play Fair Alliance, local actors negotiate directly with the brands in order to create legally binding protocols. According to one NGO activist that is involved in Play Fair, the biggest differences between the concept of CoC and this new strategy are regarding legal enforcement and the actors participating in the formation of the protocols. Unlike CoC, the protocols that are to be created will be legally binding and a result from a process where local actors as well as international brands have been involved. Drawing on the findings presented earlier concerning the limitations of CoC, pushing for legal enforcement and local participation in this new concept seems to be in line with both our empirical findings as well as previous research. Hence, the Play Fair Alliance could be viewed as an attempt to deal with these shortcomings associated with CoC.

The Play Fair Alliance rests upon collaboration between local unions, local NGOs, local suppliers and international brands. Furthermore, these actors are divided into two different subgroups; unions and labor NGOs on the one hand, and suppliers and buyers on the other

hand. Consequently, this new way of approaching workers' rights demands greater collaboration between local actors as well as between these actors and international companies. In turn, this demands greater participation and local presence of multinational corporations. Recalling the demand for a new approach to CoC by Rodríguez-Garavito (2005), the researcher addresses the issue regarding power asymmetries between international companies and suppliers versus local workers and NGOs, i.e. the same subgroups as identified in the Play Fair Alliance. Hence, the Play Fair Alliance could also be seen as an attempt to countervail traditional power asymmetries and empower local actors. Furthermore, Rodríguez-Garavito (2005) argues that in order to create more equal power structures, there has to be both political and legal conditions that enable workers to organize as well as strong local labor organizations. Turning to the case of Indonesia, these legal conditions were created after the resignation of Suharto and the introduction of freedom of association. Since then, local labor activists have struggled to gain strength and Play Fair could be seen as a further attempt to increase their power.

**5.2 Mapping the different roles of unions and NGOs in Indonesia**

As concluded in chapter four, empirical findings, unions and labor NGOs possess several different roles within the Indonesian labor movement of today. Furthermore, as illustrated in Figure 4 below, there seems to be three areas in which both actors claim to have a role; advocacy, training and research. Thus, the different roles of unions and labor NGOs in Indonesia could be divided into three broad categories; roles conducted solely by unions, roles conducted solely by labor NGOs and roles conducted by both unions and labor NGOs. However, in this section focus will be on the separate roles of unions and NGOs in Indonesia, while the roles that both actors share will be further analyzed in the next part; collaboration.



**Figure 4** Mapping the roles of unions and labor NGOs in Indonesia.

**5.2.1 The changing role of labor NGOs**

Recalling the history of the Indonesian labor movement, the roles of labor NGOs have undergone major changes since the fall of Suharto in 1998. In the post-Suharto era, NGOs have had to redefine their roles, changing from primarily being involved in organizing and having more of an insider approach, to increasingly be supporting from an outsider approach.

As described by Ford (2009), this has caused major confusion among both unions and labor NGOs regarding the specific roles of NGOs. As well our interviewees express this uncertainty regarding the roles of labor NGOs and the proper extent of their involvement in the labor movement. This indicates that the labor NGOs still today struggle to redefine their roles and their engagement in the Indonesian labor movement.

Examining the roles of today leads us to believe that labor NGOs even further are taking on a supporting role. As Figure 4 demonstrates, labor NGOs possess two roles that unions lack; supporting and capacity building. These two roles are clearly supporting roles, manifesting the importance of labor NGOs taking on an outsider approach towards unions. On the other hand, there are two roles that unions exclusively take on; organizing and monitoring. Consequently, these two roles could be seen as implying approaching the labor movement from the inside, i.e. conducting activities that directly involve workers.

Mapping the different roles of unions and labor NGOs leads us to question the future development of the roles in the Indonesian labor movement. As labor unions increase their capacities, will the need for supporting roles from outsiders diminish to the extent that they are not demanded anymore? Or could it on the other hand be that outsider functions would be incorporated to instead be a part of insider functions within the unions? As stated in previous chapters, NGO activists in our study as well as in the study by Ford (2009) propose an extension of unions' membership to include non-worker intellectuals in order to increase the capacity of unions. Furthermore, Ford (2009) states that this is the case in other countries around the world, where non-workers are part of labor unions. However, on the contrary, some NGO activists in our study express the desire for unions to grow strong enough to manage by themselves without the engagement of labor NGOs. In line with this, no union has proposed non-workers to become union members, even though clearly expressing a need for the assistance of labor NGOs. As this further illustrates the prevailing ambiguity surrounding the roles of labor NGOs in Indonesia, it is hard to predict the direction of the future development of the roles in the Indonesia labor movement. Perhaps the only reasonable thing to assume is that the roles will continue to change, over and over again.

### **5.3 Collaboration between Indonesian unions and labor NGOs**

Many of our interviewees, unions as well as labor NGOs, acknowledge the value of collaboration between the two groups. As mentioned earlier, there are three main areas in which unions and labor NGOs meet to collaborate; advocacy, training and research. We will in this section focus on these areas and in more detail explore what the collaboration between unions and NGOs looks like. Our aim is to offer a start to a typology of union-NGO collaboration in Indonesia.

As illustrated in Figure 4, one area in which unions as well as labor NGOs claim to have a role is in advocacy campaigns. This is also an area, according to our findings, where the two actors meet to collaborate. The collaboration mainly concerns exchanging international contacts and information, i.e. labor NGOs help unions contact international brands and media

abroad. Unions, on the other hand, contribute with their experiences and voices. Thus, the role of advocacy consists of building campaigns on the needs identified inside the factories in order to address these needs in campaigns driven by actors outside as well as inside the unions. Examples of international advocacy campaigns where unions and labor NGOs have joined in collaboration, according to two unionists in our study, are the AFW and the CCC. Also Ford (2009) identifies this area of collaboration and states that it seems to be opening up to include even more unions and labor NGOs.

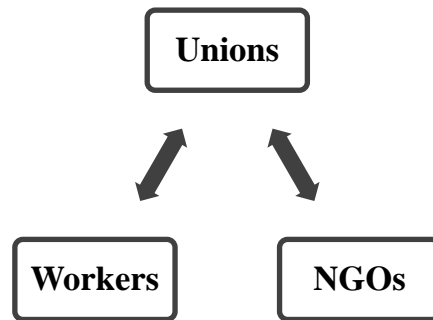
A second area in which the two actors collaborate, according to our findings as well as previous research by Ford (2009), is training. More precisely the role of training consists of finding out the needs of the workers inside the factories, creating training programs by non-workers outside of the factories and finally conducting training either within the activities of the unions or outside its ordinary activities. Furthermore, according to our findings, collaboration concerning training can also take the form of joint seminars and workshops. In line with this, Ford (2009) also identifies seminars and workshops as an area where unions and labor NGOs unite to collaborate.

The third area of union-NGO collaboration identified concerns research. As explained by one of our interviewees, this collaboration consists of unions collecting information from the workers inside the factories regarding their working conditions, and NGOs analyzing this information from an outsider perspective in order to create training programs. However, this area of collaboration is not explicitly mentioned in the study by Ford (2009).

According to our findings, the collaboration between unions and labor NGOs often takes the form of forums where the two actors exchange information, do trainings and have discussions. One recent example of this from the Indonesian context is the Play Fair Alliance. In line with this, Ford (2009) gives several examples of collaboration between unions and NGOs taking the form of forums, ranging from the year after Suharto's resignation until today. Furthermore, there have also been attempts made to establish a more permanent collaborative forum. However, the views regarding the value of such a forum have been contradictory among the unions (Ford, 2009).

To conclude, collaboration in the three areas, advocacy, training and research, seems to require a combination of an insider and outsider approach. As Figure 5 below demonstrates, when looking at this collaboration a pattern of the process of cooperation can be distinguished. This process starts with unions collecting information through finding out the needs of the workers inside the factories. Subsequently, this information is processed by non-worker intellectuals composing the NGOs. Finally, the result of this process is given back to the workers, either through training or advocacy campaigns. Consequently, the process could be viewed as starting and ending with the workers. Thus, to accomplish this, both unionists, as insiders with a background as workers, as well as NGOs, as outsiders with a background as educated non-workers, are needed. In line with this, a majority of the local actors in our study express a need for one and another, which indicates that they to some extent are willing to collaborate in order to improve workers' rights. However, our findings also demonstrate conflicting opinions and wills from both unions and NGOs concerning the collaboration

between them two. This will be further analyzed in the next section when focusing on the relationship between unions and NGOs.



**Figure 5** The process of union-NGO collaboration.

#### **5.4 An ambiguous relationship**

*“It’s like the relationship between boys and girls, complicated. Sometimes good and sometimes bad, it depends on the organizations”*

As the quote from one NGO activist in our study above demonstrates, even though unions and labor NGOs succeed in collaborating in several areas, the nature of this collaboration and consequently their relationship is far from always being straightforward and simple. However difficulties in the relationship, the majority of the unions and also several of the labor NGOs claim the relationship between the two actors to be good. The main reasons for this are, according to our findings, that the unions’ relationship with labor NGOs provides them with information and access to networks. In contrast, the areas that create difficulties in the relationship mainly seem to concern the extent of NGO involvement in the Indonesian labor movement, the impact of funding and differences in the backgrounds of the two actors.

A recurrent feature in our findings as well as in the findings by Ford (2009) and Arenas et al. (2009) is that a major obstacle in the union-NGO relationship concerns the ambiguity surrounding the role of labor NGOs. One NGO activist in our study explains that crucial for the relationship is that labor NGOs adjust their way of approaching unions as an outsider versus an insider in accordance to the preferences of the unions. This further indicates that there is still today a great uncertainty concerning the expected role and approach of labor NGOs. Ford (2009) even argues that this ambiguity is a sign of a deeper structural shortcoming in the relationship between unions and labor NGOs.

As a consequence of the ambiguity surrounding the division of the roles in the Indonesian labor movement, there have been attempts made to clarify the separate roles of unions and NGOs (Ford, 2009). Also one NGO activist in our study argues that there are some ethics guiding the roles of each actor, enabling a complementary relationship. However, Ford (2009) concludes that although both actors have been committed to establish a new structure for their

relationship, this has not been easy to accomplish. Our findings are in line with this conclusion, considering the great uncertainty from both unions and labor NGOs regarding their respective roles.

#### **5.4.1 The extent of NGO involvement**

According to several unionists in our study, NGOs interfering with the work of the unions greatly risks to affect the relationship negatively. In line with this, some worker activists in the study by Ford (2009) express their main concern with NGOs to be them taking a dominant role in their relationship. Consequently, according to our findings, it is important that NGOs do not interfere with functions that unions can manage by themselves, such as advocacy and certain training. Also Arenas et al. (2009) state that unions believe NGOs to interfere and take on roles that traditionally belonged to them. More generally, NGOs should avoid interfering with the authority and independency of unions or challenge their role as leaders. However, this is not as straight forward as it may seem, since unions at the same time express a need for NGOs and even, in the study by Ford (2009), criticize NGOs for not fully engage in the labor movement. Looking at union-NGO relationships outside of Indonesia, this dual approach of the unions, shifting from wanting help to criticizing the involvement of labor NGOs, is also apparent in the study by Frundt (2004) from Honduras. As a consequence of this ambivalent approach of unions towards labor NGOs, one NGO activist in our study states that they at times feel exploited by the unions. Furthermore, Ford (2009) argues that also NGOs struggle in their approach towards unions, shifting between wanting to help unions and doubting their involvement in the labor movement. Our findings further demonstrate a desire from NGOs to avoid interfering with the functions of the unions. However, in the study by Ford (2009), NGO activists argue that although interfering is problematic it might be inevitable.

#### **5.4.2 The motives of NGO involvement**

Our empirical findings as well as previous research by Ford (2009) point at funding of labor NGOs being a source of tension between unions and NGOs. In both studies, unionists accuse labor NGOs for “selling” workers in order to get funding for their work, both using the exact same expression. Furthermore, both studies address the problem concerning labor NGOs receiving funding in order to run certain programs, aiming to fit the donors’ agenda rather than the local needs of the workers. According to Ford (2009), this creates mistrust towards labor NGOs for primarily being loyal “upwards” to the funders instead of “downwards” to the workers. On a deeper level, we believe this issue to concern mistrust among unions towards the motives of the labor NGOs, i.e. that labor NGOs primarily are acting in self-interest. For example, some worker activists in the study by Ford (2009) accuse labor NGOs for only encouraging their struggle as long as it does not threaten their position in the labor movement. Furthermore, Ford (2009) points at the difficulties for NGOs to unite in collaboration since they are busy competing for funding. However, according to our findings, funding can also be a reason that unites unions and labor NGOs to collaborate. Several of our interviewees state

that if there is funding for a project, they are willing to join and cooperate. Hence, this indicates that funding might be a double-edged sword in the relationship between unions and labor NGOs.

### **5.4.3 The legitimacy of NGO involvement**

According to Ford (2009), the background of NGO activists as middle-class non-workers has created opportunities as well as obstacles for their participation in the labor movement. At the same time as their background permitted them to work with labor issues during the New Order, it also created a contested relationship with the workers. Ford (2009) further argues that the differences in life experiences between NGO activists and workers caused some communication difficulties, since the workers sometimes struggled to identify with the language of the non-worker activists. Also today this seems to be a problem affecting the relationship, since, according to one unionist in our study, workers claim NGOs to talk on a quite “high level”. However, even though our interviewees do not directly express class differences to be an obstacle, differences in perspectives and priorities indicate that this indirectly might be an issue. According to one NGO activist in our study, unions and NGOs both have their own priorities that often are controversial. One unionist further argues that unions have a more simple approach, while NGOs often address issues that are too broad and on a too high level. One example of this in our study is the different views between unions and NGOs regarding the shortcomings of CoC, as demonstrated earlier. While unions focus on shortcomings on a local level associated with CoC lacking local adaptation, NGOs address disadvantages on a higher level related to the voluntary aspects of CoC. In other words, unions representing workers address issues from a local labor perspective, while NGOs with their non-worker middle-class background focus on issues on a broader intellectual level. Hence, diverse life experiences of workers and NGO activists still seem to be affecting how the two actors view and address labor issues. In turn, differences in background and class seem still today complicate the relationship between unions and NGOs. Furthermore, research from other contexts support this by pointing at unions being skeptical towards labor NGOs because of their background as middle-class intellectuals (Spooner, 2004). At the same time, Preuss (2008) argues that it is important for unions to stress that they possess a special status in the fight for workers’ rights. Also unionists in our study express this belief, arguing that unions have a special role in the Play Fair Alliance.

## 6. Conclusion

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*In this last chapter, the study will be concluded. The four research questions will be answered and the contributions of the study presented. Furthermore, recommendations to corporations as well as local labor actors in Indonesia will be proposed, as well as suggestions for further research.*

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### 6.1 Reaching an answer

Starting off in Sweden studying the problems of implementing codes of conduct in developing countries, four research questions were developed. In order to find answers to these questions we decided to follow the codes of conduct to its local context in Indonesia. Reaching the end of this journey, it is now time to present the conclusions of the study.

#### 6.1.1 Unions' and NGOs' views on codes of conduct

As more companies adopt codes of conduct to regulate supplier behavior in factories overseas, some local labor actors in these countries have started to discover the potential of CoC as a tool in their struggle to enforce workers' rights. At the same time, research point at the implementation of CoC to be a difficult task for companies to manage on their own and argue that local actors could play an important role in this process. In order to get a greater understanding of the value of CoC and how well it fulfills its purpose, we formulated the following research question:

***How do Indonesian labor unions and labor NGOs view codes of conduct as an instrument to enforce workers' rights in the garment industry?***

Unions as well as NGOs identify both positive and negative aspects concerning the usefulness of CoC:

- Both groups of actors state that the greatest advantage of CoC concern its ability to be an alternative tool, i.e. being effective in order to pressure international brands and being a complement to national labor legislation.
- Unions and NGOs are more fragmented when addressing shortcomings of CoC:
  - Unions emphasize CoC lacking local adaptation, i.e. not covering subcontractors, being created by companies solely and not offering wider protection than the national labor law.



- NGOs highlight CoC lacking legal enforcement, i.e. merely being a soft law and being limited to pressure through international campaigns only.
- Both unions and NGOs share the view that CoC primarily is a marketing tool and that there is a lack of knowledge among workers which impede its implementation.

As a consequence of the shortcomings of CoC, alternative ways of trying to make companies take responsibility for working conditions are on its rise, one of them being the Play Fair Alliance. We have identified two areas in which Play Fair tries to offer a more effective tool than the current CoCs, also overcoming some of the major shortcomings mentioned regarding CoC:

- Dealing with the lack of legal enforcement and local participation by creating legally binding protocols as a result of negotiations between international companies and suppliers versus local unions and labor NGOs.
- Doing this offers an opportunity to empower local actors and thus countervail current power asymmetries between northern and southern actors.

### **6.1.2 Role division**

Traditionally, in the North, labor unions have been the legitimate actors organizing workers and pushing for fair working conditions. However, Ford (2009) argues that in emerging economies it is important to look beyond traditional labor actors to get a more holistic and accurate picture of the reality. Hence, a second research question arose:

#### ***What current roles do unions and NGOs have in the Indonesian labor movement?***

Our analysis points at the division of roles between unions and labor NGOs to be as follow:

- After the introduction of freedom of association in Indonesia, local unions have taken on the roles that labor unions traditionally possess. Two of these roles, organizing and monitoring, are mainly performed by unions alone, without the involvement of labor NGOs. Furthermore, these roles can be viewed as pure insider roles, i.e. implying direct interaction with workers.
- As unions were permitted to form, labor NGOs have been forced to change their roles, moving from mainly being involved in insider activities to currently support workers and unions through outsider activities. Today, there are two roles that NGOs mainly carry by themselves, both implying an indirect involvement with the workers; supporting and capacity building.
- Unions and NGOs are both involved in three roles; advocacy, training and research. These roles can be viewed as requiring as well an insider approach as an outsider

approach. Consequently, since unions mainly have an insider role and NGOs possess an outsider role, the two groups often meet to collaborate in these three areas in order to complement each other.

### **6.1.3 Union and NGO collaboration**

Previous research address that the collaboration between local labor actors is important but also difficult (Frundt, 2004; Rodríguez-Garavito, 2005). Arenas et al. (2009) even argue that the implementation of CSR can be negatively affected by collaborative difficulties between unions and NGOs. Realizing this led us to further question how unions and labor NGOs in Indonesia collaborate. Consequently, a third research question was posed:

#### ***How do unions and NGOs within the Indonesian garment industry collaborate?***

Our findings indicate that unions and NGOs collaborate within the areas of research, training, and advocacy in the following way;

- Collaboration regarding research implies unions collecting information from the workers and NGOs using this information to conduct research. The aim of this procedure is that the result will return to the workers as improved labor rights.
- When collaborating to create and conduct training, unions start by examining the needs of the workers. Subsequently, NGOs create training programs on the basis of the workers' needs and, finally, either unions or NGOs offer training to the workers.
- When doing advocacy campaigns, the process starts with unions finding out shortcomings regarding working conditions. The NGOs then support the unions by providing contacts to strengthen the campaign. Finally, the campaign is realized by workers and unions and sometimes in cooperation with NGOs.
- The pattern of collaboration between unions and NGOs in Indonesia seems to be as follows: unions start by finding out the needs of the workers, NGOs continue by processing this information and, finally, the processed information returns to workers through training or advocacy campaigns conducted by unions and/or NGOs. Thus, the process could be viewed as a circle starting and ending with the workers, with insider support from unions and outsider support from NGOs.

### **6.1.4 Relationship status – it is complicated**

An efficient collaboration between unions and NGOs requires a good relationship between the two groups of actors (Gallin, 2000). Moreover, in order to facilitate the collaboration between international companies and local actors it is important for companies to understand the relationship among different stakeholders (Arenas et al., 2009). Hence, a fourth and last research question was formulated;

### *What characterizes the relationship between unions and NGOs in Indonesia?*

On the basis of our analysis, we distinguish the following characteristics in the union-NGO relationship;

- A recurrent feature characterizing the relationship between unions and NGOs is ambiguity concerning the extent, motives and legitimacy of NGO involvement, i.e. how much, why and even if NGOs should take an active role in the Indonesian labor movement.
  - There is an ambiguity regarding the proper extent of NGO involvement. This is expressed by unions not wanting NGOs to interfere with their work, at the same time as stating a need for NGOs and even accusing them for not fully commit to the labor movement.
  - While some unionists accuse NGOs for basing their motives on funding instead of workers' needs, others express funding to be a reason to unite in collaboration. Hence, there is an ambiguity surrounding the motives of NGO engagement.
  - NGO activists having a background as middle-class non-workers create both an opportunity to contribute to the labor movement as well as an obstacle in the relationship with labor unions. Thus, the legitimacy of NGO involvement is still today questioned.
- Among our respondents, all unionists claim the relationship with NGOs to be either good or necessary. However, this opinion is not as explicit among the NGOs. The reasons mentioned to contribute to this good relationship are, according to the unions, that it gives them access to information and networks.

## **6.2 Contributions**

This study makes several contributions to the existing literature on private regulation of workers' rights. First, aiming to fill the gap in previous research concerning labor actors' views on codes of conduct in developing countries, this study contributes with a local perspective from a new context not previously studied; Indonesia. Our findings support existing research from other developing countries concerning the possibilities and limitations of codes of conduct. However, in contrast to previous findings indicating that unions in developed countries are more sceptic of codes of conduct than NGOs, our study shows that unions and NGOs in Indonesia to a larger extent have similar views on codes of conduct. Second, this study contributes with an empirical example (the Play Fair Alliance) of how local actors and international companies can collaborate in a new way regarding CSR issues.

Third, this thesis contributes with an overview and a systematization of the main roles of unions and NGOs in the garment industry in Indonesia. A main finding from this process is

the identification of three areas where unions and NGOs both claim to have a role. Fourth, as research regarding union-NGO collaboration is scarce, an important contribution of this study is the start of a typology concerning union-NGO collaboration. More specifically, it gives a more detailed picture of *how* unions and NGOs in Indonesia collaborate. Fifth and lastly, our findings contribute by supporting existing literature regarding an ambiguous relationship between unions and NGOs in Indonesia. Our findings point at this ambiguity being a result of the specific historical circumstances surrounding the Indonesian labor movement, rather than class differences or different ideologies.

### **6.3 Recommendations**

The broader purpose of this study has been to contribute with greater understanding to multinational companies concerning how to improve the implementation of their CSR commitment overseas. In order to offset the risk of being involved in scandals, it is important with a genuine CSR commitment that is translated into practice. Through our study it can be concluded that current codes of conduct are viewed to be insufficient in order to assure good working conditions. Consequently, it is important that companies examine local actors' views to better understand how well their tools fulfill their purpose and in what way these instruments can be improved. Also, by understanding unions' and NGOs' attitudes towards codes of conduct, misunderstandings could be reduced and unnecessary obstacles in the implementation process avoided. Our findings further demonstrate that companies are increasingly required to collaborate with local labor actors in order to implement their CSR strategies. To facilitate this collaboration, our study has aimed at mapping the roles, collaboration and relationship between unions and NGOs in Indonesia. Through this process it has been clear that the Indonesian labor movement consists of two main groups, unions and NGOs, approaching workers' rights issues from two different perspectives; as insiders and as outsiders. Consequently, to improve the CSR implementation, we believe that companies need to cooperate with unions as well as NGOs. NGOs by themselves do not normally interact directly with workers, and unions are still today not experienced enough nor have sufficient resources to bring about major improvements by themselves. It is important that companies are aware of and respect this division of roles, to not risk complicating the already ambiguous relationship between unions and NGOs and improve collaboration between all parties.

Our study further shows that a great ambiguity surrounds the division of roles of unions and NGOs in Indonesia, which affect the collaboration and relationship between the two local actors. Consequently, we believe that it is important to clarify the boundaries of the roles in order to avoid the actors to interfere with each others' work and create unwanted conflicts. To do this, we propose NGOs to continue their current development by taking on an even clearer outsider role. It is equally important that unions, as being the main struggle tool for the workers, realize the value of NGO support. They should further not be afraid to "outsource" parts of their activities that NGOs have greater capacity and knowledge to manage. As

outsiders and insiders, NGOs and unions can complement each other and together be stronger than each group on its own.

## **6.4 Further research**

Through investigating unions' and NGOs' views on codes of conduct it became obvious that local actors considered the CoC to fall short in several aspects. Hence, new ways of improving workers' rights are on its rise. By looking at one example, the Play Fair Alliance, we could identify collaboration between local actors and transnational companies to be crucial. However, this study has not investigated this collaboration further. Thus, we propose that future research explore the collaboration between local labor actors and international companies more in depth, in order to estimate the potential of this new way of addressing corporate issues connected to workers' rights.

Having concluded that the relationship between Indonesian unions and NGOs is characterized by great ambiguity, we naturally question how this ambiguity can be reduced. Thus, we propose that future research investigate how the relationship between unions and NGOs can be improved. Furthermore, as we have started to develop a typology of union-NGO collaboration in Indonesia, it could be interesting to compare this typology with collaboration between unions and NGOs in other contexts.

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## **Appendix 1: Interviewees**

### **Unions**

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Federasi Serikat Buruh Independen (FSBI)

Federasi Serikat Pekerja TSK (FSPTSK)

Gabungan Serikat Pekerja Independen (GSBI)

Kongres Aliansi Serikat Buruh Indonesia's (KASBI)

Serikat Buruh Seluruh Indonesia 92 (SBSI 92)

Serikat Pekerja Nasional (SPN)

### **NGOs**

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Friedrich Ebert Stiftung (FES)

Lembaga Informasi Perburuhan Sedane - Sedane Labour Resource Centre (LIPS)

Lembaga Bantuan Hukum Jakarta (LBH)

Labour Working Group (LWG)

Local Initiative (LION)

Sahabat Sekerja

Trade Unions Rights Centre (TURC)

### **Other Informants**

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Lestari Santika Garment



## **Appendix 2: Interview guide**

Name of union/NGO

Name of respondent

Date

### **Personal**

1. Would you like to tell us about your background and why you started to work for this organization/union?
  - What do you work with here today?

### **Organizational**

2. Could you just briefly tell us about your organization and the purpose of your organization?

### **Codes of conduct - strategies**

3. What is your view of codes of conduct?
  - Why?
4. Do you consider it to be a helpful tool to increase workers' rights?
  - Can you give any example?
5. Could you tell us about how your organization works with codes of conduct to improve workers' rights?
  - Can you give us some examples? (e.g. training, networking, administration)
6. Can you give us an example of when you have succeeded to use a code of conduct in order to increase workers' rights?
7. Can you give us an example of when you have failed to use a code of conduct in order to increase workers' rights?

## **Relationship NGOs – unions**

8. When working with codes of conduct, do you sometimes collaborate with unions/NGOs?
  - With which unions/NGOs?
9. What does this collaboration look like?
  - Can you give any example?
  - Can you give an example of when this collaboration has been successful?
  - Can you give an example of when this collaboration not has been successful?
10. Does your work with codes of conduct differ from the work that unions/NGOs do?
  - Can you give any example?
11. Do you believe that unions and NGOs view codes of conduct differently?
  - In what way?
  - Why?
12. Do you experience that unions and NGOs complement each other or overlap each other?
  - Can you give any example?
13. What is your experience from collaborating with unions/NGOs?
14. Would you say that unions and NGOs have different roles in the labour movement?
  - What different roles would you say that NGOs and unions have in the labour movement?
  - Can you given any example?
15. In your opinion, what is the relationship between unions and NGOs?
  - Can you give any example?

**Terima kasih untuk waktu Anda!**