

Statement of IndustriALL solidarity Mission to Indonesia concerning mass firings of strikers by PT Freeport and PT Smelting

High level leaders from unions in Australia (AWU and CFMEU), the Netherlands (FNV), North America (USW) and South Africa (NUM) have completed an 8-11 August, 2017 Mission to Indonesia concerning mass firings of striking workers by PT Freeport and PT Smelting. The Mission was organized by IndustriALL Global Union, representing 50 million members in 140 countries - including 11 affiliated unions in Indonesia - to express solidarity with the affected workers, investigate the mass firings, and offer assistance to the involved parties to seek fair resolutions of the disputes.

The Mission met with leaders of the Indonesian unions CEMWU SPSI, FPE SBSI and FSPMI. It also met with leadership from the Ministry of Manpower and the Ministry of Energy and Mineral Resources. Finally it met with leadership of PT Freeport – a subsidiary of the U.S. company Freeport McMoRan which is the majority owner and operator of the Grasberg mine in West Papua – and with Rio Tinto, which has an investment in this mine. The Mission expresses its appreciation to the unions, Ministries, Rio Tinto and PT Freeport for participating in the meetings. We regret that PT Smelting – majority owned by the Japanese company Mitsubishi and which PT Freeport owns 25 percent of – rejected our request to meet.

The Mission learned many disturbing facts. Over 4,200 striking workers at PT Freeport’s Grasberg mine have been fired over the last few months while 309 workers at PT Smelting’s smelter in Gresik were fired in January for striking. Both PT Freeport and PT Smelting have treated the workers they fired inhumanely and with contempt. PT Smelting has refused to pay workers’ salary or benefits while their union contests their firing in court, notwithstanding a note from the provincial Ministry of Manpower asking the company to do so. PT Smelting has also repeatedly refused to negotiate with the workers’ union FSPMI to seek a negotiated solution for the dispute. FSPMI reports that the fired workers are now being treated worse in court hearings than terrorists, guarded by police carrying firearms and tear gas. These actions are clear violations of the workers' rights to organize, bargain collectively, and strike, established in ILO Conventions.

PT Freeport is showing contempt for the thousands of workers it has fired, for their families and for their communities. The Mission has learned that, after the workers withdrew their labour in protest against the company’s repeated refusal to negotiate over basic labour matters such as compensation and job security, PT Freeport fired the workers under the incredible pretense that the workers had “voluntarily resigned”. The Mission has been informed that after firing the workers, the company has forcibly ejected the workers from company housing, denied them access to company hospitals and company schools, and has worked with local banks to restrict workers’ access to credit. We received the disturbing report that several workers and their family members who were denied medical care have died as a result. Many of the workers who lost their housing are now living in tents or the union’s offices.

The Mission agrees with the Indonesian National Commission on Human Rights that PT Freeport’s actions constitute grave human rights violations. People fired for exercising their fundamental

rights as workers are now losing their basic human rights, including access – for themselves, their spouses and their children – to food, housing, education and basic healthcare.

The Mission learned that the workers' dispute with PT Freeport stems from the company's unilateral imposition of a furlough to reduce employment costs in response to the copper export ban imposed on the company by the Government of Indonesia during negotiations earlier this year over the future of the mine. PT Freeport admits that the furlough reduces workers' compensation by about 30% and weakens their job security, but insists that it has no obligation to negotiate with the union representing workers impacted by the furlough. However, both Indonesian unions and the Ministry of Manpower told the Mission that a furlough has no basis in Indonesian law. PT Freeport told the Mission that they did not want to negotiate with the union over the furlough because entering into negotiations with the union over the furlough would give the workers the right to strike. The Mission wholly rejects this idea that PT Freeport or any company can derogate workers' fundamental right to strike simply by refusing to negotiate with the workers' union. This would be a clear violation of ILO Conventions 87 and 98 covering workers' fundamental organizing and bargaining rights, both of which Indonesia has ratified.

The Mission compliments the Ministries of Manpower and Minerals and Energy Resources for their interventions to seek resolutions of the PT Freeport and PT Smelting disputes. We recognize that the regulatory environments of the two disputes are complex, with responsibilities divided between district, provincial and national levels, and with the two companies owned by huge multinational corporations deploying their resources in attempts to make the regulatory apparatus serve their interests. While recognizing the Ministries' efforts, the Mission also respectfully urges them to redouble their efforts to facilitate resolutions of the disputes.

The Mission concludes that the fundamental source of both disputes, and of the resulting human suffering and rights violations, is the decision by PT Freeport and PT Smelting to engage in conflict with the unions that represent their workers, rather than negotiate with them. We urge both companies to instead choose the path of negotiation, which ultimately will serve the interests of all their stakeholders.

The Mission urges PT Freeport and PT Smelting to immediately reinstate all the workers they have fired, then negotiate fair resolutions of the matters that provoked the workers to strike in the first place.

IndustriALL and its affiliated unions participating in this Mission remain willing to assist the parties in any way we can to facilitate resolutions of these disputes. We stand in solidarity with our affiliated unions leading these important struggles that have attracted the attention of the global labour movement. We also commit to continue to draw attention to the rights violations and human suffering resulting from these disputes, with the hope that this will increase pressure to reach just solutions.