



The Government's Response to Workers' Rights Violations at PT Freeport Indonesia: An Analysis from the Perspective of Dependency Theory

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Abstract: This study examines the Indonesian government's response to labor rights violations committed by PT Freeport Indonesia (PTFI) through the perspective of dependency theory. This theoretical framework highlights the asymmetrical relationship between developing and developed countries that often leads to resource exploitation in developing countries. The PTFI case in 2017 involved the unilateral termination of employment of 8,300 workers without clarity on their rights, accompanied by permanent dismissal contrary to labor regulations. Using the literature review method, this study analyzes existing studies related to government policies in labor protection. The findings of the study show that the government has taken various steps, including forming a supervisory team, mediating negotiations, and providing social security assistance to affected workers. This research emphasizing the need for concrete actions to reduce Indonesia's dependence on foreign investment and strengthen labor protection regulations.

Keywords: Violation of workers' rights, Dependency Theory, PT Freeport Indonesia, labor protection, economic dependence.

Introduction

Until now, the protection of workers' rights is still a topic that needs to be fought for by workers. In the midst of the current legislation on labor protection, there are still companies that are reluctant to fulfill their obligations in paying or providing the rights of their workers who have devoted all their energy and thoughts to the company. The company's actions have actually been classified as violations of labor rights, but sometimes settlements for such violations have not found common ground. So that the fate of thousands of workers who have not been paid their rights becomes uncertain and difficult to meet their living needs.

Dependency theory is a theory that highlights the unequal relationship between developed and developing countries, where developing countries

tend to depend on developed countries in economic, political, and technological aspects. This dependence often results in the exploitation of developing countries' resources for the benefit of developed countries (Amin, 1976). This dependence has succeeded in influencing the mindset of the community and even policy makers to act to take a deified attitude of foreign investment without taking into account the impact on natural resources or their communities.

In the context of PT Freeport Indonesia, the dependency theory is used to explain the relationship between the Indonesian government and foreign companies, especially in the management of mining resources in Papua. PT Freeport Indonesia, as a subsidiary of Freeport-McMoRan based in the United States, has been managing one of the largest gold and copper mines in the world since 1967. Over the years, there has been criticism that contracts with Freeport are more favorable to foreign parties than Indonesia (Mann, 2015). In this article

Labor rights violations committed by the company may be influenced by statements that consider that workers are laborers while the company is their employer, so there is an impression that arbitrariness can be done by the company. Moreover, if you look at the history of Indonesia during the colonial period, it can be seen that the colonizers instilled an impression of domination or slavery in the relationship between labor and those who provided work. The workers went through the work of rodi with hunger and hardship despite having devoted all their energy and effort to fulfill the orders of the colonial officials who gave the work. So maybe until now there are still some companies or business owners who have the mindset that workers do not deserve welfare and do not need to be concerned about their rights (Kahfi, 2016).

As experienced by PT Freeport Indonesia (PTFI) workers in 2017. PT Freeport Indonesia carried out a unilateral furlough in large numbers, resulting in around 8300 workers being displaced without getting clarity on the rights they should get. As a result, the workers decided to protest.

By striking to urge PTFI to complete its obligations in paying workers' rights. However, the workers who went on strike were instead permanently laid off unilaterally without any clarity regarding the guarantee of their rights. Not stopping only at layoffs, PT Freeport Indonesia even then terminated the rights of the employment BPJS belonging to the workers who were unilaterally laid off immediately after terminating the workers' jobs. As a result of this action, around 31 people died because their BPJS could not be used for treatment at the hospital. PT Freeport Indonesia's actions show the dominance of PTFI over its workers because the layoff process should have a certain procedure where when the procedure is running, the workers' rights must still be paid by the company. So it can be seen that in this case PT Freeport is one of the companies that is classified as indifferent

welfare and the rights of its employees (Goraahe, 2018).

Until now, violations of workers' rights by companies are still difficult to avoid, especially for companies that are very much after profits, of course, they will have principles and mindsets that are contrary to the workers. Which of course the company strives to get the most profit with the smallest capital. Meanwhile, from the workers' side, the principle is certainly to expect the company's concern and order in paying every workers' rights for the hard work that has been done by the workers with the goal of getting welfare in life. This difference in principle certainly causes inequality because companies feel in control of when they want to hire and when they want to terminate workers, so that the company seems to be in control of the welfare of its workers. In fact, the relationship between the company and the worker should be an equal relationship in which both parties must benefit equally because the company benefits because the workers are willing to be its workers to run the company's operations while the workers must also benefit because they are able to get the opportunity to work and earn income from the company where they work (Fathammubina & Apriani, 2018).

Looking at the equal relationship, it needs to be balanced with the fulfillment of the obligations and rights of each party. The company has the right to regulate workers and has the obligation to pay all workers' rights. Meanwhile, the worker has the obligation to carry out his duties in the company and has the right to get wages or salaries along with other workers' welfare rights. To create such an equal relationship, it is necessary for government intervention to actively contribute to the enforcement and protection of labor rights so that when problems arise between companies and their workers, they can be immediately adjudicated fairly for both parties (Sinaga & Zaluchu, 2017).

Therefore, seeing the importance of this step to solve labor problems to be raised, the author is interested in exploring and discussing more deeply how the Indonesian government responds to solving labor problems at PT Freeport through research entitled "The Government's Response in Seeking the Protection of PT Freeport's Workers' Rights for the Violation of Labor Rights Committed by PT Freeport".

a. Infringement

Viewed from a philosophical perspective, the word violation of rights has the meaning of every form of criminal act regulated in the Criminal Code and those regulated in other applicable laws (Natsif, 2016). In simple terms, a violation of rights is a situation when the rights of a certain party, either one or more parties, are not fulfilled so that the party experiences circumstances that are not in accordance with normal conditions according to standards (Lov, 2023).

Violation of Rights can occur to anyone and anywhere including

violations against labor. Although there should be a balanced and reciprocal relationship between companies and workers, the reality is that there are still many company actions that can be classified as violating labor rights.

Some examples of violations that often occur are as follows, the first is that workers have difficulty taking the leave rights they have. In some cases, workers find it difficult to take their leave because the company does not allow the worker to take leave. In fact, of course, these workers have an important and rational reason where the company should be able to understand the permit and be willing to give leave rights to its workers. Moreover, the rules for leave rights have actually been explained in the Manpower Law No. 13 of 2003 which is contained in article 79 paragraph 3. The law has clearly stipulated that workers have the right to get a minimum of 12 working days leave in a period of 1 year.

The second is the payment of wages that are late from the date of the agreement and with an amount below the minimum standard wage. In fact, the establishment of the minimum wage standard has the goal of allowing workers to get a decent and prosperous life. So if the company pays late and below the minimum standard wage, it is classified as a violation of labor rights. The third is in the form of providing overtime burdens that exceed the rules of the law, which is a maximum of only 3 hours for

1 day (Putri, 2021). These actions are already included in the violation of workers' rights so it is necessary to intervene by the government to enforce the protection of rights for workers.

b. Workforce

One of the most important factors in the company's operations is the presence of workers. Labor plays a role in devoting their creative ideas, ideas, energy and talents to advance and run the company where they work. A workforce with good quality will be able to make an efficient and optimal contribution to the progress and success of the company to be more developed and able to achieve the company's targets. The dedication and contribution given by these workers is also encouraged because there are living needs that they need to meet, therefore the company must also provide appropriate rewards for its workers so that the motivation and enthusiasm of the workers in improving the quality of their work results remain stable and increase (Tanjung, 2015).

c. Protection of Rights

Labor rights protection is a protection aimed at workers so that in carrying out their work activities they still get the same opportunities, be treated appropriately and get their rights in order to prosper their personal and family lives but still

pay attention to the company's business activities (Azhar & Priyono, 2019). The protection of labor rights can be broadly categorized into 3 important things that need to be protected by the government as the authorized party to provide worker protection rules, including the following:

1. Providing protection related to technical matters, this protection will provide safety and assurance for workers in the event of unwanted things happening as a result of the company's machinery or work tools that result in accidents and losses for its workers. This protection can be categorized as Occupational Safety and Health Protection (K3).
2. The provision of social sector protection, namely protection that provides opportunities for workers to continue to carry out social life in the community as it should be in the social life of other communities. Which social activities are their rights as members of society and their rights are related to occupational health.
3. The provision of protection in the economic sector, which is protection that guarantees workers to get their rights economically such as wages and salaries so that their personal and family life needs can be met and get a decent life. In addition, it also provides protection for workers when they are unable to carry out their work duties as usual due to an unexpected event that requires leave or financial assistance (Wildan, 2020).

Research Method

The research method to obtain results in this study is a literature study. The literature study method is carried out by collecting various reliable reading sources which are then examined, analyzed and resubmitted in the form of summaries. The steps in compiling research using the literature study method include identifying the problem chosen to be researched, then searching and collecting various library sources to filter the library, then obtaining the results of the data to be analyzed (Christiana, 2021).

This literature study method gathers various theories from other literature sources related to the research topic being studied. The results of the data collection of these theories are then analyzed in depth and critically so that they can be supporting material for the arguments presented in the research results (Adlini et al., 2022).

In this study, the author uses library sources consisting of national journals and the results of previous relevant research obtained through google scholar, then also library sources from news webpages that actually report the progress and chronology of the solution to the PT Freeport Indonesia layoff problem.

Result and Discussion

1. Labor Rights Violations by PT Freeport Indonesia

PT Freeport is a large company that is now the result of cooperation with foreign corporations. The government is willing to voluntarily cooperate because it sees the great benefits that will be obtained through this cooperation. However, through this cooperation, foreign corporations become influential or influential in Indonesia as the recipient country. So when PT Freeport Indonesia (PTFI) managed to find a new mining land in Grasberg, Papua, there was a large recruitment of workers which caused so many workers to work at PTFI.

However, with the large number of workers, PTFI is unable to provide the right to proper welfare for its workers. So in 2017 there was a unilateral massive furlough (layoff) by PTFI which resulted in around 8300 workers being forced to be laid off without any certainty. Not stopping at this, PTFI also cut access to BPJS for workers who are being laid off, where workers should still get health insurance rights. This occurrence further strengthens the evidence that there is a violation of labor rights committed by PT Freeport Indonesia (Soeharto, 2021).

Another violation committed by PTFI is the wage deduction made by PTFI's management while the workers are still employed at PT Freeport Indonesia, then from the wages the workers still have to pay taxes and if they protest, the workers will be immediately removed and not employed anymore. From these treatments, the workers increasingly felt that PTFI did not treat its workers humanely, so PTFI workers agreed together to go on strike. However, the action also did not produce a positive response from PTFI (Rendy et al., 2018).

2. Impact on PT Freeport Indonesia's Workers

The violation of rights committed by PTFI has an impact on its workers who even now have not found a bright spot for a solution so that hundreds or perhaps thousands of former PTFI workers are still trying to demand their rights so that they can be paid. These impacts include:

There were around 12 workers who had difficulties because their BPJS could not be used when they wanted to go to the hospital for treatment so they ended up dying. The BPJS of these workers has been deactivated by PTFI so that they cannot be accessed for treatment at the hospital (Soeharto, 2021).

Workers who wanted to ask for clarity regarding furlough or the policy of being laid off through a strike did not get clarity from PTFI but were directly laid off unilaterally so that the fate of the workers

become distress due to their rights not being paid (Deny, 2018).

Some workers feel intimidated enough because they are presented with a statement to resign or leave the company voluntarily, so that in fact the worker is quite compelled to sign the statement of resignation (Deny, 2018).

3. The Government's Response in Protecting the Rights of PT Freeport Indonesia's Workers

In an effort to resolve the problem between the workers and PT Freeport Indonesia, the order seeks several steps so that both parties are able to get the best solution, namely:

Through the Ministry of Manpower (Ministry of Manpower)

Through the Ministry of Manpower (Ministry of Manpower) seeks to solve problems in PTFI by establishing a supervisory and prevention team to prevent problems between workers, privatization and contractors. The team was placed in the PTFI area as stated in Decree No. 43 of 2017 issued on March 9, 2017. Not stopping at that, the Ministry of Agriculture also tried to be a facilitator to mediate between the two parties involved in the bipartite negotiations on December 21, 2017 involving the central leadership of the FSP KEP Workers' Union Throughout Indonesia facing the leadership of PT Freeport Indonesia and also presented experts from Commission IX of the House of Representatives of the Republic of Indonesia. From the results of the negotiations, 2 options for resolving the problem were obtained, the first for the workers who received the decision would be made an agreement containing additional discretion with a maximum period of 120 days from the date of signing the agreement. Meanwhile, the second is for workers who decide to reject the agreement will continue to resolve industrial relations disputes in accordance with the process regulated in Law No. 2 of 2004.

Through the Industrial Relations Court

Through the Industrial Relations Court, the Supreme Court issued a decision that PTFI must cancel the layoff action that had been imposed on its workers, then the Supreme Court also considered that PTFI provide appropriate compensation such as severance pay, THR, leave, reward money for performance while working, wages and money for employee rights.

Through the Directorate (Manpower Office)

The Directorate of Manpower seeks to act as a mediator when employees and managers hold negotiations to discuss the settlement of layoffs that are fair to both parties. The Directorate of Labor is the supervisor so that workers' rights can be paid in an orderly manner by PTFI. The Manpower Supervisor also contributed in issuing a statement on September 12, 2018 that the strike action carried out by the workers was indeed legal so that the layoff action carried out by PTFI was not in accordance with the law

employment and need to be cancelled. Furthermore, on September 20, 2018, the Directorate of Labor was still trying again by proposing to re-hire 173 workers who were still laid off or furloughed, then also gave a prohibition to PTFI regarding the recruitment of new workers (Fauziyyah et al., 2024).

Providing a fine to BPJS Timika for violating the rules regarding cutting off workers' social security which should still be used until a period of 6 months after the worker is declared to have been seriously affected by termination of employment. The fine imposed is IDR 200,000,000 to be given to workers as prosecutors who have been cut off from their BPJS access (Soeharto, 2021).

The latest solution provided by the government in 2024, through the Assistant Deputy for Social Security of the Coordinating Ministry for PMK Niken Ariati said that it would provide assistance to PTFI layoff victims so that they could register for BPJS as independent participants where BPJS contributions would be borne using APBD funds and special autonomy funds. This assistance will continue until the problems between the victims of PTFI's layoffs and PT Freeport Indonesia are resolved and find the best solution for both parties (Coordinating Ministry for Human Development and Development, 2024).

4. Dependency Theory in the Case of PT Freeport

Dependency Theory or Dependency Theory has been seen since the beginning of PT Freeport Indonesia collaborating and becoming a subsidiary of PT Freeport MC Moran. Initially, Freeport-McMoRan controlled 90.64% of PTFI's shares, while the Indonesian government owned 9.36% in 1967. However, in 2018, the Indonesian government increased its ownership to 51.23% through a divestment process. This is proof that from the beginning the Indonesian government was very dependent on foreign capital to finance the company's operations. The control of PT Freeport Indonesia's shares by PT Freeport MC Moran indicates excessive dependence on foreigners. A large proportion of foreign companies' control over this Indonesian company. However, as time went by after criticism from various elements, they realized that this cooperation benefited one party and harmed PTFI (Mann, 2015). This is evidenced by the absence of a significant impact in terms of the prosperity of the Indonesian people as the owners of the natural resources of this gold mine. Many workers are laid off, laid off, and not given their rights properly. The Papuan people as a people whose area has the largest gold mine in the world are also still citizens of a community with low human resources, both in terms of education and others.

The exploitation of natural resources has also occurred and the condition is even more dire after PT Freeport Mc Moran took control of PT Freeport Indonesia, the seeds of gold mines that were originally mountainous have now become craters, many

violations of environmental laws committed by the foreign company in Indonesia. The impact of the company's mining waste has also harmed the people who live around the company. Freeport makes use of Indonesia's wealth of mining resources, but the main added value (profit) tends to flow to the parent company abroad (Cardoso & Faletto, 1979). This is because from the beginning our mindset has not been independent and independent, we feel that we cannot manage our own natural resources if we do not use human resources from abroad, if we do not use technology from abroad, and so on. In fact, on the other hand, many of the nation's children have abilities in the field of technology. The government can pay serious attention to fostering them to be able to manage natural resources. This will be an investment in human resources in the future and break the chain of cooperation that only relies on one party, because we are independent and independent so that we can manage our own natural resources. As a result, our dependence on foreigners can also be reduced or even broken.

Conclusion

The content of the conclusion should be an answer to the question and the purpose of the research. Conclusions are presented in a single paragraph, not points, and expressed not in statistical sentences. The conclusion is complemented by a paragraph of suggestions and implications of the research results.

Based on the results and discussions discussed earlier, it is concluded that in responding to the problems of workers who were unilaterally laid off by PT Freeport Indonesia, the government continues to take its role as a policy maker in Indonesia in the form of issuing regulations and decisions to fight for the fate of workers who are laid off without compensation or economic guarantees or even without health insurance. The government's efforts are in the form of: (a) the formation of a supervisory team accompanied by being a facilitator in the negotiations, (b) issuing a decision to cancel layoffs and encouraging PTFI to provide appropriate compensation, (c) mediating negotiations between workers and managers and proposing that laid-off workers be rehired, (d) providing fines to BPJS Timika for terminating workers' access to BPJS and (e) providing guarantee assistance BPJS health whose contributions will be borne by the APBD and special autonomy funds.

Through the efforts taken by the government, it is hoped that it will be able to help the victims of workers who were laid off while the process of resolving this problem is still ongoing. In the future, it is also hoped that the government will be more active in providing solutions to laid-off workers and be more firm in regulating PT Freeport Indonesia. Because even though PTFI has collaborated with foreign corporations, the government must still supervise and control every business and human resource management activity carried out by PT Freeport so that all parties involved in the business are not oppressed or harmed.

Indonesia has become a country that is highly dependent on foreign countries (Dependency Theory) in managing natural resources such as PT Freeport Mc Moran's control of PT Freeport Indonesia, this results in such large profits only flowing to the American company and harming the Indonesian state, so the government must break the chain of cooperation that only benefits one party and can have the potential to colonize natural resources by building the nation's generation that are capable of being independent from all sides, so there is no longer any reason for us to use foreign entities to manage Indonesia's natural resources.

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