

# 'Buruh Borongan' as a Practice of Piece-rate System: Working Condition and Labor Resistance

## Introduction

This writing will discuss *buruh borongan* system in a factory located in BIIE (Bekasi International Industrial Estate) in Bekasi District, West Java, the working condition caused by this system and how workers resisted it. *Buruh borongan* in this factory is a peculiar implementation of piece-rate system that has put workers in precarious situation for long time. The questions to be addressed are what is *buruh borongan*? And how is it implemented? How is the working condition and the labor resistance? In so doing, in the first section of this paper, I will discuss piece-rate system as capital strategy to increase surplus value. In the next section, I will discuss the peculiar implementation of piece-rate system under *buruh borongan* term as implemented in a carton box factory in Bekasi District, West Java. Afterward, I would like to explore working condition under *buruh borongan* system and how they resisted. In the last section, I am going to sum up all the discussion and propose further study agenda regarding to the implementation of piece-rate system in many different workfloor.

## Piece-rate System

Piece rate is wage determination system in which the worker is paid for each unit of production at a fixed rate. Marx (1976) discussed this system under chapter of piece-wages. "The piece-wage is nothing but a converted form of the time-wage, just as the time-wage is a converted form

of the value or price of labour-power” (Marx, 1976, p. 692). Meanwhile, value of labor power is equivalent of the labor means of subsistence (Marx, 1976)□.

Piece rate wage system is a strategy to reduce the labour cost and enable the extraction of bigger surplus value (Ghosh, 2012). Other than to extract bigger surplus value, piece rate wage system is also a form of company management’s control over its labourers. As what Braverman wrote:

“Piece rates in various forms are common to the present day, and represent the conversion of time wages into a form which attempts, with very uneven success, to enlist the worker as a willing accomplice in his or her own exploitation. Today, however, piece rates are combined with the systematic and detailed control on the part of management over the processes of work, a control which is sometimes exercised more stringently than where time rates are employed.” (Braverman, 1998)□

As I will show in this paper, piece-rate system as a strategy to increase the extraction of surplus value and as a means of creating obedient labourers would be even inhuman if the workers under this system are women. The next section will discuss the peculiar implementation of piece-rate system which is called *buruh borongan*.

### ***Buruh Borongan* and How It is Implemented**

*Buruh borongan* is a term used commonly in this carton box factory to refer to a group of 120 workers who work in a section called stitching. 90 of them are permanent workers, the rest are contract workers varies from two weeks to 12 years. The shortest term of contract happens during certain circumstances such as increased order and during fasting month—to reach the target before Idul Fitri holiday.

Workers actually never know what is written in their

contract. The company management only make a copy of the employment contract. After a worker signed the contract, the management would held it. No worker ever hold their employment contract. But those 120 workers know that they were remunerated under the piece-rate system although they never know how much the company pay them for each piece they produced.

Many times management also did not give the paycheck to the workers. This way nobody other than management would know how many units that workers have made and how much they pay per unit in each month. And besides that, they do not put the name of the company on the paycheck. Without a copy of the employment contract, workers would not be able to know their rights and obligations of each parties written in the contract. Therefore, workers would not be able to demand anything to the company regarding to their rights. Everytime the workers ask, the company management fence off by saying that the price per unit is determined by the buyers and based on demand.

To conclude, *buruh borongan* in this paper is a particular implementation of piece-rate wage system that hurled workers in a precarious situation. The workers under this system know that they would be paid based on piece-rate system but they simply do not know how much that they must received for each piece. They even do not know other rights that supposed to be written in their employment contract.

### **Working Condition and Labor Resistance**

In this section I will discuss *buruh borongan's* working condition in this factory. Workers under *buruh borongan* system are hired in the stitching section that only hires women. There are two other sections which apply this system i.e. expedition and specific machine operator. The wage is calculated from the number of boxes a worker could stitch in a month. In 2014, a worker under *buruh borongan* system in

this company earned from Rp 1.500.000 to Rp 1.900.000 (around \$110 to \$139). This amount was way below the minimum wage of that region. In 2014 the minimum wage of Bekasi District was Rp 2.447.445 or \$240. Meanwhile article 90 paragraph (1) of Law No.13 of 2013 on Manpower stated that "Entrepreneurs are prohibited from paying wages lower than the minimum wages as referred to under Article 89."

Their low income has made them work much longer. During peak season when the company received a lot of orders, piece-rate workers work twelve hours a day. They called this as long shift. This shift last from seven in the morning until seven in the evening. They also work in weekends. Even if the workers work in a long shift or on Sundays, their wage would still based on piece rates. Workers under *buruh borongan* system do not work overtime so they do not receive overtime pay<sup>[1]</sup> either. *Workers under buruh borongan system* only receive extra money as much as Rp 8 000 (60 cents) if they work during Sundays or other holidays. During weekdays if they have to work for 12 hours, they get a cup of hot tea as a bonus. A worker under *buruh borongan system* could spend the whole month inside the production room. Without any day off whatsoever for them. However, none of them are objected with this. Because by working long shift and on sundays they could get extra money. A worker under *buruh borongan* system does not receive service allowance nor family allowance.

Workers under *buruh borongan* system in this company who got pregnant then gave birth would likely to lose their job at the factory. On the day they went back to work after giving birth, they should made a new job application letter. If the company hired her again, then she would be considered as a new labourer. It meant they lost their opportunity to be promoted. Piece-rate women workers do not have a right of maternity leave, let alone menstruation leave.

In order to reach the target, piece-rate workers often skip their rest and leave their afternoon pray. Some take short

rest and use their rest time for working to reach the target. One of the workers under *buruh borongan* system calls this as '*digober.*' It means they have to work as hard as they could, drink and eat a little, and leave their afternoon pray.

Workers under *buruh borongan* system mostly come from native women of Bekasi. The job is specific, easy to get, simple requirements and stabil wage. The easiness in getting job at this factory and some other companies has been the main factor for *buruh borongan* to be reluctant to question their situation. There is a worker who has been working as piece-rate worker for 12 years in that company. She signed a contract once when she started working. She has never received any allowance for 12 years of working in that company.

This working condition and employment relation has triggered a resistance. In 2012 a worker under *buruh borongan* system named Narti[2], a pregnant widow who had been working in that factory for 2 years, finally succeeded in taking maternity leave. This is a breakthrough in this established oppressive system. On her eighth month of pregnancy, she thought to take a maternity leave. She went to see the company management and filled out the form of maternity leave. After she gave birth, she came back to the factory to work. She was not allowed to enter the production room because she was told that she was no longer work there anymore. Narti refused it. She insisted that the company management had approved her maternity leave and therefore she is entitled to work again. Her supervisor then told her to go to the HRD manager and checked whether her name was still enlisted as a worker. She found that her name was still enlisted and she found that her presence card was still on its place. She went to see her supervisor with the data she found, she insisted to work that day. Her supervisor could not refused it.

Since Narti's success in gaining her right to go back to work after giving birth to her child, many other workers under *buruh borongan* system then decided to have a child. Entin is one of them. Her first son was 13 and was born before she started to work in this company. For 12 years working there, Entin did not have courage to have another child. In 2013, Entin gave birth her second son.

Narti did not stop at this point. After she succeeded in taking maternity leave and went back to work after she gave birth and therefore encouraged her fellow *buruh borongan* to have more children, She started to question *buruh borongan* as a system itself. In doing so, Narti had repeatedly came to the factory-level union officials and asked them to do something about *buruh borongan* system. The answer always the same: "You should make a complaint, then we can act. If there's no complaint then we don't know what happen and we can't do anything[3]." Narti did not understand such a thing. *Buruh borongan* system had been lasting for more than 10 years in front of everyone's very eyes. Even some of the officials were *buruh borongan* themselves in the past before they were promoted. One of the officials once said "You (members) should go to our headquarter so we can talk and hear stories." [4] "But how could any member came and talk with them? The door has always been shut and locked. Yet no one is there," answered Narti. She felt like she was in a deadend. She had to encourage members or the union to fight on one hand, and she had to encourage the official to help the member of the union on the other hand.

On March 30 2014, Narti managed to make 44 workers under *buruh borongan* system, men and women, to attend *kumpulan*. [5] The meeting or *kumpulan* was held in a worker's house. The meeting was aimed to discuss *buruh borongan* system run by the company and how to change it. Narti told how hard to make them attend the *kumpulan*.

"... I went to their houses or rented rooms, one by one.

Sometimes they didn't open the door for me, sometimes the door was slammed on my face, sometimes they cursed me. Besides that, I also waited them at the factory gate. I tried to talk to them on their way home from work. Everytime I met one or two buruh borongan, I always explained how unfair and unjust this system is. I cried begging them to see this as an injustice and I begged them to fight together with me and with the other buruh borongan. If we win the fight, we would be able to get fair wage, with the possibility of shorter working hour."[6]

Finally the union managed to advocate workers under *buruh borongan* system. In 2015, after several negotiations in almost a year, all workers under *buruh borongan* system are promoted to be permanent workers and paid based on minimum wage of Bekasi District.

To sum up, *buruh borongan* system implemented in this factory has caused poor working conditions faced by workers who mostly are women. On the other hand, workers learned that this system was not only inhuman and exploitative but also had put them in a precarious life in a very long period of time. This lesson learned had made them resist and create a change. Now they are permanent workers paid based on minimum wage scheme.

## **Conclusion**

To conclude, piece-rate system as a strategy to increase the extraction of surplus value and as a means of creating obedient labourers would be even inhuman if the workers under this system are women. *Buruh borongan* system is a particular implementation of piece-rate wage system that hurled workers in a precarious situation. Workers under *buruh borongan* system know that they would be paid based on piece-rate system but they simply do not know how much that they would received for each piece. They even do not know other rights that supposed to be written in their employment

contract. *Buruh borongan* system has caused poor working conditions. This condition is ever poorer when it comes with women worker. In the story told earlier workers learned that this system was not only inhuman and exploitative but also had put them in a precarious life in a very long period of time. This lesson learned had made them resist and create a change.

As a term, *buruh borongan* are also known and found in many other factories in different sectors as a system of remuneration or production relation. However, it needs further investigation how this system is implemented. Some of them might be a practice of piece-rate system, some might not. And I suggest it could be a further study agenda of labor studies. It is important to see the variation and models of piece-rate system implementation along with the working condition and the dynamic of labor resistance.

Dina Septi, *researcher at Sedane Labour Resource Centre (LIPS) Indonesia*

## **Bibliography**

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[1] Overtime pay is calculated based on the provision in Manpower and Transmigration Minister Decree No. 102/MEN/VI/2004 on Overtime Work Hour and Overtime Pay, article 11.

[2] pseudonym

[3] Told by Narti in an interview on March 30, 2014.

[4] Told by Narti in an interview on March 30, 2014.

[5] *Kumpulan* is a term commonly used by labourers to refer meeting. The term meeting is only used to refer 'rapat akbar' it means a big meeting that invited and attended by all the members of the union. But for meetings which do not invite all members of the union is called *kumpulan*.

[6] Interview on March 31, 2014.