

Who is B.J. Habibie?

Peter Symonds
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Jusef Habibie, 61, sworn in yesterday as the new Indonesian president, is one of Suharto's most trusted and longstanding political lieutenants. Suharto has acted as Habibie's patron and sponsor since the 1950s, when he came to know the young man and his family during a military posting to the South Sulawesi.

In 1954 Habibie was given a scholarship by the Ministry of Education and Culture to study aircraft construction engineering in Aachen, Germany. After obtaining a doctorate in 1965, he joined the Hamburger Flugzeugbau (HF) aircraft industry and later the Messerschmitt Boelkow Blohm (MBB) aircraft manufacturer, where he became a vice-president.

In 1974, Suharto asked Habibie to return to Indonesia, and placed him in charge of the strategic state-owned oil company. In 1978, Habibie was appointed Minister of Research and Technology, a post he held until March when he was endorsed as vice-president and the ageing dictator's anointed successor.

In his post as technology minister, Habibie was notorious as an advocate for expensive state-funded economic projects aimed at making Indonesia technologically self-sufficient.

Using his connections with German corporations, he began by assembling Messerschmitt helicopters in a hangar at Bandung. The operation expanded to employ 20,000 workers in making small and medium-sized turboprop aircraft. Ambitious plans were drawn up for an Indonesian-made commercial airliner to rival the US and European aerospace companies.

His other projects included the costly purchase of the entire navy of the former East Germany in the 1990s, and plans for a string of nuclear reactors throughout Java.

Critics point to the high cost of these industries which rely heavily on huge tariff protection and guaranteed sales to the armed forces and national airlines.

When Suharto first indicated earlier this year that

Habibie would be vice-president, the rupiah slumped immediately by 20 percent. Habibie's support for protected national industries runs directly counter to the demands of the IMF and global investors for an end to any form of national economic regulation. The IMF has explicitly demanded the removal of the protection and huge state subsidies given to Habibie's aircraft corporation.

With the endorsement of Suharto, Habibie was central to the establishment of the Association of Indonesian Moslem Intellectuals (ICMI) in 1990. The ICMI is a focus for non-Chinese or *pribumi* businessmen, resentful of the wealth and influence of rich ethnic Chinese families. The association has its own bank and daily newspaper *Republika*.

Under the Suharto regime, the Habibie family has also amassed its own private business empire, centred around the Timsco Group which is involved in construction, chemicals, engineering, transportation, telecommunications and industrial development.



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