

Installation of Habibie marks new stage in crisis of Jakarta regime

Mike Head
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The bid of Indonesia's military-controlled regime to preserve itself by installing as President B. J. Habibie, a life-long protege of Suharto, has only heightened the already volatile political and economic crisis, with none of the underlying issues resolved.

Habibie's appointment is the latest in a series of manoeuvres by Suharto, the military, bourgeois opposition figures and international powers to prevent a social and political explosion in the world's fourth most populous country. The elements involved in the machinations surrounding the Indonesian presidential palace and national assembly fear that a mass eruption against the hated Suharto regime will see the beginnings of a political movement among the country's impoverished workers, peasants, youth and unemployed.

Such a movement would go far beyond the initial outpouring of class resentment and desperation in last week's eruption of rioting and looting. That rampage sparked the first "transition" scheme outlined by Suharto on Tuesday, when he sought to cling to office while offering future elections.

The next day, hundreds of thousands of people, including factory workers, labourers, office workers and housewives, joined demonstrations demanding Suharto's immediate resignation. This was despite an intense military mobilisation and the cancellation by bourgeois opposition spokesman, Islamic leader Amien Rais, of a planned million-strong rally.

By 11pm that night most of Suharto's cabinet had quit, forcing him to stand aside in favor of his vice-president, Habibie. But within hours of being sworn in, Habibie's administration had been largely dismissed by the world financial markets as an untenable "seat-warming" regime. At the same time, many students and workers in Indonesia denounced Habibie as a stooge for Suharto. Students occupying the national assembly and student groups in the west Javan centre of Bandung were quoted in the Western media as demanding Habibie's removal, the ousting of the entire government, and democratic reforms.

In the global financial markets and capitalist centres, particularly Washington, pressure was being applied for Habibie to prepare the way for an alternative regime--with a more democratic facade--that could be relied on to enforce the International Monetary Fund's program of austerity and

economic restructuring.

A rotten cabal of ex-Suharto henchmen, military commanders and opposition figures such as Rais and former Indonesian Democratic Party (PDI) leader Megawati Sukarnoputri are now jockeying to try to fill the power vacuum that Suharto himself spoke of in his sudden resignation speech.

The essential agenda demanded by the IMF, backed by the Clinton administration in the United States, the Howard government in Australia and other imperialist regimes, is that a "popular" government be cobbled together to enforce the highly unpopular measures required by the global banks, money markets and transnational corporations.

This message was echoed in editorials in the corporate media around the world, including one in the Australian Financial Review today. The editorial contrasted the political and economic breakdown in Indonesia with South Korea and the Philippines, where so-called democratic regimes, led by former opposition figures, have committed themselves to even harsher economic measures than previous military-backed regimes.

Speaking of South Korea, the Financial Review declared: "Kim Dae Jung, because popularly chosen, has been able to implement tougher economic reforms faster than would have been conceivable under earlier, more authoritarian and allegedly can-do regimes." The newspaper observed that a similar political process was underway in the Philippines, where former film star Joseph Estrada, backed by some of the biggest Marcos-era business tycoons in the country, has won the presidency by making demagogic, populist-sounding appeals.

This is a warning to Indonesian workers and students of the real meaning of the deceptive talk of "economic and political reform" emanating from administrations in Washington, Canberra and other capitals -- all of which backed Suharto for most of his 32 brutal years in power.

In his first speech to the nation, Habibie sought to present himself as the man to perform these tasks. He pledged to adhere to the IMF's all-embracing economic prescriptions, while making some gestures of political reform. Notably, however, he made no mention of elections, apparently seeking to fulfill Suharto's wish that he remain in office for the rest of Suharto's term -- until 2003.

But even before Habibie spoke, the IMF announced it would not reverse its decision, unveiled the day before, to withhold the next \$1 billion installment of its \$US43 billion bailout package, due on June 4. The IMF's decision helped trigger the final collapse of Suharto's cabinet on Wednesday night. Its extension to Habibie, swiftly endorsed by the White House, can only have a destabilizing effect on Suharto's protege. To hammer home the message, financial markets sent the rupiah falling further to 12,000 to the US dollar, 80 percent below its value when the Asian financial meltdown began last July.

Many students, not to speak of the millions of workers and slum dwellers whose voices have yet to be heard, have rejected Habibie's installation with contempt. Chants of "Habibie out" and banners inscribed with "Reject Habibie" arose at the national assembly protest almost as soon as the initial cheers for Suharto's exit died away. Construction workers were interviewed on CNN dismissing Habibie as "the same" as Suharto. No celebrations were noticed on the streets of Jakarta.

But the danger is that this hostility, and the mounting desperation of millions who are being thrown out of work and going hungry as the economy disintegrates, will be diverted by bourgeois political operators. These layers are striving to either give Habibie some belated democratic credentials, or form a more credible government, bankrolled by Indonesian business owners and world capitalism.

One of the first such figures called in by Habibie was Rais, whom Habibie sought to coopt into his cabinet. Rais publicly rejected the offer, stating his own ambition to become president, but appealed for Habibie to be given a few months to establish a supposedly non-corrupt government of "professionals". Rais has issued repeated pleas for students and workers to allow a return to "normalcy" and "stability" before raising demands for Suharto and his cronies -- who include Habibie -- to be placed on trial and have their vast assets confiscated.

Other figures from within Suharto's regime, thought to be backed by one faction or another within the military, are seeking to save their own necks and legitimise a new administration by calling for the reconvening of the Peoples Consultative Assembly (MPR). This puppet body -- the same institution that unanimously rubberstamped Suharto's seventh five-year term just two months ago -- would be again assigned the task of selecting a president and vice president.

These calls have been echoed by some student bodies, but such measures would leave power in the hands of the same elite layers that either served Suharto or apologised for his dictatorship for decades. The MPR consists of hand-picked military chiefs, Suharto's own ruling party, Golkar, and representatives of two other government-controlled parties, the PDI and the Indonesian Peoples Party (PPP).

Moreover, the military high command remains intact, headed by Suharto's former adjutant and right-hand man, General Wiranto, committed to not only protecting the Suharto family

and its empire, but to upholding the entire capitalist order. After days of occupying Jakarta and other key cities, tanks and troops remain on alert, threatening mass repression.

Foreign governments and companies are continuing to evacuate corporate executives and other citizens, preparing for further unrest and a possible military bloodbath. Both the United States and Australia have military forces on high alert in the region, ready to intervene under the cover of protecting foreign nationals.

Thousands of political prisoners are still incarcerated, socialist and other opposition parties are banned, complete media censorship continues, and laws against freedom of speech and "subversion" remain.

Overtuning this entire edifice of repression is inseparable from establishing genuine political freedom and popular rule by ridding society of the poverty, hunger, unemployment, homelessness, illiteracy and lack of essential health and welfare services created by the private profit system.

Some student leaders have been cited in the media stating that Suharto's resignation marks the beginning of struggle, not the end. That is certainly true, but the decisive issue is to clarify (1) the nature of that struggle, (2) the political program required to defeat the intrigues of world capitalism and the Indonesian elites, and (3) which social force -- above all the 80-million strong working class -- can lead the fight for a genuinely democratic, egalitarian and socialist society, in unity with workers around the world.

We urge all workers, students, intellectuals and professional people in Indonesia, throughout Asia and internationally looking for a way forward as the Indonesian crisis unfolds to read and study the May 20 World Socialist Web Site editorial, "Which social classes support the struggle for democracy in Indonesia? -- The lessons of history." It provides the crucial analysis necessary to guide the coming struggle for workers' power in Indonesia.



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