

Growing demands for the seizure of Suharto's empire

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In the face of growing demands for the seizure of the colossal fortunes amassed by officials of the Suharto regime, including the ex-president and his family, the government headed by Suharto's life-long protege, B. J. Habibie, this week announced a vague, internal probe.

Attorney-General Soedjono Atmonegoro described the investigation as 'routine'. He gave no details, except to say that his departmental officials would not specifically target the Suharto family, and the inquiry would be 'long and drawn out'.

Two days later, armed forces chief and Defence Minister General Wiranto underscored the military's determination to shield Suharto and his associates. In the face of protests by laid-off workers and students in many Indonesian cities, he called for limits to 'reform' and warned that Suharto had to be given 'appropriate treatment, both morally and constitutionally'. In effect, Wiranto reiterated the nationally televised declaration he made when Habibie was sworn in to replace Suharto: the military will protect the ousted president's family and its assets.

Soedjono's initial announcement was simply made to head off rising popular discontent. He admitted that the inquiry's purpose was to 'accommodate the demands made by the people'. He added: 'The public may be unsatisfied but they should remain calm.'

Recent days have seen homeless people in Jakarta seizing land controlled by one of the Suharto businesses, strikes by workers in related companies, and a massive run on the Bank Central Asia, jointly owned by the Salim family and Suharto children. Listings of the 'First Family's' wealth have been widely sold on the streets in Jakarta, demands have been raised for family members to be placed on trial and demonstrations have been staged outside the offices of Suharto-related companies.

Suharto and his family accumulated extraordinary riches while millions of Indonesian workers and peasants were subjected to grinding poverty at the hands of the military dictatorship and its international backers. Earlier this year, the US business magazine *Fortune* assessed the family's total personal wealth at \$US40 billion, whereas the CIA is reported to have calculated the amount to be \$30 billion. The most recent appraisal, provided by the Indonesian Business Data Centre, was 200 trillion rupiah, now worth some \$16 billion.

Formally barred from having direct business interests himself, Suharto entrusted his commercial affairs to his late wife Tien (nicknamed 'Madame 10 percent' because of the cuts she obtained from government contracts), his six children, half-brother Probosutedjo and cousin Sudwikatmono.

Together, they created a sprawling array of businesses, including toll roads, satellite communications, broadcasting, vehicle plants, electricity projects, water supply utilities, domestic airlines, plantations, taxi services and trading ventures. They also formed joint ventures with the armed forces and giant ethnic Chinese groups such as Salim and Barito Pacific. (See related article.)

Various members of the family own luxurious mansions, ranches and other properties around the globe, including in Britain, Bermuda, the

Cayman Islands, Los Angeles, Hawaii, Germany, Singapore and Australia.

Their lifestyles were a world apart from the landless peasants and slum dwellers as well as the industrial workers, paid the equivalent of less than \$US3 a day, even before last year's collapse of the rupiah. These wages are now worth less than 50 cents and the average per capita income of \$1,200 a year has fallen to \$300. The economic meltdown and the demands of the International Monetary Fund mean that unemployment, homelessness and hunger confront millions in both the cities and the countryside.

Anxious calls for 'restraint'

Financial newspapers internationally have begun to warn that the situation could get out of control. The *Australian Financial Review* reported on Wednesday: 'The chase for the Suharto family assets is taking on a frenzied air, with Indonesian newspapers competing to produce new revelations and calls for a more credible investigation.'

Within 24 hours of Soedjono's announcement, the deputy chairman of the regime's own Human Rights Commission, Marzuki Darusman, urged the government to quickly set up a more 'independent' inquiry before the popular clamour led to 'all sorts of excesses'. He referred to mobs seeking retribution. 'The government needs to step in quickly to avoid vengeance,' he said. 'There is a very deep feeling that the issue of Suharto's wealth needs to be resolved.'

Bourgeois opposition figures, including Islamic leader Amien Rais and former Indonesian Democratic Party (PDI) leader Megawati Sukarnoputri, have also called for restraint. Rais advocated a pardon for Suharto, at the same time as suggesting that the family ease the political crisis by voluntarily giving up 95 percent of its fortune. Megawati appealed for Suharto not to be treated with the same 'abuse' as her father, Sukarno, after he was ousted in the wake of Suharto's 1965 military coup.

Rais and Megawati speak for a thin layer of capitalist and upper-middle-class elements whose own narrow financial interests have been hampered somewhat over the past 32 years by the burgeoning business operations of the military, the Suhartos and their partners, but who nevertheless insist that real power remain in the hands of Wiranto and the military in order to suppress the unrest of the country's broad masses.

They are also bound hand and foot to the requirements of the IMF and global investors, who have demanded the 'stabilisation' of the situation in Indonesia. The IMF has dictated an economic restructuring package that aims to dismantle many of the monopolies and privileges of the Suharto elite, but only to clear the way for unfettered profit-making by the transnational banks and corporations. That means intensifying, not lessening, the burden on the Indonesian masses.

One of the immediate concerns being voiced in foreign capitals is that the growing unrest will damage the interests of some of the biggest companies in the world--names such as BP, Shell, Rio Tinto, General

Electric, Siemens, Edison Mission Energy, NEC, Freeport McMoRan, Lucent Technologies, Hyundai, Kia and BHP--which have joint ventures with members of the Suharto clan. Rais and Megawati represent sections of the national capitalist class who are anxious to become the new partners in such operations.

Interlocking interests

Popular sentiment seemed to be summed up by one student who joined the occupation of the national assembly in the days before Suharto's resignation. Referring to three of Suharto's children, he told one reporter: 'There should be a public trial of Tommy, Tutut and Bambang. They've got rich and we got poor and now we Indonesians have to face crisis and pay for their loot.'

Such remarks suggest a tendency to attribute all the social iniquities that beset Indonesia to Suharto and his children, rather than to the entire economic order, including the international companies and banks and the local ruling elite. In reality, the Suharto empire is inseparable from the entire fabric of Indonesian capitalism, both in terms of its scope and historical development.

Equally, there is no prospect that the Habibie-led regime or any alternative capitalist government will do anything else but safeguard the key business interests tied up in the Suharto network, whatever cosmetic measures may be taken against individual members of the Suharto family.

In the first place, all of the leading figures in the Habibie cabinet and the military, including Habibie, Wiranto and economics minister Ginandjar Kartasasmita, have personal fortunes closely interlocked with those of the Suharto group.

Habibie has been like a son to Suharto since the 1950s, and a senior government minister since 1978. As a result, he has extensive interests in companies linked to government projects, state-owned and military-run enterprises and affiliated banks. His business operations are spearheaded by the \$60 million Timsco Group, headed by his youngest brother, Suyatim Abdurachman Habibie, known as Timmy. Its 80 companies are involved in chemicals, construction, real estate, transport and communications. Joint ventures with the Suharto family include chemical plants on Java and Sumatra and links with the US telecommunications giant AT&T.

Habibie's cabinet is riddled with such connections. Of its 36 members, 20 served in Suharto's last cabinet. Two of its central figures, Ginandjar, re-appointed as coordinating minister for the economy, finance and industry, and Hartoto Sastrosoernarto, coordinating minister for development and national reform, are known to have large family fortunes arising from their terms in office.

Similar ties exist throughout the military and the bourgeois opposition. To take just one prominent example, Suharto's eldest son, Sigit Harjojudanto, runs the Hanurata Group with his brother-in-law Major-General Prabowo Subianto. In turn, Prabowo's wife, Suharto's second daughter Siti Hedijanti Harajadi (net worth \$200 million), is a business partner of Prabowo's elder brother Hashim Djojohadikusumo, chairman of Semen Cibinong. They control Batu Hitam Perkasa, which has 15 percent of the \$2.5 billion Paiton power project in Java. General Electric and Mission Energy of the United States, and Mitsui of Japan are major partners in the venture. At the same time, Prabowo's father, Professor Sumitro Djojohadikusumo, an economics adviser to both Sukarno and Suharto, is a member of Amien Rais's opposition Peoples' Council.

These links are only the tip of an iceberg. Every armed forces commander operates as a business chief, both on his own behalf and that of his military unit. Indeed, Suharto himself first assembled business interests and his ties to the Salim family and another tycoon, Mohamad 'Bob' Hasan, as a rising military officer in the late 1950s.

The military has been engaged in commercial activities since the early

1950s, primarily to raise extra-budgetary revenue for equipment, as well as for personal and political gain. These activities expanded significantly in 1958-59 when the military secured control over the bulk of the Dutch enterprises nationalised by the Sukarno government. After the 1965 coup, the military intensified its economic power, establishing its own companies and dominating state-owned corporations such as Pertamina, the oil giant; Bulog, the government's food distribution network; and Berdikari, the official trading group.

Like Suharto's and Habibie's, the military's businesses are intertwined with the major Chinese-Indonesian conglomerates. The best known of these is the Salim group of Liem Sioe Liong. With more than 300 companies and 135,000 employees, its tentacles extend to virtually every part of the Indonesian economy. Concentrating on cereals and many other foods and beverages, its interests span cement and building materials, motor vehicles, commodity trading, property, chemicals, pharmaceuticals, textiles, banking and financial services, distribution, media and telecommunications.

Other multi-billion-dollar groups with intimate ties to Suharto and the regime include the extremely diverse paper and pulp-based Sinar Mas Group of Eka Tjipta Widjaja (net worth \$3.7 billion); the Sampoerna family, headed by 'kretek (cigarette) king' Putera Sampoerna (\$2.3 billion); the timber and pulp-based Barito Pacific Group of Prajogo Pangestu (\$2 billion); the rubber and tyre-making Gajah Tunggal Group of Sjamsul Nursalim (\$1.3 billion); plywood tycoon Mohamad Bob Hasan (\$1.2 billion); the property development-based Lippo Group of Mochtar Riady (\$1 billion) and the \$2 billion banking and financial services-based Panin Group of Mu'min Ali Gunawan.

Whether under Suharto or his predecessor Sukarno, the ruling elite has rested on the same underlying system of state-sponsored and military-related financial and business dealings. This dependence is not only economic but also political. Unable to develop an independent capitalist economy in a world dominated by multinationals, the Indonesian capitalist class has always relied upon the military to suppress the often-explosive struggles of the Indonesian workers and peasants.

Moreover, Suharto's military junta was installed with the backing and direct assistance of the United States and other imperialist powers. For years it served their requirements for ready access to Indonesia's vast natural wealth and reserves of cheap labour.

It was not until the late 1980s, as every aspect of economic life, including production itself, became increasingly globalised, that the international powers and financial agencies began to raise objections to the corruption and nepotism that are intrinsic to the military regime. Their demands are aimed at expanding the profits of the transnational corporations, not ameliorating the conditions of the Indonesian masses.

No faction of the Indonesian bourgeoisie can or will carry out the measures required to liberate the working class and peasantry from political and economic oppression. For that to happen, the enormous material resources of the country must be freed from the grip of the privileged elite as a whole and placed in the hands of the toiling masses.

The first step must be the confiscation of the assets of Suharto, his family, all their business partners and the military, and the transformation of their corporate holdings into public entities under workers' democratic control.

See Also:
The Suharto financial dynasty
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