As poverty and unemployment grow

Indonesian regime fires on workers and protesters

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The Indonesian regime has stepped up its military repression as the country's deepening economic crisis plunges millions into unemployment and poverty. Security forces have fired on protesting steel workers in the town of Bekasi near Jakarta, injuring at least 23 people, and shot dead up to seven people in Irian Jaya and East Timor amid continuing pro-independence demonstrations.

On June 29, hundreds of steel workers in Bekasi went on strike to demand higher pay and better working conditions, and the right to form a union. The following day they were joined outside the factory by thousands of urban poor from the nearby shanty towns. As the protest swelled, scuffles broke out with army troops guarding the steel plant who then fired rubber bullets into the crowd.

The strike is just part of a growing wave of industrial action by workers in major industrial centres like Jakarta and Surabaya According to a recent report by a *Sydney Morning Herald* correspondent: 'Every day workers are taking to the streets over mass lay-offs and wages which can no longer meet even the most basic daily requirements.'

In the response to widespread signs of deprivation, starvation and suffering, president B.J. Habibie has called on the country's 150 million Muslims to fast two days a week in order to cut the consumption of rice. His remarks reflect the yawning social chasm between Indonesia's tiny privileged ruling elite and the conditions facing the overwhelming majority of the population.

Habibie, whose family presides over a multi-million business empire, held forth on the religious and health virtues of going without food two days a week. But the real point was to cut government spending, as he explained: 'If 150 million people fast every Monday and Thursday, then 3 million tonnes of rice can be saved -- the same amount of rice we have to import this year.'

Habibie was installed less than two months ago following widespread rioting and student protests. He has already demonstrated that he is just as willing as his mentor -- former president Suharto -- to use the full force of the military to consolidate his rule and defend the interests of Indonesian capitalism.

In East Timor, three intelligence agents shot dead a young farmer on June 29 in the town of Baucau as he stood in a crowd gathered to welcome a mission of three European Union ambassadors. A series of large demonstrations have taken place on the island over the last month demanding a referendum on independence.

Just this week, security forces shot dead up to five protesters and injured as many as 140 on the island of Biak in Irian Jaya during demonstrations demanding independence for the province which adjoins Papua New Guinea. Military spokesmen have denied the killings but other observers on the island put the death toll at between one and five. Another 180 demonstrators were arrested.

Army troops came ashore from a naval vessel at around 6.30 am and opened fire on demonstrators who had raised a separtist flag as part of protests which began over a week ago. Both the timing and the method indicates that the Indonesian military coldbloodedly planned the killings in an attempt to intimidate and terrorise other protesters.

Armed Forces Chief General Wiranto denounced the demonstration, saying that hoisting any flag other than Indonesia's was tantamount to 'a revolt against the government'. He warned that the army would take 'firm action' in the future.

The security forces have already killed one bystander and injured five others during demonstration by thousands in the Irian Jaya town of Sorong on July 2. The following day two students were shot during separatist protests at

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Cendrawasih University in the capital of Jayapura. Steven Suripatty, a law student, was shot in the head and remains in a critical condition.

Irian Jaya has been under virtual military occupation since Indonesia seized control of the mineral rich territory from the Dutch in 1963. Resentment at Jakarta's policies of transmigration -- the settling of poor farmers from Java and Bali -- and the building of the huge Freeport copper mine fueled separatist sentiment and the growth of the Free Papua Movement (OPM).

The present regime is no more capable than the previous Suharto dictatorship of resolving any of the social and political contradictions which have wracked Indonesian capitalism since the country was granted formal independence by the Dutch in 1949. Confronted with a worsening economic crisis and growing dangers of a social explosion, Habibie is resorting to brutal police methods to intimidate and terrorise the working masses.

The latest official figures reveal a social and economic reversal has taken place in Indonesia over the last year without parallel since the Great Depression of the 1930s. In the first half of 1998, the economy shrank by a massive 12.2 percent and is predicted to contract by 13.1 percent over the whole year, according to Central Bureau of Statistics. Annual per capita Gross Domestic Product (GDP) is expected to more than halve to $US436 from $US1,055 last year, due to the combined impact of the economic contraction and the collapse of the rupiah.

The mining sector is down by 7.6 percent, manufacturing by 13.3 percent and activity in the construction industry fell by 36 percent. Unemployment will reach at least 20 million. The inflation rate is likely to soar to between 75 and 80 percent by the end of the year despite the maintenance of limited subsidies on basic items such as rice.

But the raw economic figures convey little of the social misery now afflicting the world's fourth most populous nation. According to the statistics bureau, 79.4 million people out of the total population of 202 million now live below the poverty line as compared to just 22.5 million two years ago. Half of the population of the central Javan port city of Semarang and a quarter of the cities of Yogyakarta and Bandung are living in poverty

The official measure of poverty is barely adequate for physical survival. In urban areas, it is a daily food consumption of below 2,100 calories or a monthly income of 52,470 rupiah ($A5.20) per person. The newly increased minimum wage of 198,000 rupiah ($A21) a month covers only 75 percent of a family's basic calorie needs.

In the space of less than a year, poverty levels have returned to those of the mid-1970s. By December, it is estimated that nearly half of the population or 95.8 million people will be living below the official poverty line.

According to Kastorius Sinagar, an economics lecturer at the University of Indonesia, 500,000 people are already starving in the worst hit areas such as Northern Sumatra, Nusa Tenggara and Irian Jaya. Many rural areas on the island of Java are also currently facing severe food shortages because of the collapse of the distribution system.

A report commissioned by the State Logistics Agency, Bulog, found that at least 32 million live in households on the brink of starvation, 'unable to satisfy their basic needs, including food' -- a figure four times higher than a year ago. The agency warned that the removal of subsidies would raise the price of medium quality rice to 4,000 rupiah a kilogram -- as a result, an average family would need 200,000 rupiah a month to just meet basic food needs.

The International Monetary Fund has temporarily backed away from its demand that the Indonesian government scrap all subsidies on basic items including rice. At the same time, the IMF maintains that the government's enormous budget deficit, amounting to 8.5 percent of GDP or about $A8 billion, is simply 'unsustainable'.

The three analyists who wrote the Bulog report concluded that 'the economy faces the choice of extended government intervention or a market-inspired famine'. Umar Juoro, a senior government economist, put it even more bluntly, predicting:'We will face a living death type of situation for the next four to five years until the economy recovers.'

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