

A delicate balancing act

Indonesian government moves tentatively to put Suharto on trial

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In a move taken largely for public show, the Indonesian Attorney General's office announced on Monday that former president General Suharto was now under house arrest. The ex-military strongman, who was forced to resign in May 1998 in the midst of a deepening economic and political crisis, had previously been under "city arrest". He now has to seek a permit to move about in Jakarta.

An official spokesman, Yushar Yahya, said the house arrest—in force only until August 10—had been necessary in order to facilitate the continued questioning of Suharto and ensure that he was not able to destroy evidence. Attorney General Marzuki Darusman, a leading member of Suharto's own Golkar Party and a former minister under Suharto, assured the press that the former autocrat would be brought to trial on corruption charges by the August deadline.

Suharto is being interrogated over the milking of millions of dollars from a number of charitable organisations controlled by his family. In what appears to be becoming a standard move for ageing dictators, his lawyers have adopted the Pinochet defence. They claim that Suharto, who suffered a stroke last year, is too ill to be questioned or put on trial. After he failed to answer a series of summonses, prosecutors began questioning Suharto at home in sessions monitored both by lawyers and doctors.

In recent weeks, Suharto's house in a well-heeled section of central Jakarta has been the target of student protests which flared late last week into sharp clashes with riot police. On May 25, police attacked a demonstration of about 800 with batons and tear gas. At least six protesters were arrested and 13 required hospital treatment including several who had been badly beaten. The following day students retaliated by stopping police and army vehicles and torching several of them. Student groups are demanding that the government put Suharto on trial not only on charges of corruption but also for the brutal suppression of opposition during his 32 years in power.

The cosmetic character of the legal proceedings against Suharto is revealed most clearly by President Abdurrahman Wahid's promise, now repeated several times, to pardon his predecessor in the event that Suharto is found guilty. Wahid reiterated his pledge just last week during a seminar in Jakarta, saying: "I don't expect Westerners to understand, but this needs to be done as it is important for national reconciliation."

Wahid's promise to pardon Suharto has nothing to do with unfathomable Oriental customs. His reference to the need for "national reconciliation" simply underscores the fact that since he came to office last October Wahid has been engaged in a precarious balancing act. He is under pressure from the International Monetary

Fund to open up the economy and put an end to the "crony capitalism" epitomised by Suharto and his family. He faces the demands of students, workers and others for justice, democratic reform and an improvement in living standards. At the same time, Wahid cannot afford to alienate either the Indonesian Armed Forces (TNI) or Suharto's Golkar Party, both of which are strongly represented in his cabinet and retain considerable economic and political clout.

Wahid's often bizarre twists and turns have been described in the international media as the carefully orchestrated manoeuvres of a "master tactician". The more logical explanation is that the Indonesian president is simply being buffeted from one day to the next by political pressures over which he has little or no control. His ability to survive the last seven months is due more to chance, or perhaps the lack of any obvious alternative, than talent. There are a number of signs, including the ongoing protests over the limited legal action against Suharto, that the political juggling act may be coming apart.

In an article entitled "Wavering Wahid," the British-based *Economist* magazine pointed in its latest issue to the concerns of international capital over the government's direction. After referring to the president's "deft political touch," the magazine commented: "Unfortunately, Mr Wahid's wiles work less well with investors. They have three legitimate concerns: that the president knows little about economic management, and cares less; that his economic ministers are at loggerheads with each other and with him, adding to the policy cacophony; and that his political aims are interfering with economic policymaking. Worries on all three fronts helped to set off another alarming slide in the currency's value this month."

The Indonesian currency has fallen to its lowest point since Wahid came to power, dropping from around 7,500 to the US dollar to over 8,600 since the beginning of April. On Monday, the Jakarta Stock Exchange Composite Index hit its lowest level since April, falling 4.3 percent over last weekend, apparently on news of a spate of bombings in Medan, the provincial capital of North Sumatra. While Wahid is predicting a growth rate of 5.5 percent for the year 2000 and the IMF estimates 3-4 percent, the Central Bureau of Statistics has forecast only 1.5 percent. Last year the economy grew by just 0.2 percent following a huge decline of 13.2 percent in 1998 under the impact of the Asian financial crisis.

The IMF's decision on May 17 to approve a delayed loan of \$400 million failed to halt the slide in the rupiah. The money was due to be paid in early April but was held back to ensure that the Indonesian government implemented the detailed set of economic measures

demanding by the IMF. The delay had provoked a shrill response from Wahid who promptly slapped a travel ban on all ministers until the economic restructuring had been carried out. Coordinating economic minister Kwik Gian Gie indicated over the weekend that the government might have to revise its budget if the rupiah failed to strengthen from present levels.

In late April sharpening tensions within Wahid's cabinet led to the dismissal of two economic ministers—Laksamana Sukardi and Yusuf Kalla—for their alleged lack of teamwork and involvement in corruption. Both the ministers challenged Wahid's decision and the allegations, threatening to destabilise the fragile coalition on which the president rests. Laksamana is from Megawati Sukarnoputri's Indonesian Democratic Party-Struggle (PDI-P) and Kalla is a member of Golkar—the two parties with the largest parliamentary representation. The replacements were Rozy Munir from Wahid's own party, the National Awakening Party (PKB), and retired Lieutenant General Luhut Panjaitan.

In a recent interview with the *AsiaWeek* magazine, Laksamana commented on the incoherent character of the government and its policies. “He [Wahid] is a good man with a handicap. A lot of people try to get close to him and whisper something to him, and we don't know the truth behind the whispers. I personally don't think the cabinet is solid. How can it be solid when we are shaken by rumours? The cabinet has no program. Everything is ad hoc and impromptu.”

Big business is fearful of the impact of further political instability. The Indonesian Chamber of Commerce and Industry (Kadin) recently expressed concerns over “increasing political differences”, saying: “Our political elite have to refrain from acts or statements that could disrupt the markets.” Last week Bank Indonesia's senior deputy governor Anwar Nasution warned: “The rupiah will continue to weaken if we fail to control the tempo in the political arena.”

The political rifts nevertheless appear to be widening. People's Consultative Assembly (MPR) speaker Amien Rais warned last month against any further changes to economic posts, saying “the government would be digging its own grave”. Frustrations over the ministerial changes are likely to emerge again in the MPR. As of last week, 277 members had put their names to a plan to interpellate (formally question) the president over the reasons for his decision.

PDI-P faction chairman Arifin Panigoro was at pains to assure the media that the interpellation plan was not aimed at toppling Wahid. Another PDI-P member, Yoseph Umarhadi, warned however that the move could be manipulated by other factions to discredit the government and propose a vote of no-confidence in the MPR General Session in August when Wahid will deliver an annual state of the nation report. Hamzah Haz, chairman of the Islamic United Development Party (PPP), warned last Sunday that he will move a no-confidence motion if Wahid fails to adhere to the MPR's decrees.

More fuel for an anti-Wahid push has been provided by the so-called Bulogate scandal involving the alleged theft of \$4 million from a pension and savings fund operated by the state food distribution agency Bulog. According to newspaper reports in Jakarta, Wahid's masseur convinced a senior Bulog official in January that the president wanted the money transferred to bank accounts to fund charity work in Aceh province. The official has been arrested, the masseur is missing and the president, his foreign minister Alwi Shihab and close aide Bondan Gunawan have denied any involvement in the affair. Bondan has nevertheless resigned.

On Tuesday, House Speaker Akbar Tandjung, who is also Golkar leader, called on Wahid to disclose any information he may have

surrounding the scandal. Failure to present a satisfactory explanation would tarnish the president's credibility, he warned. Whether or not Golkar and other parties decide to move against Wahid in August remains to be seen. Both Akbar and Rais played key roles in ensuring that the MPR elected Wahid as president last October and blocked PDI-P leader Megawati Sukarnoputri.

Moreover in the aftermath of Suharto's fall, all political factions agree, including Golkar and the military, that some democratic window dressing is necessary in order to restore a semblance of credibility to the state in the face of continuing social unrest. They also acknowledge the need to implement the demands of the IMF in order to attract investment and secure loans and financial aid. At the same time, however, powerful sections of the ruling class, whose interests were bound up with the Suharto junta for over three decades, are threatened and are seeking to ensure that the Wahid government does not go too far. Golkar officials, the military top brass, state officials and business figures all benefited from their association with the Suharto regime. At present the moves against Wahid seem to have more the character of warning shots, but that could rapidly change.

In a bid to appeal to democratic sentiment and maintain a popular base, Wahid has initiated a number of investigations into a few of the crimes and atrocities carried out by the military, both under Suharto and since in East Timor and Aceh. Like the proceedings against Suharto, all of them are limited and largely cosmetic. In the case of East Timor, Wahid has already promised in advance to pardon the former TNI chief General Wiranto if he is found responsible for unleashing last year's militia violence.

But one of Wahid's proposals has drawn fire from all sides. He has called on the MPR to end the ban on communism put in place by Suharto after he seized power in a CIA-backed military coup in 1965-66 and initiated a massacre of workers, peasants and members of the Indonesian Communist Party (PKI). Wahid has also suggested that there be an investigation into the murders.

None of the major parties have backed the proposal. Golkar and various Islamic parties and organisations, all of which are deeply implicated in the massacres, have held meetings and protests vehemently opposing any lifting of the ban. The response within Wahid's own Islamic PKB has also been lukewarm. Ansor, the youth group of the PKB's parent organisation Nahdlatul Ulama, collaborated with the military in the murders in central and east Java.

Wahid has since clarified that he supports the lifting of the ban on communism but not on the PKI itself. Nevertheless the proposal is likely to be flatly rejected at the MPR session in August and may become the basis for a more concerted move against Wahid.

Needless to say, in the current discussion concerning the investigation of Suharto no one is suggesting that the former military dictator be questioned, let alone charged and tried, for his most monstrous crime—the systematic murder of at least half a million people in 1965-66 and the imprisonment and persecution of many more.



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