

Political factions turn on Indonesian President Wahid

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This week's session of the Indonesian People's Consultative Assembly (MPR) has seen the Indonesian Democratic Party-Struggle (PDI-P), promoted as "reformers" in 1998, form an alliance with Golkar, the political apparatus of the former Suharto dictatorship, to undermine the position of President Abdurrahman Wahid and refashion the government.

Desperate to cling to office and lacking any significant support in the MPR, Wahid has bowed to their demands throughout the week. On Monday he announced a complete restructuring of the cabinet and on Wednesday night declared that the day-to-day running of the government would be delegated to the Vice-President, the PDI-P's Megawati Sukarnoputri.

Over the past months, Wahid has faced accusations of corruption and criticism for the unexplained sacking of two ministers from the cabinet in April. He has been denounced for not preventing either the growth of separatism in Aceh and Irian Jaya (West Papua) or the sectarian fighting in the Moluccas and for encouraging regionalism. His administration has also been held responsible for the continuing economic chaos in Indonesia, brought on by the 1997 Asian financial crisis. Golkar and the PDI-P have been at the forefront of the attacks, supported by MPR Speaker and former Wahid ally, Amien Rais.

This week's political shift is the outcome of a compromise. Speculation that the MPR would impeach Wahid and remove him from the presidency, with unpredictable political consequences, has been a major factor in large falls on both the Jakarta stock market and in the value of the currency, the rupiah.

To put an end to the uncertainty, Wahid, Megawati, Rais and Golkar powerbroker Akbar Tandjung met on August 1 in Yogyakarta. After the meeting they released a joint statement pledging unity and Wahid began hinting that he would play a less prominent role in the

government, either by appointing a Prime Minister or transferring responsibility to Megawati.

The day before, perhaps as a warning, the military high command sacked General Agus Wirahadikusumah, one of Wahid's few remaining supporters in the army, from his post as commander of the special Kostrad forces.

Since being installed as President last October, Wahid has been compelled to perform a balancing act between the conflicting demands of world financial markets and rival sections of the Indonesian ruling class scrambling to protect their interests under conditions of economic collapse.

Wahid's policy, broadly dictated by the International Monetary Fund (IMF), has been to slash government spending and push through the restructuring of the banking system. Protective concessions given to Indonesian companies in the past have been eliminated and he has attempted to reduce the power of the military within the economy. These measures, aimed at attracting foreign investors, have affected the interests of those who prospered from the Suharto era nepotism. They have also aggravated social discontent.

The latest July 31 Indonesian government memorandum to the IMF outlines an intensification of this program, with the wholesale privatisation of state-owned industries, cuts to food, fuel and electricity subsidies for ordinary households and sweeping action against the "off-budget" funds of government ministries and agencies, including the military.

Wahid's economic agenda has aroused hostility not only from Golkar and the military, but also among many of the leading elements in Megawati's PDI-P. Like all the bourgeois formations that were promoted as "reformers" and "democrats" during the 1998 social upheavals, the PDI-P hierarchy has intimate ties to the old regime and definite interests in maintaining as many of the old relations as possible. The more Wahid has come into

conflict with Golkar, the more Megawati and her party have joined with Golkar to attack him.

Golkar has made clear that it expects a far stronger presence in the new cabinet and greater influence over economic policy, in return for supporting Megawati's elevation. Wahid's chief economics minister Kwik Kian Gie, a PDI-P member, has already resigned, a fact welcomed by his own party. Golkar is also likely to seek to reassert the role of the military and ensure that no serious attempt is made to recover the vast wealth appropriated by Suharto, his family or his cronies during the 32-year dictatorship. Along with the PDI-P, it is bitterly opposed to any concessions to national separatist movements in the provinces.

While the exact composition of the cabinet will be determined by factional dealings now underway, it is clear that it will govern over a country on the brink of collapse. Wahid's accountability report to the MPR on Monday provided a surprisingly sober assessment of the staggering social and political crisis throughout the archipelago.

The 1997 Asian financial crisis had "pulverised" Indonesia, resulting in "the degradation of economic activities, the decline of the people's welfare and the deterioration of important economic institutions". The "national economic order" was marked by "low output, the fragile banking system and the tremendous insolvent credits".

The "welfare" of the Indonesian people, his report stated: "Continues to shrink as utterly testified through the declining per capita income and the augmented number of poor people. Incessant layoffs have doubled the number of unemployed..."

It noted that: "In various pockets of poverty... a high death rate of mothers and low education participation among children have been recorded. The increasing occurrences and spreading of social disturbances have also given rise to the drastic lowering of the level of health and nutrition. At the same time, the spreading of infectious diseases such as tuberculosis, dengue fever and HIV/AIDS continues to be rampant".

The signs of separatist sentiment were "getting stronger... due to protest from the regions against the central government, which so far has been considered insensitive, unjust and unbalanced in terms of regional development". The threat to the continued existence of Indonesia as a unified nation-state was being "worsened by the mounting conflicts and power struggle among the political elite and forces".

The conflict between Muslim and Christian elites in the

Moluccas had to be "swiftly handled to prevent it from spreading throughout the country". Otherwise, Wahid warned, it could provide the pretext for further East Timor-style neo-colonial interventions into Indonesia by foreign powers.

"If the world sees continuously the mushrooming of those unruly demonstrations, violent expressions of dissatisfaction, social unrest and the practice of finger-pointing among ourselves, we may expect that they would consider us to be unable to put the house in order."

Under these increasingly turbulent and unstable conditions, Megawati Sukarnoputri will be no more than a puppet in the hands of other forces. A woman of limited political ability and knowledge, her rise to political prominence stems primarily from the popular mystique that still surrounds her father, Sukarno, the first president of Indonesia who was replaced by Suharto after the 1965-66 military coup. Her credentials as a democrat derive from the fact that factions of the PDI—a legal party under the dictatorship—resisted when Suharto attempted to remove her from the position of party head in 1996.

Megawati's elevation produced immediate signs of concern internationally. Greg Sheridan, the foreign editor of the *Australian* newspaper headlined a comment yesterday "Megawati at the helm would be a disaster". He wrote: "Megawati has no administrative ability... Her office and schedule are in perpetual chaos. She has almost no known policy ideas or competence. When given a task such as addressing communal violence in the Moluccas, her typical response is to do nothing..."

"Furthermore, Megawati has entered an unpleasant alliance with the old Golkar party of former president Suharto and the military... They probably feel they can manipulate and control her much more easily than they can Wahid... This is a dangerous development".



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