

# Indonesian leaders desperate to keep power struggle within ruling circles

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Indonesia is invariably described in the international press as “a fledgling democracy,” “a fluid democracy” or even “a struggling democracy”. But the events surrounding the recent attempts to oust President Abdurrahman Wahid once again highlight the fundamentally anti-democratic character of the country's political institutions, parties and leaders, including so-called reformers like Wahid himself, Vice President Megawati Sukarnoputri and Peoples Consultative Assembly (MPR) chairman Amien Rais.

A sordid power struggle is underway between factions of the ruling elites, involving manoeuvres in parliament, backroom meetings between political parties and intrigues with the military top brass and state bureaucracy. Significant sections of the political establishment want to install Megawati as president in place of Wahid but are divided over the means and timing of such a movement in what remains a highly volatile situation. An overriding concern in ruling circles is to block any active political involvement by ordinary working people who have been hard hit by country's continuing economic woes.

A turning point in the political infighting was reached on February 1, when the lower house of parliament or DPR formally censured Wahid, setting in train a complex and lengthy constitutional process by which the president could eventually be impeached and removed from office. Two “scandals” provided the basis for his censure. The first involved the fraudulent withdrawal of 35 billion rupiah (\$US3.7 million) from the State Logistics Agency (Bulog) by Wahid's former masseur. The second relates to the alleged mishandling of a \$US2 million donation from the Sultan of Brunei that was destined for humanitarian relief in Aceh.

From the start, however, the evidence of any wrongdoing by Wahid has been flimsy. After months of deliberation, a 50-member parliamentary commission produced no evidence of the president's direct participation in either “Bulogate” or “Bruneigate”. Its report concluded only that Wahid “could be suspected” of involvement in taking money from Bulog and was “inconsistent” in accounting for the donation from Brunei.

However, the parliamentary vote to censure Wahid was overwhelming—393 to four. It revealed the growing ties between Megawati's Indonesian Democratic Party-Struggle (PDI-P) and the Suharto-era apparatus—the Golkar party and the military—all of which voted for Wahid's censure along with Rais's Axis grouping of Islamic parties. Members of Wahid's own National Awakening Party (PKB) stormed out of the session in protest. It should be remembered that Indonesia's “democratic” parliament is still stacked with appointees—38 from the military in the DPR, and another 200 from provincial governments and special interest groups in the MPR.

In its February 15 issue, the *Far Eastern Economic Review* provided a glimpse of Wahid's growing political isolation. “A senior cabinet minister paints a picture of the president ‘living in a world of his own,’ where document protocol is often ignored and legal accountability tenuous. The president, frequently wearing slippers and looking dishevelled, is surrounded by a shrinking inner circle of family members and bizarre

camp followers—Muslim seers, shady fixers, even a failed meatball manufacturer. During important meetings he falls asleep, and when people dare to criticise him, he walks out.”

Rais, who played the key role in installing Wahid just 15 months ago, has been acting as the chief spokesman for his removal. His Axis grouping has also been the main instigator behind a series of anti-Wahid protests organised by various Islamic student groups. The two main ones are: the rightwing Association of Islamic Students (HMI), one of the few student groups permitted to operate openly under Suharto, and the fundamentalist Indonesian Muslim Students Action Front (KAMMI), which is connected to the Justice Party, a component of the Axis coalition.

Wahid's opponents criticise his alleged corruption, his erratic personal style and the inconsistency of his policies but these are simply pretexts for the move to oust him. Many of those involved in attempting to remove him are deeply implicated in the systemic corruption and repression that took place over 32 years under the Suharto regime. What are counted as his personal faults stem, in the main, from the unstable government of national unity over which he presides. All of the parties that are currently criticising Wahid hold key cabinet posts, making coherent policy a virtual impossibility.

The main political axis around which Wahid's opponents have been gathering is the demand for a more vigorous defence of the Indonesia's national interests. Under the banner of nationalism, Megawati has been forging closer links with Golkar and the military hierarchy, which have been critical of Wahid's failure to crack down on separatist movements in Aceh and West Papua, and his attempts, albeit very limited, to prosecute the Suharto family, business cronies and the military.

Among layers of business, both large and small, the emerging nationalism reflects a growing hostility to the restructuring policies of the International Monetary Fund (IMF) that have resulted in high interest rates—14.8 percent—and a lack of credit. At the centre of the conflict is an estimated \$58 billion in assets—banks, companies, property and bad debt—held by the Indonesian Bank Restructuring Agency (IBRA), which was established in the course of the 1997-98 Asian economic crisis to stabilise the country's financial and banking system. The IMF is pressing for a more rapid sell-off of IBRA's holdings that are equivalent to 57 percent of Gross Domestic Product (GDP). However, opposition to any fire sale has been voiced in parliament, which has already delayed the sale of two private banks, Bank Niaga and Bank Central Asia to foreign buyers.

Immediately after the parliamentary vote to censure Wahid, pressure was stepped up on him to resign and hand power to Megawati. Rais had already declared his intention of ignoring the constitutional procedure for convoking a special session of the MPR—a process that requires at least four months—and began circulating a petition among parliamentarians to immediately convene the MPR to impeach Wahid.

On February 5, leading figures from Rais's own National Mandate Party, the PDI-P, Golkar and several Islamic parties met in Jakarta to discuss the

outbreak of pro-Wahid demonstrations in Wahid's political strongholds in East Java and, as Rais put it, to hold a "discourse" on the possibility of speeding up the process for holding a special MPR session. Following the meeting Rais explained that "an expert team" had been established and a further meeting of the MPR factions was to take place. He predicted that a special session would be held within three weeks.

Pressure on Wahid from outside the MPR was also intensified. Parliament handed over its report on the scandals to the police to investigate and prosecute Wahid. On February 8, Golkar chairman and DPR chairman Akbar Tandjung attacked the president for "allowing the country to degenerate into chaos. The longer he stays in power, the more damage he will do to this country's economy and politics." Justice Minister Yusril Mahendra, leader of the Islamic Justice Party, openly called for Wahid to resign and was sacked from his post.

#### **Wahid's response**

Wahid has repeatedly refused to resign and has branded the parliamentary committee that reported on "Bulogate" and "Bruneigate" as unconstitutional. Increasingly isolated from the political establishment, he has been engaged in his own desperate behind-the-scenes manoeuvring.

A number of articles have cited reports from Jakarta that in the lead-up to the censure vote Wahid attempted to have the military declare a state of emergency and dismiss parliament. The *Far Eastern Economic Review* noted: "In late January, cabinet sources say that Wahid asked Political Coordinating Minister Susilo Bambang Yudhoyono what the international and military reaction might be if he declared a state of emergency... Bambang was against a state of emergency, but Wahid persisted. There followed a series of high-level meetings in the first week of February, involving close aides and senior military figures, both active and retired. At one meeting, Wahid reportedly engaged in a heated exchange with Army Chief-of-Staff General Endriartono Sutarto, who bluntly refused to go along with the president's plan."

Having failed to halt the censure vote, members of Nahdlatul Ulama (NU), the Islamic organisation connected to Wahid's PKB, and its associated youth militia, Banser, initiated pro-Wahid demonstrations across East Java. NU, which is based among traditional rural Islamic teachers, has religious differences with Muslim groups and parties gathered around Rais that are more oriented to sections of the urban petty bourgeoisie. Whatever the religious overtones, however, the protests reflected a wider sentiment that Golkar and the military, with Megawati as a front, were using the scandals to oust Wahid and strengthen their own position.

The largest demonstration, involving up to 50,000 people, took place in Surabaya, Indonesia's second largest city, on February 7. Protesters shouting "Golkar is the tool of the New Order [Suharto's regime]" stormed the local headquarters of Golkar, looting equipment and setting fire to the offices. Pro-Wahid protesters also set fire to a Golkar building in the nearby town of Probolinggo. Among their demands was for Golkar to be officially disbanded.

Members of various student radical organisations, including the Peoples Democratic Party (PRD), joined the protests in East Java. The PRD's presence once again highlights the opportunist character of this organisation. Since its formation in the early 1990s, it has promoted the illusion that reforms can be gained through one or other "progressive" or "democratic" wings of the ruling class.

Until recently, the PRD supported Megawati and her PDI-P. But as was reported recently in the *Green Left Weekly* —the newspaper of the Democratic Socialist Party, the PRD's backers in Australia—the PRD has done an abrupt about-face and endeavoured to reach an accommodation with Wahid's conservative NU organisation. In late January, a PRD delegation led by its chairperson Budiman Sujatmiko met with the NU leadership to forge an "anti-New Order" alliance to support Wahid.

Having used the PRD to help organise the East Java protests, however,

Wahid turned on the group, joining Golkar in blaming the PRD for the "violence" at the demonstrations. Speaking in Surabaya to tone down the demonstrations, Wahid claimed that a "third hand" was responsible for the attacks on Golkar buildings. Making it absolutely clear he was referring to the PRD, Wahid incited his supporters to deal with PRD members physically: "If you see these people playing up, catch them immediately, don't wait for the police, because the police have to gather legal evidence first. If you already know they are going to act, we must act first." During the 1965-66 Suharto coup, the NU and its associated groups were notorious for their involvement in the army's massacre of Indonesian Communist Party (PKI) members, workers and peasants in East Java.

#### **Concern over social unrest**

The protests had served Wahid's immediate purposes. They had been meant as a warning shot across the bows of his political opponents and did result in a certain backing off—at least in the short term. Concerned that matters were getting out of hand, Golkar and the PDI-P rejected Rais's plans to hold an immediate special MPR session.

Since then, calls have been made from a number of quarters for some sort of compromise to be reached within the ruling elite aimed at preventing any further protests—either a cabinet reshuffle or an arrangement whereby Wahid would hand over the daily running of the administration to Megawati. The issue, however, remains unresolved and the formal process for Wahid's eventual removal remains in train.

In one of her rare public statements, Megawati hinted on February 9 at the underlying reasons for attempting to reach a deal with Wahid. After saying that Indonesia was "going through the worst times we have experienced in the last 56 years" and criticising the "violence" of the pro-Wahid protests, she made a direct appeal to all parties to keep the issues confined to the ruling elites. "People should just get angry at the top level but shouldn't let it spread to the grass roots," she said.

Megawati's remarks reflect the instinctive fear in the ruling circles in Jakarta of any involvement of ordinary working people in political life. While the protests in East Java were limited in the main to Wahid's immediate supporters, the potential existed for them to ignite a broader movement of the working class and oppressed against the old Suharto apparatus and for their own class demands. The ruling class is acutely aware that it is sitting atop a tinderbox as the social problems produced by the 1997-98 Asian economic crisis—unemployment, rising prices and a lack of social services—have not gone away and if anything are getting worse.

The latest World Bank update on Indonesia released last September cited official figures showing that the national poverty level had increased from 15.7 percent in 1996 to 27.1 percent in 1999. While three quarters of those classified as poor lived in rural areas, the number of urban poor had doubled over that period. Moreover, as the report pointed out, those figures were just the tip of the iceberg: "Even if only 27 percent of households are poor now, between 30 and 60 percent of households are vulnerable to poverty over a three year horizon."

While the official unemployment level had only risen from 4.7 percent in 1997 to 6.4 percent in 1999, there had been a marked shift in employment as factories closed and workers were forced to take lower paid, often casual employment. The World Bank concluded: "The decline in real wages has had a larger impact than the contraction in the labour market, although recent estimates of real wages by sector proves some hope." A survey of "coping strategies" revealed that the position of people hit by the social crisis was likely to deteriorate rather than improve as they used up their savings, cut back on their consumption, including basic necessities such as food, and were compelled to go heavily into debt in order to survive.

The outcome of the present political conflict in Indonesia is not clear. In the case of the former Philippine president Joseph Estrada, the major powers and the money markets sent a clear message in support of his

ousting. The attitude in international ruling circles to Wahid is not so defined. While Wahid's election in October 1999 came as a shock to most international observers, there is currently a distinct ambivalence over the alternative—a Megawati administration that protects the interests of layers of the old Suharto apparatus at the expense of international investors.

A feature article in the *Australian Financial Review* entitled “Indonesia's chaos: Would Megawati do better?” commented favourably on Megawati's administrative skills in contrast to Wahid's rather anarchic approach and highlighted the comments of a PDI-P MP Theo Toemin, who said: “Every investor just waits for Megawati to become President.”

The conclusion, however, was markedly cool: “As president, Megawati will bring more order to the government. But there is also a high risk that she will put power back in the hands of the bureaucrats who have long practice in running the system for their own benefit. And her party is by no means clean. Foreign business people report that party members are among the worst offenders in requesting payoffs, particularly at the provincial and local level where many are tasting power for the first time... With Wahid determined to stay in office there is no foreseeable end to Indonesia's political crisis. And when it is finally over the country's underlying problems will still be there.”

A comment in the British-based *Economist* magazine entitled “Indonesia's divided leaders” warned about the dangers of protracted political instability, particularly if the masses become involved. After pointing out the weaknesses of “an incompetent president” and “an equivocating vice-president, the article concluded: “In the event, a Megawati presidency might turn out all right. It is not a prospect, however, until the impeachment uncertainty is over—unless Mr Wahid resigns. He may in fact still be able to redeem himself, if he calls off the NU's street-fighting elements, admits that he himself is not above the law, and appeals to Miss Megawati for her support, as a nationalist icon. That remains the best hope. It is certainly far better than a long power-struggle, played out not just in parliament and the presidential palace, but on the streets.”



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