

Indonesian president running out of options as third parliamentary censure approaches

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The events of the past fortnight in Jakarta appear to make a final showdown between President Abdurrahman Wahid and parliament all but inevitable. He has already been formally censured twice by the DPR or lower house and faces a third censure when the body reconvenes on May 30, paving the way for a special session of the People's Consultative Assembly (MPR) to consider his impeachment and removal from office.

Wahid lacks any substantial support in the DPR except from his own National Awakening Party (PKB), which commands only 10 percent of the seats. The second censure motion on April 30 was passed 363 in favour and 52 against with 42 abstentions, mainly by the appointed representatives of the armed forces (TNI). The Indonesian Democratic Party-Struggle (PDI-P), Golkar and a number of rightwing Islamic parties are openly backing Vice-President Megawati Sukarnoputri to take over from Wahid.

One of Wahid's few remaining options was to reach an understanding with Megawati to allow him to stay on as nominal head of state while she took over the effective running of government. Such a deal was struck last year but rapidly unravelled, leading to the current push to oust Wahid. A renewed attempt this month at brokering a power-sharing arrangement now seems to have been exhausted.

The latest attempt at negotiations emerged after a fiery cabinet meeting on May 5. In response to the ongoing political crisis, a desperate Wahid threatened to declare a state of emergency, dismiss parliament and call fresh elections. When he failed to get agreement from his "national unity" cabinet—drawn from all the major political parties—the president abruptly left the meeting.

Wahid has since admitted that the military chiefs, including army chief-of-staff General Endriartono Sutarto, also refused to back his plan. In an interview with the *Washington Post*, he declared: "I asked them and they said no. I said 'okay, then we have to find a political solution'."

On May 8, a statement by Coordinating Minister for Political and Security Affairs, Bambang Yudhoyono, a retired senior general, appeared in the *Media Indonesia* newspaper urging Wahid to reach an accommodation with Megawati. "It seems the boat will hit the reef. I have to advise him [the president] to change course so it will not strike the reef and be destroyed,"

he said, referring to the impeachment moves.

On the same day, Megawati interrupted her schedule to hold talks with a group of seven senior ministers led by Yudhoyono, who then met with Wahid in what his spokesman described as "difficult" discussions. In a short statement after the meeting, Yudhoyono indicated that Wahid had said that Megawati should take the lead in finding "the right political solution".

However, hopes that the seven ministers would be able to negotiate a deal rapidly floundered. Within days, there were clear signs that a compromise was not possible. At a press conference last week, Wahid snapped back at a journalist asking a question about power sharing: "What power? I would like to ask you what? I have given everything to her."

By May 15, Megawati let it be known that she was not prepared to make a deal. One of her close advisers, Heri Akhamadi, declared to the press that "power sharing is no longer relevant" and indicated that the party had decided to push for a special session of the MPR.

The following day, Megawati convened a meeting of party leaders. As Wahid is not technically the head of his National Awakening Party, he was not present and the gathering took on the character of a factional meeting. While no one was prepared to reveal the discussions of the half day meeting, other than to say that everyone agreed on the need for "effective government," the agenda was obvious—when and how to remove Wahid. Another meeting is scheduled for next week.

Wahid's alternatives appear to be rapidly drying up. He has dramatically warned that if he is impeached a number of provinces will secede from Indonesia. But the president's ability to threaten his opponents with secession or protests by his supporters from East Java and the Islamic organisation Nahdlatul Ulama (NU) has waned. While there were vigorous demonstrations following his first censure, the protests subsided by the time of the second. Earlier this week, the NU chairman in East Java, Ali Maschan Moesa, pointedly commented: "I believe that most NU leaders in the national executive board and the distinguished *kyais* [religious leaders] would understand and accept it if Gus Dur [Wahid's nickname] resigns."

Wahid has continued to raise the possibility of declaring a state of emergency. He told a military seminar on May 16 that

“as soon as there is a violation of the constitution... we must be courageous and take action”. His spokesman Adhi Massardi later explained that Wahid regarded his impeachment “a grave constitutional violation”. “The president has wide-ranging powers to do whatever he feels is necessary to prevent chaos in this country. It will depend on the political developments,” Massardi said.

But without the support of the army chiefs, Wahid would have difficulty imposing martial law and disbanding parliament. A senior military commander, Major General Willem da Costa, this week warned against any attempt to reshuffle the military hierarchy to insert a political appointee as TNI head. Moreover, parliamentary leaders have declared that they will ignore any attempt to disband the DPR.

Wahid has also hinted that he may challenge his impeachment in court. He has maintained all along that proper procedure has not been followed and the attempt to impeach him was illegal. The formal grounds for impeachment—that the president was involved in the misappropriation of 35 billion rupiah (\$US3.9 million) from the State Logistics Agency (Bulog) and misused a \$US2 million donation from the Sultan of Brunei—are a rather transparent pretext for the bid to oust him. Since he was first censured in February, Wahid's detractors have failed to produce any convincing evidence to prove the allegations.

The main focus of criticism has been on Wahid's style of rule and the failure of his administration either to arrest Indonesia's deteriorating economic position or to deal with the country's continuing social and political unrest. Having been defeated by Wahid in her bid for the presidency in October 1999, Megawati has allied herself more closely with sections of the military, the political instrument of the Suharto dictatorship—Golkar—and various rightwing Islamic parties.

This loose coalition has been brought together under the broad umbrella of nationalism. Megawati has supported sections of the military critical of Wahid's failure to crack down on separatist movements in West Papua and Aceh, forcing him to take a more aggressive stance. The TNI is currently conducting a brutal offensive against the Free Aceh movement in northern Sumatra using its elite “anti-guerrilla” force. An article this week in the *Sydney Morning Herald* cited cases of the murder of civilians by Indonesian troops, concluding that it made “a mockery of the government's repeated promises to use a non-violent approach to end fighting”.

Wahid's opponents have also been critical of IMF and World Bank demands for an accelerated sale of billions of dollars worth of assets held by the Indonesian Bank Restructuring Agency (IBRA) set up following the 1997-98 Asian economic crisis to manage the bad debts of the banking system. Significant sections of business, including those linked to the military, stand to lose out in any firesale and are seeking to defend their interests under the banner of nationalism.

The protracted political stalemate in Jakarta has exacerbated

the country's economic difficulties. The continuing fall in the value of the rupiah to around 11,000 to the US dollar threatens a budget deficit blow out—from the planned 3.5 percent of GDP to around 5-6 percent. The Wahid administration has already been compelled to substantially revise its budget for the year starting April 1—further cutting spending and increasing taxes. The budget was premised on an exchange rate of 7,800 rupiah to the US dollar.

The budget has been rewritten on the basis of a rate of 9,600 but already there are doubts about the revised financial strategy. A key component is a cut of some 9.3 trillion rupiah in government subsidies for oil and gas, which will cause fuel prices to rise sharply by 30 percent and could provoke protests and further political instability. Previous attempts to increase petrol and kerosene prices have been met with widespread opposition.

The *Far Eastern Economic Review* commented: “[T]he crunch time would come around September when the 30 percent hike in fuel and electricity would hit consumers. Should this also coincide with continuing political turbulence, a falling rupiah and skyrocketing interest rates, there's no guarantee the new budget plan will work, economists say. Using a notional exchange rate of 10,000 to the dollar, [economist] Sri Mulyani projects a possible deficit weighing in at 6.6 percent of GDP, leaving another 7 trillion rupiah to be found.”

The IMF has refused to release its latest tranche of \$400 million in loans to Indonesia, citing concerns about the budget deficit, fiscal decentralisation and the independence of the country's central bank. But as the *Far Eastern Economic Review* noted in an article entitled “Awaiting New Management,” the more likely reason for the delay is that “the IMF expects a change in the government—if not of the leadership, then at least key cabinet positions.”

It is clear, however, that a government headed by Megawati will be no more stable than the one under Wahid. While she has a more significant parliamentary base than Wahid, she will be beholden to the political parties that helped her into office—in particular the military and political wings of the Suharto dictatorship. Her willingness to support the military suppression of the separatist movement in Aceh is an indication of the methods this “reformer” will use to deal with opposition to her government's policies.



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