

Yudhoyono ahead as Indonesians vote in presidential elections

John Roberts
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As many as 171 million Indonesians are eligible to vote today in the first round of the country's presidential elections. Despite considerable alienation from all three candidates and a likely high abstention, most opinion polls predict that the incumbent, former Suharto-era general Susilo Bambang Yudhoyono, and his running mate, recent Bank Indonesia Governor Boediono, will win a clear majority.

A poll by Lembaga Survey Indonesia on July 5 gave Yudhoyono 63 percent of the vote, compared with 20 percent for his nearest rival, the team of former president Megawati Sukarnoputri and her vice presidential partner, Prabowo Subianto, a former general and a commander of the notorious Kopassus special forces. The ticket comprising Jusuf Kalla, current vice president and leader of Golkar—the political machine of the Suharto dictatorship—and former armed forces commander Wiranto is running third.

If the polls reflect today's outcome and Yudhoyono gains more than 50 percent of the popular vote, as well as at least 20 percent in 17 of the country's 35 provinces, there will be no second round run-off election in September. An unofficial result should be known quickly, though the official result may not be released for 30 days or more.

Despite the glitz of well financed rallies, the local press has complained of a lack of substance in the candidates' policy details. The only major issue to receive coverage in the three-week official campaign has been an attack made by the Megawati and Kalla camps on Yudhoyono and Boediono for being economic "neo-liberals" and agents of foreign capital.

There is no doubt that Yudhoyono, a tried and tested servant of the ruling elite, is the preferred candidate of key sections of Indonesian big business and international corporations. During Megawati Sukarnoputri's administration from 2001 to 2004, he was minister in charge of the military and security forces and oversaw the brutal counter-insurgency operations to crush separatist movements in Aceh and Papua. He quit to run against Megawati in the 2004 election and his own presidency since has been marked by efforts to open up the economy to foreign investment. The *Times of India* noted on July 6 that "a second term for the president is regarded as the most investor-friendly

outcome."

A lengthy article in the July 6 *Wall Street Journal* commented that Indonesia was "re-emerging as one of the world's hottest developing economies", with the International Monetary Fund predicting a GDP growth of four percent this year, compared with a slump in most of the world. It noted that both Volkswagen AG and British American Tobacco PLC had announced new investment plans and that the national stock market had risen 50 percent in 2009.

The attractions for foreign capital in Indonesia are its massive pool of cheap labour, significant untapped natural resources and the relative social stability that has existed over recent years. After a sharp fall in foreign direct investment in late 2008, it has begun to slowly rise again, reaching \$5.39 billion in the first half of 2009.

Investors favour a Yudhoyono regime largely because he has pledged to root out nepotism within the Indonesian state. He has stated that many of the personnel in his first administration had conflicts of interests that hindered reforms and promised that if re-elected he would fill his cabinet positions with technocrats.

The *Wall Street Journal* approvingly concluded that if a new Yudhoyono administration did ratchet up its efforts to deal with endemic corruption in the state bureaucracy and judiciary, foreign investors would continue to direct funds into the country.

The cornerstone of Yudhoyono's campaign has been his promises of economic growth. He has declared he will return the economy to seven percent growth by 2014, keep inflation below six percent and spend ten percent of the state budget on infrastructure to promote investment. He has also promised that his promotion of free-market policies will be counterbalanced by government measures on behalf of the poor, and that reform of the bureaucracy will not include job cuts or downsizing.

By contrast, the two opposition tickets have opposed Yudhoyono with an eclectic set of policies described in the local and international business media as economic nationalism. While pitched as measures to alleviate poverty, they are largely aimed at protecting those sections of the local business elite that fear losing control over resources and industries to foreign competition.

Megawati and Prabowo have made demagogic claims that they will take a tough stand in negotiations over foreign investment in natural resources such as oil and gas, promising credit schemes to aid the poor, farmers and fishermen. They have also mooted a universal health insurance plan to be funded through foreign debt restructuring.

In similar vein, Kalla's campaign has called for an "independent nationalist economy" and the replacement of a free trade policy with "fair trade". In an appeal to the Muslim vote, he has undertaken to expand the so-called shariah finance sector by 25 percent.

Despite the professed concern of all the candidates for the plight of the Indonesian masses, none has mass popular support. Yudhoyono's Democratic Party is the largest in the Peoples Representative Council (DRP), with 148 of the 560 seats, but it won only 20.85 per cent of the vote in the April parliamentary elections. His expected vote in the presidential poll has been boosted by support from the four major Islamic-based parties.

Megawati's Indonesian Democratic Party-Struggle (PDI-P) has seen its vote fall from 34 percent in 1999—the first election following the fall of Suharto—to just 14 percent in April. Her attempts to regain support with economic nationalist demagoguery have done little to offset widespread disillusionment with not only the PDI-P, but with all those who were promoted as "reformers" during the 1998 upheaval against the dictatorship.

Megawati's real role in 1998, along with that of Abdurrahman Wahid of the National Awakening Party and Amien Rais of the National Mandate Party, was to divert the mass movement for democratic change and social equality back under the control of the Indonesian political establishment and corporate elite. To the disgust of millions of her former supporters, she supported a military-backed parliamentary coup against then President Wahid in 2001 and assumed the presidency, which she lost in the 2004 election. After her installation, Megawati implemented essentially the same free market reform agenda she now denounces. She also authorised brutal counter-insurgency struggles against separatist movements in Aceh and West Papua.

Megawati's selection of former General Prabowo as her vice-presidential candidate in this election is an expression of the alliance between the so-called "reformers" and the military and ruling elite from the Suharto period. In 1998, Prabowo commanded the troops that suppressed the mass anti-Suharto demonstrations and were responsible for the disappearance of student activists.

The ticket of Kalla and Wiranto is equally discredited by its links with the former dictatorship. Golkar was Suharto's party, and Wiranto served as head of the military in the final days of the regime. He is accused of ordering human rights abuses during the 1999 collapse of Indonesian rule over East Timor.

Indonesia is commonly portrayed as a "successful" example of a transition from military rule to democracy. The reality is a society marked by seething resentment within the working class and rural poor towards the endemic poverty and social inequality that have only worsened during the past decade. The government's own estimates put the poverty level at over 14 percent, with 32 million people struggling to live on less than 70 US cents per day.

While profits and the economy overall have been boosted by China-driven exports of palm oil, coal and nickel, even the understated official unemployment level of 8.25 percent is the highest in South East Asia. Moreover, it is expected to rise even further this year under the impact of the global recession. As the economic situation deteriorates in countries like Singapore, Thailand and Malaysia, millions of Indonesian migrant workers may be forced to return home.

Yudhoyono's presidential opponents have been unable to benefit from this social crisis because masses of people hold them just as responsible. The deepening anger and hostility to the major parties found expression in a historically high abstention rate in the April elections. In all, 86 million eligible voters failed to cast a vote for any of the elected candidates. More than 49 million did not vote at all, 17.5 million cast invalid votes and 19 million voted for the 29 parties that did not gain parliamentary representation.

Beneath the international media hype about Indonesia's democratic success story, the same class and social antagonisms that produced the political upheaval in 1998 threaten to erupt once again.



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