

# Close associates of Indonesian president targeted over corruption

**John Roberts**  
**18 August 2012**

A series of investigations by Indonesia's anti-corruption authority has ensnared members of President Susilo Bambang Yudhoyono's Democrat Party, including figures close to the presidency. The scandals have emerged amid the political manoeuvring for the parliamentary and presidential elections in 2014.

Yudhoyono cannot stand again for the presidency, which is limited to two consecutive terms. He won the presidential election in 2004 and 2009 convincingly. Such was his level of support in 2009 that his Democrat Party gained the most parliamentary seats, allowing the president to fashion the current six-party coalition government.

Yudhoyono's main campaign promise was to tackle the country's endemic corruption, which permeates every level of government and the economy. As a result, the latest corruption cases are inflicting considerable political damage on him, and the Democrat Party.

In the most recent scandal, the Corruption Eradication Commission (KPK) identified business tycoon Siti Hartati Murdaya as a corruption suspect on August 8. She is a major financial backer of Yudhoyono and a member of the Democrat Party's board of advisers. Murdaya is suspected of bribing a Central Sulawesi district head with two billion rupiah (\$US220,000) to gain a land concession for her palm oil company.

Murdaya is just the latest of a list of Democrat figures facing corruption allegations. In April former party treasurer Muhammad Nazaruddin was sentenced to four years and 10 months in jail, and ordered to pay 200 million rupiah in fines or serve an additional four

months. He was convicted of receiving 4.6 billion rupiah in illegal gratuities.

Nazaruddin was also accused of taking \$US3 million from contracts for the athletes' village for the 2011 South East Asian Games. Among the money handled by Nazaruddin was a large sum alleged to have been used to finance the 2010 Democrat Party congress.

As a result of information supplied by Nazaruddin during his trial, the KPK is investigating Democrat chairman Anas Urbaningrum and Sports Minister Andi Mallarangeng for taking bribes, along with Democrat parliamentarian and deputy secretary Angelina Sondakh. Sondakh was taken into custody in April.

Yudhoyono's reputation has been further tarnished by his role in a current case involving corruption in the National Police. In July the KPK conducted an unprecedented raid on the headquarters of the National Police Traffic Corps in Jakarta. The KPK declared that the Corps' head, Chief Inspector General Djoko Susilo, was suspected of graft in the awarding of a 198.7 billion rupiah contract for driving simulators in 2011. It is alleged that the price was marked up by 100 billion rupiah.

No sooner had the KPK announced an inquiry than the police responded with its own investigation, leading to conflict between the two organisations. Non-government organisations and lawyers demanded that the KPK handle the matter. Yudhoyono intervened last week, but instead of giving authority over the investigation to the KPK, as expected, he simply ordered the two bodies to work together.

Yudhoyono's own background as a Suharto-era general has been underlined by a National Human Rights Commission report into the 1965-1966 massacre of an estimated half a million Indonesian Communist Party (PKI) members, workers and peasants. The report, released on July 24, found that the army's actions in suppressing the PKI during Suharto's military coup constituted gross violations of human rights.

The report called for compensation for the victims and the prosecution of those involved. Yudhoyono is the son-in-law of General Sarwo Edhie Wibowo, whose Special Forces command spearheaded the mass murders. The president made no comment on the findings and simply referred the report to the attorney general's office.

The corruption scandals surrounding Yudhoyono have, of course, been seized upon by political rivals. At the same time, the cases are being exploited by layers of big business to put pressure on his administration to implement further pro-market restructuring to open up the economy to foreign investors.

The international financial press has criticised the Indonesian president for failing to use his 2009 victory to carry major economic "reforms." The country has become an important investment destination. In 2011, foreign direct investment increased to \$US18.9 billion, up from \$13.8 billion in 2010. The economy grew 6.4 percent last year, its fastest since 1996.

But *Asia Times* reported on June 14 that the government's measures to increase infrastructure spending and overcome transport bottlenecks had been stymied by its failure to establish the necessary regulations to ensure allocated money was actually spent on infrastructure. The article said "policy incoherence" meant the economic boom had not been built on. "Yudhoyono has squandered the overwhelming mandate for reform he won three years ago...[he] has gone out of his way to compromise, in effect asking the opposition to run the government," it stated.

In a similar vein, the British-based *Economist* said on

August 11 that Yudhoyono's six-party coalition, which includes Islamist parties and Golkar (the party of the Suharto dictatorship), had resulted in a "'democratic' patronage system." It commented: "Most of the country's political elite have cabinet seats, and run their ministries as personal fiefs. They can both line their own pockets and funnel parties' campaign war chests."

The magazine noted that Yudhoyono had backed down after making a "stab" at reducing the country's diesel and petrol subsidy, which consumed 13 percent of the state budget. "Since that failure, few bold initiatives have issued from the presidential office," the *Economist* declared.

Growing public dissatisfaction with the Democrats, over corruption and the country's continuing social divide between rich and poor, has resulted in other contenders emerging for the 2014 presidential election. A recent opinion poll put Suharto's son-in-law, former army general Prabowo Subianto, as the front runner. Prabowo was forced to leave the army after the collapse of the Suharto regime, as the Special Forces unit he commanded was accused of kidnapping pro-democracy activists during 1998 protests.

Prabowo formed the Greater Indonesian Movement Party (Gerinda) in 2008 and ran in 2009 as a vice presidential candidate with Megawati Sukarnoputri, Yudhoyono's predecessor. Prabowo is backed by significant sections of big business—his family is involved in oil, palm oil and coal, and his brother is worth more than \$700 million, according to a *Forbes* survey.

Prabowo's ability to make a bid for the presidency is an indictment of the so-called reformers, including Megawati, who postured as democrats after Suharto's fall in 1998, in order to contain the widespread protest movement of workers, young people and sections of the middle class.



To contact the WWSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**