

Fuel price hike sparks protests in Indonesia

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Last week, mass protests erupted across Indonesia after the government of President Joko Widodo announced price hikes that will result in the cost of subsidised fuel surging by over 30 percent. That is the first government ordered petrol price increase in eight years. Rallies and demonstrations are continuing.

The decision, announced on 3 September, was taken amid a global inflationary spiral that has sent the prices of essential commodities in Indonesia skyrocketing. This year, the costs of cooking oil, electricity, and multiple food staples have soared as a result of the massive infusion of government funds into the stockmarkets, the US-NATO proxy war against Russia in Ukraine war and the disruptions stemming from the “let it rip” COVID-19 program.

President Widodo said in a televised address that the hike was the “last option,” due to a ballooning energy subsidy budget caused by rising global oil and gas prices.

Widodo’s initial announcement immediately sparked spontaneous rallies, involving workers and students who burned tyres and blocked roads. On September 5, the Indonesian Trade Union Confederation (KSPI) then stepped in, holding its own organised protests.

The KSPI called on the government to reverse the price hike and lift the minimum wage by 10 to 13 percent before next year.

The September 5 rallies involved tens of thousands of workers and students across the country in the cities of Jakarta, Surabaya, Makassar, Kendari, Aceh, Yogyakarta, Bandung, Medan and Semarang. Demonstrations were planned in a total of 34 provinces, union leaders told *Tempo* magazine, including in rural areas outside the offices of provincial governors and local officials.

In the capital city Jakarta, an estimated 5,000 industrial workers marched and chanted slogans outside Parliament, denouncing the government’s move and

demanding higher wages. The protest was also attended by teachers, domestic workers, farmers and fishermen, as well as hundreds of university students.

In Makassar, a major city on the island of Sulawesi, student protesters raised that the price increase would especially burden workers who have not fully recovered from being infected with COVID-19.

Ahead of the rallies, a massive police presence was established across the archipelago. In Jakarta, around 7,200 police and military personnel were deployed in and around the capital, with the largest concentration of forces near Parliament and petrol stations. Roads leading to the Presidential Palace were blocked.

Price hikes in fuel and other basic commodities were the initial trigger for the mass protests in 1998 which toppled the Suharto dictatorship amid the South East Asia economic crisis. The last fuel price increase in 2014, just months after Widodo first assumed office, set off a wave of protests around the country.

The social conditions in Indonesia today are even more explosive. The pandemic, allowed by the Widodo government to rip through the country with minimal health measures in place, has wrought enormous physical and economic devastation on the Indonesian working class and rural masses.

The official pandemic statistics, 6 million cases and 150,000 deaths, are acknowledged by medical experts to be a vast undercount, the result of a chronically low testing regime and a large number of unreported deaths. The government’s criminal pro-business program of “reopening” amid the pandemic led to the horrific mass death caused by the Delta wave in July 2021, with over 2,000 official daily deaths at its peak and thousands more dying at home.

The massive corporate bailouts and injection of money into the financial markets worldwide has precipitated the inflation crisis, which the Indonesian government is seeking to resolve by austerity and

further inroads into workers' living conditions.

The fuel hike has raised the price of gasoline from about 51 cents to 67 cents per litre and diesel fuel from 35 cents to 46 cents. As subsidised fuel accounts for more than 80 percent of state-owned oil giant Pertamina's sales, the price increase will have a major impact on workers' families and small businesses, and is predicted to elevate food and energy costs.

Another protest last Thursday involved more violent clashes between demonstrators and police. Students gathering at Jakarta's National Monument burned tyres and dismantled razor wire barricades erected by authorities. Footage released on social media showed riot police firing on student protesters with water cannon. Elsewhere in the city, protesters attempted to block the vice president's motorcade, causing the convoy to quickly flee.

The unions have indicated rallies will continue until December and have said that they are considering a national strike. Said Iqbal, president of the KSPI, addressed the workers' rally outside Parliament on Tuesday last week: "We have won before and we are confident that President Joko Widodo will hear the people's voices alongside the voices of the elites who do not care about the interests of the common people."

The KSPI, one of Indonesia's peak union groups, has a long record of organising carefully coordinated one-day rallies outside government buildings, designed to allow workers to blow off steam and prevent a major social explosion. It has played a critical role in diffusing workers' struggles over recent years amid growing opposition among workers to the Widodo government's assault on their rights and conditions.

In November 2021, the KSPI held similar rallies in response to price rises of up to 10 percent for basic commodities. Workers also wanted to fight against the government's anti-worker Omnibus Law, passed in 2020, which has allowed the financial elite to slash wages, job protections and further enrich big business. The KSPI's demands for a minimum wage rise fell on deaf ears.

In 2019, protests of workers emerged after the government passed legislation weakening the official anti-corruption body. The KSPI declared that it would work "as a team" with the Widodo government and boasted of its backing for pro-business measures to "build a good investment climate."

The unions, moreover, are an active participant in the sordid intrigues of official politics. During the 2019 presidential elections, the KSPI endorsed Widodo's far-right opponent, Prabowo Subianto, a former general under Suharto. After Widodo's victory, union leaders quickly pledged their fealty to the president.

This union is not planning to defend the "interests of the common people" before the "elites," as Iqbal claimed. Instead, the KSPI is seeking to direct the mounting social anger back into the safe channels of feckless appeals to the Indonesian ruling class as it proceeds with its austerity program.

Yesterday, government ministers declared that they would "consider" some of the union's demands. This is a clear sop to the union bureaucracy aimed at assisting it to end the protests without any change to workers' conditions.

As is the case internationally, the soaring costs in Indonesia demonstrate that workers there are in a struggle against the capitalist system, which subordinates social needs to the profit interests of the major corporations. This poses the need for a break with the entire political establishment and a turn to a socialist perspective.



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