

## *Indonesia after Suharto*

*"Suharto is the only obstacle to democracy in Indonesia and self determination in East Timor"*

Jose Ramos-Horta, leader of the East Timorese liberation movement and Nobel Prize Winner, May 1998.

*"The resignation of Suharto solved nothing"*

Ted Grant and Alan Woods, socialist journalists, May 1998.

**A**t the end of May, after more than a million Indonesian people took part in demonstrations against him, President Suharto resigned. Around the world, progressive forces hailed the downfall of one of the world's most notorious dictators. Will the departure of the president make much difference? What lessons does the Indonesian experience have for South Africa?

### **Fallout**

While Suharto may have gone, the Structural Adjustment Programme (SAP), imposed by the IMF during the last months of his rule, remains. An IMF loan of A\$43-billion made it possible for Indonesia to meet international debts. It is the strings attached to this loan which are responsible for the major tragedy unfolding in Indonesia today. According to the World Bank's Chief Executive in Indonesia, some 10 million

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*by John Pape*

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people have already lost their jobs and 20 million more are expected to be retrenched in the next year. National production is expected to fall by 10% in 1998.

The Indonesian rupiah has declined in value by some 80% in the last year. This has strangled production in sectors of the economy which rely on imported inputs. By the middle of June, 40% of the buses in the capital, Jakarta, were off the road due to a shortage of imported spare parts. The country's largest automotive producer, Astra, was threatening to stop all production because of the escalating cost of components from overseas. At the same time, foreign investors, once the driving force behind the economy, were pulling out of Indonesia in large numbers.

### **Successor**

While foreign investors can take the gap, the Indonesian people face the music. President Habibie, Suharto's handpicked successor, does not have the credentials or the will to steer the country on an alternative course. In the words of Muchtar Pakpahan, leader of the progressive trade union federation SBSI: "Habibie is part of the collusion, nepotism, and corruption of the Suharto regime."

While Habibie did release some political prisoners, less than a month after

he took power, he called out his troops to stop workers from joining a student demonstration. One of his security chiefs, Major-General Sjafric, warned Indonesians in late June: "I have given (my troops) orders to warn the protestors first and then cripple them if they have to."

It is far from clear that these threats can keep the lid on popular protest. Demonstrations and strikes swept the country during the whole of June. In Surabaya, the second largest city, 10 000 workers from the shoe factories set up roadblocks. Dockworkers left ships idle in the harbour.

Wages have been the focus of many of the protests. With the minimum wage set at as little as R10 a day, meeting basic needs was difficult enough before the crisis. The situation is, however, getting steadily worse. Inflation is currently running at 60%. Drought has driven up food prices. The annual April increment has been cancelled. Workers simply cannot tighten their belts any further.

## Alternatives

Attention is not focused solely on bread and butter issues. Indonesians are desperately in search of the political way forward. In typical post-dictatorship fashion, nearly every political force is attempting to distance itself from any links to Suharto, and is calling for democracy and reform. Definitions of these terms vary, however. For some, such as the student structures which led the May demonstrations, change is linked to justice. They want Suharto to stand trial to explain, among other things, how he accumulated a personal fortune of some A\$40-billion during his period as president.

Is there a political force which can galvanise the potential of the fledgling mass movements into a coherent, progressive programme of action? Two worker organisations, the SBSI and the Indonesian Centre of Labour Struggle (PPBI), will be

important players in any resolution of the crisis. The Peoples' Democratic Party and the East Timorese liberation groups may become the focal point of the movement toward an alternative Indonesia.

It remains uncertain, however, whether any of these groupings will define a new direction, or if they enjoy a mandate from the majority. No progressive opposition force may have the military clout to steer an alternative course in a political environment as fraught as Indonesia's. There are also forces which will aggressively oppose any left-wing solution. General Wiranto, a former military henchman of Suharto, is frequently mentioned as a successor to Habibie. The moderate intellectual, Amien Rais, is another possible candidate. He will most likely try to forge an agreement which pacifies all 'stakeholders': the military, the IMF, business and the mass movement.

## Lessons

Without a clear alternative to export-oriented growth and an open economy, even a modicum of social peace may remain a distant dream. The formulas of the conflict resolvers and international peacemakers which produced the so-called 'South African miracle' may not work in Indonesia.

For South African workers, this raises the issue of the appropriateness of the Indonesian economic model. A few months ago, there were many who were punting the 'Asian miracle' as a panacea to South Africa's problems. A close look at Indonesia today should provide a healthy dose of understanding the perils of export orientation and surrendering to the interests of foreign investors and neo-liberal financial institutions. ★

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