

Indonesia: Challenging the neo-liberal regime

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The following article is compiled from an article by Dominggus Oktavianus and reports by Ulfa Ilyas and Rudi Hartono. It has been translated by Data Brainanta.

More than 2500 people from the Volunteers of People's Struggle for the Liberation of Motherland (SPARTAN) held a festive anti-neoliberalism protest in front of the National Election Commission on July 1 in Jakarta.

The multi-sector coalition, initiated by the People's Democratic Party (PRD) to intervene in the 2009 election, held similar protests involving more than 1200 people in Makassar on the island of Sulawesi.

Hundreds rallied in Surabaya, Medan, Lampung, and protests occurred in 11 other cities.

The following day, a SPARTAN-organised protest drew thousands in Riau, Sumatra and 80 people in the central Javanese city of Semarang.

The SPARTAN protesters mostly came from the poor, organised through the Indonesian Poor Union (SRMI), as well as some labour and students activists. Protesters denounced the incumbent in the July 8 presidential election, Susilo Bambang Yudhoyono, as a neoliberal politician supported by foreign interests.

Agus Priyono, SPARTAN's general coordinator, said that protests targeted candidates who represent the political-economic system based on the "Washington Consensus", which promotes policies that liberalise trade, introduces "flexible" working conditions and a free hand for investors.

"Neoliberalism is actually an incarnation of neo-colonialism that was fought against by our founding father, [former president] Sukarno", he said.

Electoral politics and neoliberalism

A decade of intense economic liberalisation has increased poverty, unemployment, and environmental destruction. Almost half of Indonesia's 230 million people live on less than US\$2 a day.

Thirty seven million people are unemployed and thousands of children suffer malnutrition. The destruction of national industry, both in agriculture and manufacturing, goes hand-in-hand with big business's plunder of Indonesia's economic resources, through legal and illegal means.

Deforestation for timber production, mine expansions and fossil fuel consumption have increased drastically in this period.

Most people are not aware of the cause of the situation. Nor do they see the link between the degradation of their lives and their electoral choices.

This is the product of decades of repression and de-politicisation under the 1965-98 Suharto New Order dictatorship. This has been made worse by the illusions and image manufacturing that have dominated electoral politics since 1999.

Until the rise of neoliberalism as an issue in this year's presidential election, previous electoral contests did not involve a contest between pro-people policies versus pro-capital ones.

However, the bitter truth is that this development is not directly caused by any advances for progressive and democratic forces. Rather, it comes from a conflict within the oligarchic elites. This specifically involves Prabowo Subiyanto, a retired lieutenant-general who commanded the notorious Kopasus elite troops involved in the kidnappings and killings of pro-democracy activists in 1998.

Lately, the content of Prabowo's speeches are almost identical to the arguments of progressives in recent years. This is both the way he explains the nature of neoliberalism as well as, to a degree, the proposed economic solutions.

Prabowo is running for vice-president with the presidential candidate Megawati Sukarnoputri in this election. Is his populism an illusion, considering that Megawati carried out a neoliberal agenda when she was in power between 2001-2004?

Only time will tell.

Then there is the presidential candidate Jusuf Kalla, now vice-president, who talks more moderately about a national self-sufficient economy and promotes programs to strengthen domestic capitalists and weaken foreign capital's domination.

He comes from Suharto's Golkar party. His running mate is Wiranto, the armed force chief from 1997 to 1999 and responsible for serious human rights violations — most well known the massacres in East Timor in 1999.

This camp represents an alliance between a sector of Indonesia's capitalist class with military elements dating from the New Order dictatorship.

However, Kalla's openness, determination, and egalitarian appearance has drawn support from critical cultural figures and a handful of activists.

Facing them is the incumbent Yudhoyono. His running mate is Budiono, the head of the central bank and the International Monetary Fund's trusted economist who been a key to implementing economic liberalisation.

Armed with the image of being a more "civilian" former general, with a gentlemanly manner, committed to anti-corruption and from a simple farmer family, Yudhoyono seems to be in the best position to implement a neoliberal agenda.

The Economist described him in a March 24 article as "a champion of the foreign investors".

Under Yudhoyono's administration, 44 state-owned companies were sold at discount prices to foreign buyers in one year.

He is notorious for the explosion of debt during his administration, which rose at the highest rate in

Indonesian history, \$8 billion a year.

Under Yudhoyono, Indonesia has also been active in endorsing trade liberalisation at a global as well as regional level.

His financial backing and image appealing to Indonesia's feudal past has resulted in Yudhoyono leading various polls.

Not surprisingly, various mid-sized political parties, including the religious fundamental ones, have opportunistically supported Yudhoyono. As the incumbent, he is also able to use the state apparatus for his benefit.

Economic bribes, such as the Direct Cash Assistance and Rice for the Poor programs, that were usually with the neoliberal austerity programs, have been used by Yudhoyono as a sign of his "generosity".

Neoliberalism and human rights

This reality has caused confusion among progressive groups. Most human rights NGOs, mostly foreign-funded, support Yudhoyono because they believe that his human rights record is the least bad when compared to Prabowo or Wiranto.

This is despite Yudhoyono being directly involved in the July 27, 1996 military attack against Megawati that killed dozens of people. He served in occupied East Timor in the 1970s, when serious human rights abuses occurred.

His administration has not shown any serious commitment to solve past human rights cases. Violations of human rights, including economic, social and cultural rights, intensified during his term.

The price of basic goods increased more than 100% and fuel subsidies have been cut three times. His administration's response to the global economic crisis, transferring the burden onto the poor majority, reflect Yudhoyono's loyalty to neoliberalism.

Those on the left that have been campaigning against neoliberalism are faced with the dilemma that there are no ideal candidates. Some choose to remain uncontaminated by any connection with the political elites by calling for a boycott — risking isolation from the majority of people who accept the current electoral process.

The April legislative elections recorded an abstention rate of 40%. But this does not imply, as this section of the left believes, an active boycott against the representative system.

Studies have showed that abstention occurred mostly due to political indifference or technical problems, such as a lack of sufficient information.

Moreover, a boycott by some sections of the urban middle-class cannot stop the widespread belief, tied to the huge campaigns and money politics, that exercising the periodic right to vote is the "best possible way" to relate to politics as the economic situation deteriorates.

The various left positions can be into three broad categories. First, those that do not intervene in order to prevent "contamination" from the elites. This argued on ethical grounds — very debatable ones.

Second, those who intervene by rejecting all candidates, on the grounds they all have bad human rights records and represent the interests of capitalism. This is the position of a limited section on the left and it tends to benefit Yudhoyono in practice.

Third, those who focus their attack against the most obvious representation of neoliberalism, Yudhoyono, while remaining critical of the other candidates.

For this sector, intervening in the elections is a way of promoting, and seeking to organise around, anti-neoliberal policies. This is what the SPARTAN-organised protests have sought to do.

Supporting this view, the National Liberation Party of Unity (Papernas) have said that Yudhoyono's rivals who speak against neoliberalism still have to prove that they are not just "thieves who shout thief".

Anti-neoliberalism cannot be demonstrated only through debates and advertisements, but through concrete measures such as the nationalisation of the oil and mineral industry, cancellation of foreign debt and a national industrialisation program.

Anshar Marulu, SPARTAN's coordinator in Makassar, challenged these candidates to support and join the anti-neoliberal mass.

P.S.

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