

Global Capitalism Crisis and Indonesian Left Movement Strategic Respond

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The present capitalism crisis is a crucial moment in the global left movement politics. The cruciality of the crisis situation for the left movement is given by crisis as a very weak moment from capitalism life cycle. In crisis situation, every alternative possibility is arising in the society daily life. The problems is the alternatives that arises mostly not a real solution to deal with capitalism - the real solutions means the alternatives supposed to be a way out from capitalism logic and not just a way out from crisis. This is where the left movement have "historical burden", which is very significant to create an alternative to break up from capitalism.

In Indonesia alone, the left movement is struggling to create alternatives which can be solutions to the global capitalism crisis. The problems are the impacts from the global capitalism crisis to Indonesia have a different shape caused by uneven development pattern in contemporary capitalism as a whole (uneven development). When acute capitalism crisis occurred in advanced industrial states like America and European Union, Indonesia is entering a booming period (though only temporary) in the present crisis. No wonder that by the end of 2011, the investment rating agency Fitch, increase Indonesia investment grade from BB+ to BBB- on Indonesia economic prospects. This shows that Indonesia is targeted to be an expanded space for capitalism accumulation process in present time of crisis.

Indonesia as an expanded space in the crisis of capitalism should be concluded as an effort to rescue global capitalism as a whole. This is where Indonesia left movement significance position, where systemic and structural resistance of the left movement should be an attempt to thwart the efforts of rescuing capitalism from its acute crisis, while at the same time also creating possible alternatives as resistance movement. These principles will be Indonesia left movement political projections. These principles are a "compass" to construct a strategic bid in Indonesia left movement on today capitalism crisis.

Economic Temporary Booming in Capitalism Crisis Period and Its Internal Contradiction

As stated earlier, Indonesia's economy is experiencing a rapid development in this crisis period. Departing from empirical statistics that Indonesia's economy is running very well, which in 2011 was reaching the number 6.5%, the proponents of the present regime will argue that the present growth is able to give prosperity to many lives of Indonesian people. This explanation departs from the assumption that high growth is not likely going to create social unrest because of the wealth effect which is "trickling down" (trickles down effect). This effect itself is caused by the enlargement of

“development” which simultaneously will trickling down to all economic actors. The enlargement of the development, in their perspective, is the result of the ingenuity of Indonesia’s economic actors in the global market competition. The ability of Indonesia’s economic actors who is taking the chances in the global market niche through maximizing the exchange of demand-supply is a determinant of Indonesia economic growth Indonesia. in other words, the trickling down effect of the “development” is a great incentive for Indonesia economic actors shrewdness.

The mmystification of the economy in the arguments of the proponents of SBY-Boediono regime (read: capitalist-neoliberal regime) to the economic processes which taking place in Indonesia can not be separated from their belief that the economy is always sterile political the political aspects and social aspects as well. This perspective, of course, is the wrong perspective because it is a fact that economy is always interlinked with politics. Production in the economy will only be possible when there is organized division of labor that had been predetermined in the existing power relations. By stating that the economy is working without any link with the political relations are as strange as saying that elephants have wings to fly in the sky.

Then, how can we understand the economic growth as well as paying attention to the social dissatisfaction that makes the radicalization of the working people resistance? In the process of understanding Indonesia’s growing economy while at the same time understanding the social contradictions created by it, according to the writer’s opinion, this can be traced trough answering the question of how the profits accumulation mode done by the present regime in power. The author’s intent regarding the mode of accumulation is the production and consumption patterns which are reproduced in the capitalism economic processes. Argument created by viewing the economic structure based on the accumulation mode due to the capitalism economic goal which are the motive for profit and for profit maximization. Accumulation mode is an attempt to identify how the profits accumulated in the production and consumption patterns in the certain span of time in economic capitalist period.

The important point related with the present accumulation character can be traced to the year 1998. We have to admit that the production and consumption pattern in Indonesia post 1998 is highly influence by Indonesia integrations to the global market. The phase which is called as neoliberal phase is signed by rapid transformation in the national economic structure which characterized by restructurization, deregulation, and liberalization through Structural Adjustment Program (SAP) by IMF, which explain why Indonesia capitalist regime is highly dependent on global process. Thus, the need of accumulation is being maximize for the sake of global competitiveness and growth optimalization is necessary and unavoidable. That’s why, after the 1998 reform, many state policies always consider the global market as their main priority.

The logical consequence of this integration process is the crucial role of international trade in the economic process. BPS (Biro Pusat Statistik – Center Bureau of Statistic) data which was released on January 7, 2012 shows that the rate of economic growth based on Indonesia economic use in the third quarter of 2011 which is reaching 6.5% is significantly contributed by the existence of trade surplus (in the sense that the value of Indonesian exports exceed imports, red). Trade surplus contribution to economic growth is reaching 3.3%. Here, can be concluded that international trade is the basis for Indonesia’s economic growth rate.

Table 1: Center Bureau of Statistic data which is release in the year 2012

Although traditionally Indonesia is still conducting fuel exports, but the value amount of fuel exports is relatively small compared with non-fuel exports. According to the Ministry of Commerce of Republic of Indonesia, the contribution of non-fuel industrial exports were 61% from the total exports in 2011 which reached USD 208 miliar. In Bank of Indonesia Balance of Payments Report,

Actualization by third quarter of 2011, at least until November 2011, there are three main commodities that contribute greatly to the value of export, which are coal with 15.5%, palm oil with 10.2% and rubber with 9.1%. Interestingly, these three commodities are commodities that based on extraction industries which depend on natural resources.

Table 2: Bank of Indonesia Data

Official data are shown to indicate that the national economic integration to global markets has brought the implications to the reconfiguration of the production and consumption relations in Indonesia's economy which is subordinated by the needs of global markets. As consequences, Indonesia's production is not autonomously determined by the social needs of the people of Indonesia, but rather to meet the needs of global markets. These data shows that there is an adjustment as well as reorganization of the global division of labor in which Indonesia is no longer placed as a commodity-producing countries which have value-add (read: manufacturing industry), but rather as the raw material supplier country. No wonder if we find in the span of 14 years there has been de-industrialization in some types of manufacturing industrial sectors, but we experienced a booming in extraction industrial sectors commodities such as coal, palm oil, rubber, etc., which basically favorite commodities in global markets.

In this case we can see the main mode of capitalist accumulation process that occurred in Indonesia in promoting economic growth, which involves two major components of Indonesian society, that are wealth of natural resources and human resources. The first accumulation mode is done through resource extraction industries which the source of profits is derived from natural resources. In this accumulation mode, the existences of wide and substantial estates are the main prerequisite. However, since the accumulation does not always correspond to the social needs of human beings, often to meet the needs of estates, the means used is what David Harvey called as the "accumulation through expropriation". This accumulation process is characterized by the expulsion of many people from their estates or land where they previously dwelt; this is done on behalf of the territorialization of capitalism production relations. It's not surprising if during the process of economic growth in Indonesia, we will find many conflicts which is related with this type of accumulation problems. From case like Alas Tlogo, up to Mesuji and incidents in Sape harbor, Bima are cases that have a base material from this first form of accumulation mode.

The second accumulation mode which involves the appropriation and exploitation of productive human resources in Indonesia is still relationally connected with the first form of accumulation mode. Land-grabbing in the name of the accumulation has resulting in the expulsion of the productive forces from their production space. In this case, those who has been conducting subsistence production since long, when they manage to own an estates, they then have to be evicted from their estates and experiencing the proletarianization process or become part of the free labor. However, this proletarianization does not necessarily make those, who are expelled from their estates, become part of the working class. The failure of those who are expelled to enter into capitalism production relations will make them become part of the unemployment. In our present experience we can feel the massive unemployment phenomenon throughout the city outposts in Indonesia. Economically, the high number of unemployment will brought implications on wages level pressure, because in the labor market the supply for workers who are available are very high, which is inversly with to the demand for workers in the industry. The spontaneous mechanism that is usually done by the unemployment to survive is by creating new economic initiatives, which is informal. But the most systematic effort to cope with unemployment while at the same time ensuring that the process of accumulation through appropriation and exploitation of human resources is still possible is by creating a flexible labor market regime. This mechanism is to ensure that the existing unemployment still have access to the employment relationship, but they will not be able to influence the rate of wages because if there are demands for higher wages, the capitalists can easily

replace them with the other who are still unemployed.

With this explanation we can see how low-wage is become possible in the neoliberal-capitalist regime politics. It is not surprising that labor costs in Indonesia can be kept to a minimum to ensure maximum benefit for the industry. As presented by the Investment Coordinating Board (BKPM) of Indonesia in its investment promotion pamphlet with title "Invest in Remarkable Indonesia", the Indonesian worker wage is the lowest among others. Hourly wage in Indonesia is about USD 0.6, compared to other countries such as India (USD 1.03), Philippines (USD 1.04), Thailand (USD 1.63), China (USD 2.11), and Malaysia (USD 2.88).

Another problem that arises from low-wage politics is the stagnation on real wage rate when compared with the nominal wages rate. Nominal wage received by workers could always go up, but the real values of wages are not arising because the increasing price of goods. CPI (Consumer Price Index) data and average wages per month data for the Lower Industrial Labor under Foreman (Supervisor) in Indonesia from 2007 to 2011, showed that the real wages rate compared with the nominal wages rate are stagnant and even declining.

Month Year Consumer Price Index Nominal Wages (000) Real Wages

2007	100.0	1 019.0	1 019.0
March 2008	105.3	1 093.4	1 038.0
June	110.1	1 091.0	991.1
September	113.3	1 098.1	969.6
December	113.9	1 103.4	969.1
March 2009	114.3	1 134.7	993.0
June	114.1	1 148.6	1 006.7
September	116.5	1 160.1	996.1
December	117.0	1 172.8	1 002.1
March 2010	118.2	1 182.4	1 000.4
June	119.9	1 222.2	1 019.7
September	123.2	1 386.4	1 125.2
December	125.2	1 386.7	1 107.6
March*) 2011	126.1	1 353.5	1 073.8
June **)	126.5	1 284.7	1 015.6
September**)	128.9	1 246.3	966.9

*Temporary Number

*Very Temporary Number

Table 3: Central Bureau of Statistics Official Data

These statistics indicates, that nominal wages per month for labor under foreman (supervisor) in the industrial sector, based on BPS Survey on Labor Wage (SUB - Survey Upay Buruh) BPS, is increased from Rp 1.148.600 in June 2009 to Rp1.160.100 in September 2009. Nominally, there is an increase Rp 11.500 or 1% from the old wages. However, at that time, the prices of consumer goods according to the Consumer Price Index (CPI) BPS, also rose by 2.4%. Which means, the goods that previously could be bought with Rp 1.148.600, could not be bought again by the workers. Because, even if the nominal wages of workers rose to Rp 1.160.100, but the prices of goods that previously could be bought with the wages of June 2009 also rose to Rp 1.176.166,4. We can see that the workers' real wages have declined from Rp 1.019.000 in 2007 to Rp 969.100 in the month of December 2008. This real wages then were stagnant and only managed to achieve a similar figure with 2007 in June 2010, amounting to Rp 1.019.700. It then rose again in September 2010 to Rp 1.125.200, but then

continuously fell until it reach Rp 966.900 in the month of September 2011. Quite obvious that the difference in nominal wages tend to rise, even though it has decreased since March 2011.

The main problem of these data is how consumption can be possible if real wages are not sufficient to meet the exposure of workers daily needs? BPS official statistics data actually shown that household consumption contributed immensely to the GDP structure on the basis of prevailing prices for consumption. The contribution of household consumption to GDP in the third quarter of 2011 is reaching 54.2%.

Table 4: Central Bureau of Statistics Official Data year 2012

Pressure on rate of wage, resulting in lack of effective demand among workers in Indonesia. The most likely way to survive, while still ensuring that the economy as a whole is still continue to work through households consumption, for workers is by taking loans to meet their daily needs. A latest survey conducted by the INKRISPENA (Institute for Crisis Study and Alternative Development Strategy) research team in 2010 shown that the consumption pattern of women workers is characterized by large amounts of debt. Each month, in order to meet the households needs, women workers must have an accumulative debt burden until Rp.5.056.693.1. Interestingly, if it is associated with bank credit disbursement in 2011, which was released officially by the Bank of Indonesia, the bank credit up to October 2011 is passing through 25.7%, in which one of boosting factor was the consumer credit that grow large enough up to 23.8%. The credit growth up to the end of October 2011 is reaching 25.7% (yoy, year on year), with investment credit amounted to 31.1% (yoy), working capital loans is 24.7% (yoy), and consumer loans of 23.8% (yoy). The increase in financial loans makes Indonesia economy become financialize. No wonder that capitalization value for financial institution in the stock market up to December 2010 is reaching Rp. 804.925 billion from the total amount of Rp. 3,247,097 billion, compared with the second largest capitalization value of mining stocks that reached Rp. 509.628 billion. Indonesia's economic financialization make Indonesia become part of the international investors projection to gain profits in short time.

Source: Indonesia Stock Exchange Statistic Data.

The above data shows that after experiencing a decline in early 2009 due to global investors fear on uncertainty raised by the crisis, gradually Indonesia stock market has experience increase and consolidation. This can be concluded that global investors (read: capitalist) is making Indonesia as a new place for them to accumulate their profits in a short time.

Indonesia Left Movement Strategy: Encouraging Redistribution Politics

The response that at least is being done by the working people in the political-economic processes that occur in Indonesia can be summarized in the struggle to capture the economic value which is deprived from them in the process of capitalist accumulation in Indonesia. What can be concluded from the demolition of economic growth myth above is profit accumulation mode in the present capitalist phase which is done through massive exploitation of the two main sources of the welfare, i.e. the natural resources and the human resource of Indonesia. The current capitalism does create growth, but growth is obtained through the exploitation of values from nature and also from workers. In this situation, the Left Movement is establishing its strategic response. The struggle to seize the economic value is spontaneous conducted through radicalization of the working people resistance in various regions. In December 2011, hundreds of residents in Mesuji, South Sumatra, is attacking a palm oil company as an expression of dissatisfaction with the company operation that only benefit a handful of people there. In Bima, NTB, hundreds of residents blocked Sape harbor as a protest against mining concessions that the Regents granted only to certain mining companies. In the early months of this year, to be exact on January 12, 2012, Jakarta was rocked by

people movement demonstrations. The people demands to “Restore the Rights of the People of Indonesia”, thousands of people’s from many sector of people movement such as the peasants, labors, students, and even the rural officials staged a demonstration in front of the palace and also in front of the capitol. Not long afterwards, tens or even hundreds of thousands of masses of workers in Tangerang and Bekasi is blocking the freeway as a protest to the local Regent to immediately raise the nominal rate of District Minimum Wages (UMK) which were considered as no longer sufficient to meet the needs of workers. The events depicted above are just a few from many people’s resistance events which occurred in various regions in Indonesia.

Interestingly, in this spontaneous radical resistance, there are also some elements of the working people who is striving to systematically attract the state’s political responsibility, albeit with the wrong goal. These elements come from the union reformers who called themselves the Social Security Action Committee (Komite Aksi Jaminan Sosial - KAJS) which expects the implementation of the National Social Security System (Sistem Jaminan Sosial Nasional - SJSN) which is a law that had been passed in 2004. Although the basic idea of their demands is the enforcement of the social insurance system which is financed entirely from employee contributions, the methods they are conducting is effective enough to open a broad awareness of the working people who are systematically struggling to regain the economic value which is deprived from them. It is not surprising that at the same time, an alternative discourse that called for universal social protection implementation which the social protection practice that is not based on insurance forms, but rather targeting the state to provide social protection since it is every citizen’s rights.

This process then encourages a more strategic discourse, in which become the Indonesia left movement strategy for time of crisis, the strategy is to promote redistributive politics where the state is responsible for the vulnerability emerge in time of crisis. When social protection is seen as a public action which is taken as response against vulnerabilities, risks, and suffering that socially can not be justified in the context of politics or society (Conway, Foster, Norton 2001:11). Then politics of redistribution is a concrete strategic bid in answering social vulnerabilities which arising from massive exploitation of Indonesia capitalism process, as well as efforts to keep the working people of Indonesia away from the destructive impact of the crisis. The destructive excess is when exploitation surplus and crisis can be overcome structurally by redistributing the values seized during the accumulation to the society. In this case the state budget as the state political instrument in absorbing the economic surplus at the same time can be part of the redistribution politics.

In terms of absorption, based on the principal data of National Budget (APBN) 2006 - 2012, issued by the Ministry of Finance of Republic of Indonesia, the state revenues (excluding grants) obtain from taxes and revenue from natural resources in 2011 reached the amount Rp.

1,070,661,200,000,000 or around 1070 trillion. As in 2012, Revised State Budget Revenues (APBN-P) which is prepared noted that the state revenue has increased to the amount Rp. 1.292 trillion, where Rp. 1.019 trillion comes from the contribution of taxation. The main assumption of why these two forms of revenue is raised, is because these two forms of revenue is derived from the exploitation of two national wealth sources which are natural resources and human resources. Taxes generated from the productivity of labor (read: Human Resources) which is then paid to the state as a form of citizen responsibility. While it is clear that natural resource revenues is generated from the exploitation of natural resources.

Source: Ministry of Finance of Republic of Indonesia.

Although the state revenues is significantly increase, it does not mean that the budget will be allocated for the people greater welfare, particularly in financing social protection that capable of reaching all the people of Indonesia. The allocation in the state budget in the 2012 Revised State Budget (APBN-P) shows that the current regime is not putting social protection as a priority. Social protection is still valid as an instrument to maintain the government power.

From the table presented above, showing that the personnel expenditure is still priority to be funded by the state, in which on 2012 Draft Budget (RAPBN) the allocation is amounted to Rp. 215.725 billion compared to the previous which only Rp. 182 billion. What have to be noted from the state budget posture is the plan to reduce subsidy financing, which is actually a form of social protection, where in 2011 the state allocated Rp. 237 billion is decrease to Rp 208 billion. The decrease in the subsidy rate is inverse with how the current government budgeted the national expenditure to pay for the foreign debt, which in 2011 the state allocated Rp. 29 billion and then in 2012 Draft Budget it increased, amounted to Rp 33 billion. Here it can be concluded that the government as the operator of the state policy does not have a redistributive political orientation.

Possibility of Redistribution Politics: Government Initiative in Reducing Subsidy Financing on the year 2012

The loss of redistributive political orientation in the state policies can be seen in the experience of subsidy financing reduction initiatives by the government in 2012. In this case, the thickness of non-redistributive political dimension is set fore, when the state budget is going to be prepared. Efforts to decrease the cost of the subsidy, which is one form of social protection, can not be seen as a neutral form of policy which is free from any political pretensions.

The regime arguments about the decrease in subsidy financing in the 2012 Revise State Budget is due to the increase of global oil prices, thus create the burden on state budgets. However, this argument is untenable given to many facts that show that Indonesia is not too burdened by the rising of global oil prices as feared by the regime in power. Financing subsidies through the state budget is still possible even if global oil prices is climbing.

First of all, we must realize that Indonesia crude oil exports is still excessing crude oil imports from Indonesia. So, even if we are importers of refined fuel, but we are still a crude oil exporter. That is, Indonesia is still having a surplus or gaining profit from export of crude oil. Thus the data:

Indonesia Crude Oil Export dan Import 2004-2011 (Barel)

Year	Export	Import	Net Export
2004	178.869.000	148.489.589	30.379.411
2005	159.703.000	118.302.860	41.400.140
2006	134.960.000	116.232.183	18.727.817
2007	135.267.000	115.811.551	19.455.449
2008	134.872.000	97.005.665	37.866.335
2009	133.282.000	120.119.377	13.162.623
2010	121.000.000	101.093.030	19.906.970
2011 *)	100.744.000	91.485.762	9.258.238

*) Temporary Data

Source: Data are compiled from the Ministry of Energy and Mineral Resources

From the above data, it appears that the net exports - i.e. exports minus imports - of Indonesia's crude oil, Indonesia is always a surplus or profit. That is, if there is increase in international crude oil prices, then Indonesia also gain advantage from the situation. Similarly, taxes from the oil sector will rise if the oil company's profits rose due to higher international oil prices. And if we compare the revenue from fuel sector with its expenditure, our fuel sector revenues tend to be larger than our fuel sector expenditure. The following are the data:

Fuel Revenue and Expenditure (Energy Subsidy) In APBN 2009-2012 (billion rupiah)

Description 2009 2010 2011 2012

Fuel Revenue	175.795,7	211.605,9	238.397,9	214.675,8
Fuel Income Tax	50.043,7	58.872,7	65.230,7	58.665,8
Oil Natural Resources	90.056,0	111.814,9	123.051,0	112.449,0
Gas Natural Resources	35.696,0	40.918,3	50.116,2	43.561,0
Fuel Expenditure	94.585,9	139.952,9	195.288,7	168.559,9
Fuel Subsidy	45.039,4	82.351,3	129.723,6	123.599,7
Electricity Subsidy	49.546,5	57.601,6	65.565,1	44.960,2
Fuel Net Revenue	81.209,8	71.653,0	43.109,2	46.115,9

Source: Ministry of Finance of Republic of Indonesia, Principal Data of APBN 2006-2012

From the above data, we can see that the net revenue of fuel - fuel revenue minus fuel expenditure (Energy Subsidy) - we are always in surplus. In fact, in 2009 and 2010, revenues from oil natural resource alone (without aggregating with others) is enough to cover the cost of fuel subsidies. Meaning that the government was never in shortage of funds to cover for fuel subsidies. Now, let's try to forecast revenues and expenditures of fuel by adding the increase in global oil prices in 2012, but without increasing the fuel prices.

For this, we will use the figures issued by the government. To calculate the revenues of oil natural resources, we will use the assumptions in 2012 Revised Budget, that have been agreed upon by the government and Parliament. In it, there is assumption that Indonesia crude oil price is based on international oil prices which is US\$ 105 per barrel. Then, the exchange rate agreed is between Rp. 8.900 up to Rp. 9.100 per dollar, taking the middle value of the exchange rate will be Rp. 9.000 per dollar. Meaning, if we converse the US Dollar value to Rupiah, Indonesia crude oil price is \$ 105 x Rp9.000 = Rp. 945.000 per barrel.

Then, lifting assumption or agreed oil production in Indonesia is 930 thousand barrels per day. Meaning in one year, Indonesia's oil production is 339.45 million barrels. With price per barrel is Rp. 945.000, then we found Indonesia's oil revenue is Rp. 945.000 x 339.45 million barrels = Rp. 320.780,3 billion. Surely not all of these belong to the government, because government should share the money with private sectors, including foreign private sector, whose also player in Indonesia's oil sector.

How much does the share of private companies in Indonesia's oil revenues? That can be predicted from the figures in the previous 2012 State Budget. In the previous 2012 State Budget, the assumptions used are Indonesia crude oil price is US\$ 90 per barrel, and the exchange rate assumption is Rp. 8.800 and oil lifting are 950 thousand barrels per day. If we converse the US Dollar value to Rupiah, then Indonesia crude oil price per barrel is \$ 90 x Rp8.800 = Rp. 792.000, while production valued per year is 950,000 x 365 = 346.75 million barrels. Thus, Indonesia total income from oil production predictions and price per barrel assumptions is Rp. 792.000 x 346.75 million barrels = Rp. 274.626 billion. Nevertheless, referring to the previous 2012 State Budget document, the revenue gain from the oil resources is only Rp. 112.449 billion. From here we can see that the share of private sector from oil resources revenue is Rp. 274.626 billion - Rp. 112.449 billion = Rp. 162.177 billion or about 59% from the total sales of oil resources.

Above, we have found that the total oil revenues of Indonesia, if the factors of increasing global oil prices is included, are Rp. 320.780, 3 billion. But now we know that 59% of this or Rp. 189.260,4 billion are owned by the private sectors. Meaning oil resources revenues that belong to the government is Rp. 320.780,3 billion - Rp. 189.260,4 billion = Rp. 131,519.9 billion. While the subsidy rate, If fuel prices do not rise, that the government are often refers to is Rp. 178,6 trillion. If we let the other numbers the same as the old 2012 state budget, the end result is:

Estimation of Fuel Revenues and Expenditures 2012
 With International Fuel Price Increase and
 Without National Fuel Price Increase (billion rupiah)

Description 2012

Fuel Revenue 233.746,7
Fuel Income Tax 58.665,8
Oil Natural Resources 131.519,9
Gas Natural Resources 43.561,0
Fuel Expenditure 223.560,2
Fuel Subsidy 178.600,0
Electricity Subsidy 44.960,2
Fuel Net Revenue 10.186,5

From the above data, we can see that even if fuel expenditures (energy subsidies) is increased from Rp. 168,6 to Rp. 223,6 trillion, but the fuel revenues is also increased from Rp. 214,7 trillion to Rp. 233,7 trillion. There is also fuel net revenues Rp. 10.186,5 billion. So, the fact is, the government is still capable to cover the cost of fuel subsidies. The problem is not the lack of funding, but in determining budget allocations.

Indeed, our fuel net income is reduced, so there should be budget posts that have to be cut to maintain fuel subsidy. However, fuel subsidies must be maintained, because this budget post is a post that involves public services. There is another post which is actually a waste of money, such as foreign debt post, which is only a mechanism for the imperialist creditors to suck and make the people of Indonesia continues to rely on them. Total interest payments for foreign debt in 2012 State Budget are Rp. 33.714, 3 billion. This is the post that should be reduced or eliminated completely from the budget, because this post only benefits the imperialist creditors.

In addition, one thing that will brought significant impact to Indonesia fuel sector budget is the nationalization of fuel sector under the control of the people. Earlier, we find that in 2012, the private share, including foreign private sector, in Indonesia's oil revenues is 59%. Now, if Indonesia fuel sector is nationalized, so 80% is for the government, while only 20% for the private sector, then the fuel revenues in 2012 in the budget is $80\% \times \text{Rp. } 320.780,3 \text{ billion} = \text{Rp. } 256.624,2 \text{ billion}$. If any other number is constant, then the end result is:

Estimation of Fuel Revenues and Expenditures 2012

If 80% of Fuel Revenues is Owned By States (bilion rupiah)

Description 2012

Fuel Revenue 358.851,0
Fuel Income Tax 58.665,8
Oil Natural Resources 256.624,2
Gas Natural Resources 43.561,0
Fuel Expenditure 223.560,2
Fuel Subsidy 178.600,0
Electricity Subsidy 44.960,2
Fuel Net Revenue 135.290,8

That's about a rough figure if Indonesia's fuel sector is nationalized, so that 80% share is for the state and 20% share is for private. Our fuel net income will rose to Rp. 135.290,8 billion, 13 times larger than what we get now. Fuel nationalization under the peoples' control, as such, is one of the true solution to the problem of fuel in Indonesia. We do not need to o dizzy thinking of the budget burden if Indonesia fuel sector is nationalized, because we have transfer the load to the private investors. Unfortunately, the current SBY government is preferring to cut off the head of the people rather than sacrificing the private oil companies interest.

Conclusion

The left movement political strategy always have to be contextual, related with to the materiality of space and time. The left movement strategic response that are presented in this paper should be viewed in the specific context of Indonesia political economy. The regime of capitalist accumulation in Indonesia requires power relations pattern that are exploitative and dominative. To that end, the main requirement in developing the strategy is to fight in a systematic and structured way against the power relations pattern that dominate the state politics. To do that, the drive to force the redistributive politics at state level for the welfare of working people as a whole is very strategic because it will directly pierced through the power relations that support the existence of capitalism in Indonesia. This will boost the power weakening in many power positions of the ruling capitalist class. This process will simultaneously strengthen the bargaining power and position of Indonesia working class who is always systematically deprived by the state power.

In addition, the strategic response like this will strengthen the contradictions of capitalism in times of crisis. Efforts to further accumulation of profits and more massive will have a very serious challenge from Indonesia's working people since in the crisis time they will demands the state's responsibility in providing protection against them. In this regard, Indonesia working people should and would intensify its opposition for the state to see that their demands by nature is a structural demand. Failure to meet these demands will eliminate all illusion and mystification of state power. This opens the possibilities to revolutionize the consciousness of the working people mass in order to seize the state power while at the same time encouraging a true alternative to capitalism which now in crisis, by establishing socialism.

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Working People's Associations - Perhimpunan Rakyat Pekerja
