

# The PRD after Suharto: The Struggle against Imperialism Continues

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***Indonesia is a strategic country that has the potential to become affluent and prosperous. There is no reason why Indonesian society should remain poor, unjust and culturally backward (Opening to the Manifesto of the People's Democratic Party).***

The victory of the democratic struggle to overthrow the New Order dictatorship of former President Suharto opened the way for a new and populist democracy, that is the return to a culture of criticism and mass action as the initial prerequisites for completing the National Revolution. The concrete tasks involved in making this a reality however have not been easy. The historical recollection of what was achieved by the national revolution (its ideas and its organisation) has not yet been fully restored. The political fragmentation, the oppression of revolutionary ideas and the rise of thuggery using the mask of religious fundamentalism (read Islam) that obstructs democracy, are political and cultural problems that require a response in the midst of the mass destruction of the country's productive forces and national industry.

## **The domination of foreign capital and the destruction of the national productive forces**

1. The political freedoms enjoyed during the 1950s following the victory of the 1945-49 National Revolution represented a democratic phase that up until this day still has no equal. There is very little information available to inform the Indonesian people that this period (with all of its economic limitations) was precisely when illiteracy reached its lowest level in Indonesian history, the number of schools and teachers continued to grow and spread [1], people's organisations burgeoned, the successful participation in the 1955 general elections—which has been acknowledged as the most democratic election in Indonesian history, the people were involved in public meetings, actions and mass mobilisations and political discussions.

2. The revolutionary political potential, that was united with the potential for economic independence [2], in particular the control over energy resources, represented a mortal threat for imperialism. The United States, which at the time was concerned with gaining control over energy resources in South East Asia, was responsible for this villainous and brutal destruction of this potential through the slaughter of no less than 3 million people who were deemed as communists. Soon after Suharto took power, the 1967 Law on Foreign Capital Investment was ratified: mining resources (particularly oil and gas) became a target for exploitation, the outpouring of state foreign

loans struggled to find an outlet, the pro-liberal economics of the Barkely graduates brought down populist economics, thereafter the International Monetary Fund and the World Bank became the architects of the Indonesian economy and in political terms, the Generation of 66 activists (students who campaigned against president Sukarno and the Indonesian Communist Party) lined up for their share of government posts and thronged to become members of the House of Representatives (DPR) or sort refuge within the state ruling party Golkar, many of which also went on to emerge as business tycoons and academics.

3. The establishment of New Order Indonesia ala Suharto was the beginning of a great disaster that carried the Indonesian people into misery. Over the three decades of the New Order, the people merely became spectators as they watched the accumulation of wealth through government corruption and the plundering of natural mining wealth on a massive scale by foreign capital. The national industry, which was based on imports and directed only towards meeting the market demands of the advanced capitalist countries had no real foundation and was unable to take off as Suharto had promised. Food self-sufficiency was only temporary because it was not built on the socialisation of the productive forces and technological improvements, and even then it facilitated the destruction of agricultural land. The creativity of the people stagnated, critical thinking was killed off, and in the end, like it or not they had to join the ranks of the poor becoming a coolies in their own country.

4. The overthrow of the New Order state was a bright and brilliant democratic victory, a gateway for the reawakening of the social movements. However it was not accompanied with the overthrow of the domination of big capital, which have now linked up with the "Reform Order" administration. The chain of modern colonial domination was never really broken. The domination of giant foreign corporations in the extractive industrial sectors became rampant.

5. Six transnational corporations: Rio Tinto Ltd, Broken Hill Proprietary Company Ltd, Newmont Mining Corporation, Newcrest Mining Ltd, Inco Ltd and Freeport Mc Moran Copper & Gold Inc—through their subsidiary companies or affiliates based in Australia, Singapore, the US and Canada—dominate and control almost the entire mining sector involved in the extraction of gold, silver, coal, base metals, nickel and copper in Indonesia [3]. The oil and gas mining sector meanwhile is dominated and controlled by oil and gas companies from the US (Exxon Mobil Oil, Caltex), Britain (British Petroleum) and Holland (Royal Dutch Shell).

6. Out of the 137 oil and gas companies currently operating in Indonesia, only 20 of them are domestic companies, and these companies usually operate as junior foreign partners or are own by the state-owned oil and gas company Pertamina working the older wells that have long been abandoned by the foreign companies. By 2001, the government had issues as many as 890 Work Contract Licenses, Mining Rights and Work Activity and Coal Mining Agreements to foreign companies, equivalent to giving away control of 35 percent of the land area of the Indonesian archipelago.

7. The automotive and assembly industries, as well as the light-manufacturing sector have also started to be taken over directly—initially through their sub-contracting companies. The automotive sector is dominated by companies from Japan, Germany, South Korea, the US and France. The light manufacturing industries such as textiles, garment and footwear are mostly owned by companies from South Korea, Taiwan and Hong Kong, while the electronics sector is owned by companies from Japan and South Korea.

8. Through the packet of privatisation, the cement industry followed suit and came under the control of foreign capital. Cemex (Mexico) took over PT Semen Gresik that had control over 44 percent of the national cement market, Heidelberg (Germany) took over PT. Indocement that controlled 32.3

percent of the market and Holdervin BV (Holland) took over PT. Semen Cibinong that controlled 13 percent of the market. These three companies now control 89.3 percent of the national cement industry.

9. The goods and services sector that provides for the basic needs of ordinary people was also not spared from this imperialist domination, particularly the banking sector [4]. Foreign capital is allowed to control as much as 99 percent of shares in the banking sector. Out of the 141 banks in Indonesia, 41 of the largest are controlled by foreign capital, covering 48.5 percent of the country's total banking assets. State-owned banks meanwhile only control 37.5 percent [5]. Farralon and Standard Chartered Bank (USA) control Bank Central Asia (BCA) and Bank Permata, Temasek [6] (Singapore) controls Bank International Indonesia (BII), Bank Danamon and Bank Niaga, and Khazanah Nasional Berhad (Malaysia) controls LIPPO Bank and Bank Niaga. Foreign ownership of the national banking industry by other countries meanwhile such as Thailand, Malaysia, Australia and China has remained limited to 25 percent.

10. The recent ratification of the Capital Investment Law [7] designed to attract more foreign investment has been a pleasing addition for foreign capital. Even before the ratification of the law, foreign investors that have been prowling Indonesia over the last 10 years already control as much as 70 percent of the country's total capital [8]—the people however were not prospering.

11. The Central Statistics Agency (BPS) itself admits that most of the 80 percent of industries in Java—which make the largest contribution to economic growth—are based on imports, and because of this most of the added value from economic growth is not actually owned by the Indonesian people. This added value should be the main element in increasing national productivity, however because the imperialists control the productive forces, this added value escape back to the imperialist home countries [9]. Likewise, most of the economic, financial and fiscal resources are taken away by foreign capital to their home countries in the form of profit sharing, cost recovery (in the mining industry), sometimes through exception facilities or tax relief, profits, royalties, interest on debt, the payment of principle debts and through outright theft (particularly marine, coastal and forestry products). These conditions could actually provide a basis for high levels of economic growth (if it was without imperialism) rather than creating unemployment and poverty as it does at present.

12. This situation is made worse by the depletion of state revenue (in the calculations of the state budget) each year [10] to pay of the foreign debt (private and government) [11]. In 2006, foreign debt repayments reached 58.8 trillion rupiah, or together with installments on the principle totaled around 140 trillion (27 percent of the total state budget). Compare this with the total budget for development, which is only 7 percent.

13. It is because of this that the Indonesian economy can no longer bring prosperity to its people. All of the potential domestic funding strategies to modernise productive forces and the national industry are depleted and absorbed as profit for foreign capital. The situation at present represents what was once described by Indonesia's founding President Sukarno during a state address:

*"...our productive capacity has become totally dead, the creative capacity alias our skills have been totally extinguished, totally destroyed, totally wiped out! These imperialist foreign industries have usurped every single resource (root) of our economic productive capacity, burnt every development in our economic productive capacity into ashes, disintegrating the Indonesian people into becoming a people who live by using imported goods". (Under the Revolutionary Flag)*

14. As a consequence of the destruction of the national industries, mass dismissals are becoming more widespread (particularly in the case of women workers) [12]. What is even worse is that

although the government has failed to provide job security it continues to extend the system of labour contracts through Labour Law Number 13/2003. In East Java alone, almost 50 percent of the workforce are contract workers. And their rights to unionise are weakened through Law Number 26/2004 on the Resolution of Industrial Disputes (PHI).

15. So it is easy to understand why, that according to the BPS (using the government's poverty standard of US\$60c per day) the number of people living under the poverty line increased to 17.75 percent in March 2006—an increase from 15.97 in February 2005. Using the internationally recognised standard of US\$2 a day, some 120 million Indonesian people (out of a total population of around 230 million) live under the poverty line. More than 50 percent of Indonesia's people have no access to clean water or adequate sanitation, 70 percent of which are in fact people living in Jakarta—the most modern and closest city to the center of capital power (Metro TV, 21/3/07). The total number of unemployed (2006) is as much as 13.1 million or 12.1%, increasing by 1.8 percent from February 2005 and 0.9 percent from November 2005. (Kompas, 15/11/06) Currently, around 6 million Indonesian people have nowhere to live, let alone live in homes that are fit to inhabit. More than 25 percent of children under five are malnourished and as many as 14.7 million people are illiterate.

### **The Three Banners of National Unity for the Welfare of the People**

16. The economic solution to these problems that is most urgently needed right now is having the capacity to respond to the pressing and critical problems of the people, and at the same time to provide a basis for national industrialisation, that is modernising the country's productive forces. The critical problems of the people must that must be answered immediately are: 1) increasing the minimum national wage in accordance with a reasonable human living needs (KHL) of between (in the initial stage) 1,250,000 rupiah to 3,250,000 rupiah per month (without tax or social security deductions) across the board; 2) free education (from kindergarten level up to university) involving construction and improvements to education facilities (old, out of date and damaged) such as school buildings, sports facilities, learning facilities (libraries, internet access, computers and so forth), opening up the democratic space as broadly as possible for the development of student activities on all campuses throughout Indonesia, improving the professionalism of schools and campuses followed by increasing wages of teachers, lecturers as well as staff and employees at educational institutions; 3) providing subsidies for mass housing, that is apartments that are of a decent quality, healthy, cheap or even free as an alternative (to relocation) for people residing in areas that are unfit to live in as well as those that are homeless; 4) free healthcare and an improvement in the quality of health facilities and infrastructure; 5) providing employment opportunities for the entire population, in the initial stage this could be through facilitating credit access for small- and medium-size enterprises along with job training centers, abolishing labour contract systems and outsourcing, providing legal guarantees (de-criminalisation) for informal sector workers (street traders, motorbike taxi drivers, buskers, sex workers and so forth); 6) guaranteeing nutritious food for children (up until the age of 12); 7) providing cheap and quality basic goods by providing price subsidies to farmers; 8) infrastructure development (particularly roads) for remote villages to facilitate communication and economic channels; 9) providing capital and technology (agricultural production facilities) to farmers' whose produce must be subsidized, returning agricultural land that was forcible seized since the New Order period until now and resolving agrarian disputes by prioritising justice and welfare for farmers; 10) rehabilitating the environment (that has already been damaged) in order that it can again be used for the welfare of the people; 11) improving the dignity, prestige and equality of women and; 12) providing population documents and without administrative fees.

17. These emergency demands can only be answered (reduced) thorough social programs (in the

short-term), and on a massive and thoroughgoing scale, a modern program of national industrialisation (in long-term) that is owned, supervised and undertaken by the Indonesian people themselves, on the following basis [13]:

- The state must guarantee the availability of sufficient energy resources for all types of industry. The energy producing corporations (oil, gas and coal) must be taken over and be owned by the state to ensure adequate domestic energy needs. Conversely, cooperative energy programs with countries such as Venezuela and Iran need to be increased. In concert with this, the export of energy resources overseas must be halted or restricted. In order to anticipate long-term needs, strategic studies are need into alternative energy sources that have a minimum negative impact on the environment. Contracts with foreign companies must be renegotiated in order to guarantee that business activities benefit the country and that domestic energy supplies are adequate and of a high quality;

- The transfer of technology can be carried out by means of including conditions in all bilateral agreements, particularly with countries that have a high level of technology;

- Agrarian reform: subsidies for production and the price of farmers' produce, subsidising the means of agricultural production (fertilizer, seed, unhulled paddy and so forth), increasing low-interest credit for poor farmers in rural areas, accelerating (at the emergency stage) the introduction of technology (procurement of cheap tractors, mills, drainers and so forth). Modernising the agricultural forces of production by means of: a) allocating adequate credit with government guarantees and low-interest rates to farmers through agricultural banks; b) the mobilisation of all agricultural research institutes to develop agricultural technology that is appropriate to the geographical and geological characteristics of the country and Indonesian social and cultural conditions. This development would cover issues of seed cultivation, the mechanisation of planting and harvesting, irrigation, electricity and other infrastructure; c) promoting the development of agricultural collectives to jointly manage land and apply modern technology. This would be done democratically by involving farmers in decision making both during the production as well as the marketing stages, and also in the sharing of revenue—but not as occurred in agricultural collectives in China where farmers that worked hard were precisely those that obtained less. This also resulted in many economic experts and promoters of leftist agricultural methods rejecting all forms of collective agriculture in general or failing to see that the problem of collective agriculture in China was a problem of unjust distribution and miscalculating the value of production; d) developing industry to process agricultural produce in each specific territorial boundary in accordance with the agricultural commodities being produced (read: diversification of production). It needs to be made clear that the development of agricultural technology will not create unemployment, but on the contrary will provide new employment opportunities. Because with each development in the productive forces and the results of creative modern productive forces will of course require new labour (and the diversification of their produce);

- The state must guarantee the availability of adequate raw materials for all types of provider industries for principle social needs (clothing, food, and housing). Immediate attention needs to be paid to the procurement of raw materials that are still being exported such as cotton for the textile industry and certain types of agricultural produce. The export of raw materials that is the basis for the production of basic social needs must be prohibited in so far as there is no surplus that can be marketed overseas;

- Strategic industrial policies in the private sector must generate the development of industries processing raw materials into semi-processed raw materials. Including within this developing the primary machine industries, the pharmaceutical industry processed steel, aluminum, fiber optics and so forth. The transfer of technology can be carried out through joint investment projects with

countries that have a high level of modern technology or by “adopting” technology learnt from overseas countries (Germany, Japan, Russia, China and so forth);

- The state must guarantee the availability of markets for industries that still require protection by imposing high levels of taxes or tariffs on certain types of commodities imported from overseas. For certain types of commodities, it will be necessary to provide distribution networks that can be easily accessed by the public at large at subsidised prices;

- The availability of a quality human resource base (productivity being the most important factor). In this context the state must be fully responsible for education and healthcare. It must provide nutritional guarantees but not envisaged as compensation for some sections of the poor (like the direct cash subsidy or cheap rice for the poor programs being carried out by the government at present). This most urgent need must be applied across the board so that all citizens can access it. The only exceptions that would be valid would be for those who are already advantaged and have access to education and healthcare outside of those facilities provided by the state;

- Operational license for upstream industries must be accompanied with requirements for the development of processing industries in order that extractive raw materials are not directly sold overseas. With this kind of processing, aside from increasing added value, it will also increase social productivity through the processing industries that are developed. For example, the produce from bauxite mining would be processed into aluminum, iron ore into steel, steel into machines and so forth;

- Giving attention to small- and medium-scale industries by providing infrastructure and facilitating access to micro-credit, cheap raw materials as well as guaranteeing the availability of markets. It would likewise be preferable if small-scale local ventures can be integrated and its capital and technological needs subsidised;

- The economy and production must be directly supervised and controlled by the people from the village up to the national level;

- Democratising all aspects of social life;

18. In order to fund a program of national industrialisation and at the same time also provide subsidies (in the early stages) for the fulfillment of the people’s basic needs, it cannot just rely on foreign investment, because of this therefore critical domestic funding sources must be centralised by the state, that is those that cover:

- The takeover or nationalisation of the mining industry and contracts with vital industries in the interest of general public that are owned or controlled by foreign capital (consideration may be given to renew contracts with industries that cannot be operated by the people themselves) must be renegotiated in order that 85-90 percent of the net profits go to the Indonesian people and 10-15 percent to foreign capital, as well as having to include technology transfer and a calculation of recovery costs that are democratic and transparent—that up until now have only be calculated based on the level of risk for foreign capital;

- The cancellation or the repudiation of illegitimate debt or a moratorium on debt payments until the people have achieved a reasonable level of prosperity (measured from a more just calculation the Gross National Product and Gross Domestic Product);

- A progressive tax (the higher the income/earnings the higher the tax) on companies, income and wealth, while incomes below 4 million rupiah per month would be except from tax;

- Seize the assets of and try the corrupters since the establishment of the New Order regime in 1966.
- Withdraw all bank recapitalisation obligations. (Bank recapitalisation obligations of as much as 600 trillion rupiah were issued by the government to ensure the sustainability of the private banking sector). These funds have been taken advantage of by businesspeople that have been caught in non-performing loans as a financial advance. Every year the state is burdened with tens of trillions of rupiah in debt to pay off the interest on these obligations.
- Greater guarantees for the disbursement of micro-credits by the banking industry.

19. The **Three Banners of National Unity** (*Tripanji*), which consists of canceling the foreign debt, nationalising the mining industry and building the national industry for the prosperity of the Indonesian people is the focus of the program of struggle against imperialism at the moment. The strategy of focusing on this campaign is intended in order to facilitate the people's acceptance and understanding of imperialism and at the same time facilitate an understanding of who the principle accomplices and comprador of imperialism in Indonesia actually are. The first two banners are intended as an economic prerequisite (as a source of funds) and at the same time a political prerequisite (to cut the chain of imperialism) for the success of the third banner.

20. In order to broaden the campaign and make the Tripanji a reality it will require the mobilisation of the people in large numbers and mass political meetings at a national level. This is our main political problem: how to broaden the space to speak to the people in a situation where almost the entire mass media and means of agitation and propaganda are controlled by and can be accessed by the bourgeois politicians.

### **The People's Resistance and the Political Spectrum**

21. The people's resistance—in the form of mass actions that often climax in “riots”—are becoming more and more frequent (almost every day) and broader (both in terms of the issues [14], the sector and regional scope) with the number of demonstrators being around 20-30 thousand people [15]. Spontaneous actions by the urban poor and residents (communities) are the most dominant and frequent, as a consequence of the state's increasing attacks against the informal sector as well as the legitimacy of the “city without slums” program as part of the larger “megapolitan” program.

22. In general, labour strikes have declined in concert with increasing threat of dismissals and difficulties in finding employment. What is tending to occur instead is more small-scale protests against working conditions, wages as well as unilateral dismissals or factory closures. This is also the case with many student mobilisations. But the issues of corruption and anti-imperialism, that have become the arena of students' political response, are incapable of mobilising large numbers of people and very temporary in character.

23. Although resistance is spreading, it remains very fragmented however. There is as yet no single political issue around which to focus or organise on a national scale that can unite this resistance on a national level and be maintained over a specific period of time (at present it is still very temporary). Nevertheless, day by day the state is becoming less able to respond to economic problems and the political demands that are being articulated (through the method of demonstrations). Demonstrations have become the political method that the masses believe in, although their structure, program and endurance remains very weak.

24. In programmatic term, there is no longer any clear separating line between the political parties

that won the elections [16]. All of them agree with the domination of foreign capital, they have no program or means by which to modernise industry and the national productive forces. The Indonesian Democratic Party of Struggle (PDI-P) has tried to find a platform [17] using the sentiment against foreign capital, but it has no teeth and has not demonstrated any genuine or systematic opposition, only to win sympathy for the party of “opposition”.

25. Individually, bourgeois nationalist figures have started to emerge who are beginning to question the domination and dependency on foreign capital and who are concerned about the destruction of domestic industries, but this has yet to take the form of a movement.

26. Generally, the people’s trust in the state administration (the presidency and the political parties) is declining [18], as is evident from the numerous surveys that have concluded that show the people’s trust in President Susilo Bambang Yudhoyono and Vice President Jusuf Kalla has declined, particularly as a consequence of the fuel price increases in 2005 and its terrible handling of recent disasters (earthquakes, floods, transportation accidents). Trust in the political parties (particularly those that won the 2004 elections) has also declined if evaluated from the level of corruption in the DPR, the procrastinating and the overhaul of various laws, the wastage and the exorbitant lifestyle of legislative members [19].

27. The opportunities to win mass consciousness for new political parties with an alternative program in the coming 2009 general elections are huge if view in terms of the level of mass discontent at present, despite the fact that 30 percent of the population did not vote (for various reasons) in the 2004 elections. Moreover the masses are still under the illusion that in order to replace the government it must be done through the general elections.

28. Aware of this situation, the seven large political parties that won the 2004 elections have united to make it more difficult (obstruct) for new political parties to be established and participate in the next elections through various extremely anti-democratic justifications. The current situation also reflected by efforts by these political parties and foreign capital to try to stabilise the situation through simplifying the political parties and mass organisations, as was the case in the early years of the New Order regime.

29. The emergence of religious conservatism (through the morality campaigns of the Justice and Prosperity Party or the PKS, laws and regional regulations that regulate moral issues and the behaviour of women, religious soap operas and mystics) is an interactive impact of a series of incidents: democratisation following the post 1998 reform era, the prolonged economic crisis, the lack of real alternative secular politics on the national stage as well as the war on terror launched by the US. In general, these campaigns have not had a significant impact in stifling the unrest among the poor as can be seen from the continuing level of protest.

30. The increase in violence committed by organised civil groups such as the Islamic Defenders Front (FPI), the Jakarta Brotherhood Forum (FBR) and various other organisations that are currently affiliated with the Anti-Communist Front (FAKI) is becoming increasingly organised in the lead up to the coming general elections. The increasing number of attacks against the National Liberation Party of Unity (Papernas) recently reflect a systematic effort by remnants of the New Order [20] to obstruct populist political participation, particularly the increasing popular sentiment against foreign colonialism.

31. In general terms the West Papuan democratic movement also suffered a defeat following the demonstrations against the PT Freeport Indonesia in front of the Cendrawasih University (the Abepura tragedy on March 16, 2006), which ended with the mass arrest of United West Papua Popular Struggle Front (Papera PB) activists. The democratic consolidation to reopen the political

space in West Papua has yet to be maximised or carried out in a systematic way. The differences and splits in the movement in understanding the democratic tasks remain a serious problem and it is difficult for the movements to unite.

32. The problems within the democratic movement as well as the social and women's movement and the non-government organisations (NGO) are not very different. The majority are still wallowing in "anti-party" politics, most of which has no ideological meaning. It is precisely this reality that becomes counterproductive when they prefer to "entrust" their aspirations with the mainstream and established political parties, rather than building a new political party with an alternative program. The majority of activists that work with the NGOs use these institutions merely as a platform to actualize themselves and their careers rather than a means to organise the masses. This was demonstrated in an initiative to form the People's United Party (PPR) by NGO activists, several of which were activists involved in the radical democratic movement—which did not develop or exhibit any real political activity.

33. This sickness of anti-democracy, anti-debate and pragmatism has also overcome NGO activists and the democratic movement in building an alliance with the People's Democratic Party (PRD) and other mass organisations. In political terms all of them agreed with the party's analysis of the current problems facing Indonesian society and imperialism. However they have remain insincere in undertaking this if it is concretised within real united front work. [21]

### **Mass Consciousness and the Emergence of Papernas**

34. Mass political consciousness over the last few years has had as its source a number of basic issues: Firstly, from the continued decline in the level of prosperity as a consequence of the economic crises that has been unable to be resolved by alternating administrations. Secondly, in terms of the collective struggle—spontaneous as well as organised—in framework of defending or improving their conditions. Thirdly, from the political changes since the fall of Suharto as a result of resistance through mechanisms that are democratic (procedural, within of course bourgeois limits), subversive means or a combination of the two. Fourthly, the propaganda by the regime and the bourgeois mass media that encourages the people to passively accept repression against or the marginalisation of their struggle into formal bourgeois democratic channels. As much as possible or proficiently as possible, these bourgeois democratic illusions are introduced to the masses as a political answer to the economic problems they are facing.

35. These efforts by the ruling class, as referred to in the four points above, appear to have failed (or at least have encountered difficulties). The political lessons gained by the people from their long experiences of struggle, particularly since 1998, have been shaped into a new consciousness, that is a consciousness of populist political values: that the 1998 reforms should have produced a government that cares about and could change the lives of the ordinary people (particularly the poor). Although it has yet to encapsulate the entire picture, populist consciousness has not disappeared or faded away, because it continues to be sharpened by the objective experiences over the last several years under the rule of alternating bourgeois governments and from the unresolved economic crisis.

36. In future political developments however: 1) the channels of bourgeois democracy that are provided by the regime as the accomplice of neoliberalism are becoming ever more narrow as it attempts to accommodate the overflow of the masses growing demands; 2) the political choices of the masses are something that is dynamic, not passive. The people are restricted to the channels that have been created by the regime because of the lack of an alternative within the people

themselves. This situation could be reversed if an alternative political solution appeared that is better able to answer the objective needs of the people.

37. The evidence to support this conclusion was demonstrated during the 2004 general elections where candidates from the elite and the traditional parties continued to suffer a decline in votes. It was also shown in the flow of support to the PKS and President Yudhoyono's Democratic Party as a manifestation of the people's opposition [22]. This situation provides a basis for an acceptance by the people of progressive and revolutionary ideas, social figures and organisations, both in terms of broadening the program, strategy and tactics (of united fronts for example) and broadening the organisation.

38. However the main problem facing the party PRD up until now has been: subjectively the party is still very small [23] and does not have a platform with which to speak to the broader masses, or the party does not have control of or is able to influence (broadly) the mass media and tools of agitation and propaganda that could lead an uprising or the spontaneous struggles of the people; so that the party is unable to take advantage of the positive objective conditions [24] existing within the popular movements (which could then be pushed towards a socialist revolution).

39. Because of this therefore, the central strategy at this time requires deepening democratic conditions in order to be able to as broadly as possible present ourselves and speak to ordinary people and the working class, both when explaining transitional solutions (simultaneously) as well as explaining truly genuine solutions. Although the state of democracy is a low level it must be taken advantage of for the sake of broadening a platform for the people and the working class along with increasing the level of democracy itself.

40. The broadening of a platform to speak to ordinary people and the working class will also experience delays because the level of consciousness of the members of a united front will remain low, (particularly) in terms of the political methods required to concentrate power—although in a minimum platform of democratisation [25]. Thus the strategy and tactics to broaden this people's forum is by influencing, taking over, owning the mass media and tools of agitation and propaganda along with the use of creative methods, in order to be able to increase the size and quality of the front, mobilising, radicalising and broadening the structure for revolution.

41. In dialectical terms, if we are able to overcome the problems of building a people's political platform, then we would have the right to speak about the broadening of the people's organisational structures. Because the opposite would merely be striving for a structure that is not devoted to a people's platform, and such a structure would be one without revolutionary goals—because it is this platform that is the means by which to explain the current social problems, nature of a future society and the means to make it a reality and then defend it. And the involvement in the general elections is only a part of the effort to seek and create (creatively) a platform to speak to the people, in all of its stages; while the broadening of the organisational structures is the harvest (from the broadening of the people's forum) that then (this new structure) will (dialectically) be re-devoted to broadening the people's platform;

42. In order to overcome the subjective problem of the movements, the party's strategic and tactical propaganda on the importance of focusing on a program becomes absolutely vital and urgent in nature. The forms of agitation and propaganda work must be richer and more creative. The party newspaper remains the most important tool, although the party's subjective capacity in supporting the party newspaper is still low, requiring the development of other forms of agitation and propaganda such as nationally and locally produced leaflets, mass organisation newspapers, pamphlets, front newspapers, writing, local newspapers, films and so forth.

43. In terms of the work of building unity or a front, based on our experience so far, where we have faced an extraordinary fragmentation of the opposition, so the work of unity requires particular kinds of emphasis. This emphasis on working to build unity is based on the characteristics that are developing within opposition forces (both moderate and radical). The emphasis must start with working forms to develop united tactics that are strategic in character (long-term) Meaning, future unity must be assessed based on: its acceptance of the party's minimum program, the acceptance of the forms of mass struggle as the principle strategy and tactic in the struggle, the acceptance of the need to take power as a political goal, as well being assessed in terms of the choices of political momentum that can be taken advantage of for unifying and building the mass movements.

44. The formation of the National Liberation Party of Unity (Papernas) is one tactic by which to broaden the people's forum through a united front. During the current stage, and because of the low level (slow) of consciousness of front members, particularly with regard to the tactic of parliamentary struggle in order to broaden the people's platform, the PRD together with its mass organisations is placing a higher priority on and taking responsibility for concentrating its political and organisational strength for the sake of building Papernas.

45. This concentration of the party's political and organisational strength will not directly lead to the liquidation of the structure of the PRD's decision making at the national and regional levels (when necessary and decided on by the national leadership). The inauguration of members, the education of prospective members, and the publication of internal party media such as *Pembebasan* (*Liberation*) as a central party organ will in principle continue to be carried out.

46. In order to continue to build the organisational membership of this party front, Papernas must influence the tools of agitation and propaganda of the regime and other groups, along with diversifying its creative methods (through mass meetings, public discussions, mass mobilisations, radio and television talk shows, gravity actions, public audiences, leaflets, pamphlets and so forth) by working at the level of the regency/municipality down to the sub-districts.

47. Papernas' is also prioritising building coordination posts to deal with complaints and to defend people at various levels. These coordination posts are aimed at advocacy for the unrest revolving around the urgent problems of the people, through investigations, awareness campaigns and mobilisations. The coordination posts are a tool for the party to facilitate the acceptance of the masses of the party's programs and at the same time to educate the masses in populist politics. Becoming a Papernas member represents the concrete success of the organisational and ideological actions of the conscious masses, that in order to achieve victory it must be do so through its own power.

48. The formation of a local political party in Aceh, that is the Acehnese People's Party (PRA), was intended to accommodate the Acehnese people's disappointment with the political parties that won at the national level. In organisational terms the PRA's position remains as an observer within Papernas and Papernas has the right to campaign within the PRA.

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## **P.S.**

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## Footnotes

[1] Example, the Education Department organises long term education and training for teachers at primary schools, junior high schools and schools of advanced higher education (<http://www.pustekom.go.id/teknodik/t9/9-6.htm>)

[2] Indonesia's sovereign opportunities (energy) during the Sukarno era started to be apparent in 1957 when the Sukarno government nationalise the Dutch oil company Shell, and even threatened to do the same to the US oil companies Caltex and Stanvac. Unfortunately Shell was then handed over to the military—dispute the fact that they were already getting strong support from the US (CIA) who then attempted to apply the concept of economic-military development in the South East Asia region in order to oppose the communist electoral victory. (Ted Wheel Wright, *Oil and World Politics - From Rockefeller to Gulf War*, Sydney, 1991, pp. 64-65).

[3] *The Poor Political and Economic Development of Indonesia, a People Condemned*, Arianto Sangadji, 2002, pp. 62-63

[4] The domination of the banking industry has further consolidated the imperialist domination of the national economy. The flow of credit in huge amounts for transnational corporations and consumer credit for imported products. This has begun to be felt by (some) of the domestic bourgeois class when they found it increasingly difficult to obtain access to credit while foreign capitalist were even freer to facilitate their economic interests.

[5] Quoted from an article by Iman Sugema, "The Increasing Role of Foreigners in Economic Affairs", *Republika*, January 16, 2006

[6] Temasek, through its subsidiary company SingTel already dominates the telecommunication industry through the previously government owned telecommunication companies Indosat and Telkomsel.

[7] There is no limit to foreign business ownership in Indonesia. They are allowed to own up to 100% (Article 1 Paragraph 3) of an entire sector (Article 2) and are afforded the same treatment as domestic companies by the Indonesian state (Article 6); The Indonesia state is not allowed to carry out nationalisation (Article 7). Foreign capitalists are free to transfer/withdrawal their capital whenever they wish (Article 8); Land rights are provided as an incentive for foreign capitalists (Article 19); Business Permits, Building Use Permits and Land Use Permits are valid for 95, 80 and 70 years respectively.

[8] These facilities are legalised through a number of legislative instruments including Law No. 22/2001 on the liberalisation of downstream oil and gas for foreign oil and gas companies, Law No. 19/2003 on the privatisation of state-owned enterprises, Law No. 13/2003 on guarantees for contract workers and outsourcing for foreign capital, Law No. 20/2003 that legalises the privatisation of educational institutions, Law No. 7/2004 that allows the privatisation and commercialisation of water resources, Law No. 19/2004 on amendments to the forestry law and Presidential Decree No. 36/2005 on the procurement of land for development project that facilitates the eviction of the poor and the landless.

[9] As an example, the mining sector's contribution to state revenue over the last three years it has only been an average of 80-90 trillion rupiah annually. Whereas Indonesia is a country that has oil reserves (located) of as much as 4.6 billion barrels, gas reserves (located) of almost 90

TSCF (which with production at 2.9 TSCF will not be depleted for another 30 years) 7.2% of the world's gold reserves and 5.7% of the world's nickel.

[10] As a comparison, the installments on the principle and interest on the state debt is equivalent to 30-40% of the state's total tax revenue. If this is added to by the burden of paying off the interest on bank recapitalisation obligations, then annual debt payments consume a budget equivalent to more than half of the national tax revenue. The recapitalisation of the banking sector itself was a precondition for the disbursement of loans, which then boomeranged back on the present government with some 40% of the banking industry now under the control of foreign interests.

[11] Most of Indonesia's debt is odious debt. Jeffrey Winters for example notes that that since the 1997 economic crisis what is appropriately referred to as odious debt amounts to at least US\$30 billion, where US\$10 was borrowed from the World Bank and the remainder from the Asia Development Bank, as well as other multilateral and bilateral institutions.

[12] Between 2005-2007 as many as 971,200 women were thrown out of work. This is the principle factor and the reason for the continued increase in the number of women migrant workers, which over the last 10 years has risen to than 72% compared with male migrant workers. Every year Indonesia send an average of 400,000 workers overseas who lack a clear legal status or legal protection. The high level of unemployment among women is exploited for prostitution and the pornography industry resulting in an increase in the number of prostitutes. The proportion of child prostitutes has now reached 30% and some 100,000 children are victims of human trafficking annually.

[13] Based on a Papernas Preparatory Committee joint statement at a regular four-monthly action on November 26, 2006 and *National Industrialisation and the Ideals of Prosperity* by Dominggus Octavianus, [www.indoprogress.blogspot.com](http://www.indoprogress.blogspot.com)

[14] Beginning with demands for welfare to dissatisfaction with the results of the election of regional heads of government.

[15] Detailed information on this is beyond the scope of this article but is available from the ASAP website <<http://www.asia-pacific-action.org/...>> (the largest protests to date have been in opposition to the planned amendments to Law No. 13/2003 on Labour Affairs on May 1, 2006).

[16] The Golkar Party, the Indonesian Democratic Party of Struggle, the National Awakening Party (PKB), the Democrat Party, the National Mandate Party, the United Development Party and the Justice and Prosperity Party.

[17] By walking out of the DPR hearing that ratified the Draft Law on Capital Investment, although this was only a small contingent affiliated with the commission. One can imagine what would have happened if the entire membership of the PDI-P had walked out of the parliament. So Budiman Sujatniko much touted claims that the PDI-P defends the national interest is a dishonest brag.

[18] Less than fifty percent of voters still feel satisfied with the performance of the president and vice-president. This is the lowest level of public satisfaction with their performance since they were inaugurated two-and-a-half years ago. Compared with the results of a survey in December 2006, public satisfaction had dropped by around 17%. (<http://www.lsi.or.id/>). Even the Golkar Party expressed anxiety about a Indonesian Survey Institute survey that showed that public trust

in the political parties has dropped to only 23%. (*Kompas*, 14 April 2007)

[19] In fact parties such as PDI-P and the PKB have frequently sought professional political party related training from German liberal and social democratic foundations such as Fredereich Numan Stiftung (FNS) and Freideriech Ebert Striftung (FES), however they still appear unable to make any advances in terms of pubic accountability or professionalism.

[20] The majority of these organisations were previously organised in the Pam Swakarsa, civilian guard formed by Gen. Wiranto and Gen. Kivlan Zein in late 1998. In the lead up to the special legislative session of the People's Consultative Assembly in November 1998, around 30,000 civilians were recruited by the army and mobilized around the national parliament. The composition of the Pam Swakarsa forces revealed an alliance of largely militant Muslim groups sympathetic to then President B.J. Habibie, such as Furkon (Muslim Forum to Uphold the Constitution and Justice) and the Islamic Defenders Front (FPI), alongside a hotchpotch of martial arts and youth groups from Banten, nationalist organizations such as Pemuda Pancasila and the ranks of the unemployed (*Tempo* 30 November 1998a).

[21] The concrete evidence of this lack of democracy was during the People's Movement Conference of Unity (KPGR) in 2005, which was facilitated by the PRD. This coalition included a number of large democratic organisations and important mass-based NGOs in Indonesia, that actually had been targeted by the party to become a united front that would participate in the 2009 general elections. A united platform opposing imperialism was agreed to and was to be followed by a movement conference. Tactics on how to jointly respond to the 2009 elections had not yet been agreed to. During this process the coalition fell to pieces because the respective organisations were still busy dealing with internal consolidation. Some who had even proposed the organisation of a movement conference became inactive, not take responsibility for their proposal in the sense of not providing any reason for their inactivity. Then however it turned out that this consolidation process was to be continued but without the PRD or Papernas through organising a Conference of Indonesian People (MRI), which only invited mass organisations and without informing the PRD with an agenda that was exactly the same as the planned KPGR.

[22] The Golkar Party won the 2004 elections with 24.4 million votes or around 21,58%, and in second place the PDI-P received 21 million votes or 18,53%, with a total of 113,4 million voters or 30% which abstained form voting (that is 34,5 million out of 148 million people registered to vote—more than the total number of votes for the victors of the individual victors of the election). This is a drop in comparison with the results of the 1999 general elections where 35,6 million votes went to the PDI-P and 23,7 million votes went to the Golkar Party with the total number of abstentions being only 10,4% out of a 105,7 million registered voters. Meanwhile the two parties that significantly increased their share of the vote were the Democrat Party of President Yudhoyono that had only been formed in the lead up to the 2004 elections, which won 8,4 million votes or around 7,45% of the vote, and the PKS which received 8,3 million votes or 7,34%. Our assessment of this situation is that it demonstrates a drop in the people's trust in the traditional and conservative parties as well as a yearning by the people for an alternative, which resulted in choosing not to vote or voting for the PKS or Democrat Party—so that the increase in the two parties votes was significant.

[23] At the PRD's Congress in 2005 the PRD had established itself in 16 provinces with a total active cadre base of 300.

[24] Although most of the vehicles for mobilising the people are not yet permanent, and consciousness of the importance of unity (a front) is not very high.

[25] Fragmentation is a historical product of the decades of “diideologicalisation” by the New Order dictatorship. Subjectively however the movements also provide their own contribution, that is the relative strength of the empiricist character from the movements. This is what is what creates an acceptance of the ideas of unity or a front, either from the moderate elements of the opposition that dominate the opposition platform as well as by the radical and populist opposition that is still at a low level and pragmatic, whether seen from its program, strategy or the political goals it wants to achieve. Even among the radical elements of the movement the acceptance of ideas of unity and its program is still extremely short-term in nature.