Chapter-II

The ‘Malari’ Affair: A Student Movement that Shook the Regime, pp.34-73.
Chapter-2

*What makes authoritarian regimes dangerous is not that the leader holds all the power over the people, rather they are dangerous because the people fear the leaders and the leaders the people, thus making the leaders suspicious of those around them, including even so called loyal associates.*

-Montesquieu

This chapter analyses the articulation of dissent towards the Suharto regime beginning with the ‘Malari episode’. Though many earlier protest movements against the regime had evoked popular participation and had caused the government’s image a lot of damage, this particular episode was important in its own way. It was important not just because of its intensity, but because of its peculiar organisation, the kind of support it garnered, its success and the fallout it ultimately delivered. By 1974 the euphoria about the regime was over and its repressive character was becoming more and more apparent. More importantly, the government’s ability to deliver goods to its citizens particularly to the poorer sections of the society began to be questioned. Therefore, the poor performance of the government, which created social deprivation among the masses, was an important factor in the occurrence of the episode. A microscopic minority in the top echelons of society continued to reap rich harvests and enjoyed the fruits of all pervasive corruption, where as the common masses were subjected to vagaries of the inadequate returns of government’s policies.

**Rice Sector:**

In an era when agricultural taxation and extracting an agricultural was in vogue, and governments were being criticized for adopting strategies of ‘urban bias’, Indonesia’s achievement of rapid growth in food sector was an important story, both in itself and for its more general implications and lessons. Lack of rice

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was Indonesia's most serious economic problem in 1973, as in 1972. After Suharto seized power, the rice sector had become the barometer of the new regime's success. Rice loomed large in the traditionally dominant Javanese heartland. In the 1960s, when the government's grip on power was still rather precarious, the price and availability of rice had an important bearing on political stability.

"As the extent of the international rice crisis became evident and it was realised that large-scale imports might not be available, the government raised the domestic procurement targets for all provinces. This had the effect of raising procurement targets down to the sub-district and village levels, as well. In many areas the targets were set unrealistically high, failing to take into account local crop failures and the unwillingness of many peasants to sell their rice to the government at prices lower than they would otherwise receive in the open market."²

The government agency called the BUUD (Budan Usaha Unit Desa-Village Business Unit), which was in charge of regulating agricultural production and administering procurement targets, failed to procure sufficient amount of rice in spite government ban on the inter-provincial transport of rice. To quote an analyst of Indonesian politics, "What resulted was an intensification of smuggling, corruption, and the creation of numerous black markets. Prices fell sharply for producers while rising for consumers."³ "...the 1972 rice crisis saw retail rice prices double over the period from August to December, and was viewed by some as the proximate cause of the sharply rising inflation in 1973."⁴ "Using 1971 as

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³ ibid., p.162.
the base year with an index of 100, the price of rice in Jakarta rose to 168 by December 1972 and to 210 by August 1973.\textsuperscript{5}

**Oil:**

In contrast to the rice sector, oil continued to be Indonesia’s success story with the sharp increase in both production and prices. With a daily production of 1.5 million barrels, in early January 1974, the price per barrel was $10.80, up from $3.75 in mid-1973. Production value reached $1.95 billion in 1973 and with the new price, was expected to exceed $5 billion in 1974.\textsuperscript{6}

However, all was not well with the state run Oil Company ‘Pertamina’. “By 1974, the company was almost the biggest corporate bank borrower in the developing world, quite possibly in the entire world.”\textsuperscript{7} Pertamina, which had a modest beginning, soon expanded to operate a string of 2,000 petrol and service stations domestically. It spawned joint venture or subsidiary operations in Japan and Hong Kong. At that stage, it was in the process of planning or constructing much bigger projects such as,

a) Two liquefied natural gas plants which, according to one estimate, are projected to cost as much as $2,000 million.

b) A big petrochemical complex to be built in southern Sumatra to produce raw materials for synthetic fibre production in addition to another big petrochemical plant in northern Sumatra.

c) The big Krakatau steel mill, which was begun by the Soviets but was interrupted by the fall of the Sukarno regime in 1966.

Pertamina’s other projects included: a naval floating fertilizer plant that

\textsuperscript{5} Allan A. Samson, n.2, p.162.
\textsuperscript{6} ibid.
\textsuperscript{7} Far Eastern Economic Review (Hong Kong), May 30, 1975.
would be towed to new natural gas fields when the original one serving the plant is depleted, a vast rice estate of 20,000 hectares; and most dramatically, a big 'petroleum base' at Batam island, twelve miles southeast of Singapore. The base would have included a refinery and trans-shipment centre for petroleum products. Even for a company in the top ranks of the world’s giants, such projects were a major challenge. Soon the bubble burst and the high flying Pertamina faced corruption charges and it doomed. Failure of this company, in which the government had too much of stake brought disrepute to the latter and people started questioning the rationale of the economic policy followed by the government.

**Repelita:**

Suharto’s New Order regime had inherited an economy, which was plagued by underutilized production capacity, run-away inflation and a growing indebtedness. He began with a policy of rehabilitating and stabilizing the economy by slowing down inflation, increasing export production and most importantly, securing an adequate provision of rice.

The government based its development attempts on the five-year plans known as Repelita. Repelita, in turn, was based on three main principles of development: stability, growth and equity. It aimed at a reasonably high general growth rate, which would create employment opportunities as well as technologies for future growth. The noble plan also set its objective at involving different sections of society in the distribution of the fruits of development. It also aimed at a equitable sharing of the benefits based on the principle of justice. However, the results were disappointing. Notably, rice production failed to

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achieve the desired increase as it could garner only 25 percent growth in place of a desirable 47 percent. Even the government development expenditure, contrary to the higher plan could acquire a staggering growth of only 7 percent.\(^9\) Though these shortfalls are peculiar to all developing economies, it dissatisfied the masses that had seen enough of failures during the two decades since the country achieved independence.

**Foreign Investment:**

After emerging from the ‘guided democracy’, period the New Order Indonesia of Suharto economy started heavily depending upon foreign aid, capital, technological expertise and advice. To restructure the economy, the ‘Berkeley Mafia’\(^10\) chose the capitalist mode of development by integrating the Indonesian economy into the world market, inviting foreign investors, and creating conditions within the country that would facilitate the growth of the national entrepreneurs. Thus, a nation, which strove to Indonesianise its economy de-Indonesianised it again. For many Indonesians this must have been very disappointing and humiliating. A generation of Indonesians who had grown up hearing Sukarno’s denunciations of western capitalism and imperialism, were appalled at the New Order government’s virtual sell out of the country’s birthright for short-term gain. To them it appeared as if the country was being relegated once more to the role of a sweated workshop for the industrialised world.\(^11\) Too much should not be read

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\(^10\) An American scholar, David Ransom, named them the ‘Berkeley Mafia’ to draw attention to their connections with the United States, and specifically with the University of California, Berkeley. Though, only a few of these men had studied at Berkeley, most were certainly heirs to the American tradition of thinking on economic development. Refer to David Ransom, “The Berkeley Mafia and the Indonesian Massacres”, *Ramparts* (Washington), vol.9, no.4, 1970, pp.27-9 & 40-9.

into the lack of any major protest against this as their resentment was muted by two facts. One was the recognised appalling performance of many nationalized industries and the other, the abundance of availability of consumer goods available.

Repelita I called for large official and private capital inflows. Rescheduling of external debt obligations contracted prior to June 1966 was part of its financing plan. Of the foreign investing nations, the United States was at the top concentrating only in oil and mining sector. Japan, which stood second, had a diversified field to boast of. Where as many potential investors were weary of various bottlenecks in the investment process, a common problem of the newly globalising economies, the Indonesian population gradually resented the paramount role played by the foreign investors in the country’s economy.

The foreign direct investment served the business interests of the military men and their civilian partners. But for the common masses, it brought about misery. It also threatened the positions of indigenous Indonesian entrepreneurs, who lacked both capital and military connections. “When the initial period of mainly American investment in mining projects was followed in the early 1970s by mainly Japanese investment in manufacturing, opportunities narrowed for Indonesian enterprises. Many, most prominently in textiles, were forced by foreign competition to close down, while the workers who lost their jobs in the old labour-intensive factories were not absorbed in the new capital-intensive plants.”

While most critics admitted the necessity of foreign investment for Indonesia’s development, they urged that such investment should be directed into the economic sectors where it could contribute to economic development in

coordination with the national plan and where its effect upon technological and employment patterns could be shaped by national priorities.

Adding to the fuel of the sense of deprivation was the rigid and arrogant business dealings of the Japanese investors, which were annoying for their Indonesian partners. The formers were alleged of not forthcoming in providing their Indonesian partners or employees with meaningful decision making responsibility. Thus, the so-called ‘Honda-ization’ of the Indonesian economy was greatly resented. Dissatisfaction was also expressed against the role of the nations comprising the IGGI (Inter-Governmental Group on Indonesia). Critics accused them of providing aid to Indonesia with their own investment interests primarily in mind by tying credits to goods purchased and entry of private capital from the IGGI countries. Critics also maintained that large amounts of foreign aid and investment had a restrictive effect on domestic capital and savings. Thus, when the Dutch minister for Development J.P. Pronk arrived in Indonesia on 11 November 1974, he met with a student demonstration.

Role of The Chinese:

In addition to the resentment against the government’s policies, the minority Chinese were also targeted as the cause of the native Indonesians’ (pribumi) woes. The history of the Chinese populace in Indonesia is one of political vulnerability. In 1950, by one estimate, slightly more than one-half of the 2.1 million Chinese living in Indonesia were considered aliens. Sukarno had room for the Chinese in his ‘Pancasila’ society, but there were limits to how much protection he could give them without alienating other parts of his constituency. In the initial days of the old order of Sukarno, some Chinese had looked up to the PKI

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13 It was a consortium of Japan, the United States and various western European states that had been the New Order’s financial mainstay since the late 1960s.
for protection, but those hopes were belied. By the end of the 1950s, anti-Chinese sentiment had reached a new peak. Offered repatriation by Peking, more than 130,000 Chinese emigrated from Indonesia in 1960. The persecution of the members of the PKI in the aftermath of the abortive coup attempt of 1965 sent loud and clear message to the Chinese about their political weakness.\textsuperscript{14}

The New Order saw no changes in the general situation. The 1967 ‘Basic Policy for the Solution of the Chinese Problem’ and other measures set out strict rules for the Chinese behaviour. All but one Chinese-language paper were closed and the Chinese were told, in no uncertain terms, to confine the expression of their religious beliefs to four corners of their homes. Chinese language schools were closed down and the Chinese script in public places was outlawed. So much so that the Chinese were encouraged to take on Indonesian-sounding names for their children.\textsuperscript{15}

In spite of this hostile milieu, it is amazing that the Chinese dominated the economic scene in Indonesia. The domination was an irritation for the ‘pribumi’ who were convinced in the theory that ‘we are poor because they are rich’. The basic reason for the Chinese prosperity is not difficult to trace. It essentially lies in their culture of capitalism. “Culturally, the Chinese had a head start in the game of capitalism. Business and commerce have long been acceptable to the Chinese; for pribumis, this idea is relatively new.”\textsuperscript{16} In addition, education was another factor, which put the Chinese ahead of their native counterparts.

In the post-Suharto era when army’s domination on the society was on the rise, the business empires of some army men almost invariably had Chinese

\textsuperscript{14} Adam Schwarz, \textit{A Nation in the Waiting: Indonesia in the 1990’s} (Boulder, 1994), pp.104-5.
\textsuperscript{15} One of the notable example was that of a young Chinese intellectual Liem Bian Kie, who had to take the name of Jusuf Wanandi. He is one of the prominent intellectuals in Indonesia today.
\textsuperscript{16} Adam Schwarz, n.14, p.107.
working for or in partnership with them in key positions. This appears to have had favoured Chinese access to government credit and foreign capital. The gradual expansion of the economy also gave opportunities to those with skills and higher education to improve their position in technocratic and managerial roles.\(^{17}\)

Perhaps as a consequence of their political vulnerability, the Chinese tended to save much of their money, distrust strangers and depend to a great extent on personal relationships and family networks, all of which are conducive to the rapid growth of family run business.\(^{18}\) All this provided the necessary succor to the Chinese to excel in a hostile atmosphere. Suharto's attention on developing the country's economy also created the right climate in which a potential businessman can prosper. Laws such as the domestic capital investment law, which came into effect on 3 July 1968, enabled the Chinese to plan their businesses with some degree of confidence.

All this invited the 'prabumi' displeasure and criticism. "The criticism was directed particularly against the 'Cukong' (Chinese businessmen in alliance with Indonesian power holders). The 'Cukong' were said to have an unfair advantage because of their close association with the most influential public figures. They were given preferential treatment for contracts, licences and credit in return for a share in the profits for the officials involved."\(^{19}\) Even the media got into the act of fuelling popular passion. The newspaper which led the way in the anti-'Cukong' campaign was the daily 'Nusantara', which from 1970 onwards published stories about the 'Cukong', by inference criticising their Indonesian partners, who included close associates and relatives of the President, if not Suharto himself. Thus, the situation was extremely volatile which needed a flicker so that the

\(^{18}\) Adam Schwarz, n.14, p.157.
Chinese prosperity can be subjected to some form of abuse. This had come to strike hard at the Chinese with a vengeance.

This was the news from the economic sector. In spite of government counterclaims regarding rapid strides of Indonesian economy, people had seen the crisis in the production and availability of rice, massive irregularity in the Pertamina venture and non-achievement of the tall claims of the Repelita-I. Thus, when they started analysing the whole situation, the ‘Cukongs’ and the sprawling Japanese investment and of course the corrupt government stood out as prime convicts. Thus, any complaint against one of these three, became a complaint against all. All had to bear the brunt in the event of a specific complaint against one.

**The Internal Dissatisfaction:**

The previous chapter touched upon the highhanded manner in which the New Order regime dealt with its dissenters. Thus, while analysing the occurrence of an event such as the ‘Malari affair’, the other extraneous factors which facilitated its occurrence need to be understood. It needs to be examined how the so-called opposition groups could manage to organise such protests with such a totalitarian regime in power. The answer lies in the role of specific generals of the regime who nurtured separate ambitions than the rest. These are the people who had a different set of ideas about the role of the army and the rules of governance.

It was a chaotic Indonesia, which saw the beginning of the New Order regime. The army with its all pervasive presence took up the responsibility of bringing in order into the society which experienced a protracted mockery of the principles of democracy immediately after independence and during the ‘guided

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democracy' period. Their ‘dwifungsi’ (Dual Function, refer to the first Chapter) saw them occupy most of the positions, which in normal circumstances would have gone to the civilians. These army generals through the use of these positions also tried to develop their own interests, which included business interests as well.

These officers had been trained haphazardly either by the Japanese during the guerrilla struggle against the Dutch or have had no formal training. They belonged to the 1945 generation. With the beginning of the 1970s these officers started facing challenges from the second generation of army officers who had no direct experience of the struggle for independence. They were trained in professional training centres such as the Military Academy at Yogyakarta or the Academy at Magelang in Central Java. These officers, clearly unhappy with the present state of affairs, initiated a wave of reforms in the sphere of army domination.

Harold Crouch who has done a study on the role of the Army in politics in Indonesia had this to say:

"The military reformers did not form a distinct group, but consisted of officers who held many common attitudes...The reformers were usually not puritanically opposed to the involvement of military men in private business activities, but were concerned that a continuous stream of 'excesses' would eventually undermine the legitimacy of military domination of the government and obstruct the economic development that the regime was committed to achieve. Some were concerned too that the image own by the army during the revolution as the custodian of the spirit of nationalism might be besmirched by the too open association of military-backed enterprises with foreign capital."²⁰

As the age factor caught up with the 1945-generation of army officers, who started retiring, it paved the way for the academy trained-professionals to siege the centre-stage.

²⁰ Harold Crouch, n.12, pp.304-5.
However, it was just not the benign ‘ideal of reform’ which divided the army into blocs. There was the factor of rivalry, which started playing a crucial role. Suharto in his zeal to consolidate power after the aborted coup started patronising a section of officers from the armed forces. Even in the functioning of the regime he relied heavily on this small group of advisors called the ‘Spri’ headed by Major General Alamsjah. The members of the Spri were allocated fields of responsibility such as finance, politics, foreign intelligence, social welfare and general elections affairs, as well as ‘general affairs’ and ‘special affairs’. Gradually it became evident that the actual reins of administration remained in the hands of these advisors along with few others including Lieutenant General Panggabean, the then acting commander of the army, the minister for internal affairs Major General Basuki Rachmat and the head of the Pertamina Major General Ibnu Sutowo.\(^{(21)}\) Even though Suharto had to dissolve this elite group in June 1968, after it drew a lot of flak from different sections of the society, these people were quickly absorbed into the system through other postings and continued to exercise considerable influence in the matters relating to general administration.

The most important group to emerge after the dissolution of Spri was the Aspri (a group of personal assistants to the President) with generals such as Sudjono Humardhani and Ali Murtopo as its prominent members. These ‘political’ and ‘financial’ generals exercised great influence over the patronage system. They played a major role in determining appointments in both the military hierarchy and the government administration. Furthermore they concerned themselves with the implementation of policy, particularly in such fields as

\(^{(21)}\) ibid.
"foreign investment, the allocation of construction contracts, the opening of other business opportunities that had implications for the smooth functioning of the patronage machine."\textsuperscript{22}

Thus, there was a distinct presence of two groups: one which thrived on its proximity to Suharto, which indirectly induced economic windfall and the other which was bereft of all such good fortunes. Gradually the second group started voicing their preference for change. They are the ones who started resenting the \textit{Aspri} interference in the internal affairs of Muslim groups and the other political parties. Even though this arose not because of any heart-felt sympathy for the groups affected, but for the fact that only they would be responsible for repressing any outbreaks of discontent provoked by such measure; nevertheless it was an occasion of division among the ‘unified’ armed forces. It is in this hour of reckoning the deputy commander of the armed forces and the head of the \textit{Kopkamtib} emerged as the leader of this reform oriented group of army ‘professionals’, otherwise known as the Hankam group. Along with him were the head of \textit{Bakin}, Lieutenant General Sutopo Yuwono and the deputy chief of the army, Major General Sajidiman.

The early 1970s were marked by a jostling between the two groups to gain an upper hand. This was evident in the contest for the appointments to key posts such as the chairmanship of \textit{Golkar} and deputy commander of the \textit{Kopkamtib}. "Although the members of the \textit{Aspri} group enjoyed a warmer relationship with the President than did their rivals, he was careful not to favour them to the point where the military professionals feel alienated. A careful balance was maintained, in which both groups were rewarded in the present and had grounds for optimism

\textsuperscript{22} \textit{Ibid.}, p.308.
about the future.”23 There was the incident when Suharto reprimanded Sumitro after an apparently loose talk about a new style of leadership. A chastised Sumitro had to offer an explanation reposing his faith in Suharto’s leadership.

This was the backdrop in which the famous ‘Malari Affair’ occurred. Apart from groups who are directly or indirectly affected by the New Order regime’s policies, it is the group of students who chose to voice their disappointment over the general state of affairs in the country. Thus, before analysing the Malari Affair and its effects, the students’ movement can be touched upon.

Role of the Students:

The students started to play an important role in the Indonesian politics immediately after the abortive coup of 1965. They had joined their cause with the non-communist forces to campaign against the alleged role of the communists in the coup attempt. They formed an organisation called the KAMI in January 1966. Backed by the military this organisation attempted to make a pro-communist Sukarno see reason. Incidentally the students were dealing with the same Suharto who had encouraged anti-Sukarno student demonstrations, which ultimately forced Sukarno to hand over power to the former.

In the post-Sukarno period KAMI played an important role in Indonesian politics. “After Suharto assumed full responsibility, as a sign of gratitude he appointed some of the student leaders from KAMI to be members of parliament. He also asked some of the American-educated economists (the ‘Berkeley Mafia’ as they are called by their opponents) to form a new socio-economic policy for the

23 ibid., pp.309-10.
government."24 After this followed a period of political honeymoon, with brief hiccups, between the ruling military and the civilian political parties, including the students. This went on till the beginning of 1970.

The students had hoped that the new regime would put an end to the wasteful nature of the economy of 'guided democracy' period and initiate overall development. But with their hopes belied, they had no other way but to take to the streets. In January 1970 a small group of students started protesting against the increase in the price of gasoline in order to raise the government income, since they argued that there was still much corruption in the government body. Suharto responded by forming a committee, consisting of trusted old politicians, to investigate corruption. The students then dissolved their group.25

Since then students demonstrations became a regularised feature. In July 1970, there was an anti-corruption demonstration. In June 1971, the students protested government manipulation of the coming general election and campaigned to boycott the election and in December 1971 they protested the funding of the first lady's 'Beautiful Indonesia' project- a pleasure park depicting life in all of Indonesian provinces. The last instance attracted the President's wrath, who made a speech threatening the students with dire consequences and with the use of armed forces. Four student leaders were arrested and put behind the bars for a month. The students were shell shocked as a result.

The students' movement in Indonesia has always been of non-political nature. The prime importance has always been the moral considerations rather than of genuine interest to acquire power. After being threatened by Suharto in

1972, they went on to make a statement that explained their position as a moral movement.

“We still think that the Beautiful-Indonesia-in-Miniature project...will in the present condition hinder development efforts. Thus, we still oppose it. Our opinion is not based on any kind of prejudice, whatsoever, but based on a logical opinion that can be put to test. We are ready to discuss with any one who questions our argumentation. However, if we are threatened by physical force, if all the armed forces are against us, if we are confronted by the armed forces...we can only say from the beginning that we surrender. We are helpless if we are threatened by physical confrontation. We are nothing if faced by a fully armed and compact armed forces. No matter what, we are only a group of youth who in 1966 had a meaningless share, which is nothing compared to Pak Harto’s share in establishing this New Order government. We will never retreat for we are certainly helpless. We shall remain silent if we are confronted with the fully armed forces for we can not endure sharp bayonets and hot bullets. We are only made of soft flesh with hopeful eyes looking for the future.”

It needed a top ranking military official to assure them of support in face of administration’s such authoritarian steps. The result was the ‘let a hundred flowers bloom’ campaign, which focussed on the need of criticism for the government and danger of apathy on part of the students. Though this successful campaign was a result of the infighting within the military, it taught the students to be fearless and express dissent with the belief that somebody is there to support them in the event of a crackdown. As a result, student leaders such as Arief Budiman came up with stinging criticism of the New Order regime’s economic policies. The students were also elated with the success of their counterparts in Thailand who with a few days of rioting had managed to ease the government out of power.

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26 Quoted in *ibid.*, p.619.
27 This campaign was the result of the conflict within the military itself. One faction of the military wanted to use the force of the students by making them openly criticise their opponents.
Their disappointment, with the government’s policies shaped the ‘Petition of 24 October’, issued at a meeting of students at the University of Indonesia. It “protested against the violation of law, raging corruption, the abuse of authority, rising prices, and unemployment and called for a review of the existing strategy of development which benefited only the rich.”28 They forthrightly put forward their views before the Dutch minister for development cooperation during his visit to the country in November 1973. In a statement they declared “that we do not take pride in the results of foreign aid and foreign capital in the form of tall buildings and hotels, Coca Cola, night clubs etc. In the mean time more people are without jobs, homes, and land, our small textile industry has died, our forests have become barren, and our oil fields depleted.”29

This was followed by a number of visits by student delegations to government offices where they reiterated the drawbacks of the government’s policies. They were further encouraged by pronouncements in favour of a ‘new style of leadership’ from quarters such as General Sumitro’s. “General Sumitro, who the month before had annoyed students with a campaign against long hair,...toured the campuses, received student delegations, and held debates with intellectuals. At the end of November 1973, he declared that a ‘new style of leadership’ was needed. He promised it would begin the following April when the second five-year plan begin.”30 Along with the below par economic policy, the Aspri, the financial generals, the ‘cukongs’ and especially Mrs. Tien Suharto, wife of the President were subjected to harsh criticism. Ali Murtopo, Sujono Humardhani, Liem Siu Liong, Liem Bian Kil and Mrs. Suharto were specifically

28 Quoted in Crouch, n.12, p.311.
29 ibid.
pointed out. “The students issued a list of ‘Three Demands’ (Tritura 1974) calling for the dissolution of Aspri, lowering of prices, and eradication of corruption.”

On 11 January Suharto received representatives of thirty-five student councils. In an awkward, formal meeting during which the students raised the Aspri issue, the business activities of the senior government officers and their wives, and the government’s connections with the Chinese business community. In the meeting, a member of the University of Indonesia student council, in the name of the entire student councils attending, read out and submitted to the President a declaration composed of six articles. This declaration ran as follows: 1. Avoid centralisation of power; 2. Government institutions must be strong and must function; 3. Foreign policy must reflect national interests; 4. Unconstitutional institutions must be dissolved, such as the President’s personal assistants; 5. The Rule of Law must be firmly established and functions should be re-allocated to officials; and 6. Education must assist the building of Indonesia as a whole and provide accommodation for the forming of entrepreneurs. However, nothing much was achieved as Suharto remained non-committal. This must have exasperated the students.

31 ibid.
The Malari Affair:

The previous discussion was an attempt to trace the exact reason for the ensuing riots. While there can be no definite reason for the ‘Malari Affair’, all the simmering discontent in different walks of life in the country played a cumulative role in sparking off the trouble. Thus, though the reasons for the riots remain obscured, the outward purpose of the riots was to oppose excessive Japanese investment. It soon developed an anti-Chinese sentiment, reflecting the longstanding concern of the ethnically indigenous Indonesians (pribumi) about what was perceived to be an excessively firm ethnic Chinese grip on the domestic economy. In particular a small group of ethnic Chinese financiers and other intermediaries had provided fund and supplies to ABRI in return for political favours and corruption and profiteering was rampant.

It was also the result of a power struggle within Indonesia’s top military ranks. It reflected growing political tension within ABRI and a power struggle between senior officers.

“So what was, on the surface, a protest against a particular economic style, which seemed to include elements of an anti-corruption campaign, was perhaps also motivated by political manoeuvring among the country’s elite. Complicated and often secret agendas are hidden behind what superficially appear to be economic or otherwise straightforward issues. Such agendas reflect ‘palace politics’ and have historically played a part in Indonesian politics from the first years of the state.”

As a result, Japanese prime minister Tanaka’s visit to Indonesia was not expected to be free from trouble, given the anti-Japan sentiment running high in the country. It was more so, especially after his visit to Thailand and Malaysia, which was marred by anti-Japanese demonstrations. Just before the visit, the

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government anticipating trouble issued a public warning addressed to the students through the Commander-in-Chief General Maraden Panggabean. "The general said he had information that demonstrations were planned that might well escalate to the level of those which recently toppled the government in Thailand. Any such action...would be treated as nothing less than treason and would be firmly dealt with."35

However, the level discontentment was much higher than what was perceived by the regime. The student demonstrators were encouraged by stories that a major confrontation was in the offing between General Sumitro and General Ali Murtopo. Earlier, Murtopo had made "appeals for students to halt demonstrations, charging that there grievances were without substance and further implying that they were being manipulated by outside forces."36 The student protest, however, never failed to cease. Rather it gained more momentum in the form of demonstrations in front of offices of Ali Murtopo and Sujono Humardhani and demands were made for the abolition of extra-constitutional bodies like the Aspri and the Kopkamtib and the annulment of the 'dual function' doctrine which justified their existence.

Upon Tanaka's arrival, he was greeted with hundreds of student protestors with posters attacking Japan for an 'economic animal' approach to Indonesia. Originally it was planned to be peaceful demonstration by the university students in protest against Japan's policies towards Indonesia. They had planned to march up to the Merdeka Palace where President Suharto was holding talks with the Japanese prime minister. There is every reason to believe that the entire plan was

neatly organised. Each of the demonstrating students had a blue card with the stamp of their respective university upon it. When anyone of the student council would be arrested and taken away, he would hand over his blue card to another friend, who had not been arrested. These cards were apparently made by the students to prevent any other person creeping into their ranks.\(^37\)

However, things went completely out of control when the students were joined by large number of youth. “It appears that for the most part university students were not involved in the destructive actions and it was generally observed that most of the rioters were of a younger age, 15-19 years old, many of them coming from the ranks of Djakarta’s unschooled and unemployed.”\(^38\) Thus, as a result the students who were carrying placards reading “Tanaka Arrives and the Sellers of the Nation are Glad”\(^39\), swelled into a destructive crowd of nearly 20,000 which engaged in rampant burning of Japanese-made cars, and looting of commercial outlets and shops of Japanese manufactured goods. This happened in spite of the complete care taken by the university students to maintain the purity of their composition.

Initially there were reports suggesting that the police and soldiers never tried to stop the peaceful demonstrations. Instead they smiled at the placards and waved at the students. Once the demonstration reached the presidential palace, it turned destructive. They started, “pushing the Japanese-made cars into the canal that runs nearby. Shortly afterwards the first cars were set aflame. And soon attacks began on Japanese-made car distributors and shops stocked with Japanese

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\(^{38}\) Gary Hansen, n.36, p. 151.

\(^{39}\) *Newsweek*, January 28, 1974, p.8
The crowd turned more violent and the destruction was accompanied by shout like Gantung Japong (Hang the Japanese).

The incident provided the opportunity to people to give vent to their overall desperation. Thus, as a result, the riots, which targeted the Japanese and their concerns initially, grew to engulf the other groups as well. Attacks began on Chinese-owned establishments, sometimes accompanied by shout that Chinese businessmen were agents of Japanese economic exploitation, sometimes with no reasons indicated. Among the many shops destroyed was also the warehouse of the Astra Motor Corporation with which the President’s wife was associated.

Disturbances continued on the second day also. The huge Senen complex was burnt and looted. After the large-scale rioting the government imposed a curfew and closed down the universities on the 15 January. The troops, who refrained from taking any firm action on the first day of the riot, resorted to shooting on the second. It resulted in several deaths, including a dozen at the Senen shopping complex. Situation was brought under control only on the 17th of January. But by then the toll of violence and destruction had left a deep scar on the Indonesian psyche. The incident left 11 youths dead with many more injured. Nearly 800 people were detained for interrogation. The riots also accounted for over 100 burnt buildings, thousands of looted shops and over 800 destroyed cars. Interestingly the figures provided by Kopkamtib a month later revealed that of those arrested only fourteen were university students and eighty-three school children, while half were labourers.

The affair got its name from the shortened version of the Bahasa Indonesia-

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40 ibid.
41 For details see Gary Hansen, n.36, p.152.
42 Hamish McDonald, n.30,p.138.
an expression of ‘Malapetaka Limabelas Djanuari’ or the ‘Disaster of 15 January’. It indeed was a disaster for the government for it demonstrated that even after eight years of the New Order government there exists the basis for violent dissent against official policies. It also showed that there could be criticism within the ranks of the army officers as well. And unless it was kept within control, it would acquire dangerous proportions.

Role Played by General Sumitro:

This incident had tremendous fallout. However, before dealing with that, it is important to touch upon the role played by the specific army generals during the event. This will also serve the purpose to ascertain whether any of their actions, in fact, precipitated the crisis. One man who emerged as controversial after the incident was General Sumitro, the deputy commander of the armed forces and the head of the armed forces internal security command, Kopkamtib. Sumitro, one of the most professionally skilled and politically astute officers in the Indonesian army, was given the task of establishing control in East Java immediately after the coup attempt of 1965. Later he was appointed as the chief of staff to the Defence minister and supervised the reorganisation of the armed forces in 1969. Afterwards he was appointed as the Deputy commander of Kopkamtib under Maraden Panggabean, who was to become the Defense Minister and the Commander-in-Chief. Automatically Sumitro became his deputy as well as the Commander of Kopkamtib. Events in and after 1973 showed that he had grown opposed to the political activities of Ali Murotopo and Sujono Humardani. He was said to be dismayed at the degree of military interference to achieve a Golkar
victory in the 1971 elections, and disappointed at both the calibre of representation in the *Golkar* faction and its public reception.\(^4^3\)

His role needs to be analysed in the light of his involvement in the ongoing debate among the armed forces on the issue of the role played by certain ‘financial generals’ and other issues. The chapter has already dealt with the competition between the two groups and their leaders. General Sumitro who headed the group of the younger generation of army officials was dealing with President’s close associates such as Ali Murtopo and Sujono Humardhani. While analysing Sumitro’s role in the ‘Malari affair’, his role in other protests that rocked the archipelago previously also needs to be looked into.

It is a fact that Sumitro always looked out for opportunities in which he can play a role, which will nurture a support base for him. He took care to take advantage of situations, which the turbulent Indonesian politics presented him frequently, to widen his sphere of influence. Sumitro had given enough indication of his aspiration by talking about a ‘new style of leadership’ and he had predicted that this new leadership might take over as early as the beginning of Repelita-II. It was interpreted in terms of Sumitro fashioning himself for the top post. This had warranted a reprimand from the President as well. Though, Sumitro had to duck for the time being, only few had any doubts regarding his future ambitions. Not only this incident, but also a couple of others had made Sumitro stand out as a primordial contender for the President’s post.

Earlier we have dealt with the interference of the financial generals in the internal affairs of the Muslim groups and other political parties. This was quite annoying for the latter who interpreted it as anti-Islamic. Suharto’s personal

\(^{4^3}\) *ibid*, p.135.
commitment to mystic Javanism had already become a talking point in Indonesia. “For the Muslims any encouragement of traditional beliefs among the ethnic Javanese could result potentially in a massive decline in the Islamic community.” In addition, the presence of figures such as Sujono Humardhani in President’s close quarters was also disturbing. “...Sujono epitomised the elegant conjunction of mystic, economic and political skills aspired to by the Javanese statesman and courtier. He soon became noted as a guru to Suharto, drawing on himself epithets ranging from ‘Minister for Mystical Affairs’ to ‘Rasputin’.” Javanese mysticism also, subconsciously, influenced the choice of the Banyan tree as the symbol of Golkar.

Thus, there remained an iota of suspicion in the minds of the Muslim groups about the intention of the regime and its policy makers. The repeated attempt of the Department of Religious Affairs, since 1967, to pass a law on Muslim marriages had not materialised in the face of opposition from the would-be-affected groups. This law would have enforced Islamic law, with sanctions, on all Muslim couples. In August 1973, the government introduced a new bill proposing a single marriage law for all Indonesians. The Islamic courts organised by the Department of Religious Affairs were to be given a minor legal role compared to civil registration. This is believed to have the brainchild of the head of the intelligence network Opsus (Operasi Khusus, or Special Operations) and former Suharto aide Ali Murtopo. However, this law gave rise to a lot of convulsion in the Indonesian society. Especially the points involving inter-religious marriages, adoption, inheritance, marriageable age, polygamy, and remarriage attracted a lot of criticism and were attacked of being anti-Islamic.

44 ibid., p.131.
45 ibid.
Gradually the protests acquired a larger shape by emphasizing the point that the
government’s step is an assault on the fundamentals of Islam. It also talked about
the regime’s role in promoting sexual activity outside the parameters of family.
The leaders the protests censured the other ‘sinful’ activities promoted by the
Catholics and the Javanese mystics, represented by the Chinese and the foreigners,
such as the mushrooming of massage parlours, casinos and poker machines in the
cities, and also the immodest Western style of dress and behaviour infecting the
young. This is where General Sumitro stepped in.46 He along with General Sutopo
Yowono, head of the Intelligence agency ‘Bakin’ not only refrained from taking
action against protestors but also initiated discussions with the Muslim parties
which ultimately resulted in a legislation, which was much more accommodative
of the injured sentiments. The truncated legislation resumed its emphasis on
religious courts and the individual marital laws of each religion.

Thus, every opportunity was used to bolster his position and to create a
support base. After the reprimand of January 2, which Sumitro received from
Suharto, there were incidents which pointed at Sumitro’s seeking of support from
dissidents such as A. H. Nasution and the disgruntled governor of the Military
Academy at Magelang, Sarwo Edhie. “Among the generals who believed that
Suharto should step down was Lt General Sarwo Edhie Wibowo, who was highly
influential in persuading Sukarno to hand over effective control of Indonesia to
Suharto on 11 March 1966. Sarwo Edhie, as commander of the RPKAD (Resimen
Para Komando Angkatan, or Army Para-commando Regiment), had been given
the task by Suharto of restoring order in Jakarta after the 30 September and 1

46 Sumitro’s sympathetic attitude towards the Islamic cause was probably because of the fact that
he himself had two wives and could’ve faced the rough weather as a result of the proposed law on
polygamy. Thus, primarily, he was saving his own skin and at the same time, furthering his bigger
designs.
October 1965 incidents, including at the Halim air base. Hartono Rekso Dharsono and Kemal Idris were also influential in helping bring Suharto to power by forcing Sukarno’s hand in 1966. … only Amir Machmud remained loyal to Suharto.” On 11 January Sumitro and Nasution had separately visited Edhie in Magelang and held discussions with him. Thus, there was a ploy that the simmering discontent among the students could be used to weaken the position of Murtopo and Humardhani. Tanaka’s visit presented the most opportune moment, as both Murtopo and Humardhani were known for their pro-Japan stance.

“In the days before Tanaka’s arrival on the fourteenth, the restraints were further loosened when students demonstrated at Ali Murtopo’s office and burned effigies of Tanaka and Sudjono Humardhani in Jakarta and Bandung.” This must have encouraged the students who went on to plan a meticulous demonstration. On 15 January, amidst violence and destruction galore, Sumitro reportedly addressed the students from a jeep and remarked that, “the government was good but certainly there are some people among us who are not good.” Nothing much was left to imagination regarding who he was referring to. Indulging in this sort of activity in an already tense scenario meant fresh lease of support to the demonstrators. This happened in spite of a detailed arrangement by the security agencies to maintain law and order with over 11000 troops on stand by around the city. Before Tanaka’s arrival a meeting of the leadership of the Department of Defence and Security/Armed Services had taken place which reiterated its preparedness to face any eventuality. The details of the meeting were conveyed to the President by the commander of the armed forces General M. Panggabean.

47 Damien Kingsbury, n.34, p.104.
49 Quoted in ibid., p.315.
However, the master plan of reducing the influence of Murtopo and Humardhani by propping up a demonstration against Tanaka was a miscalculated one. Apparently Sumitro never had any contingent plan in place in the event of the situation going out of hand. Thus, when the situation actually went out of hand, Sumitro, but for his soft approach towards the students, looked like the prime conspirator.

Then came a twist in the approach. When Sumitro realised that he might have to take all the blame for whatever has happened, he tried to match Murtopo in the process of crackdown on the students. In this race both of them appeared all too eager to step into the President’s shoes. In a dramatic turn about on the night of 15 January Sumitro appeared before the press along with Ali Murtopo and Sujono Humardhani to declare stern action against all those who had been directly or indirectly involved in the riots.

A new twist was given to the ongoing student dissent by terming it as ‘makar’. It was said that the students are in the process of forming forces to overthrow the regime. By any standard, this allegation was of a serious nature and had wider repercussions. Both the armed forces and the Kopkamtib declared, without mincing words, that they are determined to face it. However, all this can be seen in the light of both Sumitro and Murtopo’s attempts to make amends for their mistakes and seek President’s confidence. At the same time rumour kept circulating in Jakarta regarding the factors behind the riots during the Malari affair. It was said that the rioting had been instigated by Ali Murtopo’s agents as a means of discrediting Sumitro.

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All this pointed towards a single fact. Malari brought out into open the whole façade behind the talk of unity and cohesion in the military. It proved beyond doubt that even the army suffers from human qualities such as cut throat competition, rivalry, jealousy. The way General Suharto came to occupy the top position in the country set an example for other power hungry generals as well. ‘If Suharto could, why can’t we?’ This question which created optimist doubts pushed them to attempt something extra-ordinary, i.e. to countenance dissent against the regime. This was welcome for the beleaguered opposition groups who had barely managed to sustain themselves in the face of enormous oppressive measures. The result was ‘Malari’. Even a modestly planned demonstration acquired a destructive nature and it shook the regime by its very roots. It made the regime realise that it too could do wrong. Malari pressed it hard to take a deep breath and ponder about the maladies of the system. As a result, Indonesian politics had to witness certain metamorphosis in the near future.

Fallout of Malari:

“It was the kind of crisis which in other countries has often persuaded military rulers to begin withdrawing from the task of government and indeed many observers predicted that the New Order regime would lose heart. Suharto, however, responded with a major new initiative to consolidate his rule by establishing a corporate state.”52 True to the spirit of authoritarianism, Suharto began his amendments by blaming the principles of democracy for all the trouble. He said that the disturbances overtaking the capital were due to “the careless use of liberties in democracy...Democracy is regulating ourselves so as to live in society in an orderly way. But the use of democratic rights that will clearly have

52 Robert Cribb and Colin Brown, n.11, p.128.
negative consequences, that spoil the orderly and peaceful life of the nation, clearly besmirching the meaning of democracy itself, certainly can not be allowed and must be avoided."\(^{53}\) Major General Murtopo chose to strike a philosophical chord while he expressed the hope that "the students would immediately make a clean-up within their own bodies so as to be able to prevent further use being made of them. In this way, the students will be able to prepare themselves in order to give constructive and real service to the nation and state."\(^{54}\)

The Malari Affair did not immediately transform Indonesian politics, but it marked a gradual change of direction. "Until Malari the New Order regime relied potentially on a platform of economic performance, political repression and managed political participation. Another platform was added to these existing platforms, that is the ideological control. The New Order regime which had launched itself in 1966 as an administration of non-political managers now began seeking to shape Indonesian society to match its own ideological vision."\(^{55}\) Hysterical statements apart, real action soon followed. It was a two pronged approach aimed at firstly, punishing the culprits and secondly, trying to assuage fears and proving that the regime does care for its population.

**(i) Bans, Closures, Arrests, and Punishments:**

It was a time for 'witch hunting' in Indonesia. The regime started with a renewal of political repression. The first target of the regime’s crackdown machinery was the press. In a view to scuttle independent news publication and its dissemination among masses, it chose to close down the offices of several newspapers. They were accused of misinformation and biased reporting during the


\(^{54}\) *ibid.*, p.24.

\(^{55}\) Robert Cribb and Colin Brown, n.11, p.129.
riots which aggravated the situation. Included in the closures were six Jakarta dailies (Harian KAMI, Indonesia Raya, Nusantara, Abadi, Pedonan, and the Jakarta Times), along two regional dailies (Suluh Berita in Surabaya and Indonesia Pos in Ujung Pandang) and four weeklies (Mahasiswa Indonesia, Mingguan Wenag, Pemuda Indonesia, and Ekspres). Ten of these twelve newspapers were closed permanently, with two reappearing with changed mastheads and diminished staff (Pelita replaced Abadi, and the Indonesian Times replaced the Jakarta Times).

Many journalists were held without trial, or were blacklisted, requiring clearance from the Director General of Press and Graphics before being allowed to work again. The authorities would not let former editorial staff members of these papers work on other publications. Thus, Rosihan Anwar, a President of the Indonesian Journalists Association was not allowed to work as a journalist after the closure of the newspaper, he used to edit, ‘Pedonan’. The distinguished journalist Mochtar Lubis was arrested for the purpose of finding out his possible involvement in the affair.

The attacks on press freedom, after this, became recurrent feature and continued throughout the year. In November while banning another daily the government announced that the daily had erroneously reported an incident of a pickpocket being beaten to death by bus passengers. The government claimed that the pickpocket had not died and charged that the newspaper account constituted an example of irresponsible reporting. Government spokesman added that stories like

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56 Kingsbury, n.34, pp.153-4.
57 Mochtar Lubis was imprisoned for more than nine years by the Sukarno regime because of his exposure of political and administrative malpractice, and he was one of the Indonesian prisoners of conscience adopted by Amnesty International before 1965.
this could give rise to ‘anxiety and negative feelings’ among the public.\textsuperscript{59} Incidents like this revealed the government’s level of intolerance and its resolve for news black out. Previously, keeping in line with the no nonsense approach, the military authorities in central Java ordered all non-governmental radio stations in the province not to broadcast statements or announcements coming from local student bodies and threatened them with stern actions in case of violation.\textsuperscript{60} A heavy handed academic Daud Jusuf was appointed minister of education with the task of depoliticising the universities, whose students had played an important role in the riots. The regime on 17 January announced a six-point programme providing for press controls, suppression of political activities in schools, closer ties between the executive and the parliament, prosecution of those involved in the riots and restoration of normal economic life in Jakarta. The announcement came after an emergency high level meeting chaired by the President and attended by the vice-President, eight top military chiefs and seven cabinet ministers. The six decisions announced provided for:

Firstly, ‘regulating’ the exercise of democratic rights of assembly, political activities and expression. This included a reaffirmation on a ban on all demonstrations, control on newspapers and mass media and suppressing all political activities in schools and universities.

Secondly, measures to prevent any action that may endanger state security.

Thirdly, efforts to develop mutual understanding between the government and parliament and between the government and social and political forces that may be beneficial for the development of democracy.

Fourthly, investigation of those responsible for the Jakarta riots.

\textsuperscript{59} Gary Hansen, n.36, p.153.
\textsuperscript{60} Strait Times (Kuala Lumpur), 25 January 1974.
Fifthly, firm steps against all those found to have been involved in criminal acts.

Sixthly, measures to facilitate the return of life in Jakarta to normal especially in the way of rice supplies and basic commodities.\textsuperscript{61} The journalists, however, were not the only people to get arrested. In a determined move to stamp out dissent the regime used its forces of containment to keep the mouths shut. Discriminating raids on individuals singled out as the intellectual driving force of the protest movement were carried out in which some "forty-five people were arrested...By the end of February this group contributed all of the forty-two people still held over the Malari affair."\textsuperscript{62} They included several student leaders and noted long time critics of the New Order's political and development strategy. Prominent among them were Rachman Tolleng, Adnan Buyung Nasution, and Professor Sarbini. Generally their arguments were based on the reformist ideals such as concepts of individual rights and government responsibility, opposition to Suharto's heavy reliance on foreign aid and investment. Those detained were not the only ones to suffer: a former Ambassador to the USA, Sudjatmoko, was among several forbidden to travel abroad. He was subjected to restrictions in spite of the fact that at the time of the incident he was not only the special advisor to the Indonesian Planning Agency, 'Bappenas' but also he had long standing association with organisations such as the Ford Foundation. He was suspected to be one of the brains behind the whole affair and was subjected to three weeks' intensive interrogation. The other notable case was that of Dr. Deliar Noer, who received his doctorate at Cornell University in the United States and was a member of Suharto's personal political advisory staff. At the time of the incident

\textsuperscript{61} Guardian (Rangoon), 19 January 1975.
\textsuperscript{62} Hamish Mcdonald, n.30, p.138.
he was the President of the Jakarta Teachers' College. He was barred from teaching at any university-state and private on the charge of harbouring independent ideas.\(^6^3\)

In August Hariman Siregar, former chairman of the University of Indonesia’s student Council and one of the most visible and outspoken critics of the regime, was brought to trial on the charge of subversion, a crime punishable by death. Subsequently, two other student leaders, Sjahrir and Aini Chalid, were also tried. The prosecution sought to establish that they were the ring-leaders of the affair, but none of the evidences produced in the court proved that any of the student leaders were personally responsible for the Malari riots. However, one was released only in August 1976 and the other in October 1976. Sjahrir continued to serve a six and half years’ sentence.\(^6^4\) The trials of the student leaders were nothing more than political show trials intended to camouflage the regime’s embarrassment over widespread criticism of its failures in its development programmes and the ensuing riots.

On 28th January Suharto abolished the council of Aspri; removed Sutopo Yuwono from Bakin and dispatched him as ambassador to the Netherlands; and assumed personal command of Kopkamtib, leaving Sumitro as Deputy Armed Forces Commander. Suharto then placed two trusted comrades from his old campaign into the day-to-day security positions. General Yoga Sugama became head of Bakin and Admiral Sudomo, Chief of Staff in Kopkamtib. Sumitro refused an offer of the ambassadorship to Washington. Early in March 1975 he offered his resignation, and abruptly left the political scene to “play golf and tend his private

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interests, though he remained influential within the armed forces and continued to be a vocal critic of Suharto. He was replaced as deputy head by General Surono. Sarwo Edhie was posted as ambassador to South Korea, an appointment widely believed as nothing more than a shunting move.

The occurrence of a riot of such magnitude definitely called for fixing of responsibilities. While President in his address tried to interpret the various authoritarian measures implemented after the affair in terms of saving the democratic life in Indonesia, blames were quickly passed on to different persons and bodies for the orchestration of the riots. Ali Murtopo among others stated that the main plotters behind the incident were former leaders of the banned Masyumi and PSI (Socialist) parties. Charges were also leveled against the communists. Security and Defence minister General Maraden Panggabean accused that communism had infiltrated among the demonstrators and fired shots causing panic.

Of the 800 or more detained during and after the riots, most were released or charged with misdemeanours, but 42 individuals remained under detention. The detainees included well-known politicians, academics, youth leaders and civil libertarians, as well as several army officers. The government’s case against these individuals became known only in March when Admiral Sudomo, new chief of staff of the Kopkamtib announced that they would be tried under the subversion law of 1963. Sudomo alleged that the riots were really a part of the larger conspiracy to overthrow the government. He also alleged that former members of the banned political parties were the main plotters and the student leaders were the

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65 Hamish Mcdonald, n.30, p.139.
frontline organisers. Interestingly in January Murtopo had alleged that the results of interrogations revealed that the basic attempts behind the riots were to change the 1945 constitution and to topple the legal national leadership.

There was no action against the technocrats. The real victors of the incident were the Aspri who retained their important positions. However, Suharto took care not to allow any of his personal advisors gain pre-eminent positions. The incident held out a lot of promise, but in the end concrete gains amounted to minimum. However, it built up the foundation for future protests which periodically challenged the regime, with help from men inside the regime. A regime, which built itself around one man for far too long, automatically creates a number of men who nurture personal ambitions. These men take advantage of each opportunity to weaken the regime by helping opposing forces. However, such help do not really go beyond a point and ultimately does not prove to be enough if the regime is strong enough to withstand periodical challenges. This is what actually happened in case of the Malari affair.

"The Malari riots marked the end of the last direct challenge by other generals for authority within the new government. It was not until the mid to late 1980s that such a strong source of opposition would again emerge, this time with the aim not so much of displacing Suharto but of determining his eventual replacement."

(ii) Reforms:

This distinct willingness on part of the regime to use heavy-handed methods to enforce its will was accompanied by a positive response too. The aftermath of the affairs witnessed several policy changes by Suharto, the primary objective of,
which was to cool the political scene. “Changes to investment laws emerged, speeding up the process of local share divestment for foreign companies and stipulating higher levels of pribumi equity in domestic investments within set periods.”

The riots also forced the government to take action on a number of fronts in dealing with student discontent. The regime seemed to accept the fact that its economic policies are too accommodating to foreign capital. On 28 January the National Stabilisation Council announced a series of measures to assist indigenous entrepreneurs (pribumi) and a second set of regulations designed to curb corruption and the abuse of authority for financial gain within the government bureaucracy.

“It began to close the domestic consumer sector including formerly lucrative areas such as textile production to foreign investors and began directing foreign investment into areas where Indonesians lacked skill and/or the capital to make significant progress. In May 1975, the government banned new foreign investment in logging and used tax and other incentives to begin channeling timber investors into value-added activities such as pulp, paper and plywood manufacture. The previously generous regulations, which gave foreign investors a high degree of control of their operations, gave way to a requirement that all future foreign investment take the form and substance of joint ventures with Indonesian entrepreneurs.”

Suharto also sought to restrain the more excessive displays of luxury by officials through the code for the ‘simple life’. Officials were to no longer organise lavish parties or to frequent such places as nightclubs and steam-baths. The import of built-up cars was banned, as was the availability of ‘luxury’ cars, defined as the Mercedes 300 and above or those of more than four-litres engine capacity. Finally Suharto moved to curtail the independence of Kopkamtib, and to

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70 Hamish McDonald, n.30, p.139.
71 Robert Cribb and Colin Brown, n.11, p.130.
improve the conditions of the rank and the file of the armed forces whose friendliness towards student demonstrators had caused concern.

In the political field the reforms acquired a prohibitory nature and did not allow a level playing ground for political parties wishing to contest the elections along with the official agency ‘Golkar’. A new law, passed in 1975, made it virtually impossible for the political parties to win an election. First, the law restricted party activity in rural areas, where the bulk of the population still lived, by preventing the parties from establishing branches outside district (Kabupaten) capitals and by declaring the rural population to be a ‘floating mass’\textsuperscript{72}. Second, elections became even more tightly controlled. Contestants were not permitted to question the broad outlines of state policy, on the grounds that this had been decided by the MPR as sovereign representative of the Indonesian people, but could only offer comments on how the broad outlines had been implemented. To ensure uniformity, the parties, along with Golkar, were required to submit all electoral material especially campaign slogans, in advance for vetoing by the electoral commission.

The clearest sign of this new political change was the increased prominence given to the concept of ‘Pancasila’ after 1974. Before 1974, this concept had been a vague, cover-all slogan whose chief message was that no ideology was to be permitted to dominate Indonesia. However, in 1974, Suharto established a commission to turn the ‘Pancasila’ into a practical guide for life and policies in Indonesia.

Malari ended as a clear victory for the financial generals. As a result, it proved

\textsuperscript{72} By this term, the government meant that rural people should not be drawn into political activities except at the election time, so that they would not be distracted from the tasks of national development, and so that they would be fully responsive to government instruction and advice.
a dampner for the groups harbouring interests different from the Suharto’s. Thus, such people drove home the point that personal loyalty to Suharto was instrumental in saving one’s skin in times of crisis. Having a support base in the army can be of some help, but if it comes to a direct confrontation with the President and his coterie, such a base will have its own limitations. Malari was a lesson for the regime as well. It demonstrated “the danger of allowing factional disputes within the nation’s leadership to spill over into- and possibly exacerbate existing tensions within- societal groups, be they civilian parties, the press, Muslims or student groups.” Thus, the regime acquired a more authoritarian form and henceforth, the opposition had to face a more determined regime bent upon crushing any overt attempt to express dissent.

It was a lesson for the opposition too. It was a learning experience and built the foundation for the future protests. While celebrating the first ever organised expression of dissent it needed to be kept in mind that the expression of dissent was possible due to the power-game within the regime. This was the parameter within which the opposition had to function in future and it was in the best interest of it to appreciate the rules of the game as soon as possible. It indeed, was a typical scenario of an authoritarian power structure in which open dissent is difficult to express. The very nature of the authoritarian rule creates potential troublemakers within the regime who nurture personal and other ambitions. The dissenters need to show a lot of patience and wait for the right moment. If they manage to combine their cause with another formidable ally with a similar sort of grievance, they will have a better chance to make an impact. In the absence of it,

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71 Adam Schwarz, n.14, p.35.
their show of strength, given the instruments of violence at the possession of the regime, will be just another protest, which can be crushed in no time.