

DRAFT

CONSULTATIONS WITH THE POOR IN INDONESIA



COUNTRY SYNTHESIS REPORT



Prepared for:
Poverty Reduction and Economic Management Network, The World Bank

by
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The findings, interpretations, and conclusions expressed here are those of the authors and do not necessarily represent the views of the World Bank, its Board of Executive Directors, or the governments they represent.

Preface

This study is part of a global research effort entitled *Consultations with the Poor*, designed to inform the *World Development Report 2000/1 on Poverty and Development*. The research involved poor people in twenty-three countries around the world. The effort also included two comprehensive reviews of Participatory Poverty Assessments completed in recent years by the World Bank and other agencies. Deepa Narayan, Principal Social Development Specialist in the World Bank's Poverty Group, initiated and led the research effort.

The global *Consultations with the Poor* is unique in two respects. It is the first large scale comparative research effort using participatory methods to focus on the voices of the poor. It is also the first time that the World Development Report is drawing on participatory research in a systematic fashion. Much has been learned in this process about how to conduct Participatory Poverty Assessments on a major scale across countries so that they have policy relevance. Findings from the country studies are already being used at the national level, and the methodology developed by the study team is already being adopted by many others.

We want to congratulate the network of 23 country research teams who mobilized at such short notice and completed the studies within six months. We also want to thank Deepa Narayan and her team: Patti Petesch, Consultant, provided overall coordination; Meera Kaul Shah, Consultant, provided methodological guidance; Ulrike Erhardt, provided administrative assistance; and the Institute of Development Studies, University of Sussex provided advisory support. More than a hundred colleagues within the World Bank also contributed greatly by identifying and supporting the local research teams.

The study would not have been possible without the generous financial support of the U.K. Department for International Development (DFID), numerous departments within the World Bank, the Swedish International Development Agency, John D. & Catherine T. MacArthur Foundation and several NGOs.

The completion of these studies in a way is just the beginning. We must now ensure that the findings lead to follow-up action to make a difference in the lives of the poor.

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GLOSSARY

Bidan Desa	Trained Community Midwife / Health Department employee
BKKBN (Badan Koordinasi Keluarga Berencana Nasional)	National Family Planning Board
BRI (Bank Rakyat Indonesia)	Government Owned Bank
Bupati	Head of District Administration
Camat	Head of Sub-district Administration
Desa	Village
Dinas Peternakan	Animal Husbandry Department of Local Government
Dukun	Traditional Midwife / Healer
IDT (Inpres Desa Tertinggal)	Program for Assistance to Backward Villages
JPS / SSNAL (Jaringan Pengaman Sosial)	Social Safety Net program
Kabupaten	District
Kecamatan	Sub-district
Kelurahan	Urban sub-district
Kepala Desa (Kades)	Village Chief
Kepala Kelurahan (Pak Lurah)	Administration Head of Kelurahan
Ketua RW	Neighborhood Chief
Ketua RT	Lower Level Neighborhood Unit Chief
Lembaga	Institution
LKMD (Lembaga Ketahanan Masyarakat Desa)	Community Residence Council – Part of Village Administration
LMD (Lembaga Masyarakat Desa)	Council of Community Elders
Masyarakat	Community
PDMDKE	Capital credit assistance to these hit by economic crisis. Part of government Social Safety Net program
Pelele	Fish wholesaler
PLKB (Petugas Lapangan Keluarga Berencana)	Family Planning Extension Worker
Populele	Mobile merchant who buys handloom cloth from weavers in NTT
PPL (Penyuluh Pertanian Lapangan)	Agriculture Extension Worker
Pustu	Primary Health Center Assistant (Health Worker)
Puskesmas (Pusat Kesehatan Masyarakat)	Primary Health Center
PKK (Pembinaan Kesejahteraan Keluarga)	Women's Family Welfare Movement
RW (Rukun Warga)	Neighborhood Unit
RT (Rukun Tetangga)	Second Level Neighborhood Unit
UEDSP	Group Credit and Saving activity for capital assistance to small industries, a program of the Ministry of Cooperation
UP2K	Credit assistance program from the National family Planning Agency for members of PKK

Rupiah (Indonesian currency)

In June 1999 - 1 US\$ = 7500 Rupiah

1. EXECUTIVE SUMMARY

How do the poor define well being and the lack of it? How do they prioritize their problems and strategies for coping? How do they rate institutions and interventions for poverty alleviation and the personnel administering them? How does the aspect of gender color the causes and consequences of poverty, according to poor women and men?

These are some of the questions that The World Bank is seeking answers to in the process of improving poverty alleviation policies and strategies for the 21st Century. And this time, it has gone to the best experts on earth for the answers, to the poor men, women and youth in 23 countries where poverty still reigns over millions of lives. This report presents the results of consultations with the poor in Indonesia, which was one of the 23 countries. Consultations were held in Indonesia during May – June 1999.

Purpose

The purpose of the consultation with the poor in Indonesia was to enable a wide range of poor people in diverse situations to inform and contribute to the concepts and contents of the World Development Report 2000/01. The study is also expected to improve the understanding of poverty issues in the country, thereby contributing to increasing the effectiveness of poverty alleviation strategies developed in Indonesia.

The study explored the following subject areas with groups of poor men, women and youth:

- ◆ their perceptions of poverty and well-being
- ◆ their priority problems and coping strategies
- ◆ institutional analysis, from the viewpoint of the poor
- ◆ gender relations in the household and community.

Scope and Methods

The study was limited in scope to 12 locations in Java and the Nusa Tenggara Islands. It used a specific set of participatory and qualitative methods developed globally for studies carried out simultaneously in 23 countries between February – July 1999. Researchers for the 12-member study team were drawn from several Indonesian academic and research organizations and field-based NGOs.

Location and Sample

In view of the high concentration and proportion of the country's poor in Java, two-thirds of the sites were located on Java. A total of 12 districts were selected based on August, 1998 poverty data from district level 4 in West Java, 2 in Central Java, 2 in East Java, 1 on West

Nusa Tenggara, and 3 in East Nusa Tenggara islands. A half and half mix of rural and urban communities was selected within these districts, using several other criteria of varying distances from district centers and a mix of hilly, plains, and coastal communities with varying patterns of livelihoods. A total of 57 groups (876 persons) of men, women and youth were met in the course of the study, in addition to 55 individuals interviewed in-depth. Fieldwork was done during May and the latter half of June 1999, when Indonesia had just begun to show signs of recovery, albeit still a fragile one, from a severe economic crisis that hit the East Asia region during 1997.

Findings

Perceptions of well-being and poverty

1. At most sites the groups identified 4 main well-being categories. They are given a variety of local names that mean: i) the rich/well-off/good life/elite/happy/prosperous, ii) the middle income/modest/better-off/sufficient/"*hit by monetary crisis*"; iii) the poor/simple living/less able/less aware and iv) the very poor/miserable/ hopeless/helpless. The characteristics listed to describe all categories were: economic (50 per cent), related to access to protective and developmental services (25 per cent) and related to the quality of family and community life (25 per cent).
2. The most important causes of urban poverty were ranked as: i) loss of jobs along with lack of alternative earning opportunities; ii) lack of capital/access to capital to operate one's trade; iii) low-educational levels and lack of skills for earning; and iv) exorbitant rise in prices of food and essential commodities. The most important impacts of urban poverty were identified as: i) food insecurity; ii) children withdrawn from schools; iii) indebtedness; and iv) increased crime.
3. The most important causes of rural poverty were ranked as: i) lack of land ownership; ii) lack of access to capital/tools for production; iii) low motivation and capacity to work and iv) unbelievable hikes in food prices. The most important impacts are: i) children withdrawn from school; ii) inability to access credit; iii) food insecurity; and iv) indebtedness.
4. As compared to 10 years ago, well-being was perceived to have increased at five out of 12 sites (2 in Central Java, 1 in East Java, 1 in NTB, 1 in NTT). There was no perceived change at site 1, in Central Java. Minor increases in poverty were perceived at 2 sites, both in NTT. Significant increases in poverty were perceived at 4 sites, all in West Java.
5. All West Java sites, both urban and rural were the ones hit hardest by the economic crises and contained mostly the 'new poor'. East and Central Java sites were hurt to a lesser extent and had benefited due to improved infrastructure and more productive agricultural practices since 10 years ago. The NTT sites had older patterns of poverty linked to the isolated locations of the communities and the vulnerability of their assets (crops and animals) to pests, weather, and animal disease. Some NTT communities had enhanced well-being due to higher returns now from export and cash crops such as cocoa and candlenut.

6. The urban poor feel greater insecurity now, due to a combination of: a) job losses and having to move to lower paying, less regular kinds of work; b) increased prices of food; and c) increased crime, drinking and gambling – due to high unemployment and school dropouts.
7. Insecurity has increased greatly for the rural landless because: a) agricultural labor opportunities are fewer and income per person lower, due to a sudden increase in number of people seeking agricultural labor opportunities; b) they must buy all of their food, which has increased 300 per cent in price since 1997; and c) the major alternative source of income for the slack agricultural season, i.e. urban construction labor, has dried up with the economic crisis.
8. Economic mobility upwards was seen as impossible at half the sites, but not at the rest. Those who have climbed out of poverty are not necessarily better educated or better off to start with. What they have in common is the ability to somehow save a part of what they earn and build up capital. Successive investments and growth of the capital from small to larger assets and diversification of means of earning are the strategies adopted by them.
9. Strong social cohesion among the poor was reported both at urban and rural sites. The poor have developed a range of intra-community support systems to cushion their lives against economic shocks. These mechanisms are, however, overlooked by poverty alternative programs, which usually attempt to establish new groups around activities funded by them.
10. Poor communities at the study sites did not experience blatant social exclusion. Poor households and women are however routinely excluded from community-decision making processes, due to those processes and mechanisms being designed as the prerogative of the male elite group members who occupy formal leadership positions. ‘Inclusion’ and ‘participation’ are concepts understood by poor communities in very limited ways due to past experience, i.e. only as being informed of decisions by community leaders. Nevertheless, there were indicators in the study that the situation has begun to change and the poor have started to question, articulate and insist, whereas they had accepted silently before.

Priority Problems of the Poor

- Priority ranking of problems varied significantly with regions and rural/urban locations. The foremost problem of the urban poor is the difficulty in earning incomes, due to massive lay-offs and paucity of alternative earning opportunities. Lack of access to capital to ply one’s trade was second, followed by poor environmental sanitation, exorbitant prices of essential goods and the inability to continue children’s schooling.
- Rural groups identified lack of working capital/capital assets for (mainly agricultural) production as their top-ranking problem. ‘Exorbitant prices of food and essential commodities’ was second. Low access to markets (poor roads and transportation) was third. Damage to crops from pests and weather was fourth.
- Urban women placed poor water supply and environmental sanitation high in their priorities, i.e. their second most important problem, while men placed it 8th. In general women perceived a higher number and variety of problems than men did.

- The regional pattern of problems indicated the greatest impact of the economic crisis at West Java sites, where most of the problems were those of the ‘new poor’. East and Central Java had a mixture of new and old problems. In NTB and NTT the problems are mainly those of old poverty, less related to the economic crisis.
- Problems seem to have increased in number as compared to 10 years ago. According to the majority, the situation has improved significantly in terms of people’s access to electricity, roads and transportation facilities (in Java) and education levels of families. To a lesser extent water supply and sanitation facilities were also felt to have improved.
- Problems that remain unchanged in intensity are the lack of access to capital/capital assets (according half the groups), poor roads and transportation facilities (in NTB, NTT) and the unaffordable costs of children’s education (according to a third of all groups).
- According to half or more of the groups, the problems that have worsened since 10 years ago are the paucity of earning opportunities, lack of capital/capital assets, the unaffordability of children schooling, exorbitant prices of food and essential commodities and poor environmental sanitation. About one third also feel that the problems of floods, access to clean water and markets have worsened since 10 years ago.
- The poor are coping with their problems using mainly their own community networks of mutual support groups and private sector credit institutions such as pawnshops, moneylenders, merchants and local shops. The laid-off workers have shifted to less regular and lower paying work in the urban informal sector, or have returned to villages to work as agricultural wage labor.
- To cut costs they have reduced the frequency of meals to 2 or even to 1 per day. Expensive rice is often substituted with corn or cassava porridge. Staples are eaten without accompaniments except for salt, desiccated coconut or dried fish. Small domestic animals are sold off to buy staple foods.
- Children have been withdrawn from school in large numbers. Only at 3 sites out of 12 the consultation groups had awareness of the JPS scholarships. Their children did not receive them. At 1 site the groups reported that some poor families (other than them) had received a few. The village officials’ children had received scholarships, invariably.
- Poor communities have a wide range of indigenous mutual support mechanisms that operate as groups with clearly defined rules and sanctions. They fulfill specific economic needs of their members and span activities for agriculture, saving and credit, meeting funeral/wedding expenses, livestock breeding and other local-specific needs. Channeling assistance to these groups rather than organizing new ones is likely to yield higher and more sustainable poverty alleviation impact.
- The government’s social safety net (JPS) programs had not reached the consulted groups in many places. At 7 out of 12 sites there have been sales of subsidized rice several times over the past year. Only at 1 site the poor received their full allocation of 20 kilograms per household. Elsewhere they got 3-10 kilograms only. Mistargeting complaints were reported at 4 out of the 7 sites. ‘*Kartu Sehat*’ (health card for free medical services) had been received at 2 sites. Only

at three out of 12 sites did people know about JPS scholarships for school children. Of them, only at one site were poor children reported to have received any. Credit for income-generating activities had been received at 6 out of 12 sites, but generally not by the poor, due to their deemed lack of creditworthiness. The credit assistance had been given to people with established business/trade and friends/relatives of village officials. Employment generation programs (*Padat Karya*) had reached 5 out of the 12 sites. Positive benefits were reported for the poor from two sites. Elsewhere it was too little, for too short a time or carried out for a purpose not very useful to the poor. Women's participation in *Padat Karya* programs was negligible.

Institutional Analysis

1. Although the poor are aware of a large number of institutions that touch their lives, they selected only a few as the ones that are important to them and valued and trusted by them. There were rural/urban and gender differences in their ranking of institutions according to importance effectiveness, trustworthiness, and responsiveness to the poor.
2. Some institutions ranked high on most aspects by most groups (rural/urban/men/women); these were religious prayer and learning groups (*Pengajian/Tahlilan, Majelis Taklim/Sekolah Minggu*), the neighborhood association chiefs (*RW/RT*), and informal savings/credit groups (*Arisans*). In addition, women gave high ranks to *PKK* and village government officials (rural women only).
3. The urban poor depend mainly on indigenous community-based institutions and private sector agencies providing micro-credit such as private banks, moneylenders and pawnshops. The rural poor rely on a larger variety of informal community-based institutions and village government officials, and get their credit in kind from local shops.
4. No government services or programs or any NGOs were included among the institutions the urban poor select as their top 5 choices in terms of importance, effectiveness, trustworthiness and openness to community influence. Rural women consistently excluded village councils (LKMD, LMD) and government programs for poverty alleviation when ranking institutions according to importance and effectiveness. Both men and women, in rural and urban areas agreed that they could not influence government programs at all. In their opinion this was the primary reason why government programs had so little impact on poverty.
5. Effectiveness and trust are the most important criteria by which the poor judge institutions. According to them an institution is effective when it is proven to be able to solve their problems, is easily accessible and prompt in response, and is willing to consult them and decide the forms of assistance with them. They gave examples of the Church (NTT), *Yayasan Ibu Hindun* (private bank in NTB), *WTM-FADO* (NGO in NTT).
6. The poor trust an institution which is transparent and fair in its dealing, keeps promises, helps without ulterior motives and trusts the poor in return. The examples given were again the Church, *Yayasan Ibu Hindun*, the *Pengajian*, Islamic Youth Organization (*Ikatan Remaja Masjid*) and the local shop (*warung*).

7. The poor feel they have control or influence only in institutions they form by themselves, within their communities e.g. the *Pengajian*. Poor men feel they have some influence on village officials, LKMD and the neighborhood chiefs (RT/RW). Women feel they have no influence at all with any of them.

Gender Relations

1. Men and women agreed that stereotypical gender roles have not changed much over the past 10 years. Any adjustments have been made by women, by accommodating new roles (e.g. formal employment) into their existing workload without relinquishing traditional roles. Men over 40 do not share household work even if a woman must go out to earn. Younger men do.
2. Women everywhere and men at most sites agree that women shoulder a heavier and more diverse workload than men, particularly in rural areas. Their supplementary earner's role has now become more important everywhere, with men losing jobs at factories and construction sites due to the economic crisis.
3. Man, the 'breadwinner and provider' is still the real decision-maker at home. Men now consult women before most major financial decisions are made. However, it is still not rare for a man to buy/sell property without his wife's knowledge.
4. Women are still largely excluded from community decision-making, which has traditionally been the "men's right and responsibility". Women may have a token participation at times in community fora as PKK members. They said that they attend as silent observers or servers of tea and snacks. In NTT a woman speaking up at public meetings still earns public disapproval. More so if she is poor.
5. Both men and women agreed that the extent of physical domestic violence against women has come down, as compared to 10 years ago. Women listed 13 types of violence/ill treatment still being practiced against them. Of the 13, men listed only 7 types. The incidence of men marrying several wives has also come down. However, women feel that the incidence of adultery by husbands remains the same as 10 years ago, or has increased. In case of adultery, the community generally blames and punishes the woman as guilty while the man is let off lightly.
6. Women gain power in the family by marrying powerful or rich people, by having inherited wealth or by getting higher than average education leading to higher than average earning. Gaining power in the community still comes mainly through being related to men who are rich and powerful. Active participation in community affairs and being able to articulate one's ideas do not bring power to women, unless they have the backing of formal male authority.
7. Women are considered better off now than 10 years ago. With teachings from the church and Islamic religious leaders, men said they have learned to treat women better. Women said they have learned to protest against injustice. Women say they now have more voice in decisions within households and girls have more opportunities now to go to school like their brothers.

8. The economic crisis has made men more mindful of saving money and more loyal to their first wives. Women said that before the crisis if a man had extra money, he always looked for a new wife.
9. Men and women consulted at all sites hope that the economic crisis will be over within another year and they will be able to go back to their jobs in factories and their trading enterprises. They all hope that children can get back to school by the year 2000 and complete at least secondary school education, so that they can have better jobs than their parents did.

2. BACKGROUND

2.1 The Situation in Indonesia

Until July 1997 Indonesia was recognized the world over as a success story of rapid economic growth, steadily rising development indicators and impressive reductions in the incidence of poverty. With a 7 per cent annual economic growth rate from 1979 – 1996, the per capita GNP reached \$ 1,080 in 1996. Income per capita which used to be only two thirds of those in India and Nigeria in 1979, increased to three times that of India and four and a half times that of Nigeria by 1996. Over the same period the population below the official poverty line declined from 60 per cent to only 11 per cent.

Then disaster struck. The East Asian economic crisis reared its ugly head first in Thailand in early July 1997. Within a matter of days the Indonesian Rupiah began to slide downwards, losing up to eighty (80) per cent of its value by early 1998. The economy not only stopped growing, it actually began to contract. Financial institutions collapsed under the burden of foreign debt, and industries went bankrupt. Mass lay-offs and unemployment soared, while annual inflation reached 80 per cent, putting staple food prices beyond peoples' reach.

By cruel coincidence, Indonesia was also struck by one of the worst droughts of the century during 1997 - 1998. All of this, compounded by Indonesia's critically weak institutional infrastructure and endemic corruption, caused a reversal of foreign investment and an unprecedented flight of capital out of the country.

The situation precipitated a political crisis. Indonesians lost confidence in the Soeharto-led government which had thus far shown a impressive track record of economic growth but seemed unable to sustain the advances made. It had also spawned a highly centralized and personalized regime riddled with what the people termed KNN – *Korupsi, Kolusi, Nepotisme* (Corruption, Collusion, Nepotism). Relatives and friends of the regime had prospered and amassed wealth beyond people's imagination, through the system. Among those benefiting were a number of high profile Chinese Indonesian businessmen who controlled a large proportion of major Indonesian industries.

Rising protests and demonstrations by students and laid-off workers over the first half of 1998 began to result in clashes with police and army personnel. Things took a violent turn with widespread rioting and violence in many urban areas, against those in positions of power and wealth, culminating in Soeharto's resignation on May 21, 1998. The riots left an unforgettable scar in the memories of Chinese-Indonesians who had been specially targeted for looting, burning, personal attacks and rapes. Some of the wealthier Chinese Indonesians have since moved their families, assets and capital overseas.

It is now two years since the economic crisis first struck Indonesia. During this period the widespread chaos of May 1998 has not been repeated, although there are regional centers of continued violence, rooted in a complex of social, economic and political reasons, mainly in Aceh, Maluku, West Kalimantan and East Timor. The government has been working to

address the reformation and restructuring challenges, with some positive results. High level scandals continue to rock the boat periodically. Parliamentary elections have been held peacefully in June 1999 and a lot of hope is now pinned on the incoming leaders, although the picture of presidential succession will only be clear by late 1999.

There seems to be reason to believe that the worst is over in Indonesia. Over the past nine months broad economic indicators have shown encouraging improvements and inflation is said to be declining. However, economists hasten to add that “the economy is still fragile and recovery is far from assured” (World Bank, July 1999). A strategic set of short-term and medium-term measures have been adopted to move the economy on its recovery path. One of the three short-term measures is to protect the poor. Past experience with emergency relief-type protective measures has not been too positive and the recognized challenge now is “to install adequate safeguards to ensure that resources are targeted adequately and reach the intended beneficiaries.”

Extent of Poverty

Regardless of who made the mistakes, it is always the poor who pay the highest price. Since the early 1970s nearly 40 per cent of the Indonesian population has been lifted out of absolute poverty. During this period life expectancy rose by 17 years, infant mortality fell by 60 per cent and universal primary school enrollment had also been practically achieved. The economic crisis could well have wiped out a large part of these advances.

Estimates indicate a doubling of the population below the poverty line from 11 percent in 1990 to about 20 per cent during the peak of the crisis, in August-September 1998¹. Adding this number to the “near-poor” who are marginally above the poverty line increased the absolute number of Indonesians living in poverty to 49.5 million by end 1998, out of a total population of 204 million (BPS and UNDP estimate). Urban households seem to have borne the brunt of this decline into poverty due to the economic crisis. In rural areas the crisis was less damaging by itself. The prolonged drought in 1998 intensified ripple effects of the crisis.

During 1998-1999, Government and donor support for the poor has taken the forms of a) sale of subsidized rice; b) income support through temporary employment creating programs and credit for small and medium enterprises; and c) preserving access to critical social services, particularly education and health. Reports by NGOs, media and government agencies about how effective these programs are show considerable variation. This study has examined the question in some detail. A recent monitoring effort showed the following trends in one province (West Java, Cirebon – Purwakarta corridor).

¹ Based on results from a household survey in December 1998 by the Biro Pusat Statistik (Government’s Central Bureau of Statistics) in cooperation with UNDP and United Nations Support Facility for Indonesian Recovery (UNSFIR)

How Effective are Social Safety Net Programs?

Villagers of one part of West Java give their views

In April-May 1999, SMERU conducted a repeat survey of 455 households that were interviewed in early 1997 in the context of a transport project. Among the many questions were ones relating to the effectiveness of the government social safety net program. The responses revealed the following:

- Households are still adjusting to significant declines in real incomes and returns to labor.
- The school scholarship program was found to be the most impressive of the Social Safety net programs, because it targeted poor households effectively and provided tangible assistance.
- The cheap-rice distribution program greatly helped the poor in hamlets where it has operated for three or four consecutive months. There have, however, been wide variations in amount and frequency of distribution.
- The PDM-DKE community fund program shows mixed results: the employment generation (*padat karya*) component did not succeed in reaching the poor and unemployed, but the village credit component did help less well-off (but not extremely poor) villagers establish small businesses.
- The provision of free medical assistance through the Health Card program was being largely limited to the elderly poor.

Source: Social Monitoring and Early Response Unit., July 1999. The Micro-Data Picture: special report from SMERU, A unit with support from the World Bank Indonesia with support from AusAID, the ASEM Trust Fund, USAID

The Consultations With the Poor in Indonesia was conducted at 6 urban and 6 rural sites, in the context of the situation described above, during May-June 1999.

2.2. Study Purpose, Scope and Limitations

The purpose of the Consultations With the Poor in Indonesia was to enable a wide range of poor people in diverse situations to share their views in such a way that they can inform and contribute to the concepts and contents of the World Development Report 2000/01. In addition this study is expected to improve the understanding of poverty issues in the country, and contribute to the effectiveness of strategies developed in Indonesia for poverty alleviation.

The methodology was based on a global pattern developed for the purpose of comparing and consolidating results from 23 countries. It employed a series of qualitative and participatory research tools designed to explore the multi-dimensional nature of poverty without attempting to reduce it to simplistic digits. Information, experiences, feelings and ratings were sought from men and women, young and old, using open -ended methods that allowed full expression of what was in people's hearts and minds. The site reports as well as this

national synthesis draw heavily upon their actual statements and descriptions to illustrate study analyses and conclusions.

Major areas explored in the consultations were :

- Peoples' perceptions of well-being and poverty and trends perceived over time.
- People's priority problems and coping strategies.
- Institutional analysis, i.e. peoples' evaluation of institutions and their criteria for judging them.
- Gender relations at household and community levels, as well as trends over time.

The study was limited in scope to the 12 sites in Java, Nusa Tenggara Barat and Nusa Tenggara Timur islands, the reasons for which are explained in the methodology section. Indonesia is an archipelago of many thousands of islands. Each of the 27 Indonesian provinces has its unique characteristics, languages and dialects and cultures, not to mention wide variations in geographic and climatic features, natural resources bases and livelihood patterns.

Any attempts to generalize findings from this study to the whole of Indonesia would obviously be fallacious. The value of this study lies in analyzing the patterns it reveals in the causes of poverty and peoples' responses to them, and understanding the rationale underlying the coping strategies and options the poor adopt for solving problems. The findings are meant to promote a wider appreciation of how the poor fight poverty, what they think can help them in their struggle, and vice versa and why. It is hoped that the findings would help improve the targeting and effectiveness of intervention for poverty alleviation by the government, NGOs and external support agencies.

2.3. Methodology and Process

2.3.1 *Methods*

Six methods were used in different combinations to explore each study topic. These were Ranking, Listing and Scoring, Focus Group Discussion, Trend Analysis, Cause-Impact Analysis, and individual case studies. The sequence of using them varied depending on the group being consulted, their current context and interest, and how the process evolved at each session.

Ranking

Ranking was used to analyze well-being, priority problems and institutions. In the case of well-being it was more a classification than a complete ranking. The groups were asked in what ways they differentiated between households in their community. Once some well-being related criteria were mentioned, they were asked what were the major categories in which they could classify their community in terms of those criteria. The names and numbers of the categories were thus elicited. Each category was then further explored to find out what dimensions characterized it. The groups used both words and drawings to explain the characteristics.

In the end they were given a pre-decided number of seeds/small stones (usually 100). Assuming that the pile of seeds represented total households in their community they were requested to distribute them over the categories to show relative proportions of households in each category.

In the case of problems, first a listing of all problems mentioned was made up by writing each problem mentioned on a separate card. Symbols were added by group members to clarify the problems for those who were illiterate. They were then asked to arrange them in a column and decide which was the most important/highest priority. After that was agreed, they were asked to select the next most important and so on. The ranking continued until the 12th or 13th problem. Thereafter most groups agreed that the rest were not meaningful to rank further. To compare trends across time the groups ranked their problems in terms of priorities 10 years ago and compared the ranking results for the present.

Ranking of institutions was done the same way, i.e. listing first all institutions the groups were aware of in their lives, and then ranking according to: a) importance, b) effectiveness, c) trust, and d) openness to community influence. Ranking for each dimension was completed after the criteria for ranking had been agreed to in the groups. Each dimension was rated on a fresh list of institutions.

Scoring

Scoring was used mainly in Trend Analysis, where groups were asked whether there had been any changes in the extent of the topic being analyzed (e.g. violence against women, priority for a problem) over the past 10 years. An arbitrary score was agreed upon to represent a high incidence, e.g. 50, 80 or 100. A zero represented no incidence at all. Any increase or decrease could be represented by values in-between. These scores were not added for computation. Their values were only compared across 2 columns for each item on the list, i.e. the a) situation now and b) situation 10 years ago. The group was then requested to explain reasons for the scores and changes over time. As already mentioned, scoring with 100 seeds was used to derive percentage estimates, e.g. population distribution across categories.

Cause-Impact Analyses

This diagramming method was used to understand what people think causes poverty (or well-being) and what are its consequences. A large card was placed in the center on the floor, with a symbol + word **POVERTY** (or WELL-BEING) on it. A discussion was started on what causes poverty. As answers emerged, they were written, one each on separate smaller cards and placed on the left hand (CAUSES) side of the central card. Once causes had been listed, the group was asked what results from poverty. The answers were listed on another set of smaller cards and placed on the right hand (IMPACT) side. The group was then asked if there were any connections between cards on each side, e.g. were there certain causes that led to other causes, rather than directly causing poverty? If they found such connections, they were asked to rearrange the cause-cards to reflect the causality and connect them with arrows drawn on the ground or with pieces of string/rope located between cards to be linked. The same was then done with impact-cards on the other side. As the final step, each group member voted on the 3 most important causes and impacts by placing 3

seeds on individual cards on each side. The results were counted to get the group's ranking of the most important causes/impact overall.



Flow diagram of causes and impacts of poverty by women's group
(Semanggi, Central Java)



By men's group (Galih Pakuwon, West Java)

Trend Analysis

This method was used to analyze changes over time (10 years ago versus now) in perceived well-being, priority problems, gender roles and violence against women. The groups were asked if they perceived any changes in these areas and what changes, if there were any. Results were expressed by them under two columns drawn on the ground and labeled as “the

situation 10 years ago” and “the situation now”. Quantitative changes were estimated using seeds, stones, things which represented a quantity. Qualitative changes were represented with pictures or words.

Focus Group Discussions

All sessions were basically focus group discussions broken periodically by the use of visualized participatory tools. All topics that were not covered using the visual tools were explored through open-ended facilitated group discussion questions (see Checklist of Issues and Methods in Appendices).

Case Studies

Individual case studies were documented through in-depth interviews with individuals. The purpose was to obtain real-life illustrations of trends and pattern emerging from group methods and to gain deeper insights not possible to explore in group situations. Every site generated between 8 and 13 case studies of individuals and institutional profiles. A total of eighty four (84) case studies/profiles was collected. A selection is reproduced at different sections of this report. At each site the following case profiles were included:

- 1 poor man
- 1 poor woman
- 1 poor youth (girl or boy unmarried, teenage – early twenties)
- 1 person who was poor before but is better-off now (man or woman)
- 1 person who was better-off before but is poor now (man or woman)
- 1 institutional profile.

The individuals selected for case studies could be from the discussion group. Sometimes they were people not in the discussion group but identified by group members and put in touch with the research team.

2.3.2 Site Selection

There was much discussion with the Government of Indonesia, NGO poverty specialists and World Bank staff before sites could be selected. Since the locations that could be covered were only 10 or 12, a representative sample was clearly out of the question. The consensus to focus on the island of Java emerged from the fact that Java has the largest number as well as the highest concentration of the country’s poor and is the region hit the hardest by the economic crisis. In order to have some representation of the rest of the country, the choice fell on the Nusa Tenggara islands which have livelihood patterns and geo-climatic features very different from Java. The decision then was to select 8 out 12 sites on Java and 4 sites on the NTB – NTT islands.

A long list of districts in Java, NTB and NTT was first made, from SUSENAS (National Socio Economic Survey) data of percentages of population classified as poor in each district, in August 1998. Districts with 20% or more population classified as poor were included.

This list was overlaid with a ranking by SMERU², of the districts hit hardest by the economic crisis as computed from data on food security, employment and coping mechanisms. From the emerging shortlist a selection of twelve (12) districts was made, distributing them geographically across West, Central and East Java and three eastern islands: Lombok (NTB province), Sumba and Flores (NTT province).

The final selection of communities was made in consultation with district level government personnel and NGOs to ensure an equal mix of rural and urban sites, a mix of hilly, coastal and plains sites and a mix of remote and accessible communities. The following communities were finally selected.

Province/Code	District	Type
West Java		
Padamukti (PD)	Bandung	Rural
Galih Pakuwon (GP)	Garut	Rural
Pegambiran (PG)	Cirebon	Urban
Harapan Jaya (HJ)	Bekasi	Urban
Central Java		
Semanggi (SM)	Surakarta	Urban
Genengsari (GS)	Grobogan	Rural
East Java		
Tanjungrejo (TR)	Malang	Urban
Banaran (BN)	Ponorogo	Rural
Nusa Tenggara Barat		
Ampenan Utara (AM)	Mataram	Urban
Nusa Tenggara Timur		
Renggarasi (RN)	Sikka	Rural
Waikanabu (WK)	Sumba Timur	Rural
Kawangu (KW)	Sumba Timur	Semi-urban

2.3.3 Selection of Groups for Consultation

The research team followed a certain sequence of activities to ensure that they identified the poorest men and women and youth to consult. From past experience it was known that the poorest people are hard to find in community meetings. They are either too busy earning their livelihoods, are not invited when outsiders visit, or they themselves avoid meeting outsiders or attending meetings due to their own feelings of diffidence and inadequacy. For instance, just the lack of acceptable quality of clothes can be a potent deterrent to participation in a social setting where it is customary to put the best foot forward in front of guests from outside.

Teams of 4 people spent 5 to 7 days working with each community. Each team had 2 men and 2 women to be able to hold parallel sessions with groups of men and women. As a first requirement, the team dressed very casually and simply and carried no items suggesting

² SMERU is the Social Monitoring and Early Response Unit, an effort led by the World Bank, with financing from AusAID, the European ASEM Fund and the US Agency for International Development. Its objective is to provide rapid, real-time information to donors and Government of Indonesia on crisis – related conditions and programs.

wealth, e.g. mobile phones, sunglasses, gadgets of any kind. They were experienced field researchers and knew ways to bridge the gaps. As a required protocol they first approached the village/*Kelurahan* chief with an official introduction letter given by the central government and explained their purpose as “learning from the poor about how they are coping with their problems”. They also clarified that this work was part of a global study including 20 other countries. The fact that they came from three well-known universities and a field-based NGO greatly helped them establish credibility with the community heads and the consultation groups.

They examined the community map available in every village/*Kelurahan* office and requested the *Kepala Desa/Pak Lurah* to identify the neighborhoods where the poorest households live. The next two days were spent doing transect walks in those neighborhoods making introductions, meeting and talking with community members in their homes, crop fields, water points and shops. Meeting the neighborhood chiefs and explaining their purpose was part of this exercise. Meeting with local religious leaders and joining in during communal prayers were strategies that helped establish rapport. Appointments were made with men, women and young people during this two day period about when and where they could meet as groups of 10-15 people, at their convenience. The appointments were then followed through for the next 3-4 days with respective groups. Before leaving each community the team reported back outcomes of the consultations to larger groups. Field work was conducted during May-June 1999.

The interest generated was overwhelming. The researchers found people turning up in much larger than expected numbers and staying on to talk past midnight. Additional groups had to be conducted at times in order not to disappoint those who came. The visual tools helped generate much interest and deeper insight, as people lost their-self consciousness and got involved in drawing, sorting, scoring and diagramming. By prior consensus, men and women’s groups were always separated. The facilitators arranged for snacks and tea/coffee from local shops during each session, to partially compensate the groups for the time they contributed for the consultations.

Youth groups were differentiated from adult groups by the criterion of being unmarried and under 25 years of age. Adult men and women were all married at least once. ‘Young’ men were generally between 25-40 years, and ‘Older’ men between > 40 – 60 years. Young women were 35 and below. Older women above 35-55. A total of 57 groups were met, comprising 876 people of whom 315 were men, 388 women and 173 youth (mixed). In addition, 55 individuals were interviewed for case studies and profiles documented for 24 institutions. In order to identify and meet with the desired groups, the teams contacted and interacted with another 61 people including village officials and elders, local NGO personnel and school teachers.

Site reports were prepared at the end of work at each site, sent to Jakarta, translated into English and sent to the global team in Washington. All team members participated in a country synthesis workshop in Jakarta at the end of July ‘99. A core team of 4 continued to work with the team leader for another 5 weeks to complete analysis and report preparation.

Table 2.1

Number Of Consultation Groups At The Study Sites

SITE		Groups				Others Met						Total People
		Poor Men	Poor Women	Poor Youth	SUBTOTAL	Village Officials	Old & Disabled	NGO	Teacher	Rich	Subtotal	
RURAL SITES												
1	PM	2 (31)	4 (69)	1 (12)	7 (112)	(4)	(10)				(14)	(126)
2	GP	2 (24)	2 (36)	1 (9)	5 (69)	(6)					(6)	(75)
3	GS	2 (27)	2 (29)	1 (14)	5 (70)	(2)					(2)	(72)
4	BN	2 (23)	2 (24)	1 (14)	5 (61)	(2)					(2)	(63)
5	WK	2 (37)	2 (35)	1 (24)	5 (96)	(2)		(2)	(1)	(2)	(7)	(103)
6	RN											
URBAN SITES												
7	PG	2 (31)	2 (25)	1 (15)	5 (71)							(71)
8	HJ	2 (15)	2 (24)	1 (14)	5 (53)	(6)					(6)	(59)
9	SM	2 (27)	2 (27)	1 (23)	5 (77)	(2)					(2)	(79)
10	TR	2 (27)	2 (34)	1 (13)	5 (74)	(3)	(5)				(8)	(82)
11	AM	2 (28)	2 (31)	1 (15)	5 (74)	(3)		(1)		(1)	(5)	(79)
12	KW	2 (45)	2 (54)	1 (20)	5 (119)	(4)		(1)		(4)	(9)	(128)
TOTAL					57 (876)						(61)	(937)

Table 2.2

Number Of Individual Case Studies /Profiles

SITE		Groups				Others Met					Total People
		Poor Men	Poor Women	Poor Youth	SUBTOTAL	Rich → Poor	Poor → Better	Better off	Institution Profile	Subtotal	
RURAL SITES											
1	PM	1	1	1	3	1	1			2	5
2	GP	1	1	1	3	1	1			2	5
3	GS	1	1	1	3		2			2	5
4	BN	1	1	1	3		2			2	5
5	WK	1	1	1	3			2	8	10	13
6	RN										
URBAN SITES											
7	PG	1	1	1	3	1	1			2	5
8	HJ	1	1	1	3	1	-			1	4
9	SM	1	1	1	3	1	2			3	6
10	TR	1	1	1	3	1	1			2	5
11	AM	1	1	1	3	-	2		8	10	13
12	KW	1	1	1	3	-	2		8	10	13
TOTAL					33					46	79

2.4 Summary of Site Characteristics

West Java	
1. Padamukti (pop. 6,123)	Predominantly Moslem village. Population is evenly divided amongst agricultural workers, laborers in garment factory and private trade/business people. The village has many amenities. Major problem floods is every rainy season and floodwaters remaining on crop fields for months.
2. Galihpakuwon (pop. 4,579)	An old village. The majority settlers are native to area. The village is categorized as "less development/ left behind" compared to other villages economically. 40% population is farmers. Rest out wage laborers in agriculture or livestock rearing.
3. Pegambiran (pop. 14,891)	A densely populated urban settlement, situated at coastal zone, near a river estuary. Prone to frequent flooding. Population growth 6-8 %/ year. Ethnic groups include Javanese, China-Indonesians and descendants of Arabic ethnic city.
4. Harapan Jaya (pop. 49,776)	A densely populated urban settlement. Majority of the population is migrants from rural areas. The population is very heterogeneous including reporters of newspaper, activists of NGO, and others. Sub-urban area of capital city Jakarta.
Central Java	
1. Genengsari (pop. 3,400)	Village near teak forests 7 kilometer from nearest road. Half of the houses have electricity. Majority of the population are farmers (85%). Moslem (100%), Javanese (100%). Natural disasters: 3 times for ten years i.e. flood, earthquake, drought, fire.
2. Semanggi (pop. 30,285)	A densely populated urban settlement. The area is always flooded every rainy season since it situated on the Bengawan Solo river bank. There is a NGO working among the community. Population engaged in factory labor, informal sector services, construction industry, petty trade.
East Java	
1. Banaran (pop. 1,863)	Rural settlement. 95% population farmers. Ethnic group: Javanese and Moslem (100%), 25% of the houses have electricity. Many families have sent members abroad as overseas workers.
2. Tanjungrejo (pop. 24,091)	People work mostly as scavengers and laborers (79%) in a densely populated urban area. 90% of the houses have electricity. Mostly Moslem and a few Christian.
NTB	
1. Ampenan (pop. 16,763)	The majority of the population belongs to Sasak ethnic group who are Moslems. Other ethnic groups: Buginese, Balinese, Timor, Chinese. The main occupation: fishing (75%). Coastal peri-urban settlement.
NTT	
1. Waikanabu (pop. 888)	Remote village, reached by walking for four hours from nearest bus route stop. 98% households in farming. Supplementary activities are livestock breeding and weaving. No electricity connection yet.
2. Renggarasi (pop. 2,000)	Entirely rural, with most people farmers (90%). Catholic (100%). Three main clans Moa Kolo, Laki One, and Wedonoi. Natural disasters: floods and earthquake frequently experienced. NGOs actively helping community. No electricity connection yet.
3. Kawangu (pop. 2,764)	A peri-urban settlement. People still engaged mostly in agriculture. Every rainy seasons (especially from February till March) the area is flooded, damaging plantations and sometimes crops are destroyed by pest. The majority of people are native to the region and can still be identified as belonging to 15 traditional clans. Most are Christian. Missionaries have been active in the region for many years.

Location of The Consultation Sites



3. PERCEPTIONS OF WELL-BEING AND POVERTY

3.1. Definitions of Categories

3.1.1. Number of Categories and Population Distribution

Men and women at 12 sites generally identified 3-4 categories of well-being, going from “Rich/Happy” at the top to “Extremely Poor/Miserable” at the bottom. One exception was in NTT where 6 categories were identified reflecting a “temporary” kind of well being that seems to occur in the community (Flores island, Sikka regency). The “temporarily rich” tend to lapse back into poverty, indicating an inability to maintain the improvements in quality of life.

The four main categories everywhere were the *Rich*, the *Middle Class/Better-off*, the *Poor* and the *Very Poor*, given various names as in the following table. Except in Genengsari (East Java), the *Rich* were present in every community, comprising between 1-15 per cent of the village/neighborhood households. The *Miserable/Very Poor* existed in 7 out of 12 sites, making up between 22-38 per cent of the population. Among the seven sites that reported having the *Miserable/Extremely Poor*, all four West Java sites were included. Two were in NTB/NTT, and one in East Java. According to different groups of men, women and youth the *Middle Class* and the *Poor* were present everywhere, with the poor comprising 30-50 per cent of the population.

Table 3.1

Well-being Categories According To Three Regions

WEST JAVA	EAST & CENTRAL JAVA	NTT & NTB
"RICH/HAPPY/ PROSPEROUS" <i>Beunghar/Sejahtera/Kaya</i>	"RICH/WEALTHY/ LUXURIOUS Makmur/Sugih/Kaya/ Sejahtera/Mewah	"RICH/HAPPY Besu Bhandu/Wulu/Hamu luri/ Molah/Sugih
" <u>BETTER-OFF/MIDDLE CLASS/ HIT BY MONETARY CRISIS</u> " <i>Cukup/Menengah/Krismon/Sekapan</i>	" <u>BETTER-OFF/ SUFFICIENT/MIDDLE CLASS</u> <i>Menengah/Cukup/Cekap/Cukup/Sedang</i>	" <u>LIVE WELL/BETTER-OFF/ MODEST</u> " Muri Pawe/Muri Bher/Tuda luri/Sekedarne
"POOR/MODEST/LOW/ SMALL" Miskin/Sederhanal Rendah/Kecil	" <u>POOR/INSUFFICIENT/LESS ABLE</u> " <i>Kurang Mampu/Miskin/ Kurang Sejahtera/Pas-pasan</i>	" <u>TEMPORARILY RICH/ A BIT BETTER- OFF</u> " Besu Buli/Muri so Bheri
"VERY POOR/MISERABLE" Sengsara/Fakir/ <i>Melarat/Sae Sanget</i>	" <u>EXTREMELY POOR / MISERABLE</u> " <i>Miskin Sekali/Melarat/Miskin/Soro</i>	" <u>TEMPORARILY RICH – BECAME POOR</u> " Besu Keru
		" <u>POOR/ HAVE BARELY ENOUGH</u> " <i>Mayilla/Endek Narak/Muri Iwa Pawe/ Noe Nojo/Mboe Mbojo/ Luri Mandang/Muri Ree</i>
		" <u>MISERABLE/VERY POOR/ HELPLESS</u> " <i>Marihi Mayilla/Luri Mayilla/Mboe Mbojo/ Endek Arak Tadah/Ngedeng Ngujur</i>



Exploring well being categories, and criteria. *(Pegambiran, West Java)*



Eliciting proportional distribution using 100 seeds.
(Waikanabu, Sumba, NTT)

3.1.2. Definitions of Categories: Gender and Age Variations

Several common themes seemed to cut across definitions at all sites, encompassing both material and non-material aspects. People tended to describe well being in terms of what one has, what one owns and what one can accomplish. Conversely, poverty was described in terms of what one does not have, cannot accomplish and is forced to do. The emphasis was on the declining degree of control of one's life as one moves down through the levels of well-being to poverty.

The definitions of different categories everywhere were well rounded. About 50 per cent of the characteristics of well-being were related to income and asset ownership. 25 per cent were related to access to developmental opportunities and health/nutrition services, e.g. can educate children to university level. The remaining 25 per cent of the characteristics related to quality of family and community life. The following table consolidates characteristics for each category from all sites. It includes the varied patterns found in characteristics from both urban and rural settings where livelihoods and assets mean very different things. The scale of poverty and gaps between rich and poor are also very location-specific. Greatest gaps were perceived in urban West Java and NTB. The gaps were lowest in rural NTT and rural East Java.

Table 3.2.

Main Criteria of well-being

NO	CATEGORY	Main Criteria of well-being
1	RICH	Livelihood/ Material Assets
	Mewah	Income more than enough/Can afford to buy anything
	Sugih	Average income Rp.50.000/day
	Molah Sugih	Permanent job: as trader, etc
	Kaya	Sufficient in food and clothing
	Beunghar	Having 3-4 meals/day
	Besu Bhenda	Good, fine clothing
	Wulu	Living in adequacy/Economically sufficient to meet basic needs
	Mamu Luri	Have house-servant
	Makmur	Own vehicle: motorcycle, car
		Own irrigated rice field (> 0.5 ha)
		Own "kebun" (> 2 ha): area planted with tree crops
		Own a business enterprise (rice mill, transportation)
		Own a construction material shop/grocery store
		Have cattle (cow, goats) 3 – 100 heads (at different sites)
		Have inheritance
		Have jewelry-real gold
		Own property/wealth/capital
		Have color TV, parabola, refrigerator
		Has kerosene pressure lantern
		Own minimum 2 fishing nets
		Own boat with motor engine (> 25 HP)
		Has bank saving account
		Has more than 1 wife (2-3 usually)
		Using credit cards for shopping in the supermarket
		No need to buy food/produce own food
		Housing

			Own Luxurious home: big, brick walled house, with water-toilet facilities & furniture
			House with ceramic tile
			Have house with Zinc roofing
			Luxury house furnishing
			Never have to think about paying house rent
			Have houses to rent out (minimum 20 rooms)
			Have communication facility
		Health	
			Consume nutritious food
			Have security and health
			Have private doctor
		Human Resource Development	
			Children highly educated (university level)
			Children can go to any school they want/high school
			Go on a Haj pilgrimage
		Family Life	
			Harmony in family
			Luxurious life style
			Able to go places
			Secure family life
			Grave of forefather in one complex/Special place around home or in cemetery
			Has no relation with money lender
			Follow family planning
			Have children insurance
			Can support many dependants(family)
			Big wedding ceremony for son/daughter (2 days with local music groups)
		Community Life	
			Respected by neighbors
			Employ workers
			Give donation to miserable people
			Able to help neighbor who need supports
			Has good relationship with neighborhood/Socially active
2	BETTER OFF	Livelihood/ Material Assets	
	Cukup		Not deficient in food/ Sufficient in food
	Cekap		Sufficient income (about 300,000 - 600,000/month)
	Menengah		Modest food
	MIDDLE		Modest clothing/Adequate clothing
	Sedang		Three meals a day/healthy food/Combination of foods in diet
	Krisis Moneter		Sufficiently meet the family's needs/Never lacking anything
	Sekedarne		Own small rice field (100 tumbak)/ dry land 250 ha
	Luri Mandan/ Tuda Luri		No big amount of capital
			Have 2-3 cows/goats
			Own vehicle: motor-bike/car
			Works as farmers and informal sectors/trader/small business
			Can repay loans
			Having color TV/Black & White TV/Tape recorder & radio
			Has sufficient household equipment
			Has simple jewelry/gold-plated or imitation gold
			Have a lot of plants (candle nut tree, cocoa, coconut)
			Permanent labor, pedi-cab driver, or only scavenger
			Have saving account
			Own boat with motor engine (8-15 HP)
			Work as Populele (Merchant who visits villages to procure handicraft/ handloom products)
			Have 1-2 wives
			Seasonal labor/Unstable job
		Housing	
			Healthy home/Modest/Common house/Semi permanent (bamboo/wood)
			Permanent house: zinc roof, cementing floor/ Sufficient equipment

			Rented house
			Sharing well with other families
		Health	
			Secured family health
			Can go to the hospital for medical check-up
			Change clothes everyday
		Human Resource Development	
			If only 2 children, able to send them to the university
			Send children to at least secondary school/ high school
			Primary school - Hard to pay school fee
		Family Life	
			Modest life style
			Good family life
			Husband work in other town
			Peaceful life
		Community Life	
			Can help the poor
			Have good social life
3	POOR	Livelihoods	
	Miskin		No job/Unstable job/No permanent job
	Kurang Mampu		Income is just enough/Income not sufficient/Unstable income
	Rendah/Kecil		Income Rp.2,500 - 5,000/day
	Tidak Punya		Children rarely eat out/buy food or snacks
	Endek Narak		Not enough clothing/simple clothing
	Luri Mayilla		Deficient in food/clothing
	Meri Iwa Pawe/Noe Nojo/Meri Ree		No capital
			Deficient in cash
			Deficient in rice
	According to Banaran the third category is "Melarat" i.e. Miserable		Small dry land/rice field
			No rice field (irrigated)
			No kebun/dry land (non-irrigated)
			Consume sagram/bekatul
			Economically weak/lack of everything
			Work as farm laborer, laborer, pedi-cab driver
			Work as handicraft artisan
			Work as fire-wood collector
			Small trader
			Tackle fishing at sea
			Buy and sell fish
			Work for the rich family
			Indecent home to live in
			1-2 meals per day/Eat cassava or corn/Simple meals
			Eat corn only once a day
			Live with what is available
			Have no livestock/ Has own 1-2 chicken/ pigs
			Has no farm tool, depend on "tajak"
			Old widow who are unable to work (children worked abroad, rarely send money)
			New couples (just married, no assets yet)
			Seasonal population (those who move from place to place)
			Own a canoe only
			Rent boat on catch-sharing basis
			Frequently indebted
		Housing	
			Simple house/Small
			Shabby home/Dirt floor
			House with coarse grass roof and temporary walls/live in hut or shack
			Insufficient household equipment/ furniture
			Rented house but own a boat or own house but no boat
		Health	

		Malnourished
		Cannot afford to go to Puskesmas/ doctor for treatment
		Insecure health
		Went to indigenous medical practitioner or village health post
		Lack of health information
		Buy medicine bit by bit, when affordable
		Human Resource Development
		Frequently delayed school fee payment
		Children can not go to school
		Schooling is not possible
		Uneducated parents/Parents with only primary schooling
		Children drop out from school
		Insufficient knowledge/Elementary school
		Have no skill to earn with
		Old/ Unproductive
		Family Life
		Have many children
		Lack of attention to children
		Do not follow Family Planning
		Community Life
		Cannot afford to give charity/contribution
		Lack of social activity
		Poor work relations
		Not afraid to borrow money
4	MISERABLE	Livelihood/ Material Assets
	Sangsara/ Sengsara	No permanent job/ Unstable job/ No job at all
	Miskin Sekali	Do not eat enough/ Eat only once a day or less than once a day
	Melarat	Own 2 pairs of clothing only or Have no clothes to change/ Can not afford to buy clothes
	Fakir	Income not enough to meet daily needs/ Cannot afford to meet family needs
	Endek Narak Tadah Ngendeng/ ngujur	Always worried
		Laborer (earning not stable, every other day)
		Work as "weedier" on others field/ help lift boat ashore/Unskilled workers
	Mboe Mbojo	Feeding other's animal (as labor)
		Work as scavenger/Collecting fuelwood/ Leaves for income
		Insufficient income: under Rp 2.000/ day
		Hope to get goods from others/depend on charity
		No food/ livestock
		Eat whatever is available/Unhealthy food/Eat only with salt
		Salted fish for side-dish
		Only 1 liter of rice/ day
		No land/No rice field
		Farm crops failed
		Own small land but careless
		Cannot pay the debt
		Parents do not have job
		Often borrow cash for daily needs
		Beg for fish from people who return from sea
		Rent land from others to cultivate
		Housing
		Unhygienic environment/dirty, people often get sick
		No window/bamboo walls/Shabby environment/home/Small house
		House with dirt floor/ no divider between bedroom and dinning room
		Cannot build a house/Rent house/No house
		Leaking and broken house (Leak roof & woven bamboo)
		Simple furniture
		Health
		Improper treatment for illness due to lack of cash/ Sick children do not get proper treatment, no cash to buy medicine.
		Poor health, Lack of nutritious food/ no regular meal
		Minimum education of parents

		Physical defect (epilepsy "Wutumanu", blind)/ Disability
		Resort to traditional healer for illness
		Cannot afford to go to Puskesmas
		Human Resource Development
		Difficult to develop their skills
		Lazy person
		Can not send children to school – At times must depend on someone's kindness to eat.
		Can not continue school (primary school)/ drop out
		Low educational level of parents
		Family Life
		Have many children
		Widow without work/ children who support
		Miserable life/ broken home
		No wedding party
		Community Life
		Not trusted for loan giving by the rich

Well-being Measured in Livestock and Wives

According to men of Sumba, NTT, a *rich* man has (among other things), “10-50 heads of livestock and 2-3 wives”; a *middle-class* man has “ 5-10 livestock and up to 2 wives”; whereas a *poor* man has only “1-5 pigs and sometimes not even 1 wife” (because he cannot afford bride price).

The “*rich/happy/prosperous*” top category was associated with property ownership; secure and large income that allowed savings; ownership of capital assets (land, livestock, equipment, money) and means of generating steady incomes; access to high levels of health and educational services; possession of luxury items such as cars and jewelry; and ability to go on Haj pilgrimage. Their children aspire to university education and assured futures.

The “*better-off/middle-classes*” were associated with a proportionately lower level of all of the above, and with assured sufficiency, if not abundance. They had regular and sufficient incomes, owned their homes and smaller capital assets, and could access necessary health and educational services even if not the best quality. Their children could expect to complete high school and aspire to a better future with regular jobs.

The “*poor*” and “*very poor*” categories were characterized by greater vulnerability in all aspects of present life, as well as their children’s future. People’s descriptions for the “*poor*” and “*very poor*” categories graphically illustrated their concepts of ill-being as multi-dimensional deprivation and helplessness.

Apart from having no regular incomes, no assets and lack of control on means of earning income, *ill being* was seen to be associated with certain behaviors and mind-sets. The *poor* and *very poor* categories at most sites were reported to: “have many children, have no skills for earning and find it difficult to develop any skills (no opportunities to learn, children cannot go to school); are not willing to work hard (despondent and without motivation as it seems unrealistic to hope); always worried; eat only once a day/only rice with salt; have uneducated parents (deprivation handed down generations); not trusted by the better-off for giving loans; not able to contribute for community functions thus embarrassed and reluctant

to attend; have disabilities (due to malnutrition and illness neglected/left untreated); always borrowing from one source to repay another debt; at times depend on other people's kindness just to eat; have "lost faith in God".

Gender and Age Differences in Defining Well-being

The characteristics of each category according to men and women showed notable variations. Women's definitions of *well-being* were more diverse than those of the men and the youth at most sites. All groups defined them predominantly in terms of access to income and asset ownership, quality of health, nutrition and access to development opportunities. Women's definitions of well being also included significantly more aspects of family and community life, i.e. "*harmonious family life/secure/no relationship with money lenders/luxurious life style/can support many dependents/can have big wedding celebrations/good relationships with neighbors*". Men's choices for family and community life aspects of well-being were more often linked to social prestige "*luxurious family life/children have insurance from shock/able to donate to the needy/respected by neighbors/have special grave sites for the family in public grave yard*".

Youth groups were preoccupied with characteristics related to livelihoods, income, ownership of assets, and developmental opportunities, i.e. education. Their lists had fewer mentions of aspects such as health, family and community life. Among men and women, the younger groups (25 – 40 years) seemed to have a longer-term vision of well being. The older groups focussed more on the present problems and their manifestations.

3.1.3 Causes and Impacts of Poverty

Causes of poverty are primarily seen by all groups as the lack of the means to generate income. This takes the form of fishing equipment in fishing communities, land, crops and livestock in rural agricultural communities and regular jobs, job skills or capital to ply one's trade in urban communities. All forces which take these means away from people are the factors causing poverty. Tables showing rankings of causes and impacts of poverty are presented in the appendices.

There were regional variations. The most important causes of poverty in urban Java were identified as: a) lack of job opportunities along with large scale losses of jobs due to lay-offs; b) lack of capital to continue trading activities, along with increased raw material prices and declining numbers of customers; c) low education and job-related skills; and d) expensive essential commodities. These being the primary causes, people mapped them along with secondary causes which arise from the primary ones and cause further impoverishment, e.g. family indebtedness, lack of access to capital, gambling and drinking. Selected cause-impact diagrams are presented in the following pages here as cases in point. (*Figures 3.1 – 3.3*)

There were no major gender differences in identifying the causes of urban poverty, except that the women identified "*having many wives or many children*" as a direct cause far more often than men did.

The four most important impacts of poverty on urban Java were identified as: a) insufficient meals; b) children dropping out of schools; c) indebtedness; and d) increased crime. Men stressed insufficient meals and indebtedness more than women did. Women emphasized increased crime and children dropping out of school more than men did. They all agreed about the snowballing effect of impacts, as illustrated in the following diagrams.

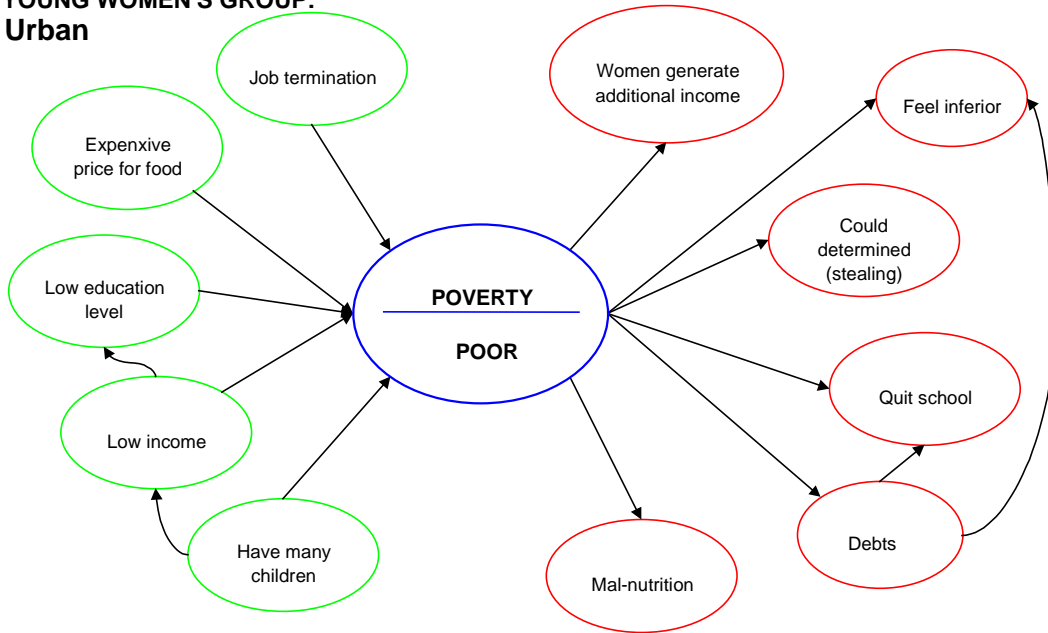


The man who contributes significantly to the population of Indonesia, with his 17th and youngest wife. A total of 108 children and grand children!
(Harapan Jaya, West Java)

Figure 3.1

Cause - Impact Diagrams for Poverty in Harapan Jaya , West Java

**YOUNG WOMEN'S GROUP:
Urban**



OLD WOMEN'S GROUP: Urban

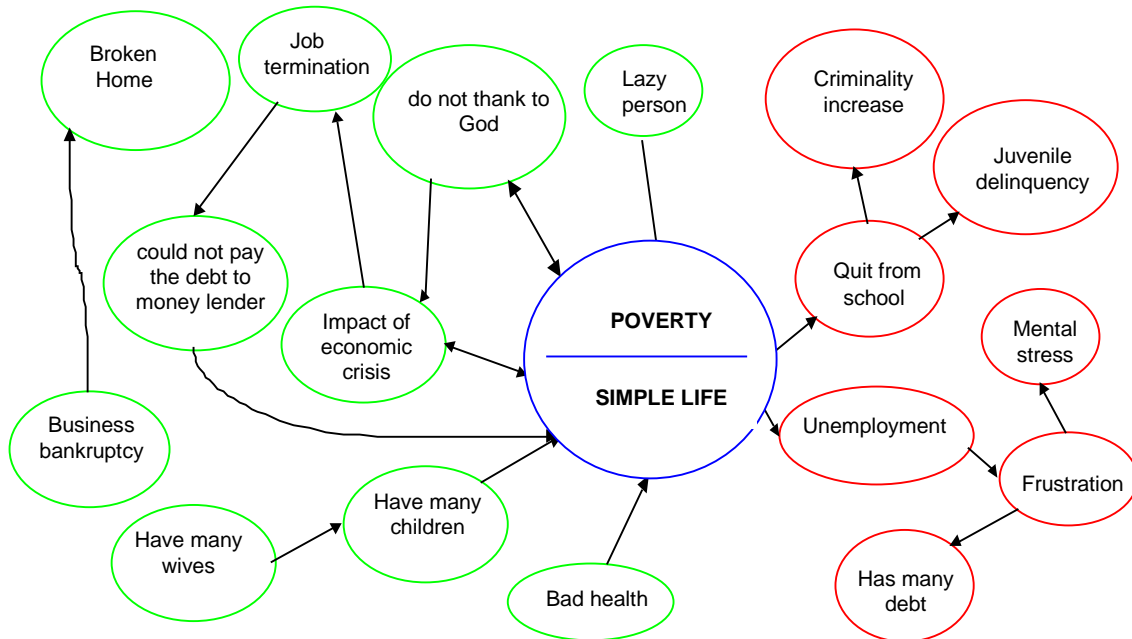
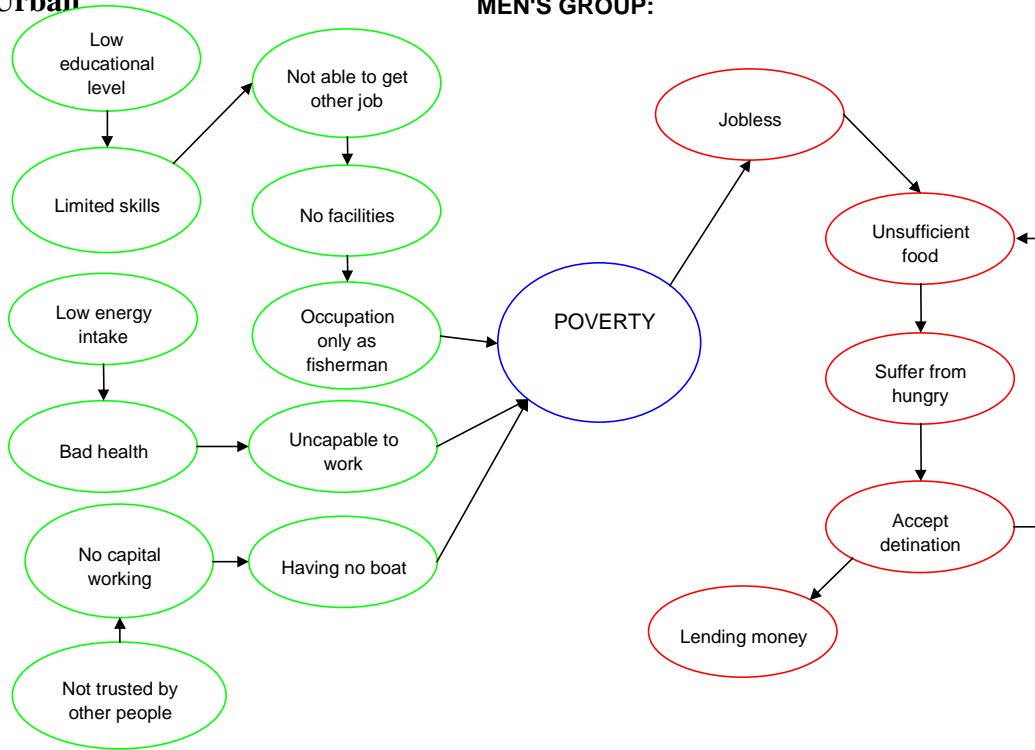


Figure 3.2

Cause - Impact Diagrams for Poverty in Ampenan, NTB

Urban

MEN'S GROUP:



MIXED YOUTH'S GROUP

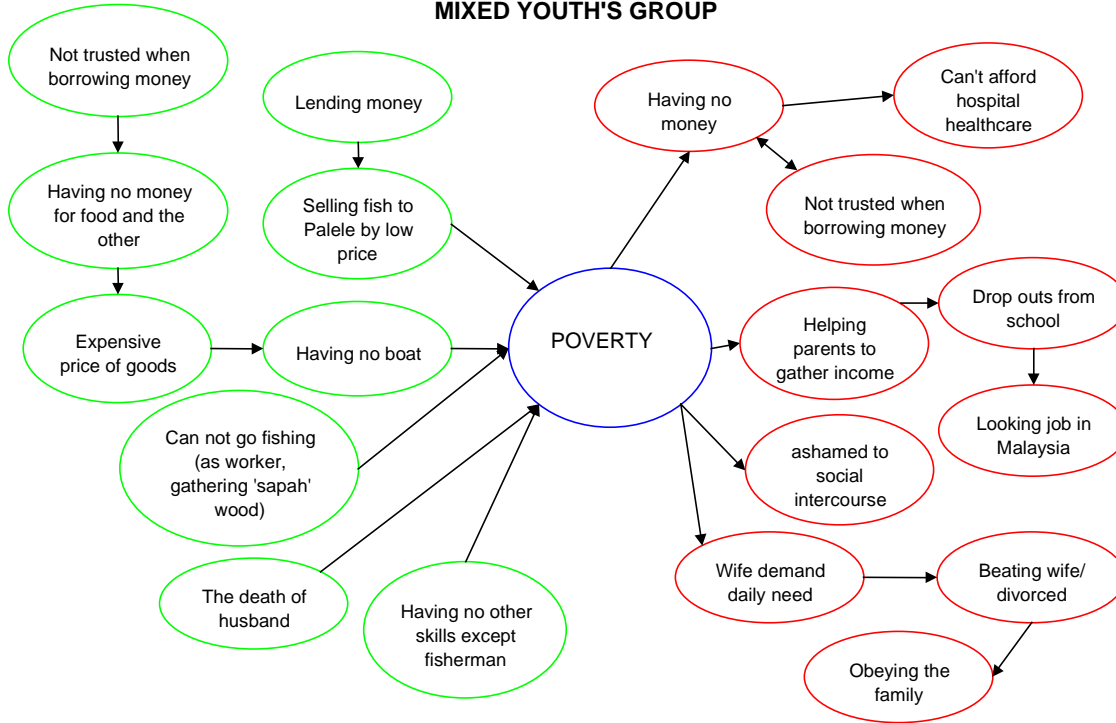
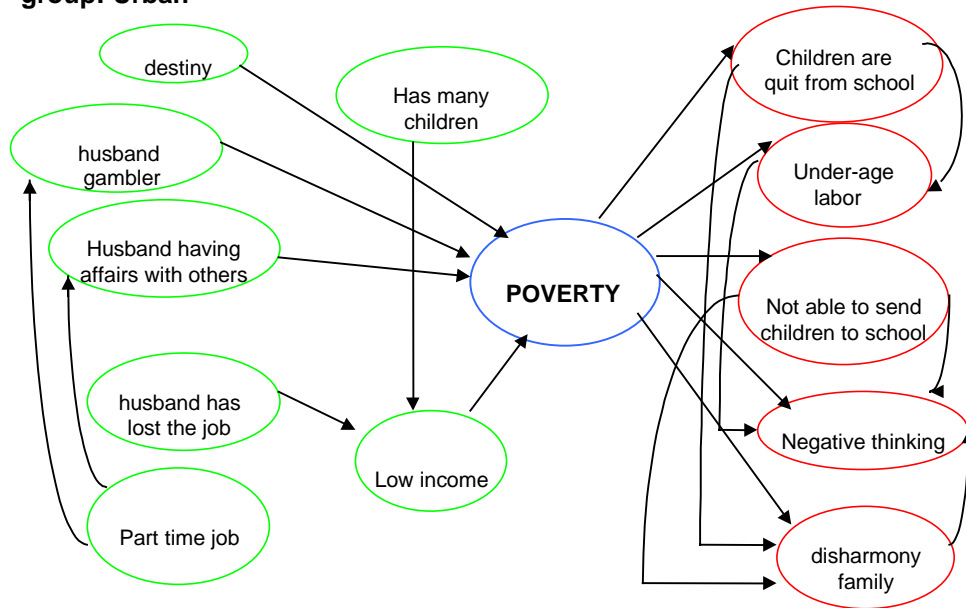


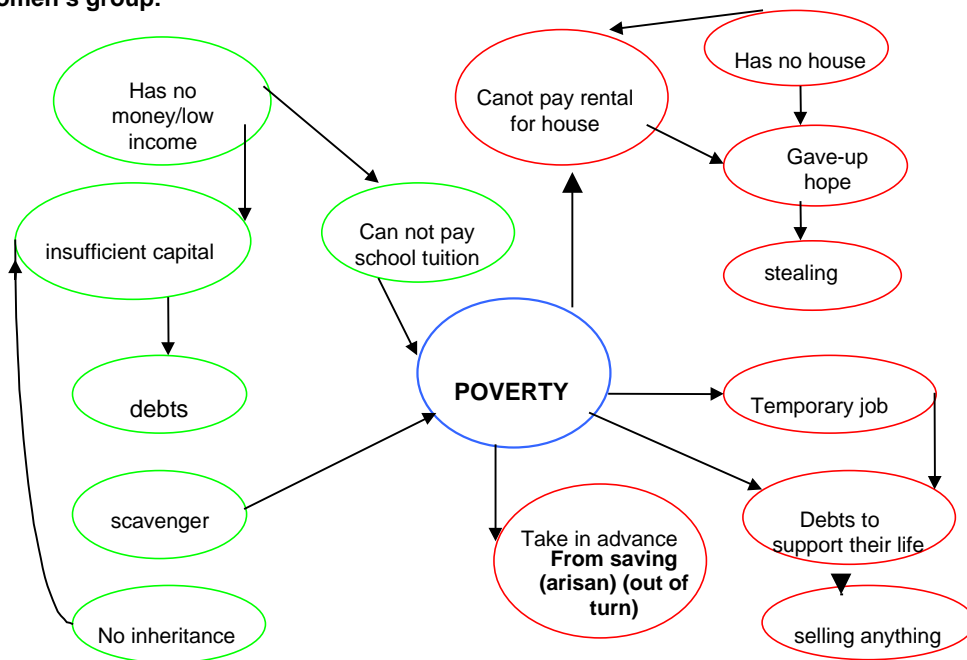
Figure 3.3

Cause - Impact Diagrams for Poverty in Tanjung Rejo, East Java

Young Women's group: Urban



Old Women's group: Urban



In rural areas the most important cause of poverty was universally identified as lack of land ownership. The poorest households were those who had either never owned land (i.e. did not

inherit any and never bought any) or those who had lost their ownership, e.g. taken over by a housing developer with less than fair compensation (Galih Pakuwon). **Conversion of land to liquid cash, whether or not with the owners' consent, always seems to represent a big risk for poor households.** Groups at three out of six rural sites felt that they are not skilled in managing cash and the money just disappears into various consumption-related expenditures, unless they can immediately invest it into another sure means of income generation which, for them, is land. At this site the youth and men's groups were very vocal about land acquisition policies of the government which they called "anti-poor". Prime agricultural land had been taken over for housing development at this site without offering equally productive land elsewhere in return. People whose lands were taken had no choice but to accept cash compensation, which in their opinions was unfairly low.

The other most important causes of rural poverty were: a) lack of capital/capital assets; b) low motivation to work (despondency frustration); c) poor physical capacity (due to poor health and diet); and d) lack of earning opportunities. There are important location – specific differences. On densely populated Java the causes were as noted above.

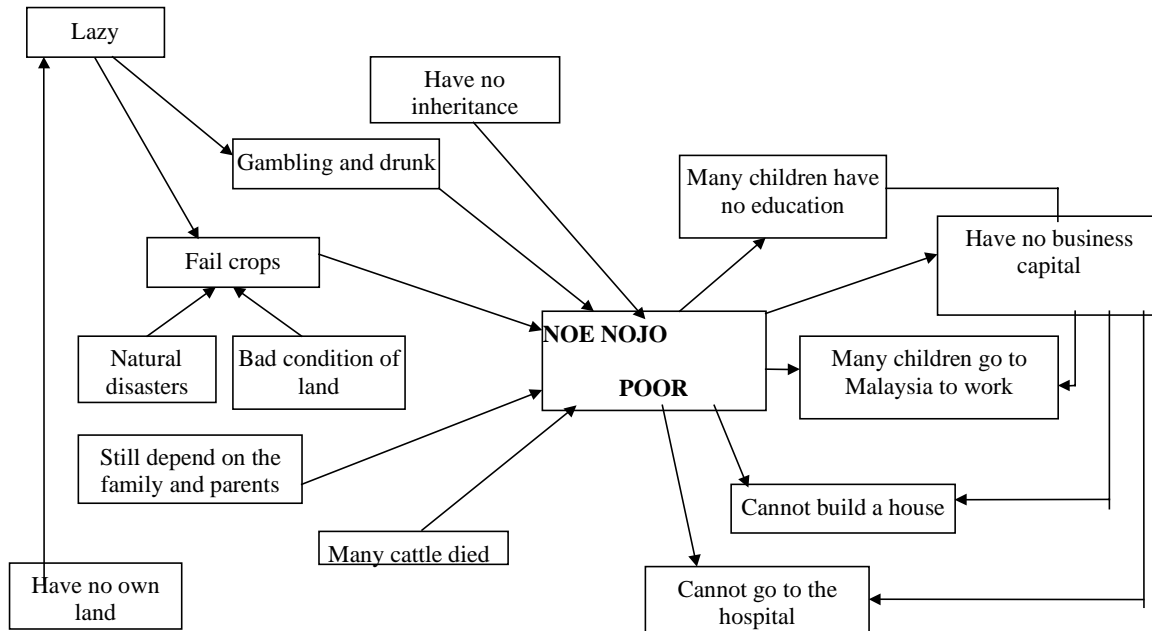
In Nusa Tenggara Timur, however, land ownership was not a major problem. Population is sparse, per capita land availability high, and everyone has some land. They would be able to live off it had it not been for their inability to protect crops and livestock from pest damage, animal diseases, and natural disasters. Other important causes of poverty were their isolation and lack of access to markets, health services, crops and livestock protection services. Predictably, animal and human diseases caused major impoverishment in the region (*Figure 3.4*).

The impact of rural poverty was primarily felt in the area of interruption of children's schooling. All household members are pressed into earning in needy rural families. No formal jobs are required. Children become laborers on crop fields, tend livestock, gather firewood and fodder grasses from forests to sell. Large families are not seen as a big problem as they represent a larger labor supply. Inability to access capital was seen as the second most important impact of poverty by rural groups. It is actually seen by the poor both as a cause and an impact of poverty, in an unrelenting cycle. Food insecurity and hunger was the third cited impact, and indebtedness the fourth. These impacts were placed as first and third respectively at urban consultation sites indicating greater impact on daily life of the urban poor. Some of these patterns are visible in *Figures 3.4 – 3.5*.

Figure 3.4

Cause - Impact Diagrams for Poverty in Renggarasi, NTT

Youth Group: Rural



Waikanabu, NTT Men's group Age (45 – 70) year : RURAL

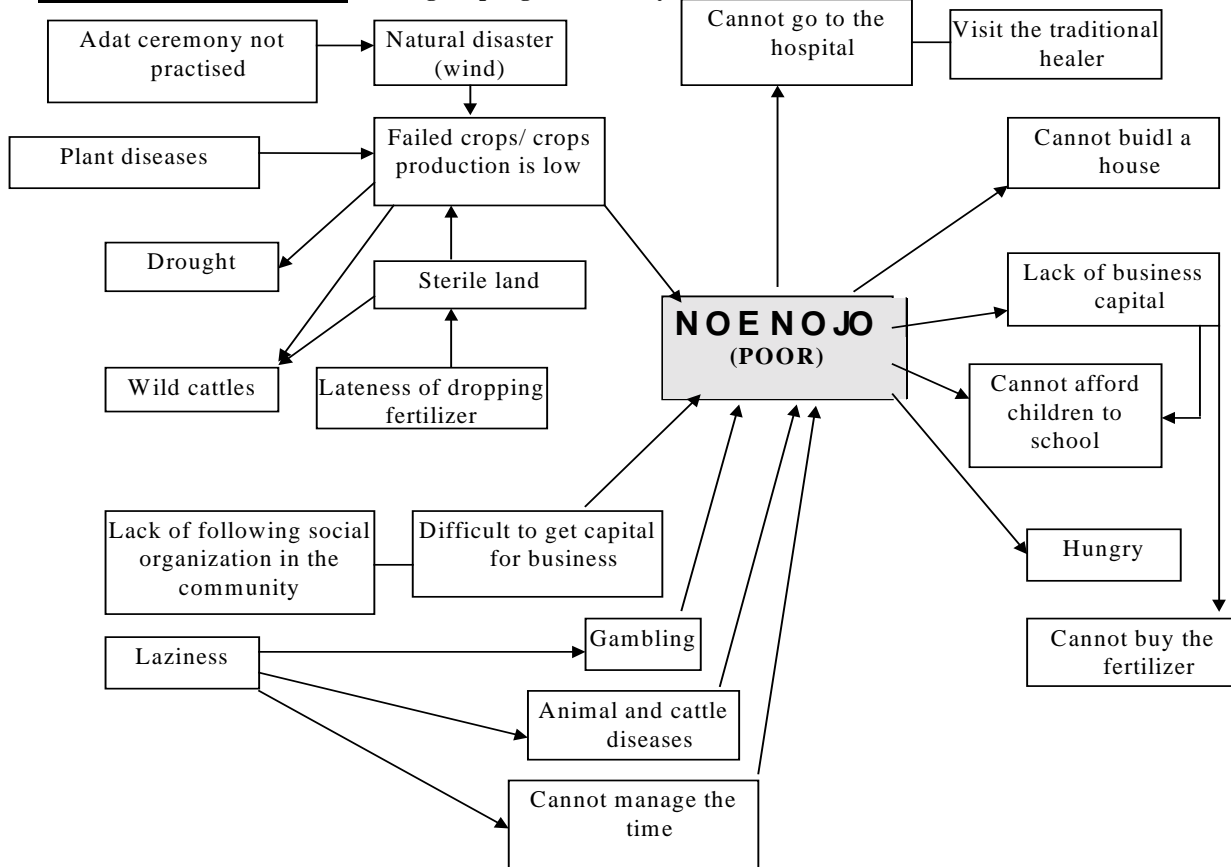
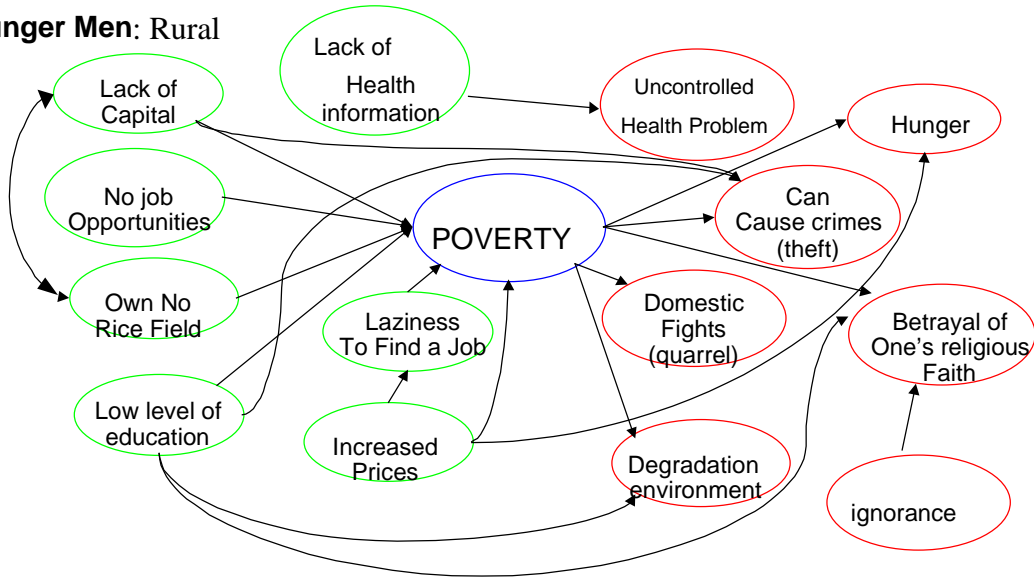


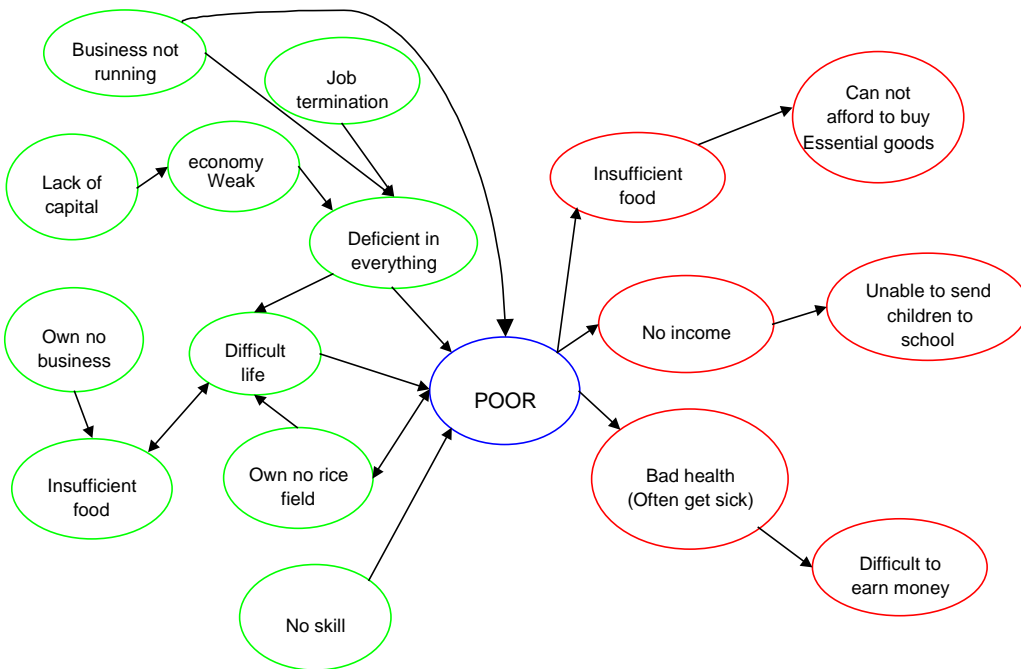
Figure 3.5

Cause - Impact Diagrams for Poverty in Galih Pakuwon, West Java

Younger Men: Rural



Older Men's Group: Rural



3.2 Trends in Well-being Over Time

As seen in the following table on trends in well being, the youth (male & female, unmarried, in their teens and early twenties) seem to be the most optimistic group. At three fourths of all sites, the youth groups thought that poverty had declined since 10 years ago. Married men and women, with families to bring up, were inclined to disagree, women more so than men.

The overall picture is that of increased poverty at half the sites, and increased well-being at the rest, except one site where “No Change” was perceived. The trends seem to bring out discernible regional variations and patterns of old and new poverty in Indonesia.

Poverty is perceived to have increased significantly at 4 sites, all of which were the West Java sites. To a smaller extent poverty had increased at 2 out of the 3 sites in NTT. Well-being was perceived to have increased at 5 sites in NTB, East and Central Java. One site in Central Java reported no appreciable change over the last 10 years.

Table 3.3

Major Trends in Poverty and Well-being
People’s Perception of Changes in the Proportions of Poor Out of Total Households,
Since 10 years ago
 (+ = Increase in % of poor households; - = decrease in % of poor households)

SITES	ACCORDING TO MEN	ACCORDING TO WOMEN	ACCORDING TO YOUTH	OVERALL TREND PERCEIVED
URBAN				
Pegambiran, W. Java	+ 31 %	+ 24 %	- 40 %	Increased Poverty *
Harapan Jaya, W. Java	+ 5 %	+ 16 %	+ 19 %	Increased Poverty *
Semanggi, C. Java	- 5 %	+ 7 %	- 9 %	No Change
Tanjung Rejo, C. Java	- 24 %	+20 %	- 10 %	Increased Well-being **
Ampenan, NTB	- 3 %	- 7 %	- 14 %	Increased Well-being
Kawangku, NTT	- 6 %	- 4 %	+ 12 %	Minor Increase in Poverty
RURAL				
Padamukti, W. Java	+ 24 %	+33 %	+ 11 %	Increased Poverty
Galih Pakuwon, W. Java	+ 21 %	+ 11 %	+ 20 %	Increased Poverty
Geneng Sari, E. Java	- 13 %	- 15 %	- 10 %	Increased Well-being
Banaran, E. Java	- 24 %	- 22 %	- 19 %	Increased Well-being
Waikanabu, NTT	+ 24 %	+ 10 %	- 5 %	Some Increase in Poverty
Renggarasi, NTT	- 11 %	- 8 %	- 17 %	Increased Well-being

Notes:

(*) - The youth group disagreed about the overall trend. They insisted that condition had improved now.

(**) - While men and youth said well being had increased, young and old women’s groups insisted other wise.

1 Figures are from actual % distributions derived by each group (for 10 years ago and now), using the “100 Seeds” exercise

2 Old and young groups’ figures were averaged for Men and Women, as there were very minor differences. The “youth group” differed appreciably and is kept separate.

Increase in poverty at the 4 sites in West Java was unanimously attributed to the economic crisis that hit Indonesia two years ago. The industrial area comprising Jakarta, Bogor, Tangerang, and Bekasi draws workers from all over Indonesia including a very large proportion from both rural and urban West Java. This workforce has suffered massive industrial lay-off during ongoing economic meltdown. The new unemployed are unable to find alternative jobs in the cities or villages where they came from. Urban construction

projects that employed thousands of day laborers have come to a standstill. Many small-scale rural entrepreneurs have been forced out of business due to sudden and steep hikes in raw material prices and unavailability of credit facilities. Too many new people are suddenly competing for labor employment on the same amount of rural agricultural land, thus affording every individual fewer days of work per month. Agricultural laborers no longer receive a meal with their day's wages as they used to, before 1997. Too many new *becak* (pedicab) and motorcycle taxi drivers in urban areas are competing with each other for a smaller than before number of customers (middle and lower middle classes).

About half the large laid-off industrial workers in this study returned to their villages because living in the city to look for work was unaffordable. This has resulted in reduced urban demand for the services they used to buy and reduced earnings for another category of urban poor who provided them, e.g. providers of rooms for rent, food vendors, laundry women, *ojek* (motor-cycle taxi) drivers.

At the same time staple food and basic necessities have tripled or quadrupled in price, starting a process of selling/pawning/losing of durable assets one by one, just to meet family consumption needs. Rise in indebtedness, despondency, drinking by men, and domestic disharmony were mentioned in urban groups.

An additional pattern was added to this scenario by Padamukti in rural West Java, where the river flowing through the village has begun to flood rice fields for several months annually since 1996, reducing the number of crops and halving foodcrop yields that could be obtained from the land. Deforestation in the upper reaches and resultant silting of the river was the identified cause. Also, many West Java farmers have sold their agricultural land to industrial companies, at times not out of their own choice (see example of land acquired in Galih Pakuwon in section "Causes and Impacts of Poverty"). The sale proceeds have been used up for consumption purposes and not invested in generating further income.

In NTT the 2 sites reporting minor increases in poverty over the last 10 years cited long-standing causes unrelated to the economic crisis. These are remote, isolated communities not appreciably touched by the crisis. According to men and women, poverty has increased over the past 10 years due to: a) decline in soil fertility with repeated crops (abandonment of nomadic lifestyle and shifting cultivation), and b) crop damages and loss due to increasing incidence of storms and unpredictable changes in weather patterns for the past several years- (probably linked to global environmental changes). Other reported reasons are the replacement of the barter system for sale of animals with cash-based sale, which they said leads to progressive reduction in the number of animals; increased incidence of crop pests for which they have no cure; and difficulty in selling agricultural products due to low access to markets.

Among the sites where well-being is perceived to have improved over the last 10 years are the rural, agricultural sites of Central and East Java which were reported to have benefited from improved agricultural practices and irrigation facilities and infrastructure improvement in terms of roads, bridges, transportation. Two sites in NTB and East Java have benefited significantly from workers migrating abroad (to Malaysia, Brunei, Singapore, Korea, and Saudi Arabia). Women have gone mostly to work as domestic workers, men as semi-skilled

laborers. Their remittances home have brought undreamed of affluence to families in Banaran and Ampenan.

The Ampenan fishing community has seen its well-being enhanced through the use of more advanced fishing equipment and access to credit from new financial institutions – although the bulk of the benefits have really been experienced by the rich, who own the boats, nets and capital.

The community in Renggarasi (NTT) has benefited from improved selling prices in recent years for the export crops they grow, such as cocoa and candle nuts. The depreciation of the Rupiah against the dollar in the past two years has meant a much larger Rupiah income for them, which translates as improved well-being for the indigenous population. However, the poorest in isolated communities are often unable to benefit due to their limited awareness of market trends, which allows manipulation of the selling price by visiting merchants buyers. Farmers of small landholdings in Kawangu said: *“Where we go to a shop, the prices are surprisingly high, but when the trader comes to buy our produce of kemiri (candle nut) and cocoa, his price keeps changing, sometimes low, sometimes high. We do not understand it.”*

3.2.1 Age and Gender Differences in Perception

At several urban sites the youth group contradicted older men and women’s view about increased poverty. Their view was that opportunities for earning were more varied now as compared to 10 years ago. These opportunities included scavenging and selling debris/recyclable material procured from wreckage after riots, which have been a frequent urban feature during the economic crisis, and looting of shops (*“we own a TV/tape deck for the first time now!”*). Increase in youth crime and children begging in organized gangs were problems mentioned by young women’s groups in Pegambiran, Semanggi, Harapan Jaya (East and West Java).

Women felt that poverty has increased, while men and youth felt otherwise at Tanjungrejo and Semanggi. The informal sector which employs poor urban women has seen a decline in demand for the services women provide, e.g. as snack sellers, ironing workers, producers of handicrafts, domestic help for middle class homes. With rising economic pressures, urban middle classes are replacing these services with their own labor and cutting down on non-essential purchases.

Young men in Semanggi (Urban, East Java) disagreed with the older men and women about well-being having increased. They said that although the wealthy had increased in number, it was due to newcomers who had arrived from elsewhere and made good in Semanggi over the last decade. According to them, the local population has had no improvement in their lives. The population now includes people of Javanese, Chinese and Arabian ethnicity, suggesting inter-group envies and tension, as the latter two are more recent arrivals to the area.

3.3. Perceptions of Security, Risk, Vulnerability

Groups at urban and rural sites defined “Security” very differently.

At urban sites people associated security with “*income regular and sufficient for basic daily needs (food, clothing, shelter) plus a little extra for savings/illnesses/children’s schooling*”. Those who have these things would not be classified as poor.

The least secure families among the urban poor are the ones who do not own their homes (the rent can constitute a disproportionately large part of the total family budget for living in cities), widows or deserted wives with many children, and families with no assets left to pawn. As long as one could pawn jewelry, furniture, utensils and clothes, they could borrow at rates up to 10 per cent interest per month. When they ran out of pawnable possessions, the only resource was the private moneylender in the neighborhood who asked for no collateral, but charged 20-30 per cent interest per month. Failure to pay the interest every month had dire consequences and people could only expect to sink lower and lower into debt once they went to the moneylender.

Modes of Exploitation

Young men in Tanjung Rejo described how lack of home ownership affected the urban poor. The minimum daily wage rate at the time of the consultation was Rp.5,000. Rent for a small living space often occupied by several families’ ranged between Rp.150,000 – Rp.200,000 per month per family. The neighborhood unit leader (Ketua RW) was a wealthy man who owned many houses in the area and rented them out to 31 families. He had drilled an artesian well that supplied water to these 31 families. The rest of the neighborhood fetches water from a public tap half a kilometer away. These 31 families relied on scavenging and selling waste for recycling. They are allowed to rent these living quarters with access to the artesian well only if they sold all their scavenged material only to their landlord (besides paying the full house rent), at whatever rate he agrees to pay. (*Site Report, Tanjungrejo*)

Urban poor households, which have at least one steady earner, are more secure than others. However, such households seem rare now. Almost every household reported one or more members who have lost jobs over the last two years or find their regular avenues of income greatly reduced. Reasons are explained in the section on ‘Trends in Well-being’. In addition, people reported increased drinking and gambling by unemployed men at 5 out of 6 urban sites; reportedly causing increased domestic violence. Increased crime, mainly thefts and armed robbery were reported at 3 out of 6 urban sites. Increased school dropouts over the last year seen to have contributed to increases in youth crime and hooliganism (“*premans*’) according to women’s groups at four sites. Neighborhoods were felt to be getting increasingly unsafe.

For most people insecurity has increased and family capacity to face risk has decreased. In poor urban areas, the only groups benefiting from this situation are the moneylenders and operators of gambling networks. Women reported that children who have dropped out of

schools find it profitable to sell *Cap Jiki* lottery tickets, which is a gambling network operating in Semanggi. The young bookies earn 10 per cent commission on total sales and begin trying their luck with what they make. The following story traces what has happened to families of laid-off industrial workers, by and large.

Nunung's dreams die with her father's factory job

Nunung is a young girl who, at the time of this consultation has just finished her secondary level education in a public *Madrasah Aliyah* (Islamic school) in Bekasi. Nunung was born in 1981, so she is about 18 at this time. In her family, Nunung is the second child with 2 younger siblings, Her 20-year old brother has found work in a company, but Nunung herself does not know the company's name. The first of her younger brothers is now 16 and has just passed his Junior High School, while the youngest is 11 and still in grade 5. Before the crisis, Nunung's father worked in a steel processing company with a salary sufficient for a decent standard of living. Nunung and her family could eat 3 times a day, rice with enough accompanying dishes. They never had any problems paying electricity bills, school fees, and buying school supplies.

The economic crisis that has swept through all Indonesia, adversely affecting almost all-social strata, has shaken Nunung's family. Her father was laid off so they have lost the main financial support. Her brother had just found some kind of job, but he can not support the family. Her parents are in a panic. Her mother decided to seek extra income as a laundry worker for rich people in the nearby housing complex. Her father decided to use part of his severance pay for buying a *becak* (pedicab).

Though her family now has various sources of income, these are not enough to cover the daily necessities. From *becak* driving her father makes between Rp.8, 000 and Rp.10, 000 each day. Her mother gets Rp.50, 000/month from the laundry work, but she does not know her older brother's income. He only gives Rp.15, 000 to her parents each month. According to Nunung, her mother now often grumbles and gets angry, because the family's income per month does not suffice to cover their living expenses including the electricity bill and her younger brothers' school fees. Their combined income is still less than half of what Nunung's father used to earn at the factory.

While Nunung's family experiences various changes due to the economic crisis, up to this time they are fortunate to be able to still eat 3 times a day. The quality of their food is surely not as it was. The rice consumed is no longer of the good quality. The side dish is simple comprising of boiled fish. Nunung used to have pocket money of about Rp.500-Rp.1,000 a day. Now she does not have any.

Nunung dreamed of becoming a teacher. She wanted very much to continue her education, but her father did not support her desire. She wished to continue her schooling at the Islamic Kindergarten Teachers' Training. The problem was that her savings that she has collected since grade 1 of Secondary school are not enough to pay her school needs, such as the entrance fee, transport money, books and so forth. Her ideal was to be able to dedicate her knowledge and herself to educating children, to become an intellectual, have a moral and be pious. It seems too much to ask now. Her family expects her to start contributing to the family budget by taking up whatever job she can get.

(Site Report, Harapan Jaya)

At the 6 rural sites, security was associated predominantly with ownership of land, livestock and means of food production. Having relatives working abroad was another means to

security. Having many children was also a form of security, as they are expected to look after their parent when they grow up and earn. Risks came in the form of floods, storms, crop pests and animal disease and thefts. People in NTT felt powerless to protect their crops and animals from disease and natural disasters, but tried to operate collective vigilance systems amongst groups of farmers, to prevent thefts of crops and livestock. Men and women at 4 out of 6 rural sites mentioned food insecurity.

The landless rural poor are now more insecure than two years ago because:

- i. They have to buy their food and prices have increased several times over 1996 prices;**
- ii. They cannot now readily find work in urban areas during the slack agricultural seasons;**
- iii. Job opportunities on agricultural land owned by others remains static, whereas many more are now competing for them.**

The pre-harvest months are especially difficult because last year's foodstocks have run out but the next harvest is yet to come. Coping strategies mentioned at several sites included reducing the frequency of meals to 2 or even 1 per day; eating porridge mixed with cassava or corn; eating rice only with salt or dried coconut; foraging for roots/tubers in the forest, collecting aquatic weeds from rivers and ponds, and catching snails from rice fields under water. Sarjono's story below explains the growing insecurity of the rural poor households.

SARJONO : Lack of alternatives

Sarjono is 30 years old and the father of one child. He does not have land of his own. The land that he works on now belongs to *Perhutani* (Government owned Forest Concession Company). About five years ago *Perhutani* opened some hectares of forest land which were offered to landless community members to cultivate. Sarjono was one of those who got 1000 square meters of land. *Perhutani* did not ask for any payments. Besides working on that land, Sarjono also helps his parent-in-law, and works on their land. As a return, he gets a share of approximately 500 ears of corn for each harvest. Added with the crop from "his land" he gets a total of approximately 2500 ears of corn for each harvest. If the corn is sold, it will sell for about Rp.250.000. But the corn is usually used for Sarjono's family's daily consumption while the side dish is bought with the money from '*ngrencek*' (collecting firewood from the forest). Sarjono can earn around Rp.3000 a day from '*ngrencek*' but it is reduced by Rp.500 for transportation expense. Sarjono said that he is being very careful in managing his money. When it is not raining, every day, after working on the land Sarjono and his wife look for firewood by turns. They cannot do it together because one of them has to look after their one-year-old child. Sarjono said '*kula nek mboten jawah saben dinten ngrencek terus, soale kangge tumbas lawuh lan 'nando' jagung kangge nek sakwayah-sakwayah jawah*' (Every day, if it is not raining I collect firewood to buy the side dish and the corns are stored for stocks during the rainy season). Rain is Sarjono's obstacle in making a living because the rains make the forest soil very slippery and difficult to walk on and fuelwood cannot be dried for selling.

Before the economic crisis occurred, Sarjono often went to Jakarta to '*njagul*' (work in construction site as a laborer). He could make around Rp.10,000 a day and each month he could save Rp.100,000. Now there is almost no chance to work in Jakarta, which gives him no chance to save. His income is only enough for meals. However, he still considers himself lucky because *Perhutani* 'lends' him the piece of land. He cannot imagine how he will provide for his family if *Perhutani* decides to take the land back from him. (Site Report, Genegsari)



"How our life has changed now!"

- Have to eat poor quality of rice, combined with corn or cassava
- Reduce the frequency of meals
- Eat only with salt or dessicated coconut (Landless families whose men lost urban employment due to economic crisis, Genengsari, Central Java).

The social fabric of rural communities seems to offer some protection against risks, as explained later in the section on Social Cohesion. The groups concluded that the most vulnerable among the rural poor are those who have no relatives, those who have no shelter of their own, and those who fall sick (and are thus unable to earn for several days). The pattern of economic shocks currently pushing people down the poverty spiral is illustrated in Ibu Warnaen's story.

IBU WARNAEN : Burdened by families of children who were retrenched

Ibu Warnaen and her husband *Pak Encang* own some land and also work as farm labourers. Their land is not that big, only 50 *tumbak* of rice field, very small in fact, plus a *kebun* (plot of tree crops) that was not so big either. *Ibu Warnaen's* family also raises duck and chicken. To cultivate the rice field they have to rent a tractor for Rp.7,500 a day to plough the field and buy fertilizers. The yield is around 0.25 tons.

Ibu Warnaen's family actually is not really well off but also not poor. Their daily income comes from the rice field, tree crops, their ducks and chicken eggs and from working as farm laborers. From these *ibu Warnaen* has been able to meet her daily necessities adequately, built a modest permanent house, and educated her children up to high school. *Ibu Warnaen* and *Pak Encang* have 5 children. The first two are daughters, both now married, with children. They live in their separate homes in the same village.

In 1987, her third daughter Yuyun married Markum who worked as a technician in a garage in Bandung. Before getting married *Yuyun* worked in a shoe factory, but left her job once she married, as she had promised her husband. *Yuyun* gave birth to 3 children. Because her husband's income was insufficient to support the family in Bandung, they decided to leave their children with their grandparents. *Ibu Warnaen's* two youngest sons had secured jobs several years ago in a showroom in the city and earned salaries of Rp.120,000. per month each. Since her sons were been employed and self-supporting, it had not been too burdening for *Ibu Warnaen* and *Pak Encang* to take care of their grandchildren. Although their sons had chosen to live outside, they came to visit once a week since they were still single. *Yuyun* and *Pak Markum* also came to visit their children occasionally.

A very drastic change occurred when the economic crisis hit the country. *Ibu Warnaen's* two sons were retrenched and they returned home to stay with their parents. Son-in-law *Markum* suffered the same fate, forcing the family to move out of Bandung and return to Galih Pakuwon. Since *Pak Markum's* parents and brothers were all much poorer than *Ibu Warnaen*, *Pak Markum's* family decided to join *Ibu Warnaen's* household. Now the household has expanded to 9 persons. Moreover, at the time of this study, *pak Encang* was unable to walk because of rheumatism, and one of the sons contracted Hepatitis (A) requiring expensive medical treatment. One medical consultation cost between Rp.20, 000 to Rp.30, 000. It often happened that there was no money in the family for treatment and it had to wait until *bu Warnaen* secured a loan.

Although they are still able to eat three times a day, the side dish is only vegetables, tiny dried salted fish or just salt. Fortunately they do not have to buy rice, and they grow vegetables for their own consumption. For emergency needs *Ibu Warnaen* sells her duck or chicken (she has 12 ducks and 3 chicken still). She had obtained an interest-free loan from a program run by *Muhammadiyah* (a large national Islamic organization). For the future all that *Ibu Warnaen* wanted was the return to normal conditions like before the economic crisis, so that her children would get jobs again. Her son-in-law was looking for capital to start his own business.
(ite Report, Padamukti)

3.4. Perceptions of Economic and Social Mobility and Opportunities

The site reports showed wide variations in perceptions by people of economic and social mobility. Moving out of poverty was seen as an impossible dream at three sites, where quality of life has been deteriorating fast over the past 2 years. Quality of life was seen to be steadily deteriorating at half of the consultation sites, improving at two, and remaining static at the rest of the four sites.

Most urban groups identified the conditions that would enable people to break out of the stranglehold of poverty as:

- increased job opportunities in the informal sector
- job opportunities for those with low education and skill levels
- capital assistance on easy lending terms
- Non Formal Education for school dropouts which includes practical job-skill training
- permission to poor urban communities grow vegetables/make fish ponds on vacant urban land.

Of the six rural communities, two reported that upwards economic mobility was already a reality, due to:

- income from jobs abroad
- improved access to markets with new roads and transportation facilities
- diversification of agricultural and animal husbandry making it more profitable – thanks to guidance from local NGO.

At the rest of the rural sites the groups suggested the following interventions as helpful for people trying to climb out of poverty:

- “Food-for-Work” programs every year between planting and harvest
- Access to capital on easy terms. At most places Rp.2 million was the minimum amount considered worthwhile. According to the groups the current Social Safety Net programs offer only Rp.100,000-Rp.200,000 per person.
- Promote savings and credit groups with start-off capital to break the moneylenders’ monopoly and exploitation. Mutual support groups of the poor families and farmers exist in every community. These should be utilized and strengthened, rather than start-up of new groups.
- Well-targeted “cheap rice” sale to needy families, with wide publicity about amounts available per family and price.
- Well-targeted “*kartu sehat*” (health card) distribution to the poorest families so they can get free medical care. Many groups inquired about how they could get these cards.
- Livestock assistance programs with sharing of offspring between owners and caretakers of the livestock. The timing of giving such assistance is an important consideration. Reasons are explained in the section “Poverty Alleviation and Social Safety Net Programs”, in Chapter 4.

Most groups focused on short-term immediate needs, indicating a preoccupation with immediate survival. Except at 2 sites, there were no mentions of children's education as a means of economic and social mobility, suggesting a low value being placed on formal education. Even at the 2 urban sites where it was mentioned, the desired assistance was vocational training in schools and job-skills training in non-formal education programs, which could have immediate impact on household earning. A woman from Genengsari village explained "*We do not need much education. The only work available to people in this area is on the crop fields, rearing domestic animals or ngrencek (collecting fuelwood). We can do all that even if we do not go to school*".

The following analysis of case studies attempts to categorize the forces that keep people poor and impoverish them further, and what helps them break free to move upwards.

3.4.1 *The Economically Static*

Those who are born into poverty and remain poor have certain features in common. They share the inability to save, do not own homes (i.e. have to rent them/build a temporary shack), do not own any land or livestock, have only literacy or some primary school education, and earn incomes that are both irregular and too low to cover basic food/shelter/clothing needs. Several factors, both connected and not related to the economic crisis, have made life a lot more difficult for this category over the past two years. Ibu Amanah's family is a very typical example.

IBU (MAMA) AMANAH'S FAMILY Down to one meal a day

Ibu Amanah was born and grew up in Padamukti village, West Java. At the time of the consultation she was 38 years old, and had lived with pak (Mr.) *Tariman*, her husband for 24 years. Six years after her marriage, *Ibu Amanah* delivered her first child named *Yana Suryana* who is now 18. A year later her second and last, child *Yadi* was born.

In Padamukti *Ibu Amanah's* family belongs to the category of families enchained by poverty. Since their marriage, *ibu Amanah's* family was never free of it. Their main occupation was as farm laborers, being landless. Relying merely on his physical strength, *ibu Amanah's* husband, worked at "*ngebedug*" (manually preparing rice field for planting using a hoe) from the break of dawn until mid day. For this Pak *Tariman* received a wage of Rp.6.000 per day. Besides working as a farmer, *Pak Tariman* also worked as construction project laborer during the slack periods of agricultural work, such as when there were floods, and during the dry season. Normally the rice field would be flooded with water for several months during the time of flood. From his work as construction laborer, *pak Tariman* could generate Rp.6.000 per day.

Besides dealing with household tasks such as rearing children, laundry, preparing food, house-cleaning etc., *Ibu Amanah* also earned an income for the family working as a wage laborer for cutting grass, planting, and harvesting. She was paid less than her husband, i.e. Rp.5,000. a day. However, she did not find work regularly and her income therefore was neither stable nor sure. Jointly the family could generate between Rp.6000. to Rp11,000. per day. This used to be sufficient to fulfil her family's daily basic needs, for food and clothing. Moreover her husband's

work at construction projects in the city brought in some income regardless of the dry season and flood when agricultural work was unavailable. With the various incomes, and daily expenses between Rp.5,000. - to Rp.10,000.- *ibu Amanah* was still able to save a bit of money. That was before the economic crisis.

Nowadays, the family is under stress. Amanah's first son, who dropped out of school when he was at grade 4 because he was not too bright, has not managed to get a job. The younger son who managed to finish secondary school; has had to quit school for not being able to afford it. The two of them burden *ibu Amanah* significantly especially due to the cigarettes and snacks they buy. The economic crisis which began two years ago, has pushed up prices of basic needs all of a sudden, while incomes have actually come down. For the last several months *ibu Amanah's* husband has been without work because the rice fields are flooded, and construction projects had been declining or become non-existent. The family had lost their sources of income, which had so far supported them. *Ibu Amanah* tries to find work by offering her service to the village's rich families, to do their laundry, and to help with other work such as house cleaning and washing in rich families that happen to have newborns. She now works for four rich families do their laundry, being paid Rp.2,000-4,000 per day by different employers.

This job, however, was not giving her stable income since people did not need her services every day. Therefore, *ibu Amanah's* income had barely covers her family's needs and no savings are now possible. *Ibu Amanah* had reduced the quantity of the family's food consumption to once a day, unlike the family's previous menu of three meals of rice and modest side dish per day. When lacking cash, *ibu Amanah* borrows from her neighbor or buys what she needs on credit from the neighborhood shop (*warung*).

(Site Report, Padamukti)

This category of households is characterized by high vulnerability to even minor economic shocks like a few days' illness because they eat with what they earn every day. Their ability to utilize developmental assistance is limited by this characteristic which can be held against them. The form and timing of assistance, unless decided in consultation with them, is unlikely to benefit them as planned. Sometimes it can impoverish them further. Ibu Sumide's and Babang Ratu's stories are cases in point.

IBU SUMIDE

Blacklisted from getting development assistance

Ibu Sumide is 45 years old and works as a fishmonger selling her husband's catch and also his neighbors'. The earning from this business is spent more for paying debts rather than meeting the family's daily needs. Her husband, Saed, is a traditional fisherman who is afraid of going too far out to the sea, thus his catch is never much. When a boat comes in from the sea, he would work as a *coolie* unloading and weighing fish for Rp.10,000/day. They have 7 children (5 boys and 2 girls) and none has finished primary school. Four of them actually never went to school at all for lack of money. The oldest girl is already married and the second daughter went to Malaysia to help the family earn more money. *Ibu Sumide* has not heard anything from her to date. Her 4 boys remain with the family, and work *ngujur* (help prepare and unload fishing boats) to defray the family's expenses.

Ibu Sumide's family lives in a 6 x 3 meters hut, with thatch roof, dirt floor and *bedek* (plaited bamboo) walls. When it rains they must all sleep crowded in the front part of the house because that is the only part of the hut that does not leak. *Ibu Sumide* once received a government aid

package, in the form of 500 roof tiles and 2 bags of cement. However, having no money to buy other materials, when she happened to urgently need cash to get medical treatment, she sold the materials. This has resulted in *Ibu Sumide* thereafter always being excluded from the recipients' list by local government officials whenever external assistance comes to kampung Pondok Perasi.

Ibu Sumide has large outstanding loans from the mobile cooperative bank and also from Yayasan *Ibu Hindun* (Private Bank). Being poor, however, does not make *Ibu Sumide* feel excluded by her neighbors because they have close relationships with each other. *Ibu Sumide* is ashamed to mingle with the wealthy members of the community, realizing her low economic status.

(*Site Report, Ampenen Utara*)

Ibu Babang Ratu of Kawangu (NTT), is a widow with six children whose eldest son has been diagnosed with Leukemia. His treatment is too costly for the family to afford. Her land, which used to provide the family with sufficient non-irrigated crops for food and surplus for saving, has been turned into an irrigated rice field by an irrigation scheme, and the yield no longer suffices for the family. She was not consulted before her land was included in the scheme. She keeps her family fed by selling/mortgaging her assets built up from the better-off past, which are the handloom cloth (*tenun*) she weaves and her few pieces of gold.

3.4.2 *The Economically Mobile - Downwards*

The enterprising individuals amongst the poor who manage to build up capital and rise out of poverty are not necessarily better educated or better endowed to start with. Even among those who succeed, many revert back to poverty. The case studies reveal patterns of shocks that often combine to push a household down the spiral of poverty. When misfortunes come one at a time, somehow they are weathered. When they come in multiple numbers, fragile lines of defense break down. Most of the stories presented here did not receive help from any programs meant to protect the poor from shocks. In some cases, "*development*" projects actually provided the push over the precipice.

In urban areas the case profiles of people who have gone from well off to poor were usually linked to the economic crisis. They were small and medium scale traders who suddenly found their access to working capital cut-off, and creditors leaving a chain of bad debts affecting everybody in the supply chain. Mr. Nana and Pak Sobari's cases illustrate the pressures brought upon them.

MR. NANA

Success story reversed by economic crisis

Mr. Nana is a tough man who is capable of working his way upwards, and had managed to become fairly prosperous. His ambition to develop his business further was heavily shaken by the economic crisis. What he had already built up, now fell to pieces and he himself has become impoverished again. His only hope is that the bank would give a certain dispensation so that his wealth will not be completely liquidated.

The ups and downs in his life began in 1971, when he left his village for Jakarta. In 1971, Nana was 22 years old. He left his village in Tasikmalaya district, West Java, for attending a school in Jakarta. His goal was to continue his study in a Banking Academy, but had to give it up because of lack of funds. After dropping out of college, Nana found work in a drink processing company and became a salesman. He pursued his career in the sales department for 17 years.

While working as a salesman, he married Widyaningsih in 1973, and was blessed with 4 children. His salary as a salesman was not enough to cover his family needs. Therefore, his wife who had graduated from a nursing (midwifery) school, began to work in an Islamic Hospital. With both salaries, their family income was sufficient, and there was even some surplus to be saved. As a salesman, Mr. Nana was marketing the company's products to shops, supermarkets, and retailers. The chance that changed his lot came in 1988, when one of his customers was unable to pay his debt of Rp.20 million to the Pasar Raya company.

Mr. Nana speculated in stocks to raise money to help the company, and rented a business space in the Pasar Raya for a certain period. It turned out that he was very good at this business and decided to quit his job. Mr. Nana then expanded his business by renting another space in Manggarai Pasar Raya and started shops. His business kept expanding with promising prospects so that Mr. Nana took courage to borrow extra capital from the Bank. Finally he had 8 mini markets, 4 located in Jakarta and 4 in Bekasi, a suburb of Jakarta.

Mr. Nana was growing as a tough businessman. In the course of his business, he had received appreciation from Indonesian Chamber of Commerce and Industry and the Jakarta City Administration. He was often sent overseas to represent Indonesian medium scale businessmen for comparative studies, such as to Israel, Singapore, Hong Kong .

Mr. Nana's family reached his consummate well being. They had more than enough material things. Two of their children were attending Trisakti University. The other two were in high school. Mr. Nana and his wife even received social appreciation awards from the community and government, and to crown it all in 1995 they went on a pilgrimage to Mecca. So there was nothing missing from their well being.

The extraordinary shock of the economic crisis devastated all that he had achieved. During the social political of disturbances of 1998, Mr. Nana could not anticipate the sudden, uncontrolled increase in prices. Information from suppliers came too late. After the riots in May 1998, Mr. Nana who suspected nothing , did not change his prices when some people came for shopping in bulk (a few people). Retailers and speculators bought out everything from his market. This was the beginning of the failure of his business. In the days after, Mr. Nana could not afford to buy supplies for his shops. He suffered losses ranging from 50% to 80%. 5 of his shops or mini markets were shut down.

The bankruptcy of the retail business made Mr. Nana suffer a big stress. According to him, if he was not strong in faith, he might have committed bad things, such as drinking (alcohol, etc.). The situation was increasingly complicated, because all investments for his business development came from bank loans, with his houses (quite large and beautiful) as collateral. Mr. Nana related that he had sold one of his cars just to pay back interest on his loans. He further related that he actually had no more merchandise. If all his personal belongings were sold , they would still not be enough to pay off the bank loans. In the meantime, three of his mini markets in operation, are no longer profitable.

Mr. Nana is negotiating with the banks. He has also has reduced his employees from 50 to 10,

limited the use of electricity and telephone, rented out his remaining shop lot in Cempaka Putih to a *sate* (small pieces of meat roasted on a skewer) seller and for a boarding house. His wife who has a practicing license as a midwife has now started a practice at their house. Mr. Nana hopes that the economic crisis will soon subside, and the government would set up a means to assist medium and small-scale traders. *(Site Report, Harapan Jaya)*

BAPAK SOBARI
Failed business and increase in dependants

Bapak Sobari is now 70 years old and his wife is 68. He now works as a wooden crates supplier and repairer to provide a living for his family. He makes no more than Rp.20, 000 a day and he does the work by himself.

At the moment, Pak Sobari lives with barely enough. His family eats whatever they can afford to buy and there are times when they only eat once a day due to the increased prices of daily needs. Pak Sobari said that he almost killed himself once because of the heavy burdens he has to carry. His income is not enough to fulfill his family's daily needs, although, not long ago, his family used to live comfortably and quite luxuriously compared to his neighbours.

Pak Sobari lives with his family and now there are 13 of them. All his children are female and married. His eldest daughter was abandoned by her husband and she herself has a married daughter with a child. His second daughter is divorced, with a child. His third daughter has three children and she, her husband and their children also live with Pak Sobari. Pak Sobari's grandchildren from the third daughter go to secondary and primary schools while the youngest one has not entered school yet.

Pak Sobari's burdens are indeed very heavy because he has to support 13 people. Even though his daughters and son in law make their own living, their income is not sufficient so they cannot really help. The burdens would not feel that heavy if Pak Sobari's business was still as successful as before. Pak Sobari used to have a tire retreading workshop (vulcanizing used tires) and he had four workers to help him. The business' success had made his family a highly regarded family in his village and they lived well enough.

However, in 1994 Pak Sobari's business failed. According to him, it was because of the expensive prices of the retreading materials and his company could not compete with other companies that offered lower prices. Those companies used more modern technologies, which made them more efficient. Pak Sobari sold his business and decided to be a crate supplier and repairer which he still does until now.

Asked about his hopes, Pak Sobari said that he hopes that he can get capital to make a new business. According to him, there are many business opportunities that can be attained if he has capital. If he gets the capital, he will use it to develop his present business, i.e. packing bottles or making another used tires retreading business because he is already good at it. Other than that he is thinking of making a fishpond for catfish or brackish water milkfish.

(Site Report, Pegambiran)

Gender disparity in economic mobility downwards

Bapak Sobari's daughters, as well as Ibu Sartini, whose story is presented below, illustrate the special disadvantages women face in maintaining their economic status. Existing systems allow husbands to desert or divorce a wife, leaving her to cope alone with her own life plus their children's. Her husband can disregard a wife's joint right to property acquired during their period of marriage if the ownership is registered only in his name, or if the wife is illiterate or uninformed of her rights to property. The following story illustrates such a case, and actually involves a development project, which began the process of a woman's impoverishment.

IBU SARTINI

Cheated out of well-being by husband and project

Ibu Sartini was born in Sragen, Solo in 1955. She is a widow with six children. Three of them are already married while the other three are still in school. Ibu Sartini's family used to be the richest family in Semanggi village. Her husband ran a chicken farm, being an entrepreneur. They had five plots of land totaling to 1,872 m². But with the commencement of the Bengawan Solo river project (to combat flood), her land which was worth Rp.35,000,000 was taken over by the government with only Rp.5,060,000 paid in compensation.

Even though she was wealthy and had many properties, Ibu Sartini was actually unhappy because her husband was an alcoholic and often engaged in illicit affairs with other women. Regardless, her husband was very generous in providing assistance for community activities and development of their area/neighborhood.

Her husband sold their lands and household furnishings without telling her and gave it to his mistress in another village. Ibu Sartini admitted that she was stupid and illiterate because she did not go to school. So, all their lands and house certificates were in her husband's name. After all her belongings were gone, Ibu Sartini finally asked for a divorce because she did not want to share her husband with a second wife. Her husband has four children from his mistress. From the divorce settlement Ibu Sartini received Rp.4 million (1 million for her and Rp.500,000 for each of their children). That was all she got. All her jewelry was sold by her husband and her nice clothes were burned by him.

With the 4 million rupiahs, Ibu Sartini bought a land and house, 7 x 9 m, on the bank of Bengawan Solo river in the same village. All her children stayed with Ibu Sartini. To support them, Ibu Sartini does people's laundry, helps to cook, and also sells fried foods/snacks which can give her an average income of Rp.5,000 to Rp.6,000 a day. The fried foods are taken from someone else so she only goes around the village peddling them. At the moment, Ibu Sartini cannot borrow money from a moneylender because she has nothing to put as collateral. She already put her house certificate as collateral on the previous loan, which she used to finance the education of three children. When there is an urgent need, Ibu Sartini borrows money from her neighbors or from religious organizations but it never exceeds Rp.25.000.

Ibu Sartini's hope is that her children can remain at school and as long as her children have strong will to study and she can still afford to finance them, she will always support them. She does not want her children to go through the same sufferings as she did.

(Site Report, Semanggi)

Land acquisition was again the cause for impoverishment in Galih Pakuwon, West Java. A few years ago, a housing complex was built in Galih Pakuwon by acquiring land from the community. People were *“forced to sell agricultural land that was very productive and cultivated by them. The compensation paid was Rp.42,000 per tumbak (about 12 square meters), whereas the actual value was many times higher. The poor owners of small plots of land were told to move and offered the paltry cash compensation.”* They had no choice but to accept it as they felt there was collusion between the developer and the village government officials. They did not have anyone to whom they could turn to protect their rights. The youth group was very vocal and said: *“The government should establish pro-poor policies that prohibited the use of productive agricultural land for housing”*.

In rural areas, the downwards slide could come from a sudden increase in expenses, i.e. with an increase in the number of dependents with no corresponding increase in income or assets, as happened in case of Ibu Warnaen and many rural families who must now support the new jobless returned from cities. Theft of livestock is another potent source pushing people down, as livestock are the form in which family savings and insurance are held. Prolonged or debilitating illnesses of family members can also contribute to a downwards slide.

MATIUS KAMBARU WINDI
Security lost with buffaloes

Matius Kambaru Windi is now an old man aged 75 and unable to work. His wife was an ex-widow with 3 children. After marrying Matius, she had one more, so the family now has 5 people. Matius Kambaru Windi used to be well to do and could take care of his family properly, having 15 heads of livestock. He had 1-2 horses, which ... used to carry goods. He had pigs and chickens enough to support his family plus a good farm income.

Matius Kambaru Windi has only attended primary school. His first and second daughter passed primary school, his 3rd child (male) passed Senior High School and his 4th child (a female) went to college financed by a close relative.

A great disaster hit him suddenly when thieves stole his large animals (buffaloes) while his 3rd child was still at Senior High School. To finance his children's schooling, Matius had relied only on his skill of raising animals, inherited from one generation to the next. Whenever necessary, the security kept as animals is converted to money. His third child, after passing Senior High School had to stop schooling because there was no more money, while the 4th child continued to college with financial support from relatives.

After the loss of his animals, Matius relied for help on his first child (female) who chances to be capable (married to a well-to-do husband). Now Matius and his wife work as housekeepers for other people. To meet their daily needs such as food, clothing, coffee and sugar as well as soap, Matius and his wife need assistance from their children. When sick, they can only expect help from a midwife who visits the village once a month. He has made a small garden around the house and cultivates it with plants that could yield staple stuff such as cassava, and chili. He also raises chicken for selling. The money received from selling the chickens is used to buy daily necessities such as coffee, sugar and soap or kerosene.

There is no prospect for the future because he is getting older. Being happy according to bapak

Matius means that one has sufficiency in life (Patoma luri) while being rich, in his opinion, means having lots of livestock, a good house (uma hamu), and being poor, in his opinion, means that there is no house, food is not sufficient, and depending on aid from others to live, as he is doing.
(Site Report, Waikanabu)

3.4.3 *The Economically Mobile - Upwards*

The case studies of men and women who have succeeded in putting poverty behind them show that they did not start off with special advantages over those who stayed poor. They all began by saving and building up capital, however small. This was then converted to a permanent house and/or small livestock. The same practice of saving and gradual conversion of small assets to buy bigger assets was carried on, along with diversification of modes of earning. These practices developed resilience so that they could weather economic shocks instead of succumbing to them. Their households were not shaken by the economic crisis and they prioritize education for their children although they themselves did not get much schooling.

Yayi Yatmi (old lady Yatmi) of Genengsari, Central Java made her way upwards using a combination of thrift, diligence, foresight and perseverance.

YAYI YATMI – From chicken to goats to cows to rice fields to house made of teak wood !

Yayi Yatmi is about 62 years old. She got married in 1948. Her first marriage failed because her husband married again. From her first marriage, Yayi Yatmi did not get any children. She then left her birthplace in Sembung village, and came to Genengsari village, where she worked as 'candak kulak' which meant that she bought goods in Genengsari village, sold them in the market (\pm 7 km from Genengsari) and then she bought household necessities from the market to be sold in Genengsari village. This was Yayi's life *before* she met Koko Pardi; a father of 3 children. Yayi's desire to rear and care for children prompted her marriage to Koko Pardi.

Yayi Yatmi's marriage to Koko Pardi gave her 5 children, and the first child was born in 1958. So Yayi has a total of 8 children. To fulfill their daily needs, besides trading, Yayi also worked on a 0.5 hectares rice field she had inherited from her parents. Yayi is a progressive, forward thinking parent. She wanted her children to go to school. One of her children went as far as high school and is currently the head of village.

Yayi's rice field expanded from 0.5 hectares to 1.5 hectares, due to Yayi's expertise in managing her money. She saved left over money to buy livestock. At first, she bought chicken and goats and after they increased in number, they were exchanged for cows and finally Yayi was able to buy rice fields. Besides that each of Yayi's children has been given a piece of land more or less 20 x 50 m² in size. Yayi's family is considered the richest family in the village. She used to own the best house made of teakwood. To buy those lands, Yayi sold her cows. She had 22 cows. But at the moment, Yayi has no fields. Her nice house has been sold and she also has no livestock. To fulfill her daily needs, Yayi opened a kiosk in her house, which was actually opposed by her children because of her old age (62 years old). But Yayi was still determined to do so because she said that she is used to having her own money.

The loss of her fields, house and livestock was because she helped to finance her son in running for the position of the village chief. Her son has already run for the position twice but always failed. He finally succeeded the third time. Yayi's house at the moment is quite nice and large but according to her it is not as nice as her previous one. Yayi has no intentions to fix the house because it is her youngest child's responsibility since the house and its yard are going to be inherited by him.

Even though right now Yayi does not own any fields and livestock, she is happy and content because her eight children are already married and have places and fields of their own and are not lacking. Her hope is that her children, grandchildren and great grandchildren (12 of them) can live happily and sufficiently after. Yayi's skill in trading is passed down to her children. Kiosks or shops in Genengsari village belong to Yayi's children.

At the end of the interview, Yayi gave a very educational message for being happy in one's life: one must work hard and be careful in using money. It is important to save money bit by bit and after it is accumulated, use it to buy certain assets such as livestock, which can be one's insurance at times of need.
(Site Report, Genengsari)

Ibu Saebah of Ampenan (NTB) provides another example of tenacity and resourcefulness that has helped her overcome the poverty trap she started in. Had she not been constrained by cultural norms of female subordination to husbands, Saebah might even have turned out to be a very successful businesswoman.

IBU SAEBAH : From small savings to buying house, boats, TV...

Ibu Saebah, is 35 , works as a fish wholesaler, preserves fish and rents out her boats. With her husband, *Selamet*, who works as fishermen (*nelayan*) and *punggawa* (foremen in a fishing boat) and 6 children (3 boys, 3 daughters, oldest 12 years and youngest 2 months) *Ibu Saebah* lives in a brick walled house with zinc roof, cement floor and window panes. The family also owns a 14" color TV set and a fan, which decorate her living room. She also has 2 fishing boats and one motor engine, 8 HP strong. *Ibu Saebah's* oldest son, no longer goes to school because he goes *ngujur* (assists with boat and bringing catches).

When they got married, *Ibu Saebah* and her husband lived together with her parents-in-law. Her husband harvested fish using traditional fishing gear, and hired a boat owned by someone else. With the hope of owning a house, *Ibu Saebah* saved some of her husband's income, not in the bank though. Finally they were able to buy a small house with the saving, and the saving habit was continued until they were able to buy a boat and a 15 HP motor engine. Working hard, they were able to buy another boat with a smaller 8 HP motor engine.

Now, only the 8 HP engine is operable, because the bigger boat has been sold by her husband to marry a second woman. Regardless of feeling deeply hurt *Ibu Saebah* remains respectful of her husband and continues her role as a good housewife, managing their money, taking care of their children, doing household works, serving her husband and selling fish of her husband's catch. *Ibu Saebah* has been selling only her husband's catch because he does not allow her otherwise, arguing that he does not want to see her struggle with other people to get fish to buy. *Ibu Saebah* submits to her husband's directive believing that despite her bigger responsibility in the family's household, her husband should still hold the power.

As is common is kampung Pondok Perasi, *Ibu Saebah* is not spared from indebtedness. At the moment she still has an outstanding loan of Rp.450,000 from a *pelele* which she used for paying the hospital expenses of her child who was admitted at Karang Ujung Hospital. To repay the loan, *Ibu Saebah* has taken a Rp.300,000 loan from Yayasan *Ibu Hindun*, a private bank.

Ibu Saebah never feels excluded from her community's social life, even when she was still poor, since they all have close family-like relationship. For her, domestic violence and spousal beating which is common in the kampung depends on the *woman's* behavior, meaning that if she is able to accept her husband with respect even if he comes home (from the sea) empty handed, quarrels and consequent wife-beating will not happen.

(Site Report, Ampenan Utara)

Diversification of earnings and assets are principles followed by men who have overcome poverty in the following examples. One started with 1/8 hectares of land and the other started by stealing Rp.30,000 from his parents. He put it to good use, however.

BAPAK NYAMIN :

Making stoves, growing herbs, goat keeping, saving something everyday...

Pak Nyamin is a 65 years old man. He has six children and four of them are already married. His two other children still live with him; one is in fifth grade and the youngest is still in first grade of primary school. Pak Nyamin feels happy and content because he could give his married children each a piece of land with a house and a cow. Now he still has a cow and three goats. Those will be passed on to his two children when they get married.

Pak Nyamin worked really hard to achieve all of the above. At first he only worked on a 1/8 ha land. The land is his wife's inheritance from her parents. The income from the land was not enough to fulfill pak Nyamin's family's daily needs so that they had to live with his parents. One-day pak Nyamin came up with an idea to make cooking stoves. Making cooking stoves does not need capital; only skill and strong will. "*Kulo riyin prihatin sanget wong mangan wae kadang kala isih nunut morotuwo, dados kulo nyawang-nyawang nek tiyang damel pawon niku kok ketoke gampang oleh duwit*" (I used to be very apprehensive about my low income and sometimes I even had to join my parent in laws for a meal. So I looked for opportunities and it seemed that people who make kitchen/cooking stoves could make money easily.) Pak Nyamin then decided to make "dapur" (literally kitchen but referred to earthenware stove) and now the "dapur" can be sold at a price of between Rp.5.000 and Rp.8.000/each. In a week pak Nyamin and his family can produce five to seven "dapur". The earning from selling the stoves was partly saved and used to buy livestock. At first pak Nyamin bought chickens and after they increased in number, they were sold and pak Nyamin bought goats as replacements. Some of the goats were then exchanged to cows and then he was able to buy rice fields and so forth. Pak Nyamin holds to a principle of '*Ojo nganti dienggo mangan wae motong pokoke*' (Never chip on the capital for eating). So saving is a must; at least Rp.2.000,- a day. Pak Nyamin also feels lucky because his land is overgrown with *rempuyung* leaves; a leaf species that can be used as traditional medicinal herbs. Those leaves are very much in demand and every 35 days a harvest of those leaves are sold at a price of Rp.100.000 to Rp.150.000. So even though the size of pak Nyamin's land is only 1/8 ha and the main crop (corn) can only be sold for Rp.200,000/harvest, the additional earning from the *rempuyung* leaves is quite helpful.

Pak Nyamin lives quite sufficiently. However the condition of his house is pretty poor. The floor is dirt and the walls are from wrack wooden board. Pak Nyamin has no intentions of fixing the house because it is going to be inherited by his children and is their responsibility. He does not plan to send his children to secondary school. He is quite content with their primary school education. What matters most is that they can help their parents work in the field, it is just that simple.
(Site Report , Genengsari)

WILHELMUS WELE : Stealing to start life

Wilhelmus Wele is a 41 years old married man with three children. The oldest child, a boy is now in primary school while the other two, both girls are still very young and not yet in school.. Wilhelmus is a resident of *kampung* (subhamlet) Wolofeo. He only went as far as fourth grade in school. He stole of Rp.31,000 from his parents to start off his business. This happened around the 80's. The money was used to buy 1 bag of rice (more or less 100 kg). The rice was then sold for Rp.150,000. He used the money to buy a cassette player, and loudspeakers, which he made available for rent, for parties.

His earning from working hard as a music operator was then used as capital in moneylending business. He lent money to people in need, at an exorbitant interest rate (100% per year). The interest gained (he did not say how much) was then used to start a small business of selling oil, soaps, cigarettes etc. The earning (capital plus profit) from this business was then lent out again. His business continued to progress although Wilhelmus was under a lot of pressures since he had to finance his younger siblings' education in high school. Nonetheless, he was proud because the five siblings he supported succeeded in finishing their education as far as high school.

Wilhelmus' began diversifying his business 1997 when he got into partnership with a merchant from Maumere town. They were involved in buying and selling agricultural commodities (candle nut, cocoa, and coffee). At his outlet he can now maintains sufficient stock to meet people's needs throughout the village. Besides this he has bought rice fields and unirrigated land. He grows foodcrops as well as cash crops such as cocoa, coffee and candle nuts. His motto is "whenever there is a will, there is a way."
(Site Report, Renggarasi)

3.5 Social Cohesion

The poor define social cohesion as mutual respect, mutually caring social relationships, and lack of arrogance. "*Arrogance*" is a vice that was repeatedly attributed to the wealthy. At almost every site the groups rated their community as socially cohesive with much lending and borrowing, equality and mutual support among members. The 'community' however was variously defined. The cohesive unit was usually the hamlet (*dusun*, RW) or neighborhood (*Kampung*/RW). Between units there was often tension, rivalry and blatant enmity. This was more an urban phenomenon. In urban areas parts of original neighborhoods may have been converted to modern housing complexes, bringing in new middle class residents who do not consider themselves a part of the larger, poorer community. They keep themselves aloof and limit their participation in community activities to making monetary contributions if asked. Apart from the social envy they

generate, their arrival has created a market for services of a higher quality and higher prices (e.g. schools, shops) in the area. The older, poorer residents resent all of these changes.

Traditional values promote social cohesion in community life in Indonesia. The better off are expected to take some responsibility for those less fortunate and less able to cope. Poorest households therefore turn first to better-off neighbors and relatives for help. The “*well-bred rich*” are expected to be gracious, charitable and helpful but never condescending or arrogant. The characteristics of “*well-being*”, as reported earlier, include the ability to help poorer neighbors and make large donations for community activities. The well off thus are naturally seen as patrons and given due respect as well as greater voice in community decisions. The poorest do not feel isolated by society. Almost all individuals interviewed for case studies felt they belonged in their communities and felt very close to their neighbors.

The groups described various forms of social solidarity. At times of sickness, death or disaster striking a family, community members generally take the initiative and offer cash contributions to the family concerned to cushion the shock. At Genengsari, where someone is arrested for stealing teakwood from the forest almost every few weeks, there is no social stigma attached to going to jail for several months. The jailed person’s family is looked after by neighbors as a matter of course, as long as he is away.

The practice also extends to parties and celebrations. At weddings, circumcision ceremonies or other social events, guests usually give gifts of cash to defray costs. Several communities in the study have established a community-owned stock of party utensils and furniture, which can be cheaply rented by poor families having gatherings. Community kitties have been set up to help finance funerals. Three sites mentioned a contributory rice bank called ‘*perelek*’ whereby all households donate a cupful of rice per month. The stock is then distributed among the neediest and the disabled. Poor farmers reported getting together to work by turns on each other’s land and buy agricultural inputs by pooling resources, to effect greater productivity and reduce costs.

The poor generally feel that the economic crisis has brought them closer. Regular weekly gatherings for religious learning and collective praying (*pengajian/majelis taklim*) offer a mechanism to express the solidarity felt. They are a permanent feature of community life, mentioned at almost all sites. Poor men and women congregate in their specific *Pengajian* groups regularly as this seems to offer a degree of solace and helps deal with stress. These groups tend to also become centers for other mutual support activities such as saving and credit and non-formal education. The social cohesiveness fabric seems strong and not rent asunder by the economic crisis, at least among the communities consulted. It offers a potential not yet tapped by poverty alleviation programs, which tend to organize new activity groups, a process which may actually harm the mutually supportive indigenous networks that have built up over many years.

3.6 Social Exclusion, Crime, Conflict

It was difficult to explore the concept of social exclusion with the groups. The initial response everywhere was that: a) there is no social exclusion and everyone is free to participate in community activities, or b) there used to be exclusion of certain groups in the past, but all that is now history. It is possible that the certain types of social exclusion still prevalent are either being practiced unobtrusively, or they are ingrained enough to have become unquestioned norms. “*Participation*” is understood in rather passive forms in many places due to past experience of development programs and interaction with external agency personnel who come in to facilitate “*participation*” from time to time. Some examples arising out of discussions on related topic in these areas are presented below.

Women are reported to be systematically and consistently excluded from community decision-making at a majority of the sites. That was, however, seen as normal and in keeping with traditional role divisions and community mechanisms. The section on Gender Relations later in this report describes this situation further.

The majority in most poor communities do not expect to be involved in deciding things. This had a lot to do with the systems established by the New Order Regime three decades ago for community organization all over Indonesia. A man from Renggarasi (NTT) explains: “*When the LKMD (Village Development Council) calls a meeting, all the decisions about a project or program have already been made that it should be this way and that way. Even an old, helpless and blind man like Pak Agus will be invited to this meeting, along with rest of the village men. They would all remain silent and only listen. This is despite the fact that we all live and relate well with each other in the village. When women are invited to the meeting, they are only given the task to prepare and serve the refreshments.*” Social inclusion therefore is understood at the level of being informed about decisions made by community leaders. Taking part in decisions is the job of those in authority and power. Most adults of today have never seen otherwise.

In many communities in NTT the only ones “*included*” are the ancestral line of “*Adat*” leaders and their clan – which is something like a ruling dynasty. “*In-groups*” almost everywhere were reported to be those who have good relationships with high-level government officials. Being friends with, or related to them is a passport to inclusion in decisions as well as the path out of poverty. Pak Aming of Padamukti is an example. With his wife’s brother becoming the sub-district administration head (*Camat*), Pak Aming has been appointed as the operator of the boat given for flood relief to his village by the government. Two of his children have also been given jobs in a local textile factory.

The youth group in Galih Pakuwon reported social exclusion linked to political affiliation. The village leadership was affiliated with the ruling political party, i.e. *Golongan Karya* (as has been the case for the past three decades everywhere in Indonesia). The village officials excluded community members of certain neighborhoods from all meetings because they were known to be supporters of other political parties. The exclusion also applied to benefits from development programs and external aid. Till the recent past (1998), no one dared to protest. The village leaders had to be supporters of the ruling party. Allocation of all types

of benefits first went to those related to the Village Head, then to this friends and associates. Anything leftover went to others. That this situation has not changed radically was clear from complaints voiced by the groups about the benefits from Social Safety Net programs (see section 4.5.)

The real change over the past one year has been that the poor have begun to voice their protests. In Galih Pakuwon they are now demanding a greater compensation for land acquired forcibly by a housing project. In Tanjung Rejo, the RW Chief who embezzled funds has been forced to step-down. The same happened to a Kepala Desa in Padamukti who had reportedly “sold” the piece of common land contributed by villagers for building public toilets. He received compensation from the government for the land without telling the villagers and kept the money. (*Media reports during 1998-1999 have cited several Village Chiefs being attacked and their homes looted or burned*). In Harapan Jaya the poor who received only a fraction of what they were supposed to get as revolving loans are refusing to return the money to the Village Chief for further rotation, because they feel that his family and associates have already made enough money out of the aid for the poor.

An increase in crime in the community was reported at four out of the six urban sites. At Pegambiran and Harapan Jaya, people acknowledged having participated in looting and burning shops of the rich during the 1998 May riots. Thefts and armed robberies have increased with increased lay-off and school dropouts. This subject is described further in the chapter on Problems and Priorities of the Poor.

Conflicts between poor groups and village officials were reported at two sites. It was sparked by the poor receiving less than the publicized amount of aid in one case and low compensation for their land acquired by a housing project was the other, where the poor believed the village officials to be in collusion with the housing developer. The youth group attributed this to the greater courage gained by the poor due to the “*era reformasi*” after the fall of the New Order regime in May 1998.