

Village Non-Farm Economic Activity: An Account from A Village in Kabupaten Cirebon

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INTRODUCTION

Towards the end of year 2000, a group of researchers from SMERU conducted a study of small-scale rural credit in a number of villages traditionally associated with wet-rice cultivation in the Cirebon area of West Java. In one of these villages, Buyut in Kecamatan Cirebon Utara, our team was struck by the relatively dynamic economic environment evident within the local community. Throughout the day there was little or no evidence of young people chatting idly with nothing to do, a common indication of unemployment in many other village communities throughout Java. Every morning a number of vehicles collected large numbers of young men and women from the village, returning with them again in the evening from their work in the rattan industry. Some of those returning home were carrying rattan from their places of employment, apparently as models for making additional items in their own homes. At the same time, in many houses throughout the village, many of the occupants – old and young, male and female – were busily occupied with rattan work. It was apparent that in Buyut, and possibly in other villages nearby, the rattan industry had become a mainstay of those people looking to obtain additional income outside the parameters of the traditional agricultural economy.

Fieldwork for this study was carried out in September 2001. The research team observed and recorded a significant part of the economic activities of the village community in Buyut, and especially those associated with the rattan industry. The study set out to concentrate on the following three areas: to examine the impact of economic activities in other villages in the surrounding area on the economic life of Buyut; to assess the impact of non-farm economic pursuits on agricultural activities; and to consider briefly the influence of these non-farm economic activities on the wider dimensions of economic and social life in the village.

Information was collected from a wide range of sources during fieldwork. In addition to interviews with members of the local community involved in the entire range of economic activities evident within the village, valuable insights were also gathered from interviews with rattan factory staff and managers, local sub-contractors, workers at all levels of the rattan industry, industry association representatives, and government officials from various agencies.

DESA BUYUT: AN OVERVIEW

The village of Buyut is located in the west of Kecamatan Cirebon Utara (see attached map). It is approximately 15km from the important port city of Cirebon from where it can be reached in approximately 30 minutes by public mini-bus (*angkot*). Buyut is part of the northern coastal agricultural region known as the Pantura, and has the most extensive area of agricultural land in Kecamatan Cirebon Utara. Approximately 103 ha of its total 153.5 ha of arable land consist of rice paddies watered by a variety of methods of irrigation: 48 ha are serviced by a technical system, 31 ha use a semi-technical system, and the remaining 24 ha employ simple

irrigation methods.¹ However, some areas of rice land are less productive because the irrigation systems have not been well maintained and the permanent water sources are located some distance away. Consequently, there is frequent flooding in the wet season, while during the dry season a large proportion of the rice paddies are without water and cannot be used for other crops.

The rice fields in Buyut can only be planted twice a year at most. During the wet season, which usually begins between October and December, farmers generally plant their main rice crop. In the dry season, the area under crops is usually far more restricted: the types of crops planted varies and includes rice, secondary crops (primarily corn) and other food crops such as green and yellow cucumbers, watermelons and tomatoes. In general, the pattern of farming in Buyut is as follows:

Table 1. The Pattern of Rice Farming in Buyut

Month	12	1	2	3	4	5	6	7	8	9	10	11
Planting Patterns*	Wet Season				Dry Season				Land Recuperation Period**			

Note:

* the beginning of the planting seasons can shift one or two months either way, depending on rainfall.

** the period when the land is left unplanted because there is insufficient water.

Usually, the farmers of Buyut do not sell their agricultural produce immediately after the harvest. Instead, following the traditional system which has been handed down through the generations, it is stored and sold gradually according to their need for cash. Elsewhere in Central and East Java the majority of farmers no longer apply this method, preferring the *tebasan* system where their rice crops are sold while still in the field before the harvest. In Buyut, the tradition of selling agricultural produce over a gradual period helps farmers to obtain a better price, because during the main harvest (around March or April) the price of unhusked rice tends to fall. Most farmers usually sell the bulk of their rice two months before or two months after the main harvest. However, there are also some farmers who are forced to sell just after the harvest, primarily because they require capital for the next planting season.

Like other regions along the north coast of Java, Buyut is often plagued by mice and inundated by floods. Consequently farmers cannot always rely on the produce from their rice paddies. Over the last two years, the rice harvests in the village have failed. According to the head of one farmer group, the 1998-1999 harvest failed because the rice crop was infested by pests that stunted the growth of the rice seedlings, resulting in no significant yield. Some in the village believe that the pest infestation arose because rice farmers failed to plant the recommended rice varieties uniformly throughout the area. Local agricultural officials or extension workers usually recommend the "Digul" and IR-64 varieties, but sometimes farmers plant "Cisadane" since it is the preferred variety in the market and can fetch a higher price.

¹ Technical irrigation contains permanent primary, secondary and tertiary canals constructed by the government through the Local Office of Public Works. Semi-technical irrigation systems only have permanent primary and secondary canals, while simple irrigation system are those that are built entirely by the local community themselves.

According to local statistics collected in 1999, Buyut's total population was 5,399 or 1,282 families. Of the 1,767 people officially listed as employed in the village, 534 (or 30%) are farm laborers, 527 (29%) are farmers, 423 (25%) are employed in the private sector mostly in the rattan industry, 166 (9.4%) are government employees or pensioned civil servants, 74 (4.18%) are entrepreneurs, and the remainder work in a trade or in the service sector.

This official data on sources of income is, however, not strictly accurate because groups such as housewives and students, who often work in the rattan industry on a part-time basis, tend to be classified as unemployed. In addition, although no definite figures are available, an obvious shift in employment patterns is presently occurring throughout the village, since there is a strong tendency among those working in the agricultural sector to shift to the rattan industry. This trend was evident in interviews with local informants who described the limited opportunities for work as farm laborers and the advantages of working in the rattan factories.

Almost all the inhabitants of Buyut are involved in some type of income-generating activity, no matter how limited in scope. Young people in the village admit to a sense of shame and embarrassment if they are unemployed. Besides those who cultivate their own land or those who work as farm laborers, many others in Buyut are employed in the rattan industry, both in the rattan factories or with rattan factory sub-contractors.² Other economic activities are varied and include those who own (a few numbers) or work in rice mills or tea factories and those working as unskilled labor overseas. A number of individuals produce foodstuffs for sale; others make paving blocks, bricks or wooden furniture. Many others have opened small street stalls selling a wide variety of simple household goods, basic farm supplies or foodstuffs. A few earn a living as building and construction laborers, motor vehicle or *becak* drivers, welders and hairdressers.

It is apparent that the majority of those who work in small-scale enterprises or as manual laborers receive relatively small incomes. This situation is a reflection of the generally low level of education within the local community where 41% have only completed primary school graduates. Of the remainder 32% are (junior high school graduates), while only 20% have graduated from senior high school.

NON FARMING ECONOMIC ACTIVITIES: RATTAN

Employment in the rattan industry among the people of can be divided into the following three categories: those workers who are employed in the rattan industry outside the village, especially in neighboring kecamatan; those operating as rattan sub-contractors within the village; and the employees of these sub-contractors.

1. The Rattan Industry

Rattan enterprises throughout Kabupaten Cirebon originated from the home industries that were first established in the village of Tegalwangi, Kecamatan Weru. The variety of goods originally produced was quite limited and based on simple designs, for example rattan sleeping mats. During the 1970s, however, these small

² Sub-contractors are those who make a variety of rattan products on a piece-work order basis for the large local factories.

enterprises began to attract the attention of various outside organizations, including the Department of Industry, the Directorate General of Cooperatives, Bank Rakyat Indonesia (BRI), the Indonesian Credit Association, non-government organizations such as the Research and Community Development Institute (LPPM) and the Institute of Research, Education, and Economic and Social Information (LP3ES), as well as the Department of Fine Arts at the Bandung Institute of Technology, and the West German Assistance Institute (FNS). Several of these organizations carried out research and began to provide support to develop rattan cottage industries in Tegalwangi, providing technical assistance for the emerging small-scale enterprises and training for their prospective workers, as well as financing loans for prospective entrepreneurs. It was anticipated that the technical assistance would not only provide the skills required for the entrepreneurs to access the market, but also result in new designs for international exports, in particular new types of furniture. Many entrepreneurs have been producing rattan furniture since that period, and rattan products from Cirebon began to be exported after 1974. While previously rattan cottage industries only existed in Tegalwangi, they eventually began to emerge in other locations, including villages outside Kecamatan Weru. At present, the major centers for the rattan industry in Cirebon are to be found in Kecamatan Weru, Kecamatan Plumbon, and Kecamatan Cirebon Barat. In all these areas this industry has successfully absorbed workers from many villages in the surrounding hinterland. According to Hafid Setiadi, et al (2001), the rattan enterprises in Tegalwangi still employ 30% of all rattan workers throughout Kabupaten Cirebon.

During the 1980s, the rattan cottage industries in Tegalwangi developed rapidly with the establishment of several relatively large-scale rattan factories, which drew on both local capital and funds from outside the area to cover start-up costs. This rapid growth was largely stimulated by government policies prohibiting the export of all forms of unprocessed rattan.

During the 1990s, foreign investors from Europe, America, and Asia (for example Taiwan and the Philippines) began to take an interest in the rattan industry in Kabupaten Cirebon. Large-scale rattan factories were built to produce goods for the export market employing hundreds of workers. Before construction of the factories was complete, the investors were already contracting out work to rattan craftsmen based in the surrounding villages.

The total number of rattan enterprises – small, medium and large-scale – has increased in number from year to year. According to data provided by the Kabupaten Cirebon Office of Industry and Trade, there were 828 such enterprises in 1996. By the year 2000 this had increased to 909 enterprises, officially employing 50,644 workers, with a total investment of Rp102 billion. Meanwhile, the production capacity of these enterprises had reached 604,000 tons, valued at Rp839 billion. Almost all of these rattan products (93%) were intended for the export market.

The growth of the rattan industry has also led to a significant increase in the volume of exports. Table 2 indicates that the volume of rattan exports in 1996 totaled 11,837 containers. By the year 2000 this had increased to 14,370 containers (valued at US\$119 million), an average annual increase of 5.35%. The destination of the exports includes countries throughout Asia, Europe, America, and Africa as well as

Australia and New Zealand. Even though the rattan industry in Kabupaten Cirebon has grown significantly, it is still endeavoring to overcome a number of problems. Of primary concern is the lack of patents on designs that are often duplicated by competitors. For example, a single popular design is often reproduced by more than 20 different factories. According to the Indonesian Furniture Manufacturers' Association, before the expansion of the rattan industry, entrepreneurs and designers did not anticipate the problem of plagiarism. To help overcome this problem, a team has recently been formed to organize the registration of patents on new designs. Other problems for rattan enterprises include fluctuations in the price of raw materials and the difficulties in obtaining particular types of rattan. All the raw materials used in the industry come from Kalimantan and Sulawesi. The types of rattan that are most sought after include *mandola*, *manau*, *lambang*, *sega* and *fitrit*.

Table 2. Growth in the Number of Rattan Enterprises in Kabupaten Cirebon and the Volume of Exports

Year	Number of Enterprises	Volume of Exports (container)*
1996	828	11.837
1997	852	12.684
1998	864	12.757
1999	892	15.411
2000	909	14.370

Source: Kabupaten Cirebon Office of Industry and Trade, September 2001.

Note: *one container is equivalent to 3,5 – 4 ton.

2. Rattan Sub-contractors and Their Operations

Rattan sub-contractors are small-scale entrepreneurs who make rattan products according to orders that they receive from the large rattan factories. The work is performed outside of the factories placing the orders, usually in the subcontractors' workshops or the homes of their workers. The factories provide models or prototypes of the design to be replicated, the raw materials required (although these may be sometimes sourced by the sub-contractors themselves), and carry out quality inspections of the completed products. The sub-contractors then deliver completed orders to the factories for the finishing process. This work is always carried out in the large factories and includes stripping, sanding and lacquering, as well as the packing of the products for export. Sub-contractors are paid by the factories in accordance with the determined contract rate per unit, otherwise known as a piece-rate.

Those who establish themselves as sub-contractors have usually worked in rattan factories for between 5 and 15 years before setting up their own workshops. Sub-contracting is attractive for several reasons. The large factories have always encouraged enterprising individuals to open their own businesses, and there is the potential to earn a higher income than can be achieved working as employees of the factories.

Box 1.
Profiles of Two Large Rattan Factories

Company “A” (Domestic Investor)

Company “A” was established in the early 1980s in Desa Tegalwangi by a small businessman who had made the haj to Mecca, and whose father was also a rattan industry entrepreneur with strong connections in Cirebon. When first established, this new business was a limited partnership company doing some works as a sub-contractor. It produced rattan chairs, between 80 and 100 units per month. The raw rattan materials were shipped from Kalimantan, through a joint venture with an enterprise in Surabaya.

In 1987-1988, orders from an overseas firm enabled Company “A” to expand. This overseas firm was regarded as the “foster-parent” of all of the rattan enterprises in Tegalwangi, and had branches in Jakarta and Yogyakarta. Consequently, Company “A” was able to increase the size of its workforce to 200 workers.

At present, Company “A” employs 400 workers (70% women and 30% men). Most of them are from the villages of Ciwaringin (Kecamatan Palimanan) and Buyut (Kecamatan Cirebon Utara). Wages received are in accordance with local minimum wage regulations. In addition, the employees are provided with transport to and from work, receive overtime payments and bonuses, social security entitlements and health insurance. The company management is aware that even though wages constitute 50% of production costs, the standard of living of workers and their families is strongly influenced by the state of the rattan industry. Many of the younger workers live independently of their parents, owning their own homes and vehicles as a result of working in the rattan factories.

The economic crisis has actually had a positive impact on the company, because the collapse in the Rupiah has made goods produced in Indonesia very attractive to foreign buyers. Consequently, workers have also been able to enjoy a share of the increased profits through monthly bonuses.

Almost all production is aimed at the export market even though this is achieved through contracts with other enterprises. Supplying orders from other companies constitutes approximately 90% of production, while the remainder is direct sales to local and foreign buyers. The company is still encountering many obstacles in its day-to-day operations, such as how to ensure that factory production meets the specifications of the original order, and that the work supplied by their sub-contractors are not sub-standard.

Company “B” (Foreign Investor)

Company “B” is a rattan enterprise owned by the Taiwan Business Club. It was established in 1993 and is located in the village of Lurah, Kecamatan Plumbon, and produces between 5 and 10 containers of rattan products each month which are sent to Japan and Taiwan.

This company employs approximately 600 workers from Luruh, Buyut (Kecamatan Cirebon Utara), and from other neighboring villages from both inside and outside Kabupaten Cirebon. Similar to other rattan factories, Company B also provides transport for its workers. In addition to those who are employed in the factory, work is also contracted out to between 15 and 50 sub-contractors operating in several nearby villages. Five of these sub-contractors are located in Buyut. Sub-contractors are required to carry out all stage of the furniture-making process, from construction of the frames to completion of the end-product, using raw materials provided by the company.

In the village of Buyut, rattan sub-contract work began around 1988. Factory owners considered it advantageous to contract out a percentage of their production to avoid the large amounts of capital required for the expansion of their factories, and to minimize the co-ordination of large numbers of workers. As a result, the number of sub-contractors began to increase in the villages near the large factories. This included Buyut, which is located only about four kilometers from the main production center in Tegalwangi.

There are now about 15 sub-contracting businesses in Buyut employing between 400 and 600 workers. On average, they each employ between 6-12 male workers in their workshops and around 25 female workers who operate from their own homes. Apart from receiving an income that is calculated on a piece-work basis, those employed in the workshops of sub-contractors are usually provided with lunch, drinks, as well as extra food whenever they are required to work overtime. Those women who work from home are paid according to the amount of work that they manage to complete.

The initial capital required by a sub-contractor to establish a business currently ranges between Rp7 million and Rp25 million, depending on the size of the operation. This does not include costs associated with locating and establishing the site for the workshop. One important element in this establishment phase is a substantial cash flow so that sub-contractors are able to pay their workers prior to receiving their first payments from the rattan factories. The start-up capital required is often borrowed from the factories or from other investors. In order to avoid any lull in their business, sub-contractors normally try to secure orders from other factories through cooperative arrangements with other sub-contractors who have more work than they can manage. Sub-contracting work is generally carried out in the following stages:

- Sorting and choosing rattan raw materials in accordance with the product model provided by the factory. This includes determining the size of the rattan required, and is usually carried out by the sub-contractor himself or a trusted representative;
- Cutting and heating the rattan, making it easier to shape in accordance with the required design. This work is usually undertaken by the male workers in the sub-contractors workshops;
- Constructing the frame, which is also always carried out by the male workers in the workshops;
- Binding of the frame, usually performed by female workers in their homes; and
- Plaiting the rattan to complete each item, also the task of the female workers in their homes.

By dividing the work into several stages, all workers are included in a sub-contracting enterprise's activities, creating a teamwork environment of codependency. Any delay on the part of one worker will impede the entire work process. For example, delays in the construction of the bound frame of a product will cause delays at the plaiting stage, ultimately reducing everyone's potential income.

Box 2
Profile of a Sub-contracting Entrepreneur

Pak Udin (not his real name) is 31 years old and while still considered young, his face bears the evidence of extensive life experience. He is married with three small children, and he and his family live in the village of Buyut together with Pak Udin's parents who are share-farmers.

Before establishing his sub-contracting enterprise, Pak Udin worked for 15 years in a large joint-venture rattan factory in Tegalwangi that employed 2,100 workers, 90% of which were female workers. Eager to start his own business and buoyed by the support of his former employers, two years ago Pak Udin decided to start as a sub-contractor using raw materials provided by the factory.

Pak Udin spent Rp7 million from his savings in start-up capital to build a basic workshop behind his house, as well as to purchase some special equipment such as a compressor and a drill. He now employs six piece-workers in the workshop from the nearby village of Babadan. These men had previously worked for the same factory and were willing to work as contract piece-workers because the workshop is closer to their homes than the factory, and their working hours are more flexible. In addition, Pak Udin employs 25 local women who work from home, doing plattening and binding. Their income is based on both the number of pieces that they manage to produce and the difficulty of the work.

While the number of workshops in Buyut is increasing, it is not difficult to find workers. The sub-contractors do not compete to hire workers because they usually have an established relationship with one particular group of workers. In fact, there is a high level of cooperation between sub-contractors so that if a workshop does not have sufficient work at any particular time, they are often called to assist other workshops to complete their own orders.

3. Employment in the Rattan Factories

Approximately 500 members of the Buyut community, especially the young men and women, work in rattan factories in the surrounding area. In many cases, several members of the same family are engaged in this work. Information about employment opportunities are usually obtained through neighbors, friends or members of the family who are already working in a factory. Workers usually travel to and from work by vehicles provided by the factories. Each day, approximately ten trucks leave the village every morning, each with up to 50 workers.

In general, rattan factory workers fall into one of three categories: monthly workers, daily hire workers, and those who are employed under piece-work arrangements. Only those workers in the first two categories are regarded as permanent employees. Those employed as permanent monthly workers receive their wages each month, whereas the daily hire workers and piece-workers receive their wages weekly, paid every Saturday. They work an eight-hour day from Monday to Friday with an additional half day on Saturdays.

Wages vary according to the difficulty of the work performed and the number of pieces produced. However, there is little variation in the wages paid by different factories for work of the same nature. For example, those working in the design

section (cutting the rattan, making the frames for items of furniture, and constructing the models) can receive an income of between Rp100,000 and Rp250,000 per week. In comparison, those in the plaiting, sanding, and packing sections receive somewhere between Rp25,000 and 120,000 per week, depending again on the complexity of the task and the total output.

Apart from their base wages, the factories provide various other benefits for their workers. These include transport to and from work, and a Lebaran Bonus (in the form of cash and clothes paid at the end of the annual fasting month) which is paid to all permanent and non-permanent workers. For permanent employees, several factories also provide other services, including additional bonuses, social security contributions (*Jamsostek*), protective clothing and uniforms, as well as covering workers' medical expenses when they are ill.

Box 3 Profile of a Rattan Factory Worker

Toto (not his real name) is 26 years old and lives in Buyut. He has finished junior high school, and is married with one child. For the last seven years, he has worked for several different factories and while he always endeavors to find work with those factories paying the highest wages, he is also dependent on the factories with work available.

At present, Toto is employed by one of the largest rattan factories in the village of Purbawinangun, in Kecamatan Plumbon, after hearing about the availability of work there from friends. He is employed on a piece-work basis in the chair-plaiting section and is paid Rp6,000 per chair. He is able to make between two and four chairs per day, earning a wage of between Rp60,000 and Rp100,000 every week. By way of comparison, before the economic crisis, he was earning Rp40,000 and Rp70,000 per week.

As a piece-worker, Toto is not paid overtime rates and does not receive any bonuses. However, he does receive the Lebaran Bonus which varies from year to year. The most recent Lebaran Bonus Toto received was Rp175,000.

The factory provides transport to and from work. However, Tono does not always make the best use of this service because he often rides his motorbike to work with his wife. Toto's wife is employed as a daily-hire employee at another rattan factory nearby where she works in the administration section. She receives a daily wage of Rp10,600, in accordance with the monthly minimum wage of Rp295,000 in Cirebon. Toto and his wife consider the income that they earn working for the rattan factories to be sufficient to cover the living expenses of their extended family.

Toto and his family are still living with his parent's in-law, and his wife's two younger brothers who are still at school. As the family's main breadwinner, he also rents out *play stations* from his home earning an additional amount of about Rp20,000 every week.

4. Employment in Rattan Sub-contracting Enterprises

Those workers who are employed by rattan industry sub-contractors appear to enjoy a number of additional benefits compared to those who work in the large factories. Since the sub-contractors' workshops are located close to their homes, these workers are able to spend more time with their families. In addition, food is usually provided

for extra hours and workers are able to regulate their own hours, deciding when to take breaks, and deciding how much overtime they wish to take on. This is because working hours are not strictly governed. However, the continuity of work is less reliable because this depends on the sub-contractors' orders from the factories. Consequently, sub-contractors are not always able to guarantee regular daily employment for their workers which can have a significant effect on income levels.

The relative advantages and disadvantages of working with sub-contractors tends to depend on the particular workers involved. Apart from the men employed in the sub-contractors' own workshops, there are also many housewives and students whose primary interests lie outside of their employment in the industry. Students often work after school or at night, usually by doing binding or plating work, and often to assist their parents who may also be employed by the same sub-contractor.

The wages received by those employed by sub-contractors vary considerably and are determined by the amount of work completed and the type of product that is being produced. Plating work usually pays between Rp4,000 and Rp6,000 for a simple model, although for a more complex piece workers can earn up to Rp11,500. A plating worker usually receives somewhere between Rp12,500 and Rp25,000 per day. If the rattan work only involves binding, women working from home receive between Rp2,500 and Rp12,500 per day. Overall, workers' incomes vary widely and can range anywhere between Rp25,000 and Rp100,000 per week. Those undertaking more difficult tasks, such as making the frames for items of furniture, may earn up to Rp200,000 per week.

The level of education of workers employed by sub-contractors varies between those who have only finished primary school, to those senior high school graduates. However, education levels, especially for those who have worked for a significant time in the industry, appears to have no significant influence on wage levels.

OTHER NON-FARM ECONOMIC ACTIVITIES

1. Joining Indonesia's Official Overseas Labor Contingent (TKI)

One alternative to working in the agricultural sector is to enlist as a member of Indonesia's official overseas labor contingent. In the village of Buyut there are currently about 20-30 women who are working overseas in Saudi Arabia, Malaysia and Singapore. As a result of their minimal level of education these women have only been able to find placements as housemaids.

A number of young girls from Buyut have chosen to become overseas workers in the expectation of receiving a large salary and accumulating a significant amount of money in a reasonably short time. For example, one overseas worker who worked in Jeddah, Saudi Arabia, for two years (1998-1999) was able to return with around Rp30 million, after expenses had been taken into account. Another woman who worked in Madinah for one and a half years was able to return with around Rp16 million. It would be impossible to receive incomes as large as these working locally, including in the rattan industry.

From the capital that overseas workers are able to save, most are able to build a new house or transform the original simple bamboo structures into permanent houses. At the very least they are able to equip their houses with a range of consumer items and electronic appliances. Yet despite the perceived advantages, the level of interest in Indonesia's official overseas labor scheme remains limited because of the widely reported risks involved and the two year contract period involved.

2. Brick Making

Bricks are only produced during the dry season, from around August through to October. Unplanted rice-paddies with elevated grounds are exploited for the purpose. The owners of these paddy fields deliberately set aside these areas for the brick-makers so that they can use the top soil and consequently lower the level of the paddy, making it easier to irrigate and ensuring that the paddies are not used as a breeding ground for mice.

Approximately 50 individuals in Buyut operate small-scale brick-making enterprises. They work on adjacent plots of land, each occupying around 0.3 ha, either working alone or with assistance from their families. None of them use additional paid labor.

No special contract is drawn up between the land owners and the brick makers. Usually, the land owners receive 500–1000 bricks as a form of payment. Each brick maker can produce around 10,000-15,000 bricks in a season (each season is about one and a half to two months depending on when the rains begin). Red bricks are sold on location for Rp140 per piece. When these individuals are not making bricks, they return to their routine activities, which include working as farm laborers, share farmers or *becak* drivers.

3. Petty Retail Activities (*Warung*)

In even the most remote parts of Buyut, there is always at least one small stall (known as a *warung*) to be found selling basic everyday goods, snacks and other pre-cooked foods. The number of these small petty retailing enterprises in the village has increased rapidly, paralleling the increase in the number of workers in the rattan industry, and there are now over 100 of these small stalls, all primarily operated by local women.

The daily turnover of these stalls ranges between Rp40,000 and Rp300,000 gross or Rp6,000-Rp40,000 net, depending on the size of the business. Turnover increases significantly every Saturday and Sunday after the rattan workers have received their wages.

4. Tea Factory Workers

A small number of individuals in Buyut, mostly young women, work in the tea factories located in Kabupaten Cirebon. They are met and taken to and from work every morning and afternoon in a vehicle provided by the factories.

Their income at the tea factories is relatively small, only around Rp5,000-Rp7,000 per day. By working from Monday through Saturday, they can obtain between Rp30,000 and Rp42,000 per week. Despite the low income, these women continue to work in these tea enterprises, reportedly because the work is not too strenuous.

5. Other Activities

Other economic activities observed in the village include the making of *telur asin* (cured/salted eggs) and *lontong* (steamed rice wrapped in a banana leaf). It seems that such work produces substantial financial rewards. One family - a husband and wife and their two children - produces approximately 1,000 *telur asin* and 1,000 *lontong* every day to sell at the market in the city of Cirebon. Each *telur asin* sells for Rp750, making a profit of Rp75, and each *lontong* for Rp200, with a profit of Rp85. Another *lontong* maker produces 3,000 pieces every day, for a 100% return on the capital investment required.

In addition, there are several individuals who make and sell *kue serabi* (a kind of rice flour pancake). They generally have a daily turnover of around Rp25,000, which provides them with a clear profit of approximately Rp6,000. Another has a small syrup enterprise, employing six workers while there are also some who work as construction laborers, *becak* drivers, and welders.

THE IMPACT OF NON-FARMING ACTIVITIES ON THE FARMING SECTOR

The large number of Buyut's inhabitants who are now working outside the farming sector - primarily in the rattan industry - has had a significant effect on the availability of agricultural laborers in the village. Fewer and fewer younger members of the community are willing to work in the farming sector, leaving older people to carry out the farming work. The economic crisis, which caused the rattan enterprises to "boom", tended to draw young people in particular away from farming activities and absorb them into the rattan industry. Male farm laborers, who previously only received Rp12,000 per day, since the year 2000 have had their wages increased to Rp20,000 for a full working day (from 7.00am to 4.30pm), or Rp15,000 for a half day. Apart from cash wages, farm laborers also receive food, snacks and cigarettes to the value of Rp5,000.

Despite this increase, the youth of the village continue to express little interest in working in the farming sector, preferring to work in the rattan industry. These young men offer various reasons for this shift in their choice of preferred economic activities:

- working as an agricultural laborer is perceived by some to be dirty and demeaning, reducing a person's sense of self-respect;
- farm work is highly seasonal;
- agricultural labor is also hard and exhausting work that leaves little energy for any other income earning activities;
- employment in the rattan industry potentially offers a higher level of income, especially for those with the appropriate skills; and
- the rattan industry also offers opportunities to access credit when this is needed as workers are able to borrow money from their sub-contractor employers before pay-day.

The decline in the availability of labor in the sector has not only caused farm laborers' wages to increase; it has also forced farmers to rely increasingly on tractors rather than manual labor. The manual labor that is still carried out by the local village people is limited to the harvest periods, the construction of dikes (work

performed by men, while women carry out the planting and fertilizing of paddies. For these types of work they received around Rp10,000-Rp12,000 per half day.

The combination of labor shortage and high farming costs has resulted in some local landowners, particularly those with large tracts of land, to lease their paddies to share farmers. Rice paddies leased over a single cropping period returns between Rp800,000 and Rp1 million per ha, while a double cropping period brings between Rp1,2 million and Rp1,5 million per ha. By leasing out their rice paddies, these landowners no longer have to concern themselves with finding the capital required to pay wages, and to purchase expensive fertilizers and pesticides. Nor do they have to face the risks of rice prices falling or their crops failing as a result of pest infestation or flooding.

Working in the farming sector is considered far less financially reliable than working in the rattan industry. Nevertheless, most farmers with small plots of land continue to manage their paddies themselves. In order to provide for their daily needs, these farmers make use of their spare time away from the rice fields also working in rattan sub-contracting enterprises, by petty trading, or by working as *becak* drivers or laborers.

Meanwhile, the share farmers who lease rice paddies are generally older members of the local community who are accustomed to working as farmers. They are able to survive in the farming sector because they perform almost all the work themselves or are assisted by their families. Consequently, they do not need to spend money on employing additional laborers. Besides working in the rice paddies, they also have second jobs such as making bricks or driving *becak*.

Besides the increased availability of work outside the farming sector, the shortage of agricultural labor and the high costs of farming have also led to a decline in the area of land devoted to farming in Buyut. The majority of farming land is now only used for crops once a year during the wet season. Meanwhile, in the dry season, although crops could still be planted, there are few landowners who are interested. This is because during the dry season the land must be attended to far more regularly and far more manual labor is required because there is no available supplies of irrigated water.

THE IMPACT OF NON-FARMING ACTIVITIES ON SOCIAL AND ECONOMIC CONDITIONS IN BUYUT

According to local informants, the rattan industry began to have a strong influence in the village around 1986, when a few people from Buyut started working in a rattan factory in a neighboring village. Nowadays, there are more than ten large factories employing workers from Buyut. Subsequently, a number of these workers were encouraged by the factory owners who were employing them to establish rattan sub-contracting enterprises in their own village. There are now more than 15 such enterprises in Buyut employing a large number of others.

The rattan industry, both the large factories and the smaller sub-contracting enterprises, have brought considerable financial benefits to the residents of Buyut. Almost all young people of working age in the village are able to find employment in the rattan industry. School children and housewives can also find part-time work in sub-contracting enterprises. As a result, the drift to the large urban

centers, especially by young people, and the incidence of social conflict and petty crime has all declined. Increasing income levels and gainful employment have been important contributing factors. According to several informants, petty theft was quite a common phenomenon in the village before the rattan industry began to provide a stable source of employment for the local community.

In addition, rattan sub-contractors have assisted the people of Buyut with several community development programs in the village. These have focused in particular on cleaning up the environment, Independence Day celebrations, the construction of water storage facilities and a mosque, as well as the formation of a residents' village security body.

The expansion of the rattan industry has had other positive repercussions for the people of Buyut. By increasing the purchasing power of the local community, a range of small-scale petty trading enterprises such as small shops and stalls (*warung*) have been able to flourish. For example, one local petty trader who sells a popular kind of soup in the village can use up to 20kg of meat in a single day. Several small traders describe Saturday and Sunday as their especially busy days because that is when many of the rattan workers receive their wages. One vendor specializing in grilled chicken who operates a stall on the edge of the village is able to sell approximately 25 chickens every Saturday and Sunday.

Buyut's village head admits that the existence of the rattan industry has had a substantial impact on the local community both in direct and indirect ways. For example, other small-scale enterprises like brick making have also benefited from the increasing number of residents who are now building permanent houses. Previously, the walls of rattan workers' houses were made only of woven bamboo. Nowadays, however, many of them own permanent houses made of bricks and cement or they have used some of the income earned in the rattan industry to cover other costs, for example, purchasing wood and roof-tiles.

As far as educational attainment is concerned, the expansion of the rattan industry has had two quite different effects upon the attitude toward education within the village community. On the one hand, it has discouraged some teenagers from continuing to higher levels because students realize that they can drop out of school and still be guaranteed a steady income. On the other hand, many individuals working in the rattan industry – parents, grandparents, older brothers and sisters – are now earning sufficient income to support their children or younger siblings and are actively urging them to remain at school to pursue their education at a higher level.

CONCLUSION

The rapid expansion of the rattan industry from the late 1980s in several centers of production in Kabupaten Cirebon, especially in Tegalwangi, has had a substantial effect on employment and the economic life of the surrounding villages. Buyut, a village only four kilometers from Tegalwangi, is a prime example of these developments. A majority of its inhabitants – old and young, men and women – now receive at least a significant proportion of their income in the rattan industry, either as regular employees in one of the large factories, or as workers in one of the many sub-contracting workshops that have sprung up in the area, most of them owned by small entrepreneurs from the village. Housewives and students have also been absorbed into the industry as part-time piece-workers for these sub-contractors.

Another prominent section of the village population is involved in a wide range of other economic pursuits also outside of the agricultural sector. These include those who are working as petty traders selling a variety of produce and household goods (and some providing supplies and equipment for the farming community), and in food stalls, brick-making enterprises, and as migrant workers, wholesale food producers, drivers, tea factory workers, and in rice mills. Nevertheless, the rattan industry remains the single most important source of income for the people of Buyut.

The growing importance of the rattan industry on the economic life of the community has had a substantial impact on agriculture in Buyut, a village where 67% of its land area consists of wet-rice fields. Although the largest single group within the village still claims farming or farm labor as their source of livelihood, in reality there is a growing tendency for this to be the preserve of the older members of the village community. The younger generation is now reluctant to participate in agricultural labor if they can avoid it, in part because of a shift in attitude towards farm work itself, but also because of the obvious and growing economic attraction of the rattan enterprises. As a result, there has been a significant reduction in available labor for agriculture, causing farm wages to increase sharply in the last few years, and contributing to a general decline in agricultural activity within the village.

The significant number of those who have been absorbed into the rattan industry has also had a significant flow-on effect to other areas of economic life within the Buyut community, as purchasing power has risen and other areas of the local economy have experienced a positive benefit. One clear sign of this has been the growth in the number of thriving stalls and small petty enterprises that have expanded their operations in the last few years throughout the village.

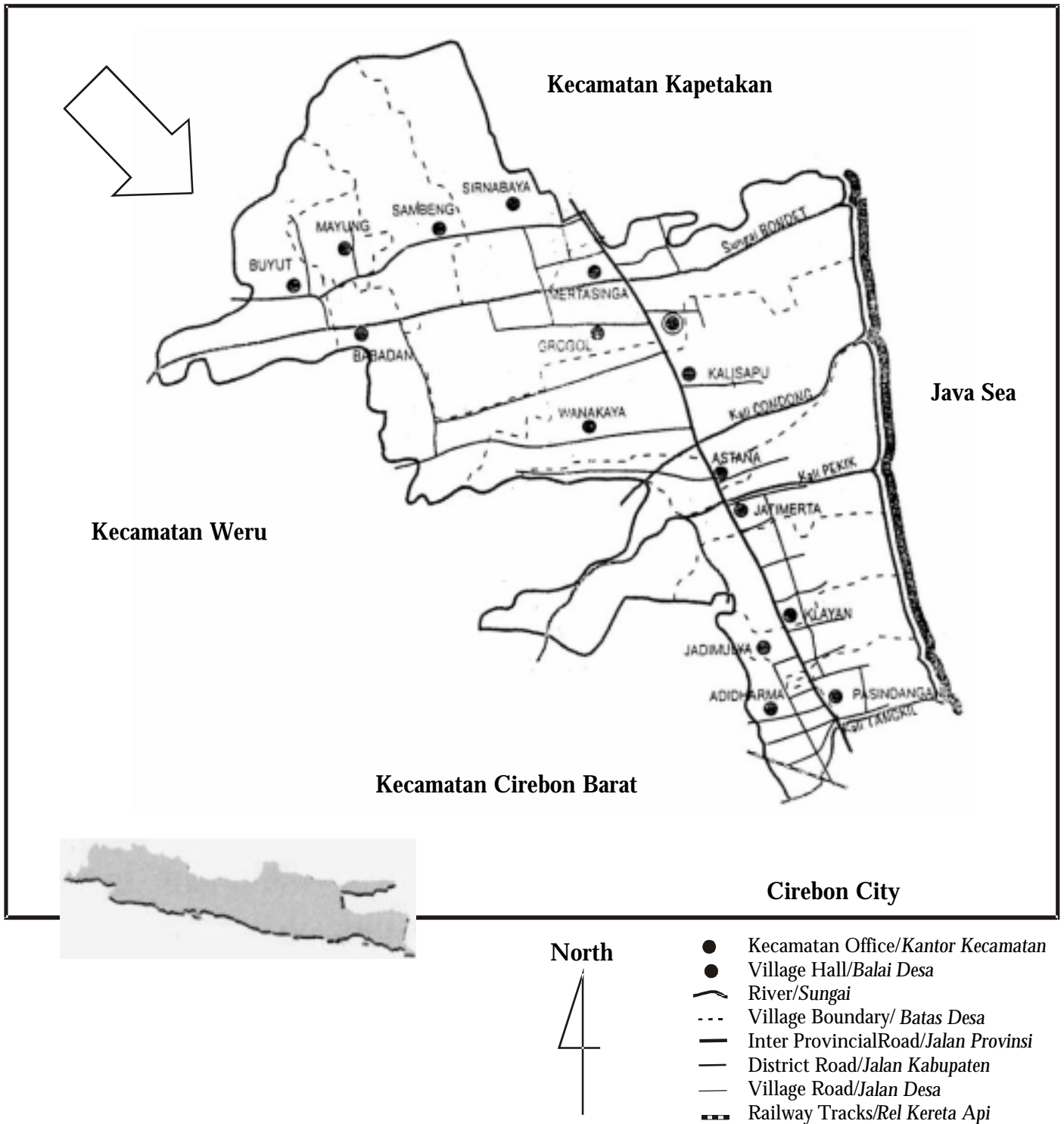
There are indications that the expansion of the rattan industry has had some positive impact on communal life within the village, a reflection of the fact that almost everyone within the community is able to find gainful employment and a guaranteed source of income. As a result, community leaders believe that there has been a reduction in some of the social problems such as petty crime and the drift of young people away from the village to the large cities that has been observed among other rural and semi-rural communities throughout Java.

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FIGURE 1.
KECAMATAN CIREBON UTARA

Scale = 1 : 50.000





Young villagers are beginning to abandon farming activities
Kaum muda mulai meninggalkan kegiatan usaha tani



Departing at 7 a.m. for the rattan factories in other *kecamatan*, and returning home at 5 p.m. in the trucks provided by the companies

Berangkat jam 7 ke pabrik rotan di kecamatan lain, dan pulang jam 5 dengan pabrik



One of the large rattan companies in the neighboring kecamatan
Salah satu pabrik besar industri rotan di kecamatan tetangga



One of the rattan sub-contractors in Desa Buyut
Salah satu sub-kontraktor rotan di Desa Buyut



Piece-workers can earn additional income by working at home for rattan sub-contractors
Pekerja borongan dapat memperoleh penghasilan tambahan dengan bekerja di rumah untuk subkontraktor pabrik rotan



Young and old, male and female, educated and non-educated villagers from Desa Buyut have escaped poverty by working in rattan industries
Penduduk Desa Buyut: tua-muda, laki-laki-perempuan, sekolah atau tidak sekolah terangkat dari kemiskinan



Improved economic conditions have helped to increase the community's buying power
Ekonomi penduduk yang membaik meningkatkan daya beli masyarakat



Plating rattan can be done anywhere and at anytime
Menganyam rotan dapat dilakukan dimana dan kapan saja.



Among others, selling rice cakes and salted eggs have contributed to improvements
in the economic conditions of some villagers

*Berjualan lontong dan telur asin antara lain telah turut membantu meningkatkan kondisi
ekonomi warga desa*