



Special Report

The Micro Data Picture:
*Results of a SMERU
Social Impact Survey in
the Purwakarta – Cirebon
Corridor*

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A special report from the Social Monitoring & Early Response Unit (SMERU), a unit with support from the World Bank, AusAID, the ASEM Trust Fund, USAID.

9 July, 1999

FOREWORD

This volume is the first of several SMERU Special Reports which will examine the social impact of the economic crisis, especially its impact on the labour force and employment patterns. This particular study is in the form of a micro-survey in the Purwakarta-Cirebon corridor along the northern coast of West Java. The report's author, Dr. Joan Hardjono, is a Senior Lecturer in the Arts Faculty at Padjajaran University, Bandung, and is well-known as the author of several major studies, including Land, Labour and Livelihood in a West Java Village (GAMA Press, 1987) and as a contributor to many monographs and journals on a wide range of development issues, in particular land use and agricultural labour issues, resources and environmental problems.

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EXECUTIVE SUMMARY

Purpose

The present study investigated the social impact of the monetary crisis (krismon) on households along the northern coastal plain of West Java and in particular looked at

- occupational changes and mobility
- the current economic position of households and the effects of the krismon
- participation in Social Safety Net programs

Scope

The study involved a repeat survey of 455 households that were interviewed in 1997 prior to the beginning of the krismon in the context of a major highway project. A structured interview was conducted with a household member (in most cases the husband or wife). Of the 1999 respondents, 58.2 per cent were women, compared with 58.9 per cent in 1997. The 1997 survey was carried out in the month of June, which in that year was very dry, while data collection for the present study was undertaken in April and May 1999 near the end of a prolonged wet season.

Location

The survey area consisted of 22 hamlets located within a corridor of land stretching from Purwakarta to the outskirts of Cirebon and passing through four administrative districts (kabupaten). The hamlets are of three general types:

- peri-urban hamlets (26.6 per cent of households), located in largely built-up areas on the peripheries of the towns of Purwakarta, Subang, Jatiwangi and Cirebon, with most respondents employed in the informal sector
- semi-rural hamlets (48.8 per cent of households), located more than 10 km from an urban center, with agriculture an important source of livelihood but extensive employment in trade, local small-scale industry and the Jakarta construction industry
- completely rural hamlets (24.6 per cent of households), where the greater majority of respondents work in the agricultural sector and a small number in handicrafts and trade.

Findings

Occupational changes and mobility

In 43 per cent of the survey households at least one person has changed the type or location of his or her occupation since 1997. Most have been husbands and unmarried sons and daughters of working age rather than wives. Some of these changes can be traced to seasonality but most are explained by the effects of the krismon. While there has been a certain amount of return to and movement from villages, occupational changes have mainly involved employment within the vicinity of the village.

While there has been no change in the number of husbands employed in agriculture, an increase has occurred in the number of other household members (mostly adult sons) working in this sector. There are, however, indications that although more persons are employed, each individual has fewer days' work per month. At the same time fewer women are now engaged in agriculture.

There has been a considerable decline in employment in the construction industry. However, while in the majority of respondents engaged in this sector were idle for several months during 1998, it appears that building and repair work in the housing sub-sector in Jakarta has been increasing since March 1999. Construction work in local areas remains limited but the production of building materials like bricks, lime, and sand is continuing, while the small-scale roof-tile industry is doing well.

Almost no change has occurred in the proportion of husbands employed in trade but fewer wives and other household members now work in this sector. Those who sell basic foodstuffs and cooked food like noodles are still in business but earnings have fallen considerably because of limited local purchasing power and increased competition from sellers from other villages. Most have remained in the same sector for want of a better alternative, but persons trading in less essential items like cloth, garments and kitchen utensils have been so severely affected that many have moved into other occupations.

An increase has occurred in the number of respondents engaged in home industry but returns to labor have tended to decline. Even so, one or two activities like the production of emping crisps and cheap paper toys are doing well because demand for the product is still strong in urban areas. Small business that retread car tires, recharge batteries, repair motorcycle tires and recycle scrap metal, plastic and old timber are doing particularly well. In any situation where a second-hand article can be offered more cheaply than a new one, small businesses continue to survive. By contrast, village furniture makers and cake producers have been greatly affected by the drop in local purchasing power.

The percentage of respondents employed in local factories, which are generally of the traditional rather than the modern type, has risen but much of the increase can be traced to the greater employment of teenage girls in the rattan furniture industry, which has expanded because of export opportunities. In the transport sector there has been an increase of 55 per cent in the number of respondents working as pedicab (becak) drivers. At the same time the number who drives motor-cycles with passengers (ojeg) in semi-urban areas has fallen.

Of the 131 husbands who have changed type or place of employment, 46 per cent once worked in Jakarta, in most cases in the construction industry, though a few were petty traders and street vendors. Half of these men have now returned to Jakarta. On the whole they found it hard to get work in their home villages. Some from land-owning families have obtained work in agriculture but this has meant displacement of regular laborers, in particular elderly men. Others have obtained occasional building work locally, as well as sand-digging, factory work and becak driving.

Mobility in employment has also involved the movement of unmarried household members from the village. The number of women (mainly unmarried or divorced) employed in

domestic work overseas has more than doubled, which reflects the extent to which the economic position of many households has deteriorated.

Current economic position and effects of the monetary crisis

Most households first felt the impact of the krismon in the sudden rise in prices, especially of rice and other basic foodstuffs. This was followed by the loss of jobs for some and a contraction in sources of livelihood for others. Many respondents have had to move to an occupation that gives lower returns to labor, though in some instances the change has meant greater regularity in income.

The economic position of most respondents has deteriorated greatly since June 1997, when rice was Rp. 900,- per kilogram by comparison with Rp. 2,300,- in April-May 1999. The average monthly per capita income of the poorest 20 per cent of households (1,764 persons) is now Rp. 23,200,- while those in the top 20 per cent receive Rp. 160,000,- (comparable data are not available for 1997).

For 31 per cent of households, the impact of the krismon has been felt most keenly in the greater competition for work, especially agricultural wage labor, trade and becak driving. For another 14.5 per cent the main effect has been the steep rise in the cost of farm inputs like fertilizer, which greatly exceeds the increase in the floor price for rice, while a similar percentage have found that demand for their product or service has decreased. The major consequence for 10 per cent has been the constraints imposed on household industry and small business activity by increases in the prices of raw materials and spare parts.

During the past two years most respondents have sold personal possessions, usually in the form of women's earrings and necklaces, as well as household goods like TV sets, bicycles and furniture. The most frequent reasons for sale were to buy food and to pay children's educational expenses, while a few have disposed of assets like motor-cycles to obtain capital for small business. The majority now has very little left that they could sell in the event of another major economic crisis.

Participation in Social Safety Net (SSN) programs

It was found that SSN participation tends to decline with distance from village and sub-district administrative centers. Respondents in hamlets in the more remote part of villages that are themselves located in the boundary between two sub-districts have participated in none of the SSN programs.

The PDM-DKE padat karya program for infrastructure activities has been the least successful of the programs. Selection of participants has not been directed towards either lower income groups or the unemployed. Respondents normally engaged in agriculture have taken part more commonly than those with other occupations.

The PDM-DKE village credit program for economic activities has been successful in focusing on less well-off households. While insistence on credit-worthiness has placed it beyond the reach of many of the poorest households, there is evidence that it has helped recipients to get small-scale income-generating activities re-established.

The provision of free medical assistance through the Health Card (Kartu Sehat) program has been limited to the elderly poor rather than to all households that are poor. In particular, it has done nothing to give very poor women of child-bearing age access to cheaper Family Planning services than those available at Community Health Centers.

The school Scholarship program was found to be the most impressive of the SSN programs because it displays a positive bias towards poorer households and at the same time has given very tangible assistance to a relatively large number of beneficiaries.

The Operasi Pasar Khusus cheap-rice program has greatly helped the poor in hamlets where 10 kg was provided for three or four consecutive months. There have, however, been wide variations in amount and frequency of distribution, with 40 per cent of respondents never receiving any rice at all. In many areas the amount given to each household was quite small because no distinction was made between very poor and less-needy households.

Households are still going through the process of adjustment to lower real incomes. The economic position of the average family would improve considerably if the open-market price of rice could be brought down to that of the Operasi Pasar Khusus rice (Rp. 1,000 per kg). If, however, the price goes up beyond the current price in the coming dry season, as many respondents fear, living standards for the majority of the survey households will deteriorate even further.

INTRODUCTION

The present study was undertaken in the context of the monetary crisis (krismon) that began to affect the Indonesian economy in July 1997. The purpose of the study was to investigate the impact of the crisis at household level and in particular to obtain information about

1. changes in the occupation of household members, including the extent of and reasons for migration to and from villages
2. the current economic position of households and the effect of the monetary crisis
3. participation in social safety net programs by household members.

The study involved a repeat survey of households previously interviewed in June 1997 in a number of villages along the northern coast of West Java. The 1997 survey was undertaken in the context of a major infrastructure project that involved extension of the existing Jakarta-Cikampek toll road to Cirebon and the resettlement of the 480 families whose houses would be impacted. The survey area thus consisted of a corridor of land stretching from Purwakarta to the outskirts of Cirebon.

The proposed road passed through a range of land-use types, which is reflected in the wide range of occupations. None of the areas in which the surveys were conducted are totally urban, while a few are completely rural. Some are on the urban peripheries of Purwakarta, Subang and Cirebon while others are as much as 20 km from an urban center. It should be noted that the first survey was carried out in the month of June, which in that year (1997) was very dry. By contrast, data collection for the present survey, which covered 455 households (1,764 persons), was done between 19 April and 16 May 1999, at a time when there was a prolonged wet season. Rain was still falling and agricultural activities had not ceased.

In both surveys the term “household” was interpreted as husband, wife and children, with the addition of other persons who formed members of the household (in most instances a grandparent and unmarried siblings). In this report the terms “family” and “household” are used interchangeably, while the term “hamlet” is used to refer to a kampung or neighborhood (RW) within an administrative village. Details of methodology are given in Appendix I.

Section 1

EMPLOYMENT

1.1 General picture of employment

Table 1 shows employment of household members by sector in 1997 and 1999.

Table 1: Employment of household members 1997 and 1999

Sector	Husbands		Wives		Others *	
	1997 n = 444	1999 n = 407	1997 n = 470	1999 n = 443	1997 n = 132	1999 n = 172
	%	%	%	%	%	%
agriculture	39.4	39.6	44.0	39.1	15.2	19.2
construction	17.3	13.5	1.5	1.3	30.3	19.8
trade	13.1	13.5	14.7	12.9	12.1	4.6
home industry	9.2	12.0	14.9	16.2	15.2	19.2
factory work	6.3	8.4	1.3	1.1	17.4	22.7
transport	7.7	8.1	0	0	5.3	2.3
misc.	7.0	3.9	4.5	4.1	4.5	12.2
unemployed	0.0	1.0	19.1	25.3	-	-
total:	100.0	100.0	100.0	100.0	100.0	100.0
no. of persons with no spouse	36	48	10	12	-	-

* "Others" refers to unmarried sons, daughters and siblings plus other relatives who are members of the household. Since comparable data are not available for unemployed "others" in 1997, figures for this category are given as a percentage of employed persons in both years.

Certain broad conclusions can be drawn from the above table about employment for husbands. In the two-year period there was

- no drop in agricultural employment
- a clear decline in numbers engaged in construction work
- almost no change in numbers engaged in trade
- small increases in employment in home industry, factory work and transport
- a fall in the number employed in miscellaneous occupations
- a small number of unemployed husbands by contrast with none in 1997.

The same table shows that in 1999 by comparison with 1997

- somewhat fewer wives worked in agriculture
- not so many wives were employed in trade

- a few more were engaged in home industry
- many more wives were unemployed, the extent of the change being approximately equivalent to the drop in agricultural employment.

In 1999 the category of “others” took in 117 unmarried sons and 109 unmarried/divorced daughters of working age who were still living at home. It also included 28 employed parents and other relatives living in the respondents’ households.

The following broad changes can be noted:

- the percentage of persons engaged in agriculture increased slightly
- there was a big drop in employment in the construction industry and a somewhat smaller decrease in the trade and transport sectors
- relatively large increases occurred in home industry and factory employment and also in miscellaneous occupations.

A comparison of broad sectors, however, does not reveal the occupations in which changes have occurred in the past two years. The next section gives an indication of trends in the various fields in which respondents are employed as shown in Table 2, which presents details of respondents’ employment in 1997 and 1999 by occupation.

1.2 **Main occupations**

1.2.1 **The agricultural sector**

It is obvious that the agricultural sector has been unable to provide more employment since the krismon than it previously did. Field interviews suggest, however, that “work-sharing” has increased, which means that more persons are employed but with fewer days’ work per individual per month. It would seem that, while small farmers (those owning less than 0.25 ha) normally economize on the use of hired workers wherever possible, they are now trying even harder to avoid employing labor. Men who in the past did not work on their own land because they had more profitable full-time jobs in other sectors are now doing so; many of them are also doing paid work on the land of others. In many cases owners who used to hire local agricultural workers are now employing their own sons, who have lost jobs in other sectors. Likewise, wives who would not normally work are weeding their own rice-fields to save money. For farmers in some areas current financial problems stem as much from recent crop failures caused by insect pests and rats as from the krismon, although the effect of the latter is being felt sharply in the high price of inputs as cultivation of the next rice crop, due to be harvested in June-July 1999, gets under way. The increase in the floor price for rice has not been in proportion to the rise in the price of fertilizer and pesticide, and as a consequence farmers are reducing the quantities that they use.

Table 2: Occupations of respondents, 1997 and 1999

	Husbands		Wives		Others	
	1997	1999	1997	1999	1997	1999
	n = 444	n = 407	n = 470	n = 443	n = 132	n = 172
<i>Agriculture</i>						
farmer (cultivating own land)	70	47	74	55	4	4
sharecropper/ rental	37	37	39	30		2
agricultural laborer	62	66	92	87	16	26
animal breeding		5				
other agricultural work	6	6	2	1		1
no. of resp. in agriculture	175	161	207	173	20	33
% of all resp. in agriculture	39.4	39.6	44.0	39.1	15.2	19.2
<i>Construction Industry</i>						
construction worker (local region)	12	16			2	4
construction worker (Jakarta)	43	26			32	19
other fields (sand digging etc.)	13	8				1
brick and tile production	9	5	7	6	6	10
no. of resp. in construction	77	55	7	6	40	34
% of all resp. in construction	17.3	13.5	1.5	1.3	30.3	19.8
<i>Trade</i>						
<u>warung</u> / shop	7	2	31	26	4	4
cooked food/drinks (itinerant)	17	10	20	22	3	1
dry goods (rice, salted fish etc.)	4	13	4	2		
traditional medicine	4	3			2	1
cigarettes	2	2				
cloth/garments, household goods	14	10	9	5	6	
recycling (scrap metal, plastic)	4	8	1	2	1	2
other commodities	6	7	4			
no. of respondents in trade	58	55	69	57	16	8
% of all respondents in trade	13.1	13.5	14.7	12.9	12.1	4.6
<i>Home Industry</i>						
bamboo baskets	4	7	3	8		2
<u>emping</u>	3	4	8	12	6	11
toys	28	26	35	39	12	16
plant nursery	1	1	2	2		1
woven mats	1		22	11	2	
repair shop, furniture-making	4	11				3
no. of resp. in home industry	41	49	70	72	20	33
% of all resp. in home industry	9.2	12.0	14.9	16.2	15.2	19.2

Table 2: continued

	Husbands		Wives		Others	
	1997	1999	1997	1999	1997	1999
	n = 444	n = 407	n = 470	n = 443	n = 132	n = 172
<i>Factory work</i>						
non-local (Jakarta)	4	3		1	1	4
local - modern sector		6			4	3
rattan	5	4	5	4	10	23
cement	1	1				1
building lime	2	6				
ceramic tiles, rubber, sugar	5	3	1		2	4
maintenance/gardening, security	11	11			6	4
no. of resp. in factory work	28	34	6	5	23	39
% of all resp. in factory work	6.3	8.4	1.3	1.1	17.4	22.7
<i>Transport</i>						
pedicab (<u>becak</u>) driver	9	14				
ojeg driver	7	6			5	1
car, bus, truck, <u>bajaj</u> driver	13	13			1	
mechanic	4				1	
driver's assistant (<u>kernet</u>)	1					3
no. of respondents in transport	34	33	0	0	7	4
% of all respondents in transport	7.7	8.1	0	0	5.3	2.3
<i>Miscellaneous occupations</i>						
teacher	7	4	4	2		1
dressmaker			2	2		1
traditional birth attendant					1	1
domestic/restaurant worker			1	2	2	3
domestic worker overseas (TKW)			6	5	1	12
rental of rooms			1	3		
public service	11	5				
pension recipient		4	3	1		2
other occupations (masseur, cultural performer)	13	3	4	3	2	1
no. of resp. in misc. occupations	31	16	21	18	6	21
% of all resp. in misc. occupations	7.0	3.9	4.5	4.1	4.5	12.2
no. of unemployed respondents	0	4	90	112	--	--
% of all respondents unemployed	0.0	1.0	19.1	25.3	--	--

Table 2 indicates that the number of farmers (defined as those who own the land that they are cultivating) has fallen from 70 to 47 persons (that is, from 15.7 to 11.5 per cent of all respondents) in the case of husbands and from 74 to 55 persons (15.7 to 12.4 per cent) in the case of wives. Since there was no indication whatsoever during interviews of any sale of agricultural land over the past two years, this decrease is presumably explained by the fact that in 1999 a greater proportion of husbands described themselves as agricultural laborers

(16.2 by comparison with 13.9 per cent in 1997). In the case of wives, the decrease is traceable to the fact that a greater percentage said that they were unemployed in the 1999 survey. In fact, the holdings of many “land-owners” are so small that both husbands and wives have to obtain the greater part of their income from wage labor in agriculture or other sectors.

Table 2 also shows that there are now more agricultural laborers than in 1997. As already noted, the number of husbands in this category increased from 62 to 66 persons (13.9 to 16.2 per cent) while the number of “others” rose from 16 to 26 persons (12.1 to 15.1 per cent). While part of the increase is due to definition, some is explained by the return of construction and other workers from Jakarta. On the whole these men have found it hard to get work in agriculture except where their family or a very close relative owns land. If they do get work, this merely means that other regular laborers have been displaced. Elderly men in particular have been adversely affected as employers tend to prefer younger men because of their greater strength. Until early April male agricultural workers were able to obtain an average of three days’ employment a week, but with the completion of field preparation (in particular hoeing) by mid April they were finding it hard to get work even once a week.

A few more households are sharecropping or renting agricultural land than formerly (in both years 37 persons but 9.9 per cent of 1999 respondents and 8.3 per cent of 1997 respondents). The impression was gained that the renting out of land is becoming more common than sharecropping, as owners who for some reason do not cultivate their land themselves prefer payment in cash or kind (rice) in advance rather than a share of the crop. While this trend has existed for some time now, at least on the northern coast (pantura), it is very probably increasing because rental transfers all risks to the tenant.

There was no change in the proportion of wives who described themselves as agricultural laborers in the two surveys (19.6 per cent in both years). Many of these women have a certain “security” in employment in that they have a fixed work agreement with one or more landowners. Through a traditional labor institution known as nyeblok they have the exclusive right to harvest a certain piece of land in return for a share of the harvest, provided that they plant and in some areas also weed that land without wages. The terms of these agreements (in some areas one-fifth but in others one-sixth of the harvested rice for the harvester) appear not to have changed since 1997. Women who have such an agreement are in a good position at harvest time but even so, with only two harvests a year, virtually none can earn sufficient rice to meet the household’s annual rice needs. Harvesting opportunities are extremely limited for women who do not have a nyeblok agreement as there are very few “open” harvests these days.

Agricultural wages today are considerably higher than they were in June 1997 but the rise has not kept pace with the cost of living. On the whole, there was a surprisingly wide variation in wages throughout the region, with men receiving Rp. 10,000,- in a few places but only Rp. 7,000,- in others for the standard work period (bedug) of 4.5 to 5 hours by comparison with an average of Rp. 5,000,- in 1997 (in all cases without food). When food is given, the average wage for men is now Rp. 6,000,- as against Rp. 3,500,- in 1997. Women’s wages for weeding also show variation, ranging from Rp. 5,000,- plus food to Rp. 4,000,- without food. In 1997 comparable wages were Rp. 3,000,- without food and Rp. 2,500,- with one meal in 1997. Prior to the March harvest this year, most owners who employed

labor gave higher cash wages rather than the customary cash and food. Although this is not a new trend, the high price of rice has made it more prevalent. Agricultural workers, however, would prefer to receive cooked food and a lower cash wage. The major complaint from agricultural laborers, both men and women, is the lack of work, which really means that there is more competition among those seeking employment in agriculture. Specific complaints were made in a few places about the increased use of herbicides, which reduces the need for manual weeding by women, and in one village about the use of extremely large (not hand) tractors for the preparation of rice-fields.

The few respondents who raise animals are in much the same position as previously, as they have been able to increase selling prices, though once again not in proportion to trends in living costs. Persons engaged in associated agricultural work like rice-hulling and tractor-driving have experienced no problems, though owners of hullers and tractors spoke about the big increases in the price of spare parts for machinery.

1.2.2 The construction industry

As Table 1 has shown, there has been a considerable decline in employment in the construction industry since 1997, with a fall from 17.3 to 13.5 per cent in the case of husbands and from 30.3 to 21.7 per cent in the case of “others”. Table 2 shows that most of this decline has occurred in the numbers engaged in construction work in Jakarta (from 43 to 26 persons, that is, from 9.7 to 6.4 per cent). The decrease is more striking in the case of “others” (from 32 persons or 24.2 per cent to 19 persons or 11.0 per cent).

In Jakarta

Some 12 per cent of the 480 families covered in the 1997 survey had at least one male member (usually a husband or son) working regularly in Jakarta or an adjacent city (Bogor, Tangerang and Bekasi), while many other families, in particular those engaged in agriculture, had members who sought employment in Jakarta as seasonal workers in the dry season. The present survey found that in April 1999 10.3 per cent of households had a male member employed in construction work in Jakarta. Interviews indicated, however, that the majority of these men had been idle for most of 1998 and that only recently has work been available in this sector.

It appears that something of an outflow of construction workers back to Jakarta commenced in March, about a month or so after the 1999 Idul Fitri holidays, and increased in April. It is not clear what this indicates. Possibly there has been a sudden increase in jobs in this sector though it may be related to a reduction in work in agriculture in late March and early April, when the hoeing of fields for the second rice crop had almost concluded. Even so, very few workers go to Jakarta “on spec” because transport and living costs are too high unless there is some guarantee of employment. When asked how they hear of jobs, respondents (in many cases the wives of men who had just departed) said that they have a friend or acquaintance who tells them. In one hamlet, where there are a relatively large number of construction workers, one respondent is himself a “contact” as he works as a foreman (mandor) in Jakarta. When respondents were asked what kind of construction work the men are doing, the answer was invariably private house building, including repair work and house improvements.

In local villages

A much smaller number of men have always been engaged in the local building industry, including brick laying and carpentry, in the area where they live. The percentage of employed men has risen a little, from 2.7 per cent in 1997 to 3.9 per cent in 1999, suggesting that some of those who no longer do construction work in Jakarta may be obtaining a living in local building work. While a certain amount of house building is taking place, most of the work involves the addition of rooms and repair jobs like painting. Today this field does not provide the more or less regular work that it once did. Even skilled carpenters find it hard to get more than ten days work a month. The wages that they currently earn (between Rp. 7,000,- and Rp. 10,000,- a day, sometimes without food) are no more than what they received two years ago. Most, however, are quite satisfied to be paid at this rate rather than to be unemployed in a very competitive market.

1.2.3 Employment related to the construction industry

One interesting aspect of the construction industry is the fact that the roof-tile and brick industries are doing very well, though the latter was not operating at its normal capacity at the time of the survey because frequent rain was impeding the drying of bricks. It would seem that no decline has occurred at all in these activities, apart from a brief slow-down in early 1998. According to the owners of small tile and brick businesses, the demand for these products is centered in regional towns like Bandung and Cirebon, not in Jakarta. Respondents said without hesitation that it is always possible to get work in this sub-sector. This is important for women, since tile production is an industry that employs a relatively large proportion of female workers.

The making of tiles and bricks, however, is arduous work for both men and women and returns to labor are very low. The digging of clay is much harder than the hoeing of rice-fields, the wages are lower than in agriculture, food is never provided and hours are longer (eight hours a day). Daily wage rates for men are currently Rp. 6,000,- (from Rp. 5,000,- in 1997) and Rp. 4,000,- for women (from Rp. 3,000,-). The change in the employment of respondents since 1997 has been slight, with the number of husbands falling from 9 to 5 and of women from 7 to 6 persons. The increase in "others" from 6 to 10 (4.5 to 5.8 per cent) reflects the greater increase of young women in this industry. Those who do this work have no other job openings but cannot afford to be completely unemployed. The main attraction is that employment is regular; a person can always work at least six days a week.

Another related job is sand digging. There is still demand for river sand for the construction industry, but fewer men were employed in this activity in April-May 1999, the reason being that rivers were still very high, making it hard to excavate sand manually. In the dry season more men are likely to return to this occupation. This is an activity where there is very obvious mobility at village level in the sense that agricultural workers often turn to this occupation when nothing else is available. However, only the young and strong can undertake the heavy work that is involved.

1.2.4 Trade

Not surprisingly, given the decline in purchasing power, persons engaged in trade have been very adversely affected by the krismon. Most who were employed in 1997, however, have remained in the same sector for want of a better alternative. A number of 1997 itinerant vendors have dropped out while others have taken up selling in local hamlets. Some of the street vendors who have returned from Jakarta because of very low profits have moved into local trade but once again this has meant a reduction in the incomes of others. All agree that competition has increased greatly and some women have even closed their food-stalls (warung) completely. Others, however, who once had no employment, have established stalls, the scale of which depends on the capital that they can invest initially in goods as well as on local demand. The situation has been made more difficult in some hamlets by the fact that outsiders have moved in, taking customers away from local people.

The sellers who do best are those dealing in essential items. This includes the warung that sell mainly raw foodstuffs and those that sell cooked food close to schools and factories. Among itinerant vendors, especially of cooked food and drinks, the pattern is similar. Thus the proportion of women in these two categories and those who trade in dry goods has not changed very much (55 as against 50 persons, or 11.7 compared with 11.3 per cent). At the time when the second survey was done, there was a big increase in the number of men selling rice, a reflection of the fact that the harvest had just taken place. There would appear to be a much wider range in what men are selling today yet at the same time a narrower range in what women are selling. Most people, however, have kept to the commodity that they are familiar with as they had developed a niche for themselves in that field, even though returns to labor and time may be much lower nowadays. There are a few exceptions: persons selling less essential goods like cloth and clothing have been adversely affected to the point where many have given up trade completely. Others have changed the nature of the item that they sell, for example, clocks rather than furniture and other kitchen or household goods; at the same time these sellers now cover a much wider geographical territory than they used to in the search for business.

During interviews several small traders and vendors talked about lack of capital but that is not the real constraint on business. The problem is the low purchasing power of their usual customers and the greatly increased competition at all levels. Small sellers, whether they run a warung or trade in other goods, are caught between the need to make a reasonable profit for themselves and the need to retain customers. Most therefore continue to give credit as they have always done. It was a common complaint among warung owners and others involved in trade, however, that the failure of customers to pay their debts has been much greater than in pre-krismon times and that this in turn has affected the viability of the warung or business. As will be noted below, however, it is the fact that they can buy essential foodstuffs on credit at warung that enables many households to survive when employment is irregular.

Meanwhile, trade in second-hand goods has improved. The recycling business is still surviving, with twice the number of 1997 respondents now buying and selling plastic waste, scrap metal and second-hand timber from old houses. Despite the fact that profits are as low as Rp. 1,000,- - Rp. 2,000,- a day, more women go around looking for old plastic goods

that they can sell to recyclers. They buy them for small amounts of money or else exchange them for cheap commodities like krupuk made from cassava starch.

1.2.5 Home industry

Various forms of home industry are to be found in the survey villages, though each activity tends to be concentrated in a relatively small geographical area and to take in a relatively small number of people. Activities range from the making of baskets and mats and the processing of foodstuffs like banana crisps (kripik) to the small-scale production of furniture. By and large, returns to labor are as low as they always were, if not lower, for although producers have been able to increase their selling prices a little, the cost of raw materials has also risen. At the same time demand for some of these commodities has declined.

Two household activities are surviving quite well, however. The first, which is indeed flourishing, is the production of emping or small crisps made from the melinjo nut. In the last half of 1997 there was major down-turn in production that brought bankruptcy to most small producers and unemployment to the large numbers of women engaged in the crushing and pounding of nuts and the packing of the finished product in plastic bags. Over the past year, as the prices of inputs like frying oil have stabilized, the industry has gradually been able to re-establish itself. Such widespread demand for the product still exists that it has been possible for producers to demand prices commensurate with the increased cost of inputs. The industry is important in that production is highly labor-intensive. Once again this is an activity that pays very low wages, but women from poor households seek work in small emping businesses as it offers a regular wage.

The second household industry that is surviving, although not really flourishing, is the production of a very cheap toy called kitiran from recycled paper attached to a thin strip of bamboo by a rubber band. Despite reduced purchased power in the community, there is still demand among school children for the toys, which sell at Rp. 100,- each by comparison with Rp. 50,- two years ago. Women normally undertake production in their spare time, though for many it is their only income-producing activity. Selling is done by men, a few of whom travel not only to Jakarta and surrounding towns but even to Sumatra and Kalimantan. Returns to labor for both producers and sellers have always been extremely low, however, and the fact that more people have entered the business in the past year or so has made average profits even lower.

Other small household industries have been less fortunate. Furniture-makers, while still continuing to produce on a reduced scale, have been particularly affected by the lack of money at village level for the purchase of cupboards and chairs, as have producers of things like garden shrubs and trees and ornamental stone-facing for houses. By contrast, a small business that retreads car tires and recharges batteries is doing extremely well, as is another that repairs bicycle and motor-cycle tires. The reason is that people cannot afford to purchase new items. In any situation where a second-hand article of reasonable quality can be made available at a lower cost than the price of a new one, small businesses are surviving reasonably well.

1.2.6 Factory work

Non-local factory work

The number of persons working in factories outside the region at a considerable distance from the survey villages has always been low (only 4 husbands and 1 “other” in 1997 by comparison with 3 husbands, 1 wife and 4 “others” in 1999). The small number suggests that respondents are not prepared to travel to Jakarta to obtain factory jobs because the low educational level and limited skills of most would imply very low wages. By contrast, men from the study area found it well worthwhile going to Jakarta in search of construction work in the past because wages have been high.

Local modern factories

Factories that can be described as local yet modern are to be found only in the Purwakarta area. Very few respondents are employed in these factories, though several men from nearby hamlets work in the Texmaco factory complex, which occupies a large section of an industrial estate in a semi-rural area some 20 km to the east of Purwakarta. Almost all of the respondents who work there, however, are employed as unskilled laborers in low-paid jobs like gardening or maintenance and security. Wages for this kind of work remain low at Rp. 6,000,- a day (somewhat below the basic wage for West Java), though by comparison with other village opportunities employment of this kind at least offers regular weekly remuneration.

Other local factories

On the whole local factory work tends to involve employment in the non-modern sector. Most establishments of this kind that are relevant to the present survey are located along the main road leading into Cirebon. They include a cement factory, a ceramic-tile factory, a number of small limekilns and several rattan factories. Of these by far the most important are the rattan factories, which produce furniture by manual methods. The industry itself appears to be expanding fairly widely in Cirebon District as a consequence of increased export opportunities. Many more young girls, most of them in their mid to late teens, are now working in rattan factories, where they are employed to sand-paper semi-finished chairs. The number rose from 10 in 1997 to 23 in 1999 (7.6 to 13.4 per cent of “others”). In view of the fact that wages have remained extremely low during this period (Rp. 3,000,- for an 8-hour day at present by comparison with Rp. 2,500,- in 1997), it would seem that the factories have no trouble in recruiting cheap female labor in nearby villages.

1.2.7 Transportation

While a few respondents who had been employed as drivers for private companies have lost their jobs because the company became bankrupt, the big problem for almost all respondents working in the transport sector is the far greater competition that they face today. In most instances it is because more men have sought work in this sector, though in a few cases it is because of the replacement of one means of transport by another. Respondents who work as *bajaj* drivers in Jakarta complain that taxi drivers have moved in on their usual areas of operation, while in two villages the introduction of mini-buses

(angkot) has caused a shift in passengers away from ojeg (motor-cycles that carry a passenger).

Possibly becak drivers are the worst-off workers in this sector. Returns are so low and competition so great that this is an activity of last resort that men turn to when nothing else is available. In many places, for example, under-employed agricultural laborers have become becak drivers. Some respondents engaged in this occupation stated that there are days when they earn nothing. In one area on the outskirts of Purwakarta the becak drivers themselves have regulated their business, taking turns in accepting passengers so that each man is sure of a certain number of fares, in much the same way that taxi drivers do in more urban areas. Many ojeg and becak drivers now work at night in the hope of getting passengers when public transport in the form of buses and minibuses has stopped for the day.

1.2.8 Other fields

In the category of miscellaneous occupations the most dramatic change since June 1997 has been the increase in women doing domestic work overseas (TKW). In 1997 only 7 women (6 married and 1 unmarried) were working as TKW but by April-May 1999 the figure had risen to 17 (5 wives and 12 daughters). While most have gone to Saudi Arabia, a couple is working in Malaysia and one in Kuwait. This increase would appear to be directly traceable to the economic crisis and the need to help support the family. In most though not all cases, however, the families have yet to feel the benefit as the women have first to repay recruitment and travel expenses of as much as Rp. 4 million to the agency that arranged their overseas jobs.

At the same time the range of men's jobs has become much smaller. Jobs like factory landscaping and certain types of village entertainment have largely disappeared, reflecting reduced demand for less essential activities.

1.2.9 Unemployed persons

While interviews indicate that only one per cent husbands are currently unemployed by contrast with just over 25 per cent of wives, it is difficult to say with certainty whether the number of unemployed wives is really greater than in 1997, when the figure was 19 per cent. While most respondents, male and female alike, seemed to feel that a husband should be said to have an occupation, they did not take the same attitude in speaking of employment for wives. Thus there was a tendency for the husband's occupation to be given as "agricultural laborer", a term that often carries with it some vagueness about day-to-day employment, and the wife's as "none". Added to this is the fact that there is no way of ascertaining accurately how many hours per day and how many days per week or month people actually work in any job, except in the case of factory employment and jobs with fixed hours like tile-making. Thus some of the "unemployed" women may in reality do as much occasional agricultural work as those women who described themselves as "agricultural laborers", while others who also said that they are unemployed may spend a considerable amount of time making bamboo baskets, mats and toys. It seems clear, however, that some women who did not need to work in 1997 are now doing so, whereas some who once worked are now unemployed. The latter include a few women who have had an additional child and hence cannot leave the house.

1.3 Changes in the occupations of household members

1.3.1 Overall changes

One of the purposes of the present survey was to identify the extent to which respondents have changed occupations since 1997 and the reasons why. In some instances a change in employment is explained by seasonality while in others it reflects the natural pattern of occupational multiplicity that prevails in most rural areas. Thus a farmer may also work as rice trader at harvest time while a becak driver will almost certainly do a few days of agricultural work if he gets the chance. This is not possible in factory jobs in the formal sector but it is common in more traditional work like brick and tile production.

In many cases, however, the changes that have occurred in respondents' occupations since June 1997 have been a response to the economic crisis. When income from one source declines or disappears, people obviously have to look around for other opportunities to earn money. For many, it has meant giving more time to what was once a secondary occupation but for others it has meant a complete change. In an attempt to identify these changes, household members were placed in one of six categories, namely,

1. persons who have remained in the village but moved into a different type of work
2. unemployed persons living in the village
3. persons who have left the village in search of a job elsewhere
4. persons who have returned to the village permanently
5. persons who have returned to the village temporarily
6. households in which no member has changed his/her occupation since June 1997.

The results are shown in Table 3. Numbers do not add up to 455 since they refer to individuals, not households. A return trip to the parents' home once a month has been taken as the criterion of "still living in the village", irrespective of whether or not the person concerned makes any financial contribution to the household. It should be noted that women who were unemployed in 1997 and are still unemployed are not included and unemployed "others" are not taken into account in Table 3.

Of the 455 households, 57 per cent (260 households) are in the sixth category, that is, they have no members who have changed occupations or the location of their job since 1997. In the remaining 43 per cent (195 households) at least one person has made a change. In 131 of these households it is the husband who has changed his occupation, while in 33 households it is the wife who has done so. In addition, another 72 people (66 sons and daughters plus one male parent, one brother, one sister, one grandson and two granddaughters) have changed occupation. By definition these 72 other persons are unmarried and still part of the parents' household. In this context divorced daughters who have returned to the parents' home are included as "others".

Table 3: Changes in occupation and location of employment

Category	Husbands	Wives	Others
1. still in village but in other occupation	61	18	8
2. living in the village but unemployed	4	4	11
3. have left the village in search of work	6	8	34
4. have returned permanently from Jakarta	39	3	10
5. have returned temporarily from Jakarta	21	0	9
total:	131	33	72
6. no change in occupation or location	276	410	100

1.3.2 Movement from the village

While members of 195 households have changed their occupation, most have not left their homes in the village to do so. Something of a pattern can be seen in the way in which respondents have changed jobs in that there has been a ripple effect as some moved in and others moved out of an occupation or, rather, an economic opportunity. Frequently people have been forced to move into a less attractive occupation because it offers regular employment though lower returns to labor. For example, women who have not been able to continue as traders have been forced to work in tile production and men who were once agricultural laborers have become becak drivers.

The most striking feature of Table 3 is the high proportion in category 3 (34 persons or almost 15 per cent of those recorded as changing their occupation). Most of these are young people and many have never worked. Some are straight from school but more commonly they have been living at home in the village without employment for at least a year and usually longer. Several are sons who have gone to Jakarta with fathers or older brothers to work in the construction industry, even if it means nothing more than mixing cement for Rp. 9,000,- a day. It also reflects the trend noted above wherein several young women and girls have gone overseas as TKW domestic workers. Of the 8 wives shown in Table 3 as leaving the village in search of work, 5 have become TKW, while 12 daughters from the 34 “others” have done the same.

1.3.3 Permanent and temporary returns to the village

One of the specific purposes of the present survey was to identify the extent to which people working in Jakarta, especially construction workers, have returned to their home village and to discover what fields of employment they have moved into. Table 4 shows the present occupations of respondents who were once employed in Jakarta.

Categories 4 and 5 in Table 3 were intended to distinguish between workers who, after returning to the village in late 1997 or 1998, remained there permanently and those who were working in Jakarta when the survey was conducted but had spent long periods of time in the village during 1998 and early 1999. Respondents were classed as “permanent returnees” if they had previously been working in Jakarta, had had a job in the local area for at least three months and were still there when the survey was conducted. It may be noted in passing that if a significant improvement were to occur in the Jakarta construction industry,

most of these permanent returnees would most probably choose to go back to their former occupation in the capital city.

Table 4: Current employment of returnees from Jakarta

Occupation	Construction workers	Non-const. workers*	Wives **	“Others”***
	n = 23	n = 16	n = 3	n = 10
farmer on own or parents' land	4	1		4
rents land	1	1		
agricultural laborer	4	6	1	
local building worker	3	1		
sand-digger	3			
tile laborer			1	2
<u>becak</u> driver	2			
local factory worker	3	1		
home industry	1	2		1
sells toys	1	1		
sells electrical goods	1			
<u>warung</u> owner/assist.		1		1
unemployed		2	1	2

* *Of these, 8 had been street vendors or market sellers, 3 drivers, 3 factory workers, 1 a harbor laborer and 1 a pension recipient*

** *Two wives had sold cloth, while the third had worked overseas as a TKW*

*** *Of these, 3 had been construction workers and 2 street vendors while 3 had been retrenched from factory work, 1 from a repair workshop and 1 from a bakery.*

Of the 39 husbands shown in Table 3 as having returned permanently from Jakarta, 23 had been employed in the construction industry. While this figure includes a few men who had been relatively specialized workers such as electricians and carpenters on building sites, the majority did less skilled work.

Most of the 30 persons who have returned temporarily to the village (category 5 in Table 3) are likewise construction workers. The rest are street vendors who sell cooked food like sate. As noted above, there appears to have been an expansion in work in the building sector since February 1999, though whether this is merely coincidental remains to be seen. These persons spent most, and in several cases, all of 1998 unemployed, although some obtained a week or two's work in Jakarta in the building industry very occasionally. Some also found work locally for short spells, usually as agricultural laborers or less commonly in the building industry. On the whole, however, 1998 was a very bad year for all returnees from Jakarta because of the difficulty of finding local employment.

Section 2

THE IMPACT OF THE MONETARY CRISIS

2.1 Current economic position of households

In the following discussion a general picture is given of the current economic position of households and the impact on them of the krismon. Figures for average monthly income are only approximate. The majority of people could not say precisely what their monthly income is because for most households there are wide fluctuations from month to month. In some instances respondents did not wish to give precise information about income. Where respondents could not give a figure, an estimate was made based on information provided during interviews about sources of livelihood and frequency of employment. In some cases information from a number of sources about standard returns to labor in occupations like agricultural work, basket-making and tile production was used to supplement information from individual respondents. Households were then placed in one of eight income groups. As Table 5 shows, more than 60 per cent of households are in the Rp.100,000,- to Rp. 350,000,- income, while just on 20 per cent earn even less. While no attempt is made to calculate a “poverty line”, observations showed that households with less than Rp. 350,000,- a month and five or six members are definitely poor. With the price of rice averaging Rp. 2,300,- per kilogram in the survey hamlets in April-May 1999 and other daily necessities like frying oil also very expensive, most families are finding that all their financial resources have to go to bare essentials, which means basic food requirements. Very little is left over for clothing or other expenses.

**Table 5: Monthly income
(in Rupiah)**

Income group	No. of households	% of households
under 50,000	18	4.0
50,000 - 99,000	71	15.6
100,000 - 199,000	151	33.2
200,000 - 349,000	129	28.4
350,000 - 499,000	37	8.1
500,000 - 749,000	30	6.6
750,000 - 999,000	12	2.6
1,000,000 and over	7	1.5
total	455	100.0

Table 6 presents the same information about the income of respondents by quintile groupings. Both household and per capita ranking are shown. The poorest quintile (91 households) has an average household income of Rp. 74,800,- per month by comparison with an average exceeding half a million Rupiah for the wealthiest quintile. When average monthly household income is related to the size of households to show per capita income,

people at the top of the income scale are found to be approximately seven times better off than those at the lowest level.

Table 6: Household and per capita income by quintile

	Average monthly household income (Rp.)	Average monthly per capita income (Rp.)
Quintile	n = 455	n = 1,764
I	74,800	23,200
II	129,000	36,900
III	184,200	51,000
IV	253,200	72,800
V	545,300	160,000

2.2 Effects of the monetary crisis

2.2.1 **The nature of the impact**

To obtain some insight into the consequences of the krismon, respondents were asked how they had been affected by the crisis in terms of sources of income. The question was open-ended and responses were later grouped into ten categories (Table 7). Many respondents in fact mentioned more than one effect of the krismon, in which cases the most significant was recorded in Table 7. In reality, the ten categories overlap somewhat and the answers of many respondents, depending on the nature of their occupation, could have been placed in more than one category.

Some comment is warranted on the fact that 7.2 per cent of respondents said that they had experienced no effect or that the krismon had even proved advantageous. This response is not necessarily related to income levels. Those who said that they had felt no effect tended to fall into two groups: elderly people whose needs are very largely met by adult children who live elsewhere but who can still afford to supply them with whatever they need, and those who are very well off, in particular producers of emping and roof-tiles. Their good fortune stems not from the krismon as such but from the fact that they still have a very good market for their products despite the crisis. A “positive effect” has been felt by only two or three households, including the tire-retreading business mentioned above and a family that has been receiving regular remittances from a daughter working as a TKW in Malaysia.

Table 7: Impact of the krismon on households

Impact felt in the fact that:	No. of households	No. of households
There is greater competition in the same field	141	31.0
Cost of farm inputs has risen	66	14.5
Demand for product or service has fallen	65	14.3
Raw material/spare parts needed for household industry or small business have risen in price	43	9.5
Wages/pension have risen but only a little	38	8.4
Work is no longer available/retrenchment	38	8.4
There has been no effect or else a positive one	33	7.3
Goods for sale in <u>warung</u> /shop have risen in price	18	4.0
Wages have not gone up at all	7	1.5
Selling prices of products have had to be reduced	6	1.3
	455	100.0

2.2.2 The sale of belongings

To obtain a further impression of the general economic situation, respondents were asked if they had sold any personal belongings or household goods during the past two years (since the beginning of the krismon in July 1997). The question, however, did not prove very effective as some respondents gave no answer or else said something like: “Who hasn’t sold things?” The majority of those who have done so gave the need to buy food or else to meet educational expenses as the reason. At the same time a small number of respondents, all of whom were in the higher income groups, said that they needed to obtain capital to get started again in some kind of business like trade or the production of emping. Some in this small group had become completely bankrupt in late 1997 or early 1998 because of the krismon, when they were caught very much unawares by a series of extremely large increases in the cost of inputs. An insignificant number (five persons) had mortgaged belongings like sarongs as well as larger items like motorcycles. Some have not yet been able to redeem their property.

Among those who said that they had sold nothing, there are two distinct groups: those who had nothing to sell (the majority) and those who did not need to sell anything. Unfortunately, survey data do not differentiate between the two groups. Thus it proved impossible to relate the sale of family belongings to income. Of those who sold goods, the majority disposed of jewelry like earrings and necklaces. It can be noticed in passing that one unfortunate consequence of the economic pressure on households in places some distance from a town has been the emergence of urban “traders” who go looking for potential sellers of jewelry in small remote hamlets. The sellers are forced to accept approximately 75 per cent of what they would obtain for the goods in a town. A much smaller number have sold bicycles, household furniture like chairs, TV sets and cassette players, while an even smaller number at a high income level have sold land, motor-cycles and even a small truck in two cases.

The sale of personal belongings on this scale is particularly significant because it means that many households now have nothing left to sell if their economic situation should worsen in coming months. Jewelry has traditionally represented a form of savings for women at socio-economic levels where the banking industry is either unknown or not trusted. Women dispose of necklaces, earrings and the like when they have a special need such as medical treatment for a family member, and then gradually save enough money to replace them. Under prevailing economic conditions there is no way in which the average respondent who has sold jewelry will be able to replace it, which means that households will have no possessions to convert into cash if the need arises.

2.2.3 Relative effects of the krismon

In this same context of the consequences of the krismon, respondents were asked to estimate the impact on their own household and that of their next-door neighbors on a scale of 1 to 5. Ratings of “own household” are shown in Table 8.

Table 8: Effect of the krismon on households

Extent of effect	No. of households	% of households
1. no effect	33	7.2
2. very little effect	54	11.8
3. a moderate effect	92	20.4
4. a large effect	196	42.9
5. an extremely large effect	80	17.7
	455	100.0

On the whole, the question proved somewhat unsatisfactory in eliciting a comparative picture for the following reasons:

- some respondents who are certainly very poor said that they had not felt much effect as they have always had to struggle to make a bare living
- answers often depended on the personality of respondents, some of whom were philosophical and said: “We just have to make the best of things” or “it is not so bad; we have reduced expenditure on non-necessities like new clothes”
- others were quite emotional and insisted that the impact had been “extremely large”, even though it was obvious from other information that they had given that the effect has not been too drastic.

The question about the position of neighbors proved even more inconclusive and indeed so pointless that it was dropped in the last part of the survey. Part of the problem was that there was not sufficient differentiation in income levels among the survey households before the krismon to allow a sharp picture of relative changes to be gained from respondents’ comments. Furthermore, the majority of respondents were reluctant to give any opinion at all, particularly if the neighbors were relatives, which was often the case. Many simply

replied that they did not know. Others stated that the neighbors are in much the same position. This, however, had two interpretations: “the same as us” or “the same as they have always been”, which most respondents would not elaborate on. Even the comparatively well-to-do were not prepared to comment on their neighbors, irrespective of whether the latter were well off or very poor.

Section 3

SOCIAL SAFETY NET PARTICIPATION

3.1 General observations

Some general observations can be made as an introduction to the discussion of respondents' participation in Social Safety Net programs.

In general, access to government services of all kinds, including Social Safety Net programs, tends to decline noticeably with distance from the local center of policy and decision making. The further a hamlet is from the village office, the less likely it is to be involved in government programs, while the further the village itself is from the sub-district (kecamatan) office, the fewer benefits it tends to receive as an administrative unit within the sub-district. Thus the survey found that respondents in certain hamlets located in the more remote parts of villages that are themselves on the boundary between two kecamatan have participated in none of the Social Safety Net programs.

At the same time, the Social Safety Net programs have not been distributed evenly throughout the study area in the spatial sense. A disproportionately large number of scholarship beneficiaries was recorded in hamlets in one district (kabupaten), while most of the village credit was concentrated in two or three hamlets, as were respondents holding a Kartu Sehat. In some areas respondents had never even heard of the padat karya program, while in others no one was aware of the existence of the Special Rice program.

In the collection of data about the extent to which households have received Social Safety Net benefits, no interviews were conducted with local authorities about any of the programs discussed in this section, except in two instances where a village official happened to be directly involved as a survey respondent. One village head (kepala desa) and one hamlet head (kepala dusun) were included in this way.

3.2 The PDM-DKE program

Only 59 respondents (13 per cent of the 455 households) had heard of the PDM-DKE program. These persons tended to be men associated in some way with village administration or village authorities. Even then, it was noted that persons who could be expected to have heard of the program, such as the heads of hamlets within villages, had not. Some people, however, knew that each village was to receive a sum of money from the government over and above the normal village subsidy but had very little idea of what the money was to be used for. A greater number had heard of the padat karya program for infrastructure activities and many knew about the village credit program for economic activities but did not associate them with the term PDM-DKE or with the money that the village was to have received. In this context a frequent complaint from respondents was that they never hear about new government programs or how policies and decisions are made at village level.

3.2.1 PDM-DKE padat karya activities

The response to questions about padat karya activities was very mixed for a number of reasons, one being confusion in the minds of respondents between this program and traditional gotong-royong and kerja bakti work, both of which are unpaid. When the difference was explained, it turned out that 36.3 per cent of respondents had heard of the padat karya program for infrastructure activities but only 8.3 per cent of households had a member who had taken part (38 persons). When participation was related to occupation, it was found that men normally engaged in agriculture had taken part more commonly than men with other occupations, as Table 9 shows. In two cases, where a household is headed by a widowed woman, unmarried sons rather than husbands participated. One was a youth of 17 who works in a local tile factory and the other a man of 23, who is usually employed in the Jakarta construction industry but who had been idle in the village for some three months.

Table 9: padat karya participation by occupation

<i>Occupation of participant</i>	Households by <u>padat karya</u> participation	
	No.	%
farmer	7	18.4
sharecropper	1	2.6
agricultural laborer	3	7.9
animal raising	1	2.6
other agricultural work	1	2.6
local construction work	3	7.9
construction work in Jakarta	3	7.9
tile laborer	1	2.6
seller of <u>krupuk</u> (crisps)	1	2.6
traditional medicine	1	2.6
cigarettes	1	2.6
scrap metal	1	2.6
other goods	2	5.3
maker of baskets	3	7.9
toys	3	7.9
<u>becak</u> driver	2	5.3
<u>ojeg</u> driver	1	2.6
public servant	1	2.6
unemployed	2	5.3
total	38	100.0

A glance at Table 10, which shows participation in the padat karya program by income, indicates that persons from households in the middle income quintile have formed a large proportion of participants. If, however, per capita income is considered, distribution becomes surprisingly even. In this, as in other programs, it must be remembered that many of the respondents in the poorest quintile would not be eligible to participate. For example,

padat karya participation is not open to women. At the same time some male respondents are far too elderly to take part in physical work of this kind, even if they wished to.

Table 10: Participation in the padat karya program by income group

Quintile	Participants by average household income (Rp) (n = 455)			Participants by average per capita income (Rp) (n = 1,764)		
		No.	%		No.	%
I	74,800	2	5.2	23,200	6	15.8
II	129,000	9	23.7	36,900	8	21.1
III	184,200	13	34.2	51,000	8	21.1
IV	253,200	8	21.1	72,800	8	21.1
V	545,300	6	15.8	160,600	8	21.1
total		38	100.0		38	100.0

Much cynicism was evident among respondents on the topic of the padat karya program. The general view was that one had to be “close” to village authorities or contractors to get included in employment opportunities and that implementation of the program has involved favoritism at both levels, that of the village administration in the way policies were made and at the contractor’s level in the way participants were selected. One respondent even said that padat karya work had been done “on the quiet” in his area; people became aware of the program only when men from another part of the village began resurfacing the local road. A further reason for cynicism was that village authorities sometimes took the opportunity to coordinate this program with traditional gotong-royong and kerja bakti activities. Thus householders were expected to clean out and even dig drainage ditches in preparation for the paid work to be done by those employed in the padat karya program. In one area, the work involved upgrading of the surface of the main village road but households were then asked to pay Rp. 75,000,- each (in three installments) to have the road asphalted.

As with most of the programs, there were found to be wide variations from one place to another in the way padat karya work was conducted, not only in the selection of participants but also in the length of employment and in wages. Responses from participating households indicated that the period of employment ranged from half a day to one week, with an average of around two days. Wages showed the same variation. In one village men were paid Rp. 10,000,- for half a day’s work, while at the other extreme men received Rp. 5,000,- for a full 8-hour day (which is less than the average wage for 4.5 hours of hoeing), the justification being that more men could thus be employed. The general perception among respondents was that the number of days of work was insufficient to make a real contribution to household income, though this was perhaps not the purpose in the concept underlying the program.

It so happened that in one hamlet padat karya work was in progress on the day when the survey was conducted. The small road that was being “improved” led to the lurah’s house. Only two respondents were actually employed, one being the contractor, who was the former village security official (Hansip), and the other one of his close neighbors. The rest

of the ten workers (all of them relatively young men) lived in other parts of the village and not in the hamlet concerned. During interviews several respondents complained that they had been requested to “help” for half a day without pay.

It is impossible to make any comment about the value to the community of the physical work that was done under this program. At best it has been a token gesture that has not infrequently caused ill-feeling within the community because of bias in the selection of participants. This in turn is related to the lack of clarity and indeed uncertainty at all levels about who exactly the participants or “beneficiaries” should be. It was noted, however, that people showed no resentment when a person known to be genuinely poor (a becak driver, for example) was given the chance of a couple of days’ work, especially if he came from the hamlet where the work was being done.

3.2.2 The PDM-DKE credit program

On the whole, a more favorable impression was gained of the way in which the PDM-DKE credit program for economic activities (known locally as Kredit Desa or Village Credit) has been handled in hamlets where it exists. As with the padat karya program, there was initially some confusion in interviews over which program was being referred to. For that reason respondents were asked to name the credit programs that they have been involved in during the past two years. A total of 59 respondents had obtained a loan of some kind. Of these, 25 households obtained Farm Credit (Kredit Usaha Tani or KUT), 21 received Village Credit and 13 were given Family Income Improvement Credit (Usaha Perbaikan Pendapatan Keluarga or UP2K), which is a Family Welfare Movement (PKK) program.

Table 11 shows the relationship between income and receipt of Village Credit. Although several high-income households have obtained loans, distribution based on per capita income shows a different picture, with 28.5 per cent of credit recipients in the poorest income quintile. It would seem from the comments of respondents that credit-worthiness was a major selection criterion. In other words, only those likely to be in a position to repay the money were given a loan. Several respondents said that a person or household had to already have a functioning economic undertaking (usaha) before a credit.

Table 11: Participation in the Village Credit program by income group

Quintile	Participants by average household income (Rp) (n = 455)			Participants by average per capita income (Rp) (n = 1,764)		
		No.	%		No.	%
I	74,800	1	4.8	23,200	6	28.5
II	129,000	6	28.5	36,900	3	14.3
III	184,200	3	14.3	51,000	3	14.3
IV	253,200	3	14.3	72,800	6	28.6
V	545,300	8	38.1	160,600	3	14.3
total		21	100.0		21	100.0

application would be considered. Recipients have been told that this money is intended to form a revolving fund, to which others will have access when the loans are repaid. Since most beneficiaries received the loan only in March or April 1999, the extent of repayment is not yet known.

Table 12 gives details of the occupations of the husband and wife in the 21 households that have received Village Credit. In many cases the loan was used for undertakings outside the husband's field of employment, which usually meant the wife's small business activities. For example, the becak driver's wife (No. 20 in Table 12) used the money to buy raw materials to increase toy production. The three farmers used it to purchase fertilizer, as they found this a cheaper and more easily arranged form of credit than KUT, while the sand-digger (No. 13) used it to buy the inputs he needs to cultivate chili on the banks of the river where he excavates sand. The teachers (No. 21) needed capital to re-establish a home-based emping business, while the construction worker (No. 12) wanted cash for consumption purposes as his TKW wife had not yet sent any money to the family. Two widows received Village Credit, in one case to stock a warung and in the other to buy raw materials to produce opak (a kind of crisp similar to krupuk but made from glutinous rice).

Interviews revealed wide variations in the size and duration of the loans and in interest and repayment conditions. The most common arrangement was a loan of Rp. 100,000,- to be paid back over three months at Rp. 22,000,- per month but in several places the amount was Rp. 200,000,- for ten months with repayments of between Rp. 24,000,- and Rp. 30,000,- a month. In one village, however, the Village Council (LKMD) decided to divide the available credit into much smaller amounts and offer loans of Rp 25,000,- for 2.5 months at 10 per cent interest to all who needed them. The justification was that a much greater number of people would benefit, though it appears that most of the beneficiaries are using the money for household expenses rather than economic undertakings.

Table 12: Participation in the Village Credit program by occupation

No.	Husband's Occupation	Wife's Occupation
1	deceased	warung keeper
2	deceased	<u>opak</u> producer
3	farmer	farmer
4	farmer	agricultural laborer
5	farmer	unemployed
6	sharecropper	agricultural laborer
7	agricultural laborer	agricultural laborer
8	agricultural laborer	itinerant seller of cooked food
9	agricultural laborer	toy producer
10	animal raising	itinerant seller of cooked food
11	local construction worker	unemployed
12	local construction worker	overseas worker (TKW)
13	sand-digging	agricultural laborer
14	tile-making (own business)	tile-making (own business)
15	trader in salted fish	agricultural laborer
16	traditional medicine seller	unemployed
17	scrap metal collector	toy producer
18	<u>emping</u> producer	<u>emping</u> producer
19	laborer in lime factory	agricultural laborer
20	<u>becak</u> driver	toy producer
21	primary school teacher	primary school teacher

That there is a need for cheap credit programs was obvious from replies to questions about sources of loans. The majority of people said that they borrow money from close relatives, while a lot rely on obtaining credit from local warung (Table 13). Obviously the nature of the household's needs and its own sources of livelihood will very largely determine where people borrow money from. Ironically, it is the very poor like becak drivers who, for want of other sources, have to depend on money-lenders (the so-called bank keliling), whose interest rates far exceed those of any formal credit institution. Many small farmers, too, depend on credit from pengijon (traders who purchase crops in advance), while others buy fertilizer from shops that allow them to pay at harvest time. These respondents have found that the KUT program does not meet their needs for various reasons (the main one being the relatively high "administration" charges imposed by the local officials who run the program). Persons who trade in cloth, garments and the like normally obtain credit from the suppliers of the goods that they sell.

Table 13: Sources of credit

Source of credit	Households	
	No.	%
money-lender	17	3.7
relative	163	35.8
local <u>warung</u> /shop	103	22.6
trader/supplier	79	17.4
never borrow	93	20.4
total:	455	100.0

3.3 The Special Rice program

The Special Rice program has involved the distribution of low-priced rice through the Special Market Operation (Operasi Pasar Khusus or OPK). Since distribution has been handled by the village administration, there was no confusion in the minds of respondents about the source of the program, though in some cases, especially of elderly people, rice had earlier been given by kecamatan authorities as part of another program. In a few places local agencies such as the Army Authority (Koramil) in Purwakarta had distributed a few kilogram of rice plus instant noodles and frying oil to local people in November 1998, as had a couple of very large factories in the same area prior to Idul Fitri in January 1999. A few factories have given foodstuffs, including rice, to their workers and in one village a pesantren (religious school) donated rice to the poor families in the neighborhood. In data collection only distribution of OPK rice was recorded.

Table 14: Distribution of OPK rice

No. of distributions	Households		Average quantity per distribution (kg)	Households	
	No	%		No	%
1	61	13.4	under 4	59	13.0
2	53	11.6	4 - 7.4	88	19.3
3	130	28.6	7.5 - 9.9	29	6.4
4	31	6.8	10 or more	99	21.8
none	180	39.6	none	180	39.6
total	455	100.0		455	100.0

The major impression of the program is the wide variation in the amount of rice that people have received and the number of times that it has been distributed (Table 14). Of the 455 households in the survey, 39.6 per cent (180 households) have never received any OPK rice through the program. At the same time, in terms of average amount, 21.8 per cent received 10 or more kilograms each time. The high proportion in the last category reflects the large number of recipients in a densely populated peri-urban hamlet near Cirebon, where households are very poor. It also reflects the fact that the hamlet is located only a few hundred meters from the kecamatan office. In a few places, including this hamlet, an additional 10 kg was given if there was a very elderly person (jompo) in the household.

From what respondents said, the reasons why just on 40 per cent of households throughout the survey area did not receive any rice at all are that:

- there was no distribution of OPK rice in the hamlet at any time
- the household did not have the cash to buy the rice at the time when it was available
- no member of the family was at home when the rice actually reached the hamlet
- a couple still living with parents was not always treated as a separate household
- the household was considered by village authorities to be “well-off” and therefore deliberately omitted.

There are obvious problems in the allocation of the rice and village administrations have adopted different approaches in handling distribution. In many villages a decision was made to give a smaller amount to each household so that more families could benefit. In some areas each 50 kg sack of rice was allocated to five households whereas in others it was shared out among seven and often ten families. In some areas distribution was in liters, not kilograms (1 liter = 0.7 kg). While prices varied considerably, the average was Rp 1,000,- per liter. In the hamlet referred to above, virtually every household has received 10 kg three times at a cost of Rp. 10,000,- with a small additional payment of between Rp. 300,- and Rp. 500,- per household for delivery to the hamlet. These beneficiaries had no complaints whatsoever, but in many areas respondents expressed dissatisfaction about quantities, prices and frequency of distribution, particularly as they felt that village authorities had deliberately not explained their allocation policies to the community.

The basic problem is really that of how village authorities can make a distinction between families in income groups that differ only slightly when it comes to distribution of cheap rice. Basically, everyone expects to receive something that is perceived as a government “gift”. Only the obviously well-off can be easily excluded, though in some places they were not. A few respondents in this category said they had been offered rice but “felt obliged to refuse”, possibly because they saw acceptance of the rice as an admission of poverty. By and large, however, most who had the opportunity accepted it gladly.

There is no doubt that the OPK rice program has helped the poorer members of the community in hamlets where 10 kg a month was provided three or four times. Even so, the quantity has not been anywhere near sufficient to meet household requirements, particularly since the amount has not been adjusted to the number of persons in the household. While the program was intended as a temporary measure in the months before harvest, help of this kind cannot be linked to pre-harvest periods for, although rice prices in local shops and warung may fall slightly for a few weeks, harvest time has very little meaning for the majority, unless they own land or unless women are fortunate enough to obtain harvesting work. The fact remains that a large number of people, even in completely rural areas, have to buy at least some, if not all, of the rice needed for household consumption. Meanwhile, several respondents expressed the hope that the cheap-rice program will continue as they are concerned about rice shortages and possible price increases in the next dry season.

3.4 Health assistance

Respondents were asked if they have any kind of health care card, in particular, a Kartu Pra-Sejahtera or a Kartu Sehat. These cards, which are intended for households that are very poor and in particular for the elderly, entitle members of the household to free treatment and medicine at a Puskesmas. It appears, however, that they have been issued very sparingly and that in most places they are quite unknown. Only 14 respondents have a Kartu Sehat, while two others have a Kartu Pra-Sejahtera; another four households have access to free medical treatment through the husband’s place of employment.

Table 15: Health assistance by income group

Quintile	Participants by average household income (Rp) (n = 455)			Participants by average per capita income (Rp) (n = 1,764)		
		No.	%		No.	%
I	74,800	7	43.7	23,200	9	56.2
II	129,000	5	31.3	36,900	2	12.5
III	184,200	2	12.5	51,000	4	25.0
IV	253,200	2	12.5	72,800	1	6.3
V	545,300	0	0.0	160,600	0	0.0
total		16	100.0		16	100.0

The overall impression was that families have received virtually no assistance of any kind in the field of health, including family planning, beyond what has existed for some years. The majority of respondents said that they go to the nearest Community Health Centre (Puskesmas) for medical treatment if they are not seriously ill and to a private doctor if they are really sick. While most never go to a doctor because they cannot afford it, respondents in two areas mentioned two private doctors who apparently adjust their fees to the patient's financial position.

The charge for an examination at the Puskesmas, which had been Rp. 500,- in pre-krismon days, varies from Rp. 1,000,- to Rp. 3,000,- without medicine. For most people, however, the problems are the price of medicine and the expense of getting to a Puskesmas, for the cost of transport of all kinds has risen since the krismon. In one relatively remote hamlet where there is no public transport, it costs Rp. 4,000,- to reach an auxiliary Puskesmas (Puskesmas Pembantu) by ojeg and Rp. 6,000,- to get to the main one. Several respondents said that it is not worth the trip because they are usually not examined by a doctor and still have to pay for medicine as well.

Women from poor families who have given birth in recent months have received no special assistance, although one was given additional food for herself and the child by a midwife at the Puskesmas. The only benefits that women with small infants have received have come from the monthly Posyandu. Once again, however, benefits have varied greatly. A total of 39 women reported receiving vitamins for young children from this source. Children under 2 years of age have occasionally been given biscuits while some have received kacang ijo porridge; none have received milk. Nowadays most respondents with infants do not bother to attend the Posyandu since, as a consequence of the krismon, its only activity in the last year or so has been the weighing of babies.

There was clear evidence from discussions with women in the poorest area (a hamlet of more than one hundred families near Cirebon) that many can no longer afford to pay for contraception services, which they used to obtain at the Puskesmas and which have likewise gone up in cost. This has resulted in the birth of several unplanned children in the last six months. It is essential that something be done to provide access to free contraceptives for women who cannot afford them.

3.5 Education

Survey questions about education focused exclusively on the scholarship program run by the Department of Education for children in junior high school (SMP or equivalent) and in classes 4, 5 and 6 of primary school. The aim of the program has been to encourage children from less well-to-do families to remain in school through the grant of scholarships worth Rp. 20,000,- per month at SMP level and Rp. 10,000,- per month at primary school level. Although the term "scholarship" (beasiswa) has been used in the program, selection has been based on economic need and regular school attendance rather than academic ability. One case was encountered of a respondent's son who had been given an SMP scholarship but who soon afterwards stopped attending school as he was "bored". In this instance the scholarship was canceled immediately.

Respondents were asked whether any of their children had received one of these scholarships and if so, what money or other benefits had been given. It was found that 65 (14.3 per cent) of the 455 households that were surveyed have benefited. In 19 cases two children in the same household received scholarships, while in two other cases three children in the same household did. Where this occurred, one child was in SMP and the other(s) in primary school. The number of beneficiaries thus amounted to 87 children, representing 43 per cent of the 204 children recorded in the survey as currently studying in SMP (82 children) and in classes 4, 5 and 6 of primary school (122 children). By the time of the survey, most beneficiaries had received the scholarship allowance for January-June 1999 in two installments.

Table 16: Participation of children in the Scholarship program by income group

Quintile	Participants by average household income (Rp) (n = 455)			Participants by average per capita income (Rp) (n = 1,764)		
		No.	%		No.	%
I	74,800	8	9.2	23,200	35	40.2
II	129,000	14	16.1	36,900	22	25.3
III	184,200	18	20.7	51,000	11	12.6
IV	253,200	20	23.0	72,800	18	20.7
V	545,300	27	31.0	160,600	1	1.2
total		87	100.0		87	100.0

An examination of scholarship distribution by household income suggests that higher-income families have received a greater proportion of scholarships. This tendency is reversed, however, when per capita income is considered (Table 16). The one child shown in the Vth quintile by per capita income comes from a household in which the father is a Public Servant in the Department of Education, the mother runs an emping business with the help of a 16-year-old daughter, and there are seven younger children (three of pre-school age) plus an elderly grandmother. The scholarship recipient is a son in Class 4 of primary school.

Nine of the 19 cases of two children from the same family receiving scholarships are in the lowest per-capita income quintile, with six in the second, one in the middle and three in the fourth quintiles. Of the two households in which three children have received scholarships, one is in the poorest per-capita income quintile and the other in the fourth. The former household, in which both parents make and sell toys, consists of 12 persons (9 children and 1 grandparent). The latter household, where parents are both primary school teachers who also run an emping business, has 11 members, including a niece who helps in the business and eight children; of these five are studying and three are not yet at school.

Information gathered in the survey indicates that this has been a relatively effective program for the following reasons:

- teachers rather than government officials undertook the selection of beneficiaries

- the program was found to exist in most of the villages that were included in the survey
- no gender distinction has been made between recipients
- assistance has been given to children in non-government as well as government schools
- on the whole financial assistance has not been cut by local committees that handle the program, beyond Rp. 2,000,- or Rp. 3,000,- for “administration”
- the children who were granted scholarships very largely come from genuinely poor households
- unlike most government programs, the scholarship program received almost universal praise from respondents, with only two complaining that their child was passed over in favor of better-off neighbors.

Program administration policies were formulated at local level. Some schools granted scholarships only to orphaned or fatherless children, whereas others gave them only to children with more than three siblings still dependent on parents. In some areas a sum of Rp. 5,000,- was cut by teachers from each three-monthly scholarship payment to enable a number of other students to be free of the monthly school fee (SPP), while in several places recipients were given school text books, writing books, pencils and school bags in place of part of the scholarship allowance. In a number of areas the parents of recipients were given the remainder of the money after the SPP had been deducted, while in others it was placed in a savings account for the child.

The scholarship program has certainly helped children from poor families. It is impossible to say, however, whether the children would have dropped out of school without the financial assistance. Most probably would not have done so, at least at primary school level, though a few might have at SMP level. The very success of the program, however, poses a number of questions, which were asked by respondents in several places:

- will the program continue in the new school year (1999-2000)?
- will the same children receive scholarships?
- is there any means of providing financial help to encourage poor children from Class 6 of primary school to go on to SMP?

On this last point there is no doubt that many parents would want their child to attend SMP if they knew that he or she would receive a scholarship, but there appears to be no way of granting a scholarship until the child is actually enrolled in SMP. The big problem for many parents at the present time is to find the entrance fee for junior high school.

3.6 Recapitulation

Table 17 shows the data already presented in previous tables in such a way that a comparison can be made of the extent to which the 455 respondent households have been beneficiaries of the Social Safety Net programs discussed in this section. The OPK rice program is not included.

Table 17: Participation of respondents in Social Safety Net programs

Program	Ranked by HOUSEHOLD INCOME				Ranked by PER CAPITA INCOME			
	Padat Karya	Village Credit	Health Card	Scholarship	Padat Karya	Village Credit	Health Card	Scholarship
Quintile	n = 38	n = 21	n = 16	n = 87	n = 38	n = 21	n = 16	n = 87
	%	%	%	%	%	%	%	%
I	5.2	4.8	43.7	9.2	15.8	28.5	56.2	40.2
II	23.7	28.5	31.3	16.1	21.1	14.3	12.5	25.3
III	34.2	14.3	12.5	20.7	21.1	14.3	25.0	12.6
IV	21.1	14.3	12.5	23.0	21.1	28.6	6.3	20.7
V	15.8	38.1	0.0	31.0	21.1	14.3	0.0	1.2
total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Assuming that the intention has been to give assistance to the poorest members of the community, it would seem that the padat karya program has been the least successful in meeting the overall objective of the Social Safety Net programs. Table 17 shows a certain equitability in distribution, but the aim was not equal opportunity in employment over the whole range of income groups within villages. By both household and per capita income criteria, the selection of participants in this program has not been geared towards people in the lower quintile groups. Nor was it directed towards the unemployed, as data in Table 9 above show.

The Village Credit program shows more of a focus on the less well-off members of the community. On the whole it appears to have been successful within its limitations, one of which is the fact that insistence on ability to repay loans has placed it beyond the reach of many poor households that do not have the market knowledge and skills needed to undertake income-generating activities like emping production.

While distribution has favored the poor, the provision of free medical assistance through the Health Card (Kartu Sehat) program has been very limited in scope, reaching only 16 survey respondents. At the same time, as noted earlier, the help that it offers tends to be limited to the elderly poor rather than to all households that are poor.

The scholarship program is perhaps the most impressive of the four programs because it displays a positive bias towards poorer households and at the same time has given very tangible assistance to a relatively large number of beneficiaries.

CONCLUSION

In response to the question of what the monetary crisis has meant to survey respondents, it can be said, not surprisingly, that the economic position of most people today has deteriorated by comparison with what it was two years ago. The very fact that the average price of rice rose from Rp. 900,- per kilogram in June 1997, when the first survey was conducted, to Rp. 2,300,- in April-May 1999 indicates an inevitable deterioration in living standards for the greater majority of households, for even where there has been an increase in nominal income it has not kept pace with the rise in the cost of living.

A number of stages can be discerned in this deterioration. The immediate impact was felt by most households in the sudden rise in prices, especially of rice, frying oil and other basic foodstuffs. With no concomitant increase in income, standards of living for most respondents soon began to decline.

This was followed by a second stage in which the krismon came to imply more than reduced purchasing power, as sources of livelihood began to contract and in many instances to disappear completely. For some respondents it meant the complete loss of employment, as was the case for the majority of men who had been working in the construction industry in Jakarta and in the local region also. Factories, too, began retrenchments, though this was less of a problem for respondents employed in local establishments, which were mostly able to keep going because they were of the traditional kind such as lime-kilns. Even so, they were unable to give significant wage increases to help workers cope with rising food prices because their own economic position remained precarious.

With the effects of the krismon increasingly felt, the informal sector was unable to take up the slack. Non-agricultural employment in rural areas in particular has contracted greatly. This is especially true of trade, which for the majority of respondents in this sector involves the buying and selling of foodstuffs, local non-food products and urban-made household goods like plastic buckets as well as cloth and garments. Trade in non-essential consumer goods like household furniture and products of a “decorative” nature like ornamental shrubs and plants was the first sub-sector to suffer. The selling of less essential food items like biscuits then slowed down and a reduction took place in the turn-over of many of the non-food goods that warung usually stock like Rinso and even cigarettes. Ultimately demand for cooked food like noodles, home-made drinks and cordials and traditional medicines decreased as community purchasing power declined further. A contraction also occurred in the demand for transport services, for as higher gasoline prices pushed up the cost of travel by minibus and ojeg, fewer people used them.

As the purchasing power of the community declined, it was not only people engaged in trade whose incomes were affected. Small businesses (usaha kecil) were even more seriously affected as local producers of certain goods began to experience the consequences. While the fall in demand for urban-made plastic goods, for example, affected only traders, the drop in demand for cupboards and chairs had a direct impact on village furniture-makers, who had normally produced for local buyers. One furniture-maker who had a thriving business two years ago has had to sell his work-shop and the land on which it stands and now earns a very meager livelihood making thatch for animal sheds. Another man who made cement

tiles lost his market completely as did another who made floor tiles. Both have closed down their businesses; one now trades in corn and other agricultural produce. Home-based producers of cakes, biscuits, emping and other foodstuffs likewise found themselves without a market and thus without work. It has been difficult for these producers to find alternative employment.

The next stage was the increase in competition in any economic activity that was at all profitable. Two forms of pressure have been exerted on the village-level labor market and have led to changes in occupation among respondents. The first has stemmed from the return of men who had been working elsewhere and who have taken up local construction work or agricultural laboring. The second has been the movement of persons with a certain amount of capital into other fields. Many of these people have established small shops and warung or moved into trade, and in the process have pushed out others who, while not doing well, were managing to survive. For example, a sharecropper whose wife has a large warung has moved into the banana trade on a relatively big scale, to the disadvantage of smaller-scale traders in this commodity.

Thus, as noted above, there was a ripple effect as people began to change their occupations more than they normally would in areas where the usual shifts are related to the agricultural cycle and the length of the dry season. Even occupations that had always yielded relatively low returns like becak driving became more crowded as the unemployed sought work and people who had found their income shrinking moved sideways into jobs that they hoped would provide a better living.

For many people this stage has involved a step down to an occupation that gives lower returns to labor. Construction workers from Jakarta have become agricultural laborers wherever they can find an opportunity even though wages are far below what they used to receive in Jakarta, while men who once worked as agricultural laborers have become becak drivers. Women who once traded in cloth now make tiles and young girls, who a couple of years ago could afford to be unemployed, now work in rattan factories. For wage workers at least, however, employment in these jobs means greater reliability in income. Thus there is a trade-off between low earnings on the one hand and regularity of employment on the other.

There are some exceptions, however. One of the few situations where a shift in occupation has not been accompanied by a drop in earnings is that of women employed overseas as domestic workers (TKW). Here, however, there is what can be called a hidden cost in the sense that the personal price to the individual and her family is often quite high. Even so, the increase in the percentage of TKW workers in the survey area is a clear indication of the extent to which the economic position of many households has deteriorated.

At the same time one or two small-scale home industries are flourishing, having overcome the first economic upheaval in 1997 and early 1998. Producers of emping are doing well because demand for their product is still high in urban areas. This also means that jobs will continue to exist for wage workers in the industry, albeit at a low rate of remuneration. In another area the makers of a cheap paper toy are still able to produce for the same reason. Similarly, the roof-tile industry is doing reasonably well and providing jobs, though once again at extremely low wages.

Some small businessmen have survived by changing their product. For example, a small business that once produced ornamental stone used to decorate buildings has become a second-hand timber yard. Despite the great competition in the latter field of business, the recycling of timber brings in more money than the cutting of stone, given the present slump in the building industry. A small business that retreads car tires and recharges batteries is doing extremely well, as is another that repairs bicycle and motor-cycle tires. The reason is that in any situation where a second-hand article can be made available more cheaply than a new one, small businesses are surviving. In this context the demand for scrap metal has increased though this is a field into which more people have moved and so average incomes remain about the same.

The Social Safety Net programs have to a certain extent helped respondents in dealing with the effects of the krismon, though some have brought more benefits than others. Among them, the Village Credit and the Scholarship programs have proved particularly effective, as has the provision of rice through the Operasi Pasar Khusus program at prices well below those in local markets. There is, however, need for good quality health services that include the provision of medicines not just for the very elderly but also for the poorer members of the community. In particular, it is essential that some way be found to provide women from poor households with far cheaper Family Planning services than those currently available at the Puskesmas.

Households included in the survey are still going through the process of adjustment to lower real incomes, which means acceptance of lower standards of living. There are clearly no solutions to the problem; the answer lies in the state of the economy as a whole and in national-level policies in such matters as rice supplies. The economic position of the average respondent would improve considerably if the open-market price of rice could be brought down to (and held at) something like the price of the OPK rice, that is, around Rp. 1,000,- per kg. While this may not necessarily lead to a drop in the cost of other foodstuffs, it would make a significant difference to daily household expenditure. If, however, the price goes up in coming months because of an external element like unfavorable climatic conditions or because of inappropriate government policies, the economic position of the majority of the survey households will deteriorate even further.

Appendix I

METHODOLOGY

Some 455 households were interviewed in the 1999 survey by comparison with 480 households in 1997. These 455 households include 37 new families consisting of adult children who have married and formed their own household since June 1997 but exclude families who moved into the study area after that time. A total of 62 households that were interviewed in 1997 could not be re-interviewed for the following reasons:

- 11 were not at home at the time of the visit but still live in the same place
- 42 have moved away (some to live with in-laws or adult children in other villages)
- 4 women, divorced between June 1997 and April 1999, have returned to the parents' home
- 3 households no longer exist because of the death of one spouse
- 2 who were tenants of rented houses have left the area.

Methodology involved revisiting each house that was included in the 1997 survey. As in 1997, a structured interview was conducted with a household member (in most cases with the husband or the wife) and the required information was noted down on a recording form. Of the 1999 respondents, 58.2 per cent were women, compared with 58.9 per cent in 1997.

The survey area consists of a corridor of land stretching from Purwakarta to the outskirts of Cirebon. In terms of spatial distribution of respondent households, there are two major concentrations of population, one at the western end of the corridor between Purwakarta and Subang, and the other between Jatiwangi and Cirebon at the eastern end. Approximately one-third of respondents live in the former, with two-thirds in the latter. The two surveys took in 22 hamlets in 18 villages located in four districts (kabupaten). In some places only a few households in the hamlet fell within the original survey requirements whereas in others more than 40 were interviewed in the same hamlet.

The survey hamlets can be placed in three broad categories based on general land use in the area, the occupations of respondents and distance from a town:

- 1) peri-urban hamlets (26.6 per cent of households), which are located in largely built-up areas on the peripheries of the towns of Purwakarta, Subang, Jatiwangi and Cirebon and in which most respondents are employed in the informal sector;
- 2) semi-rural hamlets (48.8 per cent of households), which are located more than 10 km from a major urban center, with agriculture a major source of livelihood but extensive employment in trade, local factory work, the production of roof-tiles and commodities like emping and the construction industry both locally and in Jakarta;
- 3) completely rural hamlets (24.6 per cent of households), in which almost all respondents are employed in agriculture, with a small number engaged in trade in agricultural products.

In the processing of survey data no attempt was made to relate economic conditions and the availability of Social Safety Net programs to the geographical location of hamlets or villages because other variables would have been involved, one being high-level government policies concerning the regional allocation of these programs. While economic conditions could to a certain extent be related to variables like land use and population density, this was beyond the scope of both surveys. Even so, it was found that respondents living in hamlets classed as peri-urban tend to be the poorest.
