



CONFERENCE PROCEEDINGS

**Results of a SMERU  
Conference on  
*Monitoring the Social  
Impact of the Crisis:  
Lessons Learned  
in 1999***

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7 December, 1999

# O P E N I N G

Lant Pritchett, World Bank-Jakarta

On behalf of SMERU, the Social Monitoring and Early Response Unit, I would like to welcome you to this Conference on Lessons Learned in 1999. We are happy to see so many of our colleagues from different organizations here with us this morning - representatives from NGOs, civil society groups, government agencies, and donors and we look forward to an active and fruitful day of discussion and learning.

SMERU was created in October 1998 with a mission that included the following goal: to provide stakeholders with essential information, analysis, and reporting on matters of immediate short-term importance regarding the current crisis in Indonesia. Today, we hope to learn from each other - not just from the individuals who are presenting their experiences this morning and talking about their work in monitoring the impact of the crisis, but also from the other participating individuals and organizations concerned about the social impact of the ongoing economic crisis.

Our topic is: "What lessons have different groups learned in 1999 as we have tried to monitor the social impact of the Indonesian economic crisis?" We gather here not for a one-way dissemination of work products and results from SMERU or other presenters, but rather to create an open forum for interested participants to talk about the monitoring work that their organizations are doing and the lessons they have learned.

Direct action monitoring is important, and different approaches used by other organizations should be discussed together so we can identify the most effective approach to make necessary changes in order to be able to improve the performance of program implementors. Policy decisions and implementation need room to tap various inputs from different development stakeholders at the center and local levels.

This morning we will hear from five organizations involved in monitoring the social impact of the crisis - they will each give us short presentations, followed by a period of 10-15 minutes for questions and answers. This afternoon we will encourage participants to choose from a series of topic-based working groups who will each organize their own discussion about a particular technical topic.

In addition to the discussions and information-sharing that goes on during the presentations and working group sessions, we are keen to encourage information distribution and sharing. The lobby area has been made available to all participant organizations who chose to provide information and work products to share with other participants, and there are a wide range of SMERU work products and reports available for review outside as well.

It is our hope that today's discussions will help expand our collective understanding of the ongoing efforts to monitor the social impact of the crisis, and allow each of the participants to take away a new insight or piece of information that will enhance their own work.

In closing, I would like to extend a special word of thanks from the World Bank to SMERU's supporting donors - AusAUD, USAID, and ASEM - for providing the resources and support necessary to make today's conference possible.

# MONITORING SSN PROGRAMS

Session 1: Kamala Candrakirana, JARI-JPS

## Background

The mapping process described below was initiated from 1998 onwards in response to grim accounts of the nation's downfall depicted by experts in demographic statistics. The participatory mapping was meant as a means of direct consultation with the community and local observers regarding the on-going crisis and the need for monitoring. An *ad hoc* team comprised of NGO activists and independent researchers supported by the Ford Foundation initiated the process.

The subsequent report that was compiled as a result of this process is intended as a reference for those who are implementing the relief programs to assist the victims of the crisis, or for anyone who needs information to determine their position in this crisis and how to address the problems that have emerged. The report also describes the community perceptions about their experiences in coping with the crisis, and identifies those who have been hardest hit, as well as offering new perspectives on how to put this crisis into a broader context.

## Methodology

The mapping process was carried out through a series of directed focus group discussions (FGD) at the community, *kabupaten* and provincial levels. NGO activists and local researchers organized and directed this community consultation process. The FGDs were started initially at the community level, and were continued later at the *kabupaten* and provincial levels. At these levels the findings at the community level were verified and an understanding of the SSN programs at the regional level was developed.

All 27 provinces in Indonesia were involved in this mapping process. Consultation with local communities was conducted simultaneously during October – November 1998. Two *kabupaten* in each province were selected to represent urban communities (usually the *kotamadya*) and very poor villages. The *kabupaten* and relevant communities were selected in a participatory manner through consultation with those who have been involved in monitoring and with local leaders. Sometimes input from local government officials was also taken into consideration. To gain a more comprehensive understanding about other crisis-related issues at the local level, the reports from the local mass media were monitored during the period when the FGDs were scheduled. ***Who were represented in these discussions?*** FGDs were conducted at the community level with 393 groups throughout Indonesia. Approximately 56% of these groups were located in rural areas, and the remaining 44% in urban areas. 37% of the total FGDs were conducted by women, 45% by

men and 18% by a mixture of men and women. 24% of the FGDs was held in Java/Bali, 35% in Sumatra, 11% in Kalimantan, and 30% in Eastern Indonesia Region.

### **Findings**

Most members of the community perceived that they have been hard hit by the crisis. Only a small fraction - 2% of those living in rural areas - felt that their standard of living was improving. Those considered to have suffered the most are:

- Industrial and construction workers, farmers, workers on fishing trawlers, bus drivers;
- Very large families with many dependents;
- Small farmers, including those producing foodstuffs, poultry breeders, traditional fishermen;
- Informal sector entrepreneurs, stall owners, small-scale traders, textile traders and tailors, owner-operators of public transport vehicles and home industries;
- Low-ranking public servants, including school teachers in remote areas;
- Families also hard hit by natural disasters, such as forest fires, floods, and drought.

Some of these groups have been affected directly by the crisis, but there have also been a number of underlying poverty factors:

	<b>Crisis-related</b>	<b>Poverty Factors</b>
Agriculture	Increased price of fertilizers and medicines	Limited access to transport, dependency on high-interest money creditors, harvest failure
Fishing	Increased price of solar	Polluted waterways, conflicts with large companies over area of operation, limited access due to restricted range of boat operation
Estates	Exponential increase in the price of fertilizer often before production has begun, victims of mass looting	
Industry	Increased cost of raw materials, declining demand, stagnant construction projects.	

Although most people felt that their standard of living had declined, they had very different experiences during the crisis. Reduced net income was felt more by communities in Java/Bali and urban areas, whereas difficulties in access to basic food and medicines were felt more severely in the Outer Islands and rural areas.

The social impact of the crisis has been felt both in urban and rural areas although in different ways. Neglected children and household conflicts were more of an urban phenomena, whilst increased crime rates were more evident in rural communities. Although families in both urban and rural areas have been facing difficulties in keeping their children at school, this has been a more acute problem for urban families.

Criminality in the rural areas has taken the form of mass looting of agricultural cash-crop commodities or products, such as coffee, cocoa, and shrimps. The targets of this looting have not only been private estates, but also those belonging to the government, including some official agricultural research centers. Attacks on rice storehouses and trucks delivering agricultural produce have also occurred, not to mention illegal timber cutting (teakwood, mahogany, etc.) in sites managed by the Department of Forestry. Such incidences have been frequently reported in Java and Sumatra.

Social discontent expressed openly by the community has also been evident during the crisis. Public protests have been held over the following issues: misappropriation of development funds by the local head of the village; public servants involved in KKN (Corruption, Collusion and Nepotism); unresolved land disputes between local people and factory owners; low wages and zero severance pay for retrenched workers; excessive levies demanded of students enrolling at schools; and centralized decision-making processes and policies. Such protests have taken place from Aceh to Irian Jaya

Women have proven to be more sensitive about the impacts of the crisis but more optimistic about finding new sources of income. However, it is noted that compared to men few women have become involved in organizational activities.

Unfortunately, some communal organizations, such as *lumbung desa* (village rice barn) and *gotong royong* (mutual cooperation) activities, have not been effective in overcoming the impact of the crisis.

The government Social Safety Net program has been under close public scrutiny even since it first began to be implemented. Criticism has emphasized the fact that assistance has not really reached the intended poor beneficiaries, and that there has been leakage, corruption, a lack of information, and inadequate coordination. Furthermore, there have been problems with the technical implementation of the program, and a discrepancy between the assistance being provided and the actual needs of local communities. These problems have been the biggest issues in the Outer Islands.

## **Conclusion**

The crisis has been an indication of the serious nature of structural poverty in this country. Structural poverty is a central underlying problem that has never been resolved despite many years of work and a wealth of study on poverty alleviation.

The crisis and its massive impact are only the symptoms of a chronic illness. They are not the roots of the problem.

The main feature of the Indonesian crisis is its multi-dimensional character. This crisis is not just a matter of reduced levels of public income but it also involves a more difficult issue of lack of access to basic needs. In other words, the crisis not only has an economic dimension but it also involves social and political dimensions as well.

The existing SSN program supported by additional foreign loans will never be able to address the underlying problems that have contributed to the crisis and the nation's vulnerability in trying to overcome its effects. The SSN program should only be supported as a short-term emergency measure if it really delivers benefits to the majority of the poor.

### **The Implication of Changes**

An anti-poverty agenda which might break the structural chain that has so far marginalized the poor should include the following elements:

- A return to the *rule of law*, and reform of the government bureaucracy by promoting *good governance* and encouraging national accountability and community participation in the decision-making process;
- Breaking the centralized power structure and the information hierarchy through a decentralization agenda, and local community empowerment;
- Guaranteeing more freedom and a proper legal status for all community organizations, such as: unions, associations, NGOs, and federations;
- Encouraging a sound business environment for small-scale business (the people's economy) by building a solid legal framework and an appreciation of the rules of the game; and
- Guaranteeing the diversity or pluralism of the community's social and cultural identity.

# SAVE INDONESIA'S CHILDREN DON'T LET THEM BECOME THE LOST GENERATION

Session 2: Roy Tjong, Helen Keller International

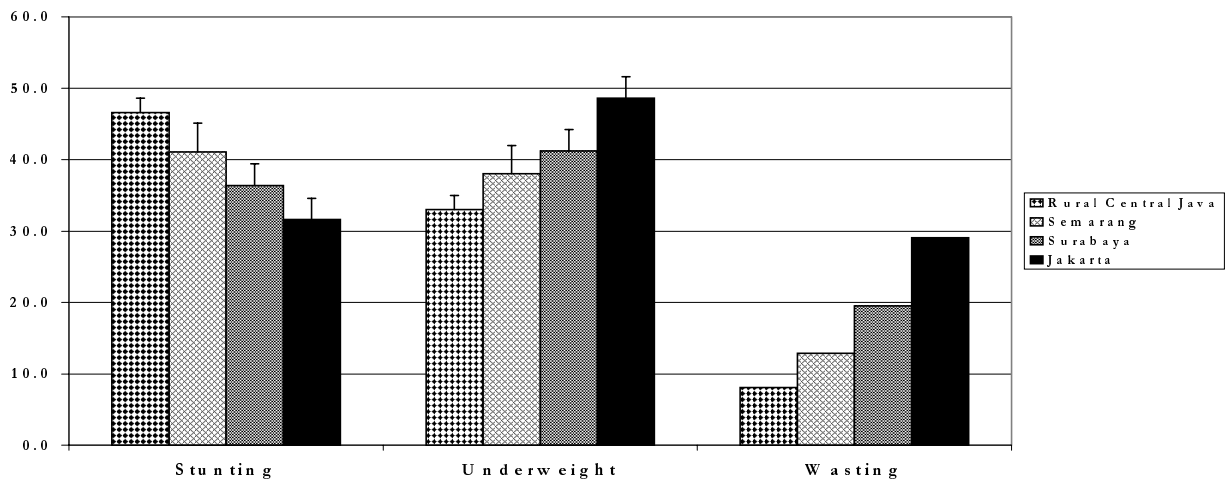
## Background

The surveillance system developed by the Indonesian Health Department and Helen Keller International has confirmed that there has been widespread reduced micronutrient intake as a direct consequence of the economic crisis over the past two years. The most severe impact has been found among urban poor communities where public facilities are scarce. Spurred by stagnant industrial and infrastructure activities, the economic position of the people in these communities is at its lowest level. To make matters worse, these people hardly have access to food sources and health services. Public facilities have not been developed to service the informal sector, and where they have been provided, these are often located on the fringe of slum areas. Even to get clean water the poor have to buy it from itinerant vendors at a considerably higher cost than the municipal water supply.

## Findings

Based on a study of children under 5 years old (*balita*) in three major cities in Java, the average prevalence of underweight (weight-for-age  $< -2$  Z score) and stunting (height-for-age  $< -2$  Z score) before the onset of the economic crisis was 35%, whereas the prevalence of wasting (weight for height  $-2$  Z score) in normal (non-emergency) conditions has been  $< 5\%$ . The combination of micronutrient deficiency and infectious diseases (as a direct impact of micronutrient deficiency) has been evident in the marasmus cases increasingly reported by the mass media. The following diagram indicates that children in poor urban areas are now in a serious condition. In the poor areas of Jakarta, nearly 30% of children under two years (*baduta*) are already in the wasting category (acute malnutrition).

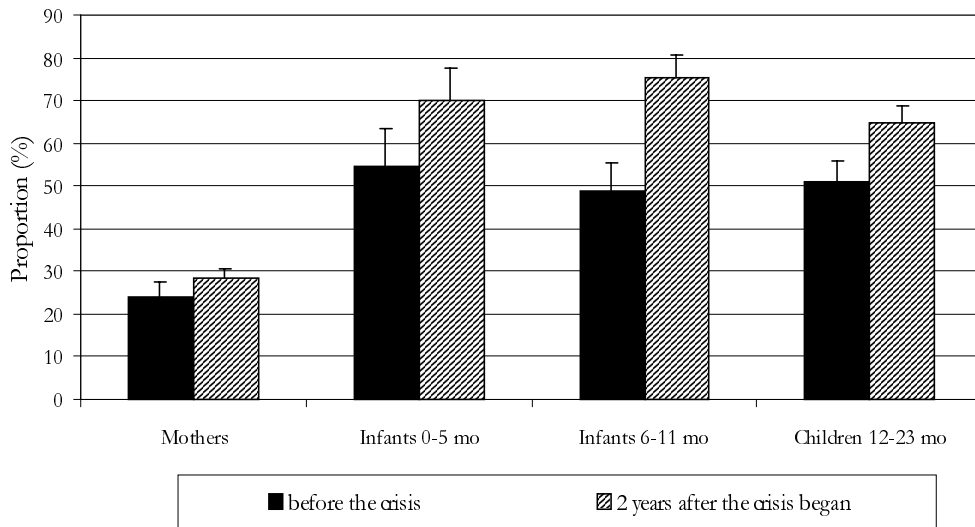




**Diagram 1.** Micronutrient status of children in poor areas in three major cities compared to rural areas in Central Java, January – March 1999.

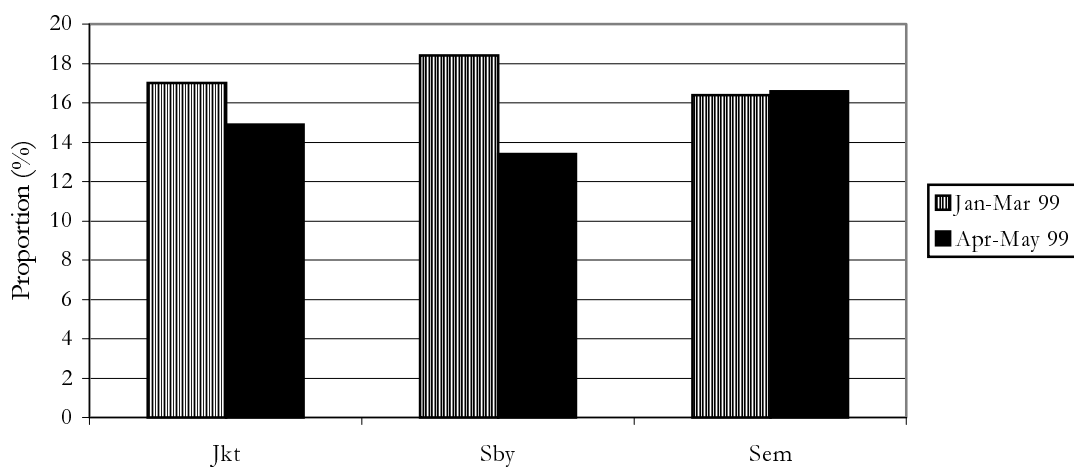
Data collected from January to March 1999 reveals that there is a positive correlation between the percentage of falling into poverty and the percentage of urbanization. This was clearly indicated by the data on wasting children which was almost approaching 30% in Jakarta (the critical condition threshold is 15% -- WHO Expert Committee on Physical Status Interpretation of Anthropometry, Geneva 1993:28). However, it should be noted that before the crisis the nutritional status of the children of Jakarta's urban poor was considerably better compared to those in Surabaya, Semarang and rural Central Java. The children observed in these three regions were already in the stunting category at that time.

The direct impact of Indonesian's economic collapse on household consumption is seen in the reduced consumption of animal protein and fortified foods which are vital as the main sources of micronutrition. This is reflected in the increased percentage of anaemia incidences among mothers and children under five; it is also shown by the accelerating percentage of anaemia prevalences among 6 – 11 month old infants, the most vulnerable period when babies are undergoing the transition from breast feeding to semi-solid food. In the past nutritionists were captured by the myth of protein energy deficiency, but since the World Summit for Children in 1990 the role of micronutrient substances (such as iron, vitamin A and iodine) has begun to receive more attention. Recent findings indicate that protein-rich animal foods are the source of the best high quality micronutrient substances.



**Diagram 2.** The prevalence of anaemia among mothers and children under five years old before (June '96) and two years after the economic crisis (June'98)

Data on the prevalence of anaemia is a proxy-indicator of micronutrient deficiency which also suggests that deficiencies in crucial substances such as iron, vitamin A and zinc has reached a critical level (see Diagram 2). In parallel with their poor nutritional status, the children of the urban poor areas suffer the worst anaemic conditions because of their local environment and unsatisfactory public facilities. The highest level of environmental pollution is also found in such areas. As a result, the percentage of children in these areas suffering from morbidity is much higher compared to those of the same age groups from rural and urban elite backgrounds.



**Diagram 3.** Low Body Mass Index among non-pregnant mothers in urban poor areas

Diagram 3 shows the nutritional status of non-pregnant mothers in urban poor areas. The Body Mass Index is the body weight divided by the body area (body height quadrate). A serious condition is reflected when the Body Mass Index is  $< 18.5$  kg/m<sup>2</sup>. The health threshold is BMI  $< 18.5$  kg/m<sup>2</sup> or equal to 20%.

Besides children, women and particularly mothers are also in the most vulnerable category because during the crisis they have borne an especially heavy burden. They have been forced to work in the informal sector if their husbands are retrenched. At the same time, conscious of their children's need to be protected from the impact of the crisis, mothers have tended to give their share of food to their children or their husbands. Meanwhile, the main beneficiaries of the Social Safety Net Program in the Field of Health have only been those mothers who are pregnant or lactating.

Unfortunately, the women's sacrifices have not been matched by their husbands whose expenditure on cigarettes has increased in relative terms during the crisis. Household expenditure on cigarettes among the economically disadvantaged is estimated to be double the amount spent on protein-rich foodstuffs.

# THE CRISIS AND FACTORY WORKERS: GENDER ISSUES AND IMPACTS<sup>1</sup>

Session 3: Medelina K. Hendytio, CSIS-AKATIGA

## Background

As of mid-1998, the economic crisis in Indonesia, which had been underway for over a year, had not shown any sign of ending. The impact of this crisis has touched all aspects of people's lives, especially in matters related to employment and wages. A number of studies have revealed that there has been a massive increase in layoffs and as a result of the economic downturn many companies have been forced to close.

The statistical data indicate that this crisis has affected more male workers than female workers. Male unemployment during 1997-1998 is significantly higher than female unemployment, 26.6% for males and 13.4% for females respectively. The *Sakernas* data also show that the employment growth rate of female workers was higher than for males. Female workers have increased from 1.8% per year before the crisis to 4.2% in 1997-1998. On the other hand, the employment growth rate of male workers has decreased from 2.2% per year before the crisis to 1.7% during 1997-1998. However, this data must be interpreted carefully before we are able to conclude that female workers have benefited from the crisis.

Some export-oriented manufacturing industries, such as the textile, garment and footwear industries, which have always been dominated by female workers, are facing a shortage of raw materials and a decrease in demand. As a result, many female workers have been retrenched, or have remained working with incomes that are now insufficient to meet their needs due to high inflation. The ILO (1998) stated that in the textile and garment industries alone about 240,000 female workers have lost their jobs. Other sources suggest that the reduction in the work force has affected more female workers (48% of the retrenched were female workers, whereas women were only 38% of the total work force). In addition, married female workers affected by the crisis have had to shoulder an even heavier burden. Not only have they had to cope with poor working conditions including the possibility of being laid-off, but they have also had to assume more responsibility at home due to decreased family income.

## The Aims of the Study

This study attempts to provide a more comprehensive picture of the impacts of the crisis and its gender-related dimensions, especially on workers employed in the textile, garment, footwear, electronic and fish processing industries. The study is intended to provide inputs to policy makers so that those programs designed to address the

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<sup>1</sup> This is an abstract of a final report entitled "Factory Employment: Gender Issues and Impacts" by Indrasari Tjadransih, Medelina K. Hendytio, and Melody Kemp. Field Studies were conducted by the AKATIGA Team.

effects of the crisis may provide a fair benefit for both male and female workers. A lack of information about the different ways in which the crisis has affected male and female workers could give rise to gender-biased crisis response programs. This study also attempts to observe changes in the living conditions of workers, both males and females, who have been affected by the economic downturn, particularly those who have been retrenched. Furthermore, the study seeks to identify the coping strategies and adjustment patterns of both those who have retained their jobs as well as those who are now unemployed. Finally, the study seeks to provide information about the forms of interventions and programs expected by the victims of the crisis, so that the measures designed to counter the effects of the crisis can reach the right target groups and satisfy the needs of those who have been hard hit.

## **Methodology**

This study combined both qualitative and quantitative techniques. The quantitative dimension to the study was based on a survey questionnaire involving 403 male and female workers, who were employed in the textile, garment, footwear, electronic and food processing industries. In addition, qualitative data was obtained through in-depth interviews, focus group discussions (FGD) and participatory processes (See Table 1 and Table 2). The survey was conducted in Jakarta, Bogor, Tangerang, Bekasi and Ujung Pandang (South Sulawesi).

<b>Employment</b>		<b>Sex and Age</b>			<b>Education</b>		
<b>Industry</b>	<b>%</b>	<b>Sex</b>	<b>%</b>	<b>Average Age</b>	<b>Level</b>	<b>%</b>	
Frozen fish	17.4	Female	51.4	25	< Primary	0.5	
Mills	9.4	Male	48.6	27	Primary	27.0	
Knitting	12.4	<b>Employment Status by Sex</b>				Junior High	31.5
Weaving	9.9		<b>Male</b>	<b>Female</b>	Senior High	34.0	
Wearing apparel	9.9		<b>%</b>	<b>%</b>	More than Senior High	3.0	
Sports Shoes	12.4	Permanent	81.2	67.9			
Daily Footwear	7.4	Temporary	7.2	23.5			
Consumer Electronics	9.9	Others	11.6	8.7			
Electronic Components	11.2	<b>Employed by Company</b>					
All Industries	99.9		<b>%</b>	<b>%</b>			
<b>Marital Status</b>		< 1 year		0.3			
Single Female	65.2	1 – 3 years		35.7			
Married Female	30.4	4 – 7 years		41.3			
Single Male	53.6	> 7 years		22.7			
Married Male	45.6						
Divorced or Widowed	3.2						

Source: Tjandraningsih, I, "Factory Unemployment: Gender Issues and Impacts", AKATIGA, Bandung (forthcoming).

**Table 1.** Characteristics of the respondents in the quantitative survey (N=403)

Focus Group Discussions		In-depth interviews	Participatory methods
No of Groups	12	-	1
No of People	100	66	15
Sex	F : 53 M : 47	F : 40 M : 26	All female
Employment Status	Empl : 35 Unemp : 65	Empl : 49 Unemp : 17	All 15 Unemp
Locations	All	All	Bandung
Sector	All	All	Textile Footwear
Education	Primary to Senior High	Primary to Senior High	Primary to Junior High
Years working in the company	2 – 8 years	2 – 8 years	-
Unemployed	1 – 8 months	1 – 8 months	1 – 8 months
Marital Status	Mixed	Mixed	Mixed

Note: Employed workers were selected from the quantitative survey

**Table 2.** Distribution of respondents in the qualitative methods survey (N=181)

Before summarizing the findings into a final report, the study results were presented in four separate reports based on specific topics: “Intervention and Crisis Programs” and “Management Strategies in Coping with the Crisis” by Indrasari Tjandraningsih, “Workers Coping Strategies: Ways to Survive” by Medelina K. Hendytio, and “Options for Action Arising from the Research into Gender Dimensions of Unemployment in Indonesia”, by Melody Kemp.

## **Main Findings**

### ***1. Management Strategies in Coping with the Crisis***

In-depth interviews with representatives from 80 companies have provided evidence that although some companies have been experiencing difficulties during the crisis, there are a number of textile and garment companies in Majalaya and Surabaya which have survived and have even managed to expand their activities. In addition, companies engaged in food processing (fish canning) in South Sulawesi have managed to increase their production level and their revenue. For those industries experiencing difficulties, downsizing the work force has been one of their survival strategies. There have been various alternative measures implemented by companies in dealing with the crisis, depending on the company’s resiliency.

#### ***a. Rationalization Measures***

Included in this category are management strategies such as the reduction of working hours, and temporary closures by paying “waiting money” to laid-off workers and/or dismissing some of the workforce. The survey results showed that 20% of

respondents stated that there have been dismissals at their place of work. The number of retrenched workers was between 10%-75% of the total workforce. In general, retrenchments were carried out in stages. The companies gave the following reasons for adopting this policy: the absence of raw materials, a reduction in the number of orders, an attempt to improve company efficiency. Retrenchment also occurred simply because the companies had gone bankrupt and large-scale retrenchment was the last resort. However, there have also been cases where workers considered to be critical of management (activists) were singled out for retrenchment.

*b. Recruiting young female workers*

In-depth interviews with management and workers revealed that some companies had terminated their employees based on efficiency reasons and had subsequently recruited younger females in the belief that they would have a higher level of productivity. Young female workers are usually considered more obedient and unburdened by domestic responsibilities.

*c. Changes in work status*

The study revealed that some medium-size garment companies in Jakarta and footwear companies in Surabaya have survived by increasing their reliance on short-term contracts or casual workers. These casual workers can be terminated or extended according to the company's requirements and the workers are paid according to the volume of work they manage to complete. This is regarded as an appropriate strategy in anticipating market and production fluctuations. The companies have no obligation to pay workers if they do not have orders in hand. Furthermore, the companies are not compelled to make other payments such as the *Idul Fitri* allowance, maternity allowance or severance pay when workers are retrenched. This way the company has greater flexibility in employing their workers.

*d. Working outside factories*

Another coping strategy applied by companies during the crisis has been to move production outside the factory by encouraging workers to finish work in their own homes. Companies can save from this outwork strategy, because it reduces both fixed and production costs, while at the same time transferring the work risks to the workers' homes. For some female workers, especially the married ones, this kind of employment is considered attractive, because they can work whilst simultaneously performing routine domestic chores.

Some of these management strategies adopted during this crisis have placed workers in a very weak bargaining position. In this case the Trade Unions, as organizations that are supposed to fight for the interest of their members, have not been effective.

## ***2. Workers' Lives in a Time of Crisis***

The crisis has affected workers in different ways according to their employment status or gender. Findings from the quantitative survey and the focus group discussions reveals that, according to the respondents, the crisis has caused unemployment, reduction or loss of income, and a decline in living standards. For those who have retained their jobs, this study reveals that their conditions have not

changed much during the crisis (See Table 3). In general, their income has even increased, from Rp. 163,000 before the crisis to Rp. 189,000. Approximately 82% of respondents have experienced no change in their working hours, while 51% of respondents were still working overtime. But two additional points need to be considered. Firstly, the companies included in this survey were those that had survived during the crisis and continued to produce. Secondly, the survey was conducted in November – December, the “peak season” for the textile, garment and footwear industries.

<b>Worker’s Income, Before &amp; During the Crisis (on average per month in Rp.)</b>			<b>Expenditure, Before &amp; During the Crisis (on average per month in Rp.)</b>		
Basic wage	163,000	189,000		<b>Before</b>	<b>During</b>
Overtime wage	70,000	72,000	Food	160,000	230,000
Transport	26,000	35,000	Housing	29,000	38,000
Bonuses	32,500	38,000	Transport	26,000	21,000
			Education	30,000	34,000
			Clothing	19,000	25,000
<b>Total</b>	<b>288,500</b>	<b>335,000</b>	Other	24,000	29,000
				<b>278,000</b>	<b>377,000</b>
<b>Changes in Working hours/Overtime (Before and During the Crisis)</b>			<b>Employment Reduction</b>		
	<b>Overtime</b>	<b>Working hours</b>		<b>More women to go?</b>	<b>Mass lay-off in your company?</b>
Increase	-	8%	Yes	49%	22%
Stable	51%	82%	No	21%	73%
Decrease	29%	10%	Don’t know	-	5%
None	20%	-	Equal between men & women	30%	-

Source: Quantitative survey

**Table 3.** Worker’s perceptions of the changing situation (N=403)

In addition, although workers may have received increased income, this must be balanced by inflation that has soared up to 90%. At such a rate, the proportion of expenditure on food has also increased. In order to balance their income and expenditure, workers have had to adopt wide range of strategies such as reducing the number of meals per day, reducing the quality of the food they consume, and buying essential goods of lower quality. In addition, they also have to set priorities for their limited household resources. Meals and education were ranked first, while expenditure on health has the same priority as paying electricity bills, buying soap, and other needs.



### 3. Coping Strategies

This study has identified three types of coping strategies that have enabled workers to survive in a time of crisis:

**Firstly**, during the early stages of the crisis, besides reducing consumption and buying lower quality products, respondents also sold valuable goods, withdrew savings, borrowed money from friends, or asked for help from others (see Table 4). In addition, 65% of male respondents and 73% of female respondents reported that they have stopped sending money to their extended families. This might represent an average addition of Rp. 75,000 – Rp. 100,000 per month to a rural family's income. This means that the welfare of those rural families who relied heavily on remittances from urban relatives have also been affected.

Additional income		Stop remittances		Family support	
Source	%	Usually spent on	%	Employment status	%
- sale assets/ property	17.8	- food	50	<b>Employed:</b> - receive support - do not receive support	6 94
- withdrawing savings	6.6	- education	22		
- borrowing money	10.9	- capital	3		
- help from others	24.7	- festivities	11	<b>Unemployed:</b> - receive support - do not receive support	35 65
- additional job	13	- renovating houses	3		
- none	26.5	- other	11		

Source: Quantitative survey

**Table 4.** Most common coping strategies (N=403)

For the retrenched workers themselves, the consequences have been more severe. Married workers can only rely upon their spouses. However, if those who have lost their jobs are single breadwinners, the family generally relies on borrowing from others, for example from a stall-owner or a moneylender. Most unmarried retrenched female workers stated that they intended to return home before their severance pay was exhausted. On the other hand, most male workers prefer to stay in the city trying to look for other jobs.

**Secondly**, as the crisis continues, short-term strategies have been maintained and medium and long-term strategies have been adopted to increase their income by seeking additional jobs (See Table 5). Considering the difficulties in finding employment at the present time in the formal sector, most retrenched workers have

been trying to enter the informal sector. This study has identified different responses from men and women who are seeking employment (see Table 6):

1. Male respondents tend to prefer collective work or enterprise.
2. Out of 108 female respondents interviewed, none of them had participated in any labor-intensive employment creation or *Padat Karya* program.
3. Unemployed female respondents wished to return to work in factories, whereas male respondents wished to run their own business since this was considered more respectable and independent. Some felt that they had received unfair and inconsiderate treatment at the factories where they were formerly employed.

Common Strategies	Male Strategies	Female Strategies	Married Strategies	Single Strategies
<ul style="list-style-type: none"> <li>- cut expenses</li> <li>- focus on basic needs</li> <li>- buy lower quality goods</li> <li>- withdraw savings</li> <li>- spend severance pay</li> <li>- borrow money from money lender</li> <li>- reduce electricity costs</li> <li>- use washing soap for all purposes</li> </ul>	<ul style="list-style-type: none"> <li>- become <i>ojeg</i> driver</li> <li>- become fisherman</li> <li>- become labourer</li> <li>- become home-based worker</li> <li>- sell food, fruit, groceries</li> <li>- raise ducks</li> <li>- set up a small business such as raising worms or providing motor cycle repair service</li> <li>- become agricultural labourer</li> <li>- sell cigarettes</li> <li>- collect cat fish</li> <li>- open barbershop</li> <li>- collect garbage</li> <li>- make bricks</li> </ul>	<ul style="list-style-type: none"> <li>- sell snacks, fruits, vegetables</li> <li>- become home-based worker</li> <li>- provide washing services</li> <li>- become migrant worker</li> <li>- pick cocoa</li> <li>- become a house-maid</li> </ul>	<ul style="list-style-type: none"> <li>- rely less on support from extended family</li> <li>- sell assets, land, jewellery</li> </ul> <p style="text-align: center;"><b>unemployed married female</b></p> <ul style="list-style-type: none"> <li>- depend on husband's income</li> <li>- do nothing</li> </ul>	<ul style="list-style-type: none"> <li>- rely on support from family or friends</li> <li>- go back to their kampung and seek opportunities to work there</li> <li>- wait for new job in factory</li> </ul>

Source: In-depth interview, FGDs and participatory group

**Table 5.** Common and specific strategies by gender and marital status (N-181)

Other strategies used to obtain income included conducting a number of activities simultaneously. The study found that the agricultural sector was the first choice of employment after the respondents lost their work in factories or companies. This

finding was very significant in South Sulawesi. The respondents who lost their jobs in textile companies chose to work on the cocoa plantation estates.

**Thirdly**, some retrenched workers have turned to the *Padat Karya* program. Their awareness of this program is similar. They understand that it is a government program designed to address retrenchment and unemployment problems through the provision of temporary opportunities in the form of manual labor such as cleaning up rubbish, digging gutters and road construction work. In general, however, this study has revealed that this special labor-intensive program did not reach unemployed workers although the program was well known. Almost all female respondents and most of male respondents stated that considering the type of work being offered, they were not interested in participating in the program (See Table 7). Female respondents claimed that this type of work was not suitable for women. This *Padat Karya* program, according to some respondents, has not been an effective solution to unemployment problems because it was only temporary and short-term. Many respondents expected more permanent employment creation programs such as the development of small enterprises.

Sector preference	50% of male workers	Another 50% of male workers and all female workers
Formal sector	Low wages Long working hours Poor benefits Low severance pay Injustice and unfair treatment	More secure Stable income Higher status Less skilled
Informal Sector	Independent Higher income Self-esteem	Low income Low status Uncertain working hours Harder

Source: In-depth interview, FGDs and participatory group

**Table 6.** Attitudes by sectoral preference and gender (N=181)

Attitude	Male	Female
Interested but the programs are not available in their area	20%	-
Not interested	70%	-
Not suitable	-	90%
Never heard/do not know	10%	10%

Source: In-depth interview and participatory group discussions

**Table 7.** Attitudes to *Padat Karya* programs based on in-depth interviews (N=115)

## **Policy Implications**

The following policy directions should be considered as ways to solve employment problems resulting from the crisis:

### *1. Development of Small Enterprises*

Provision of training and credit facilities for the establishment of small enterprises should be considered as a form of employment creation for retrenched workers. Such employment creation activities should be more gender-sensitive so that both men and women may have equal access.

### *2. Informal Sector*

The informal sector has played an important role as a “safety valve” during the crisis. Therefore, a more complete study is suggested on the development of and support for the informal sector so that it can be used as a potential source of employment for those who rely on it.

### *3. Women and the Padat Karya Program*

The failure to take account of women’s interests in the design of the *Padat Karya* program is a clear indication that women’s work is still widely regarded as a secondary source of income. At the same time this also reflects a lack of recognition of the increasing economic contribution of women within Indonesian society. Consequently, the planning of every SSN program should strive to take account of the gender realities of modern Indonesia.

### *4. Strengthening Trade Unions*

Developing and empowering independent trade unions has become a very important issue to enable unions to protect workers both in times of crisis and during normal periods of development.

# A BROAD-BASED NGO AND CIVIL SOCIETY GROUP CONSORTIUM: SAWARUNG, THE BANDUNG EXPERIENCE

Session 4-A: Alex Irwan, SMERU

## Background

By the end of 1998, SMERU and its local NGO partners had initiated Community-based Monitoring of the Social Safety Net (SSN) programs in *Kotamadya* Bandung, *Kotamadya* Jakarta Utara, and *Kabupaten* Lombok Barat. During the development of the pilot projects, SMERU responded to the requests from the members of the NGO consortium in *Kabupaten* Lombok and a civil society forum in Bandung (later known as SAWARUNG) to move beyond monitoring government programs. These organizations saw the need to develop a system that would enable them to control the bureaucracy that implements government programs. They also wished to create a mechanism to allow them to participate fully in decision-making processes, including the design and implementation of development programs.

To participate in this way, communities need to be supported by a constantly up-to-date and accurate database network concerning local conditions, resources, and development needs and problems. Data at the community level is best collected and updated by the community itself. SMERU's role is to facilitate the development of this Community-based Information Network for Development Planning (COMBINE) initiated by local stakeholders. The goal is gradually to promote the implementation of 'local good governance' throughout Indonesia.

## Rationale

The rationale for the establishment of the Community-based Information Network (COMBINE) is as follows:

- By 2001 when the central government's regional autonomy policy has been put in place, regional governments will have to be more efficient and competitive in order to survive;
- Efficiency and competitiveness can only be achieved by developing a transparent and accountable public service management system;
- Efficiency and competitiveness will require the development of a system of governance based on the recognition of local conditions, development needs and resources;
- Identification of local conditions, development needs and resources requires the development of a nation-wide but locally-specific social infrastructure in the form of inclusive and participatory Community Forums at the *Kelurahan* and the *Kecamatan* levels; and Trans-actor Forums at the *Kabupaten* level or certain development areas (*kawasan*);

- Such Community Forums should be based on both residential and non-residential communities, such as the community of street vendors, coolies, and traders in traditional markets;
- The nation-wide but locally-specific social infrastructure is not a project in itself, but a set of broadly-based and participatory development institutions that can be used by different government and non-government programs for community empowerment;
- These inclusive and participatory forums will give community and civil society groups the opportunity to develop a bottom-up community-based information system, providing a database of local development needs, resources, and problems;
- The nation-wide but locally-specific social infrastructure will allow the community to act as a pressure group to achieve good local governance. Furthermore, it can also be used to identify those available resources to increase local revenues.

### **Sawarung, the Bandung experience**

One of the lessons learned from SMERU's three pilot projects is that the establishment of a system such as COMBINE is best preceded by the formation of a broad-based NGO and civil society consortium. These two elements can be the driving force in establishing an inclusive and participatory locally-specific social infrastructure. As a result, various development actors should implement COMBINE in a decentralized manner, while SMERU will only play the role of facilitator in this process.

In Bandung, following the formation of a *Kelurahan* Community Forum in Cibangkong that was facilitated by SMERU, several NGOs and civil society groups started to discuss the need to form a single broadly-based consortium. Eventually, 18 NGOs and civil society groups established a consortium called SAWARUNG (Saresehan Warga Bandung) on July 27, 1999. At present Sawarung has grown to include 25 members. In the near future, the formation of similar consortiums by other communities will be able to draw on lessons learned from SMERU's Bandung experience. The struggle to build good governance at the community level within the context of COMBINE rests in the hands of those consortiums of broad-based NGOs and civil society groups such as SAWARUNG.

**Broad-based NGOs and civil society groups  
within SAWARUNG Consortium**

No	Name of NGOs and civil society groups	Field of activities
1	Asosiasi Konsultan Pembangunan Permukiman Indonesia (AKPPI-Pusat)	Development consultant on community management
2	Asosiasi Pemukiman Kooperatif (ASPEK)	Community network of cooperative settlements
3	Bandung Institute of Governance Studies (BIGS)	Study and analysis of good governance
4	Bandung Peduli	Food relief and community development
5	Computer Network Research Group (CNRG) - Institut Teknologi Bandung	Research on computer networks and information systems
6	Gerakan Lumbung Kota (GLK)	RW-based urban community movement
7	Institute of Community Organizer (ICO)	Training of facilitators, advocacy
8	Konsorsium Pembaharuan Agraria (KPA)	Advocacy to farmers and agricultural issues
9	Lembaga Pemberdayaan Ekonomi Rakyat (LPER)	Economic empowerment of communities and small businesses
10	Lembaga Pengabdian Kepada Masyarakat (LPKM) Universitas Parahyangan	Community advocacy and empowerment
11	Lembaga Pengabdian Masyarakat (LPM)	Community advocacy and empowerment
12	Lembaga Pengembangan Sumberdaya Pedesaan (LPSP) Universitas Pajajaran	Empowerment of small businesses
13	Praksis	Advocacy, training of facilitators, development studies
14	Perkumpulan Keluarga Berencana Indonesia (PKBI) Jawa Barat	Planned parenthood issues
15	Perkumpulan Untuk Peningkatan Usaha Kecil (PUPUK)	Micro enterprises, small-scale agro-business
16	Yayasan Akatiga	Research
17	Yayasan Anak Merdeka (YAM)	Advocacy for street children
18	Yayasan Bina Karya	Housing for workers, education for workers
19	Yayasan Bumi Swadaya Bhakti (YBSB)	Micro-finance
20	Yayasan Iqbal	Religion and small business
21	Yayasan Pemberdayaan Masyarakat (YPM)	Dynamic Environmental issues
22	Yayasan Pendidikan Alternatif (YPA)	Alternative education
23	Yayasan Pengembangan Swadaya Masyarakat (PESAT)	Infrastructure, sanitation, provision of clean water
24	Yayasan Setia Budi Utama (YASBU)	Environment and provision of clean water
25	Yayasan Sidikara	Health, campaign against AIDs

# SAWARUNG, THE BANDUNG EXPERIENCE

Session 4-B: Andarusman, Forum Warga Kelurahan Cibangkong

## **Background**

Sawarung is the abbreviation of Sarasehan Warga Bandung or the Bandung Community Forum. It is a joint network, and a point of information exchange and coordination among various elements of civil society (NGOs, professional associations, media, higher education and community movements) in the city of Bandung. Sawarung is an independent, non-partisan and non-profit organization. It was established in April 1999 by a number of institutions of wide-ranging interests and disciplines with a common concern for the empowerment of civil society and the implementation of good governance in Bandung.

Sawarung was formed to meet the needs of the Bandung community to coordinate and secure cooperation towards local good governance that applies and respects the principles of democracy. In order to do this Sawarung is determined to increase the people's bargaining power by starting, developing and strengthening its network among civil society and other community institutions. Their role and function is to strengthen social control, particularly regarding government performance in the provision of public services, as well as controlling other development actors at the local level.

## **Vision**

Sawarung has a vision to promote democratic, transparent, participatory and accountable good governance at the local level. Local good governance is characterized by the establishment of an effective relationship between the state and civil society in matters related to the delivery of public services. It involves bottom-up planning with the participation of the different elements of civil society and the grass roots community as proved in coordinated, transparent and accountable bureaucratic services.

## **Mission**

To meet the above vision, as a forum Sawarung is striving to increase people's bargaining power by working consistently towards stronger public institution building. It is expected that eventually public institutions will be capable of playing their role as the mechanism of social control over government institutions. More importantly, these institutions will become competent in creating and developing the mechanism for channeling community aspirations through increased resources and critical awareness.



## **Accomplishment**

Until recently the government, the bureaucracy and the military was dominant in nearly all aspects of national life. This had weakened the position of the community that is supposed to be accorded the highest sovereignty. In fact, nearly all established institutions down to the lowest level have been the extended hand of the government. These institutions were intended to boost further the government's domination. This systematic domination was secured by the standardization of governmental organizations from the top down to the local level, thus suppressing and eliminating existing local institutions.

The domination of the government is reflected in limited political will to accommodate local autonomy. Basically, local autonomy is a prerequisite of the Republic of Indonesia and it has been legally stipulated. Delivering local autonomy to the people and local government is a right that should be fulfilled as soon as possible. To accomplish this, all of political and government organs have to be restored to their proper function again. This can only be achieved when the principles of democracy are applied and respected.

The absence of democratic principles in the implementation of public services has had a negative impact on the local community. The underlying causes are inseparable from the government's poor performance. This negative impact should be addressed as soon as possible so that a new awareness can be implanted. Improved governance performance is one way to achieve democratic principles. The initiative and the activities of the Sawarung Forum are expected to create synergy towards the emergence of a good governance platform in Bandung.

## **Development of a Discourse**

To develop a discourse within civil society about these issues, Sawarung held several open discussions on civil society by inviting a number of national and international identities as guest speakers. These included:

1. Claus Knoth, a German researcher from the EEC on "Economic development in China: A lesson learned".
2. Joel Rocamora from the Institute for Popular Democracy, the Philippines, on "The efforts to build democracy in the Philippines and its possible application in Indonesia".
3. Krishna Kumar from Kerala Sastra Sahitya Parishad, India, on "Bottom-up planning: A lesson learned from the People's Plan Movement, a Kerala case, India".
4. Sarwono Kusumaatmaja, currently the State Minister of Coastal Exploration, on "The positive and negative impacts of local autonomy in Indonesia".
5. Yus Ruslan from the Bina Program, Pemerintah Daerah Tingkat I West Java, on "The construction of the Paspati fly over in *Kotamadya* Bandung".
6. Rusadi Kantaprawira, a lecturer from Padjadjaran University, Bandung, on "Community participation in local good governance".

In addition to the above open discussions, Sawarung also held a joint-seminar with the Friedrich Naumann-Stiftung (FNSt) on “Efforts to Strengthen Local Institutions” with Vivek Asrani from the Association of Youth for a Better India (AYBI), and Sunil Alva and Samantha Saldanha from the PRAJA Foundation, India.

The initiative to enrich the discourse within civil society about local good governance is not only taking place through discussions and seminars. Sawarung also has given several presentations to influence policy-makers, including the following:

1. The construction of the Paspati Fly Over
2. The development strategy of the city of Bandung
3. Street vendors in Bandung

### **Strengthening the Network**

Sawarung has been proactive in developing and strengthening its network, including internal and external networking. Strengthening internal networking has been achieved by developing an inclusive, open and transparent network model. This internal networking is aimed at increasing the bargaining power of civil society in order to boost public bargaining power.

The strengthening of external networking has been carried out by building a strategic alliance through similar Sawarung initiatives inside and outside the country. This alliance may develop later into a nation-wide civil society grouping. Sawarung has already formed an alliance with the Community Involvement in Urban Development (CIUD) in Yogyakarta and the Kerala Sastra Sahitya Parishad (KSSP) in India.

### **Development of Resources**

At present Sawarung has 25 members with a variety of skills and expertise who are actively working towards increasing the community’s bargaining power. To ensure that Sawarung’s activities are well managed, three secretarial staff support the organization. An office has been rented for secretarial activities and as a coordination and information point.

### **Scope of Activities**

To fulfill its vision and mission Sawarung is focussing on activities carried out by the Sawarung presidium and its secretariat, and those carried out by individual members of the Sawarung Forum. These activities have been grouped together as follows:

1. Community, including residents, interest groups, and professional bodies
2. Civil Society, including NGOs/community organizations, universities, professional associations, and religious groups
3. Government, including parliament/party, central and local bureaucracies, and legal institutions.
4. Business, from micro enterprises to large-scale operations.

All of these activities can be further classified into micro, medium and macro-scale activities where each target is directed to a different hierarchy.

1. Micro-scale activities, conducted for a limited period or for short-term targeting. The targets are individuals or groups and include information dissemination, capacity building, and organizing.
2. Medium-scale activities carried out over a mid-term period or for mid-term targeting. The targets are the institutions of each stakeholder, including institution building, institutional cooperation, and network strengthening
3. Macro-scale activities, carried out over the long term and directed towards the overall system, including system planning, implementation, monitoring and evaluation.

### **Future Plans**

In the near future Sawarung is planning the following activities:

1. Information dissemination, the development of communication channels between community and government (using radio, meetings and public forums, and dialogue). The objective of these activities is to enhance the community's capacity through easy and direct access to information, and to establish communication with public affairs and services.
2. The development of a Sawarung action plan proposal. The content of this proposal is based on the ideas and contributions of Sawarung members.

The above activities are the initial steps towards implementing Sawarung's vision and mission. The strategy is as follows:

1. Strengthening the system:  
Sawarung's strategy is to increase people's articulation and bargaining power at the *kelurahan*, *kecamatan* and *kotamadya* level. This will be achieved by:
  - Developing a system and its mechanism that may allow the formation of institutions and a local social system to accommodate the needs and interests of community members;
  - Institutionalization of community involvement and participation;
  - Strengthening of the network to increase people's bargaining power.
2. Strengthening Community Members:  
This strategy is to enable the organization to strengthen the position of those autonomous, critical, and egalitarian individuals within the member organizations, and the Bandung community. Civil society relies on the voice of its individuals. Awareness of the rights, obligations, functions and role of individuals as government bureaucrats, private citizens, or as members of the local community, is one of the foundations of a democratic civil society.

# KAMAL MUARA COMMUNITY FORUM AND WOMEN'S COMMUNITY NETWORK

Session 4-C: Nurwahida, Forum Komunikasi Warga Kamal Muara

## Background

Like the rest of the Indonesian community, the people of *Kelurahan* Kamal Muara also suffered the hard blows of the monetary crisis. One of the most affected communities is RW-1 of *Kelurahan* Kamal Muara, where most of the people are traditional fishermen. The total population of *Kelurahan* Kamal Muara is 5234, consisting of 1036 households (as of November 1999). Most of them are concentrated in RW-1, which is inhabited by 4197 people in 912 households. During the last three years the harvested fish has decreased significantly. Apparently the accumulated plastic trash polluting and covering the water surface has reduced the number of fish and other coastal species up to three miles from the coastline. This situation has affected the income sources of the people.

To help people cope with this situation during the crisis, government-sponsored social safety net (SSN) programs were introduced in this area in March 1999. However, the government assistance has been deemed ineffective, and the community has sought to find better ways to implement the program. Motivated by the local informal leaders who are concerned about the condition of their area, soon the local people formed an independent group at the *Kelurahan* level, called the Forum Komunikasi Warga or the Community Forum which was formed at the *Kelurahan* level. The main objectives of the Forum is to conduct monitoring and encourage community empowerment. This Community Forum was facilitated by SMERU.

## Establishment of the Forum

Established in April 1999, the Kamal Muara Community Forum has become the meeting point for community members to share information and exchange opinions on the dynamics of community development at the local level. This Forum has accommodated different community groups so that they can become involved in the present development process, which for some time has begun to adopt a different approach. The Forum also plays an important role in the monitoring of the on-going government or non-government programs in Kamal Muara through its different forum meetings (for example, the community members forum, the Kelurahan Forum, or monthly forum) and Task Groups, thus increasing the bargaining power of the local community.

Besides conducting monitoring, the Kamal Muara Community Forum also facilitates those local human resources which have been underprivileged by past development programs. These available potential resources, particularly women and 'the have-nots'

or poor families, are facilitated in the Forum activities. In the past, because of the social gap and economic conditions their involvement in development processes have been limited. The Forum has been viewed positively by some key parts of the community, as proven by the involvement of particular community elements or groups among the KSM (Self-reliant Community Groups) in Kamal Muara which have been working with Bina Swadaya, a development NGO.

Starting from its early mission of monitoring, the Forum has developed further and has found its new mission: community empowerment. As a result, the Kamal Muara women's community network was established. Its first project was developing and submitting a proposal for clean potable water to UNESCO. The Forum is the working partner of the Head of the Kelurahan, the LKMD and other government agencies. To achieve the program objectives, good cooperation is expected from all parties.

### **Women's Empowerment**

The role of the women of Kamal Muara has not been acknowledged. Thus far they have been the object of development, rather than an active force. The Forum has tried to bring women together and become involved in the development of the region. After looking at the result of poverty mapping and regional mapping, it was learned that women have been marginalized in development because of the top-down approach in development activities. With the formation of the network, the women have found a way to channel their aspirations. The collected data are used for the community data base.

The Women's Forum is one of the community forums which has been aiming at involving the Kamal Muara Community members in environmental issues by including women in such activities. On-going activities include *monitoring* of ADRA employment creation, SSN programs, a road construction project, Ministry of Forestry employment creation; and *community empowerment* activities such as poverty alleviation, the establishment of the women's community network, tree planting, and developing proposals for UNESCO.

### **Current Activities**

As of November 1999 the Forum has introduced the Forum and its program to the community and undertaken other activities including identifying poor families, forming a women's community network, and identifying problems felt by the community. Together, the Forum and the women's community network have developed program planning, formulated their problems, and discussed how these problems could be solved. A participatory approach is applied in all of these activities.

Considering that the Community Forum and the women's community network have only been recently founded, both are still in their early stages of development. For

example, the Forum is facilitating the implementation of the employment creation (*padat karya*) programs organised by the Department of Agriculture, and is working to solve problems with rice distribution under ADRA's charitable employment creation program. In community empowerment issues, the women's community network is still waiting for the implementation of the clean water program proposed to a funding agency. It is also planning household-based community activities (pot plant agriculture), and developing a proposal for an employment creation program to SIWU (Special Initiative for Women's Unemployment). The women's communication network within the Communication Forum of Self-reliant Community Groups (*Kelompok Swadaya Masyarakat*) are now monitoring the Social Safety Net Program providing scholarships for elementary school students.

### **Conclusion**

All of the above activities may not have taken shape without the support of donors and cooperation from various NGOs. The Kamal Muara Community Forum is well aware that all of these efforts are for the betterment of the Kamal Muara people. The Forum is open to any additional cooperation or joint program with other parties.

# SMERU RAPID APPRAISALS: MONITORING OF OPK

## Session 5: Sri Kusumastuti Rahayu, SMERU

### Introduction

SMERU was formally established on October 1, 1998, but in fact SMERU had begun monitoring the impact of the monetary crisis (*krismon*) as early as August. SMERU's mission is to monitor the social impact of the Indonesian crisis and to provide accurate information as soon as possible to its stakeholders (the Government of Indonesia, funding agencies, NGOs, and community groups). Based on its mandate, the SMERU Crisis Impact Team conducts rapid appraisals on matters of immediate short-term importance. These rapid appraisals are qualitative observations which normally take no more than two months, including field monitoring, analysis and final reporting.

The SMERU Crisis Impact Team consists of 8 senior researchers. Due to limited staff resources and the requirement that work should be conducted within a short time frame, most of SMERU's qualitative rapid assessments can only be conducted in a limited number of areas, usually three to four provinces at one time. However, derived from 'first hand' information we believe that these field observations reflect the real situation at the grass roots. These findings complement other quantitative studies although they may not represent conditions in all parts of the country.

SMERU's focus is on social issues related to the crisis, such as food security, employment creation and income maintenance, preservation of access to key social services in health and education, and the implementation of the Social Safety Net programs. During this conference the SMERU Crisis Impact Team would like to share its experiences, particularly on the approaches used to collect information before and during field work, and about the efforts made to deliver the results of the studies to stakeholders later to assist early response measures. SMERU's monitoring of the implementation of the Special Market Operations (*Operasi Pasar Khusus*) or cheap rice program, is just one example of the rapid appraisals conducted by SMERU.

### Completed Rapid Appraisals

SMERU's first rapid appraisal was one of the most topical issues of 1998, the rapidly escalating price of rice during the months of July to August in that year. At that time no information was available to understand the causes of the phenomenon - whether it was because the government had insufficient rice stocks, or the rice was being stockpiled by traders, or because of other unknown reasons. SMERU immediately sent researchers across Java in mid-August 1998. They concluded that the roots of the problem lay in the distribution system. Transactions among the wholesalers had temporarily stopped along with loading and unloading activities, a disruption that had

first began in Surabaya and had spread to Semarang. Strong fears of possible riots on Indonesian Independence Day (August 17<sup>th</sup>) had further dampened trading activities. Another important factor was the traumatic experiences suffered by inter-provincial trucking firms when some of their vehicles were hijacked.

As of end of November 1999 the Crisis Impact Team has conducted rapid assessments on six issues:

- Implementation of the cheap rice program (OPK)
- Preparation for the implementation of the PDM-DKE SSN program
- Impact of the crisis on unemployment among workers from the footwear, textile, and automotive industries, and also among workers in the construction/real estate sector
- Rapid assessment in the Jakarta Special Territory on the impact of *kerismon* on crime, prostitution and patterns of household expenditure on foodstuffs
- Impact of the crisis on the use and effectiveness of health services: *Puskesmas*, *Posyandu*, and the role of the midwife
- Problems encountered in education and the SSN school scholarships program

During the course of the above rapid assessments, the SMERU Team has visited more than 150 *desa* and *kelurahan*, 76 *kecamatan*, 48 *kabupaten* and 13 provinces throughout Indonesia.

## **Methodology**

The SMERU Crisis Impact Team applies in-depth interview techniques using a set of key questions to collect qualitative information. In our most recent studies, Focus Group Discussions (FGD) were also used when dealing with specific target groups, such as mothers of children under five, junior high school students, and wives of retrenched industrial workers.

During the preparation phase, quantitative data, previous similar studies, relevant information and government policy guidelines are studied thoroughly. Various other parties are also consulted, including relevant or interested government agencies and officials, experts, academics and researchers who have conducted earlier studies.

SMERU's main sources of primary information are found within the community. Our informants include local informal leaders, heads of RT/RW, village officials, officials at the *kecamatan* and *kabupaten* level, local NGOs (if any), and local family planning cadre. The team also relies on information supplied by other members of the community such as *warung* owners (food stalls selling cigarettes, foodstuffs, etc), women's family welfare groups (PKK), monthly communal saving groups (*arisan*), public transport drivers, and *ojek* drivers.

On some special rapid assessments, in addition to the above informants, discussions have also been held with a range of other individuals. For example, during the health assessment, SMERU interviewed not only the Health Card holders themselves, but also



members of their families, those who had not been given Health Cards, *Puskesmas* visitors, doctors and officials, village midwives, *Posyandu* cadres, *warung* owners who sell over-the-counter medicines, traditional healers and traditional midwives.

The assessment areas or regions are usually selected according to the following criteria: (1) areas known to be affected by the crisis (based on the results of SMERU's *Kecamatan* Crisis Impact Survey); (2) areas where no other organizations have conducted similar studies; (3) a balance between Java, the Outer Islands, and Eastern and Western Indonesia; (4) data on the allocation of SSN programs; (5) information derived from BKKBN data and secondary sources from relevant government agencies; (6) consultation with relevant experts; and (7) areas that have not yet been visited by the SMERU Team.

The findings are assembled as a draft report, which is sent to interested parties for comments. Later these findings are presented to the relevant departments or program implementers. The final report is available to anyone interested, and is also posted on the SMERU website ([www.smeru.or.id](http://www.smeru.or.id)).

### **SMERU Rapid Appraisal: Implementation of the OPK program**

The rapid appraisal of the cheap rice program was conducted during October-November 1998. Needy communities in the Jakarta Special Territory had by then already received 10 kg of rice per household at the subsidized price of Rp. 1,000 per kg for a period of four months. In other regions the program had only been operating for two months.

The assessment was based on work carried out in the following five provinces: Jakarta Special Territory (North Jakarta, West Jakarta and East Jakarta), Central Java (Semarang and Magelang), Central Sulawesi (Donggala and Poso), Maluku (Ambon), and South Sumatra (Muara Enim and Ogan Komering Ilir). The team sought to answer five key questions:

1. Has the implementation of the OPK program reached its target groups?
2. Is the administration of OPK effective?
3. Is there any evidence of leakage, misappropriations or similar problems?
4. Is the dissemination of information about the program effective?
5. Is the quality of the rice acceptable according to the recipients?

It should be noted that the SMERU findings on OPK are already one year old, and thus are no longer applicable to the present OPK program.

As a result of its field observations, the SMERU Team reached the following conclusions:

- The OPK program has accurately targeted its beneficiaries, but not all eligible beneficiaries have received assistance;
- In some regions the OPK program mechanisms and payment procedures ran smoothly, but in general local government and implementing officials required better program guidelines and more support to cover operating expenses;

- The “cash-and-carry” system is still burdensome to many of the beneficiaries;
- The payment mechanism from local government to the *Dolog* office varied from one region to another;
- No evidence was uncovered to suggest that OPK rice had been resold, corrupted or misappropriated. However, the SMERU Team identified several potential points of leakage related to operational expenses, delays in forwarding payments from the collecting centers to the government rice logistics agencies, and problems with the weighing of the rice at the distribution points and in the warehouse. Further studies were required to verify these matters;
- The dissemination of information about the OPK program was inaccurate and ineffective;
- The OPK rice was of low and medium quality. In general the recipients considered the quality was still acceptable except in one study area in Semarang where there were complaints about its very low quality.

Based on the above findings, SMERU made the following recommendations:

- 1) Information regarding OPK should be provided in a detailed and systematic manner, with emphasis on the objectives and duration of the program, and with the opportunity for the community to do their own monitoring of program implementation at the *kelurahan/desa* levels.
- 2) A consistent level of financial support for field operations should be provided by the Central Government, including clear guidelines enabling local government officials to make necessary adjustments according to local conditions.
- 3) A balanced and more transparent budget should be made available, including guidelines about the distribution of operational expenses (Rp. 95/kg) among program implementers involved in the different phases of the cheap rice program.
- 4) Operational expenses should be increased because there are additional costs for community monitoring (for example, transportation for the members of the local community travelling to the distribution or weighing points).
- 5) The program guidelines should be improved, by considering the following alternatives:
  - Application of the basic criteria for the identification of the beneficiaries, including the addition of new criteria:
    - Families consuming protein only once a week
    - Families with no children attending school, and
    - Families where the head of the family is unemployed or has recently been retrenched.
  - Improving program coverage and targeting through the addition of single-parent families, poor individuals who are living together as a group (eg. laborers), and those who do not have identity cards.

- Increasing the monthly allocation to 20 kg with payment by installments, e.g. once a week.
- Selection of target groups drawing on local input.

### **Policy Implications and Follow-up of Findings**

As soon as the SMERU Team returns from the field, important findings - especially those requiring immediate follow-up - are submitted to the relevant agencies including program implementers. Unfortunately, due to various constraints this procedure has not always worked as expected. The Team is still pursuing ways to improve its method of reporting.

The initial OPK findings were presented to officials from the State Ministry of Food and Horticulture, the coordinating body of the OPK program, who were ready and willing to discuss the program. Some of SMERU's findings were considered crucial during the decision-making process about ways to revise and improve the OPK program. Subsequently, SMERU has been consistently involved in various discussions about the program, including revisions to the program design.

In order to provide more "grounded truth" findings to the OPK program management, SMERU hosted a meeting between the program management (officials from the State Ministry of Food and Horticulture), a USAID consultant working on revisions to the OPK program, and NGO leaders who have been actively involved in food relief measures.

### **Conclusion**

Based on our experiences, the SMERU Team believes that continuous monitoring of the current situation is essential. To fulfill its commitment to monitoring the impact of crisis and the implementation of the SSN programs, while conducting field assessments on **any** particular SSN issue the SMERU Team is **always** on the look-out for further information about other issues relevant to the crisis. For example, while working on education or health assessments, SMERU researchers continued to seek information about the OPK program and other earlier assessment topics. Any new information or reports from the field are passed on to the relevant parties.

This method has been very effective. Updated results from field observations are forwarded and discussed directly with the relevant agencies, usually the program manager, and hence the findings can be used in a timely manner.

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**“MONITORING THE SOCIAL IMPACT OF THE CRISIS “**  
**TUESDAY, DECEMBER 7<sup>th</sup> 1999**  
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