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FORGOTTEN VILLAGES? THE EFFECTS OF THE CRISIS IN RURAL JAVA AND THE ROLE OF THE GOVERNMENT

*Pande Made Kutanegara and Gerben Nootboom**

Intisari

Tulisan ini berusaha menganalisis dua hal pokok, yakni dampak krisis di perdesaan Jawa dan respons pemerintah lokal/pemerintahan desa terhadap krisis meneter. Secara tegas dikatakan bahwa masyarakat perdesaan Jawa heterogen dan penuh dengan variasi dan ketidaksamaan. Oleh karena itu, dampak krisis maneter di desa juga sangat bervariasi tergantung pada wilayah, status sosial ekonomi, pekerjaan, dan sistem ekonomi. Karena krisis, ada kelompok masyarakat yang "menang" (diuntungkan) yaitu kelompok yang mempunyai akses terhadap sumber daya dan ada kelompok yang "kalah" (dirugikan) yaitu kelompok masyarakat miskin. Selama krisis, berbagai institusi tradisional yang berfungsi sebagai social security, seperti gotong-royong dan solidaritas sosial lainnya tidak berperan besar. Bahkan, pemerintah lokal/pemerintahan desa pun tidak melakukan upaya maksimal dalam menghadapinya. Dalam kenyataannya, peran aktivitas individual jauh lebih besar dibandingkan dengan aktivitas kolektif.

Introduction

The anthropologist Jellinek stated that the effects of the crisis, which hit Indonesia a year before, did not affect rural people that much. On behalf of the World Bank, she had carried out a rapid appraisal of the effects of the crisis in Indonesia in four places. According to her, the effects of the

crisis were much worse in the cities (Kompas, 10 February, 1999). At the beginning of the crisis (1997/1998), Harmoko (the spokesman of parliament and prominent member of Golkar) visited some rural areas in Central Java to observe the situation in the villages (*safari Ramadhan*). He

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spoke to village officials and had dinner¹ in one of the visited villages. The dinner was well prepared and after his visit, Harmoko stated in interviews on the television and in news articles that the situation in the rural areas was not so bad because he had a good meal, implying that much food was available in the villages.

Both statements of Jellinek and Harmoko are indicative for the attitude of the Indonesian government and a number of academics in respect to the crisis. In the dominant government discourse in Indonesia, villages are often regarded as homogeneous and harmonious communities, able to take care for its weaker members by *gotong royong* and other traditional arrangements of solidarity and mutual help. In fact, this stereotypical view has highly blinded government employees and intellectuals for the hardships of the rural poor and the existing inequalities, like inequalities between regions, economic sectors, classes and within villages. It is crucial to study this diversity on the local level to understand the differential effects of the crisis and the -often

misplaced- responses of the government on its effects.

In our view, during the crisis, government concern, analysis and policies have been much more focused—if focused at all—on cities than on rural areas. This is to a certain extent understandable as in-depth studies of the crisis were not made and hardly any information or the effect of the crisis was available. The central government directed its attention mainly on the huge urban problems as mass unemployment, budget deficits, firm bankruptcy and restructuring of the banking sector. The cause of this lack of concern for rural areas in Indonesia, was the lack of reliable information of these areas. On the local level, the government administrative systems were therefore not equipped and not able to anticipate and fight the crisis.

Our article will present the case of two poor villages in Java during the crisis and show the differential effects of the crisis for different categories of people within these villages. The article is based on long periods of anthropological fieldwork's during the crisis and offers in-

¹ *Buka puasa*, breaking the fast at the end of the Ramadhan after sunset as the trips took place during the Islamic fasting month.

depth data about poverty, copying strategies, labour and migration and the role of the local government.² The study of Kutaneegara took place in the village of Sriharjo, Central Java,³ while Nootboom's study was carried out in Krajan,⁴ a remote village in Bondowoso, East Java. Sriharjo is an example of a lowland village with mainly commercialised agriculture, an excluded majority from access to land and with a lot of urban workers. Land ownership in Sriharjo often has more and more a symbolic function than a production function. Krajan is an example of those Indonesian upland villages which are more remote, more villagers with — direct and indirect— access to land and with less urban workers. Although Krajan is incorporated in the market, subsistence production is still important. Long-term research is really needed to understand the impact of the crisis on the local level. Foster states: "Long term participant observation [...] can yield understanding of social

change that is simply not possible in any other way" (Foster, 1979). Moreover, especially in Java, it is difficult to gather in-depth information about difficulties and hardships in life. As, during a survey people do not easily talk about these sensitive subjects. This article therefore tries to offer an 'inside' view of the crisis. It deals with four major subjects: 1) the question about the nature of the crisis and local perceptions and experiences of the crisis, 2) the changes in poverty and inequality during the crisis 3) changes in labour and migration and 4) the role of the local government in responding to the crisis.

The Crisis in Indonesia

It can be said, that the crisis in Indonesia took place at three different levels and at the same time. Three crises can be distinguished: 1) a currency crisis, 2) a food crisis and 3) a political crisis. These crises had several interrelated causes and reasons, which cannot be dealt with in

² The article is based on two PhD researches carried out from mid 1997 till the end of 1998 and at the beginning of 1999. Both studies are part of a larger project on Social Security and Social Policy in Indonesia carried out by the Gadjah Mada University of Yogyakarta, the University of Amsterdam and the University of Nijmegen.

³ This research is a restudy and extension of the well known poverty studies of Masri Singarimbun (1973, 1976, 1993).

⁴ Krajan is a pseudonym.

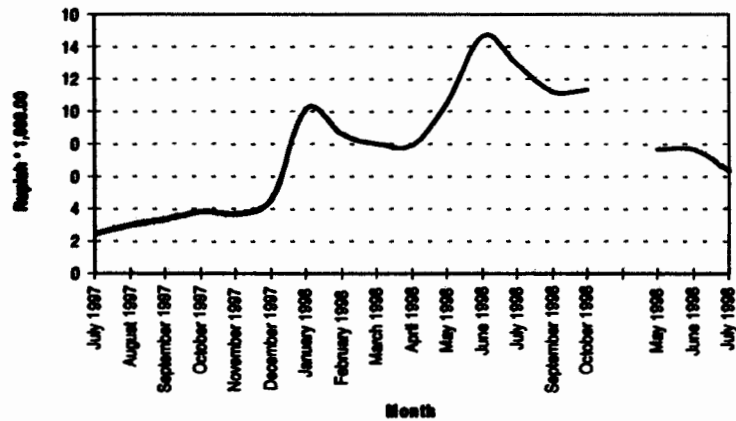
detail in this article, as we want focus especially on the local level effects. In the following, the three crises will be described briefly.

1) The currency crisis started in July 1997 with slightly deteriorating exchange rates devaluating faster between September and November 1997. At the beginning of January 1998, the Rupiah had already devaluated 100 per cent (Figure 1). In the same month, the Rupiah came in a free fall. In a response on this devaluation, inflation got challenged and food prices started to rise. The first rise of basic food prices, which is important for rural populations, started after October 1997 (Fig-

ure 2). In the village of Krajan, villagers were aware of rising prices, but really started to worry about the food prices during the *Ramadhan* (December/January 1997/1998) (Figure 3). In Sriharjo this process started somewhat earlier, which has a greater proportion of its population working in the urban sector.

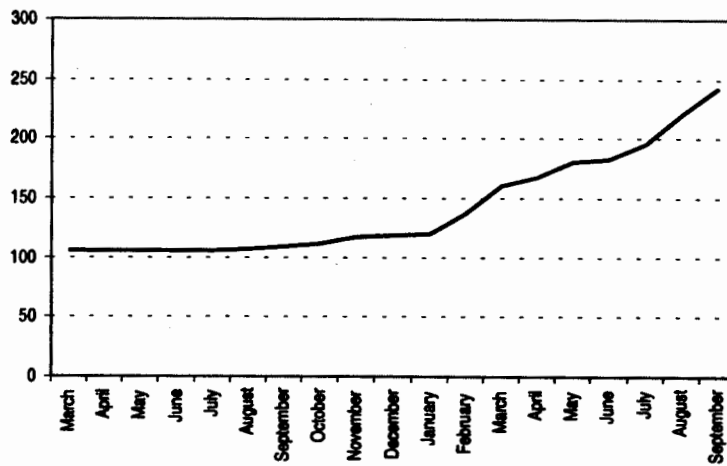
2) The food crisis started already with the effects of El Niño, which caused droughts and forest fires. Production of rice started to fall and in 1998 the rice production declined with nearly 10 per cent in 1998 compared with the 1996 level

Figure 1
Exohango Ratea Ruplah to US \$



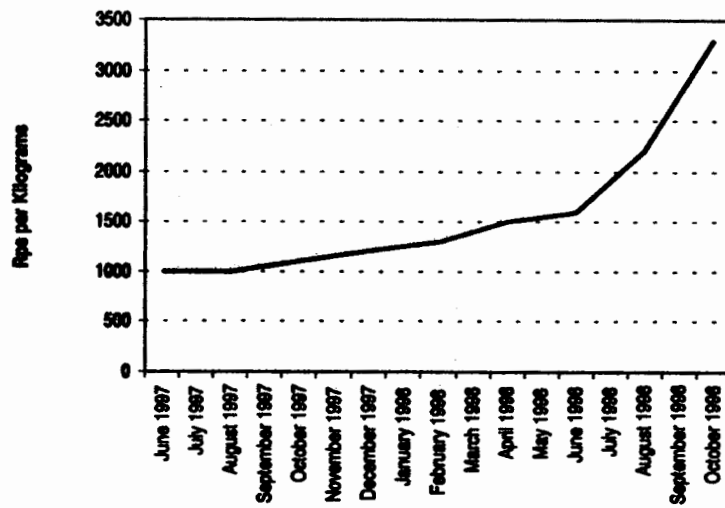
Sourco: Cantral Buraau of Statistics, Jakarta

Figure 2
Food Price Index March 1997 – September 1998



Source: Central Bureau of Statistics, Jakarta

Figure 3
Average Monthly Rice Price 1997/1998



Source: FAO 1998 (compared with own data)

(FAO, 1998). Many smallholders experienced difficulties in repaying debts. National shortages of rice started to enforce the rise of rice prices. Statistical data are often not that reliable in Indonesia. We use for the rice price data from the FAO, which correspond exactly with the rice prices we found in our research areas.

- 3) Related to these developments, a political crisis started to develop. The New Order regime started to show cracks and lost legitimacy culminating in the fall of Suharto in May 1998. One of the reasons of Suharto's fall was that he did nothing to curb the crisis. The research periods of 1998 and of 1999 were periods of political turmoil enforced by competition between different factions and regions. Habibie, the interim president could not do much. The political disarray surely is one explanation for the lack of government policies, standpoints and leadership that became clear during the crisis. But, more structural reasons can be mentioned as well.

In the villages, the step down of Suharto as such did not impress most villagers. In Krajan (East Java) for instance, it took more

than three days before the majority of the population realised at all that Suharto had stepped down indeed. And when villagers heard the news, they were not excited. In their life world, Jakarta is far away and villagers in fact did not expect much from the national government in solving their problems. In Sriharjo (Central Java), villagers were also not that impressed by the news, but the reasons were different. In villagers perceptions, Jakarta is geographically not so far away, but according to them, national politics are not that relevant for their lives.

The Crisis in Rural Indonesia

In 1996, the Australian economist Hal Hill wrote an optimistic book about the modernisation and development of the Indonesian economy: "*The Indonesian economy since 1966: Asia's emerging Giant*". His analyses of the Indonesian economy included a core section on agricultural developments. He states that the New Order (*Orde Baru*) regime has been successful in creating rural development and improving rural people's livelihoods. However, he overlooked that the attention of the *Orde Baru* regime for rural areas has been declining. Till the beginning of the nineties, rural Indonesia has had relatively much

attention from the government. This matter materialised in a series of rural development programs like the Green Revolution policies, the Colt Revolution, road construction projects, electricity, and the development of a small-scale industry. This created a rapid agricultural development, and also put a strain on employment.⁵ While agricultural production increased, inequality grew, employment for landless villagers decreased and a growing number of young villagers started to work in the cities. Another effect of all these developments was that villages started to become less isolated and partly urbanised. Many rural areas in Java started to look like *desa kota* or *rurban* regions (McGee, et. al., 1997) and urban and rural economies started to merge. Therefore, when urbanised Java got affected by the severe crisis of 1997/98, rural areas were basically affected alike and at the same time. Even in remote rural areas —inside and outside Java— the crisis was felt forcefully.

For this article, it is important to note the effects of the crisis on the poor in these rural areas. Contrary to some expectations, the poor are affected most by the

crisis. Levinsohn *et. al.* (1999) for instance state in a recent paper about the 97/98 crisis: "We find that the poor have indeed been hit hardest. Just how hard the poor have been hit, though, depends crucially on where the household lives, whether the household is in rural or urban area, and just how the cost of living index is computed. What is clear is that the notion that the very poor are so poor as to be insulated from international shocks is simply wrong. Rather, in the Indonesian case, the very poor appear the most vulnerable." As we focus on the rural poor in this paper, poverty studies like that of Levinsohn *et. al.* are interesting but sometimes raise more questions than answers. The presentation of quantitative data alone does not tell us much about the nature and experience of poverty. We found in our research for instance that according to poverty definitions of local people, the very poor are not those villagers who lack sufficient income, but those who are not able to take place in the ritual exchange economy of villagers anymore. Added to this, structural categories of poor are those who are *kasihan* (pitiful) like widows without help and/or old without

⁵ As for instance has been reported about the Green Revolution (Collier, 1981; Hart, et. al., 1989) [Husken, 1989; Wiradi, 1984; White, 1989].

children or without being cared for. In order to understand the dynamics of poverty, we therefore need a more differentiated and dynamic approach. Most poverty studies do not tell us who the poor are and why they are poor. Therefore, we make in this article a combination of poverty studies and more dynamic studies dealing with vulnerable poor like social security studies.

Most poverty studies, like those of for instance the World Bank, are quite static. Definitions, like a poverty line of one dollar a day, do not make much sense on the local level and in a situation of a rapid devaluation of the national currency. Singarimbun and Penny (1973) was among the first Indonesians to do poverty research in Indonesia and tried to deal with the problem of inflation by using rice as a definition of poverty. According to him, the very poor are those with incomes less than 240 kg rice equivalent/capita/year and the poor are those who have an income less than 320 kg of rice. His definition, although an improvement at that time, remains rather static and income oriented. A social security approach might help to solve this problem. In our opinion, the crux of the matter in poverty is the lack of access to resources. F. and K. von Benda-Beckmann state:

"poverty or wealth refers to the economic condition measured by lack of ownership or command over resources and monetary incomes. Social security refers to the conversion of resources into actually (un)fulfilled social security needs" (Benda-Beckmann and Benda-Beckmann, 1994). Social security studies are broader and more dynamic than poverty studies in the sense that they study not only the material possessions of people, but their socially secured (potential) access to resources too. Amartya Sen, who did many poverty studies did something similar in dealing with the limitations of poverty studies by introducing the concept of entitlements (Sen, 1977, 1992). He states that it is not the actual position of material wealth which makes people poor, but the lack of entitlements to resources. Added to this, we think it is important to look at the relational dimension of poverty. As indicated by local people, social isolation for them is the utmost problem of poverty (Townsend, 1993). Isolated people have less access to information, power, labour opportunities, networks, and systems of support and redistribution which have the potential of offering (some) security. Being poor (having no possessions), lacking access to resources and being excluded

from redistribution mechanisms as social security arrangements makes people much more vulnerable for economic crises. These aspects of poverty and vulnerability are at the centre of our analysis in this article, which deals with the effects of the crisis in Indonesia.

Government Policies

At the beginning of the crisis, the government was very hesitant to take action. They still seemed to believe that the rural areas were not affected and could cope with the difficulties. Soeharto said on television a few months before his fall that the crisis would soon be over. ("*Badai pasti berlalu*"; "The storm will soon be over"). Governmental responses on the crisis were not effective and did have nothing to do with the causes of the crisis. As for instance the call to *Cinta Rupiah* (love your own currency), to give gold for strengthening the currency, distribute rice packages (*nasi bungkus*) and the public exchange of US dollars for Rupiah by government and rich people. In Augustus 1998, when the crisis continued and its severe effects could no longer be neglected, Social Safety Net programs (JPS *Jaring Pengaman Sosial*) became effective. These programs were designed to lessen the negative

social effects of the crisis. Among these programs were: 1) Programs for enhancing food security (cheap rice, subsidies for *sembako*, increased Bulog interventions, etc.), 2) employment creation programs, 3) credit support programs for small and medium enterprises, 4) social protection programs for education and health. In the next sections, we will describe in detail for Sriharjo and Krajan what the effects of the crisis were for different groups and how effective these policies in the villages were.

2 The Crisis in Sriharjo, Central Java

a. Typicality's of Sriharjo's Economy

Sriharjo lies at the foot of the limestone hills (*Pegunungan Sewu*) that start from the Indian Ocean at South Central Java. It is sited a 25 kilometres South of Yogyakarta on the road to Gimung Kidul close to the Imogiri cemeteries where the Sultans of Yogyakarta have been buried for centuries. *Desa* Sriharjo consists of a fertile lowland part with irrigated rice fields and a barren upland part. The village population counts around 9300 inhabitants scattered over 13 hamlets. The limestone hills make up 60 per cent of the village area and host 30 per cent of the population. The lower part

consists of 40 per cent of the total area with 70 per cent of the population. The hilly part is much more isolated and poorer than the lower part. Their inhabitants are usually referred to as *wong gunung* (mountain people) which has the negative connotation of being backward, uneducated and traditional, while the inhabitants of the lower part are referred to as *wong ngare* (lowland people) which has a very positive meaning.

The higher part of Sriharjo produces cassava, maize, and some bananas for subsistence, teak wood, some chilly, and other vegetables for the local and regional market. The irrigated lowland part produces rice, maize, soybean, and vegetables for the market.

As in all other parts of lowland Java, transport facilities of lower Sriharjo are very good. Because of this many villagers travel back and forth their work in Yogyakarta every day. Where as most of the *wong gunung* by bike, most of the *wong ngare* by motorcycle. Contrary to the early New Order pears (1969), when all villagers worked in rural areas and were poor (see Singarimbun and Penny, 1973), nowadays the majority of the villagers derive their main income from the city and are better

off. Then is, however, still much poverty in Sriharjo.

In 1969-1970, Singarimbun and Penny studied the widespread poverty in Sriharjo, and published the first Indonesian book on this subject (Singarimbun and Penny, 1973). From that time on, the rural development programs which were implemented by The New Order started to increase the economic conditions in rural Java and therefore, poverty started to decline slowly. A restudy conducted by Singarimbun in 1989 (Singarimbun, 1996) showed that poverty (income less than 320 kg rice/capita/year) declined from 70 per cent in 1969 to 42 per cent in 1989. But in crisis time (1998) 70 per cent of the villagers were poor. It is a possible explanation of this growth is that in the same a period of twenty years income out of non-farming activities rose from 16 per cent to 69 per cent. The contribution of the agricultural sector to average household incomes fell subsequently from 84 per cent to 31 per cent.

The number of village people having access to land declined in the last thirty years accordingly. The percentage of villagers with little or no land rose from 49 per cent to 76 per cent and the percentage of villagers who have no land at all rose from 37 per cent

Table 1.
Distribution of *Sawah* in Lower Sriharjo (Hamlet Miri)

Sawah (hectare)	1969	1989	1999
No land	37	40	53
0,001-0,050	13	16	23
0,051-0,100	17	13	14
0,101-0,200	17	13	6
Sub total	83%	96%	96%
0,021-0,400	11	6	8
0,401-0,800	4	4	1
0,801-more	2	-	-
N	101	100	187

Source: 1969 & 1989: from Singarimbun, 1998
1999: from data survey 1999.

to 53 per cent.⁶ Villagers did not sell their land, but children of smallholders were not able to inherit or buy anything. As employment in agriculture decreased also, most of the villagers nowadays have lost access to land. This process lies at the basis of the increased migration to the big cities and the increased importance of non-farm activities for village livelihood.

The poor people of Sriharjo can be found among those who have no access to land and who lack

sufficient economic and social capital. But the really poor are those categories of people who lack sufficient networks of family members as well. As widows, widows/widowers without children or with very small children, old people without children and handicapped. Or those who are not able to get access to other sources of income like: agricultural labourer, harvest labourer, *becak* driver, construction worker, etc. But, if these categories of people don't have

⁶ This phenomenon meets the expectation as described by Hayami and Kikuchi that by agricultural modernisation increasing numbers of the rural populations will lose access to land (see Hayami and Kikuchi, 1981).

access to income, they still can be relatively well off if they are cared for by more affluent relatives or village members. Very often, social relations make the difference between the rich and the poor.

Contrary to the past, not the full-time farmers are the well off people of Sriharjo anymore, but those who combine farming with non-farming activities, like teachers, army officials, traders, and civil servants.

b. Perceptions of the Crisis

At the beginning of the crisis, villagers constantly chatted about the crisis. For example, during *arisan* (rotating saving groups), at village meetings and at the *ronda* (night watch) the topic and its causes was discussed over and over again. Villagers did not understand where *krismon*⁷ came from and they saw it as the source of all their problems in life. Like the loss of their job as a construction and fabric worker in the cities, like budgetary problems, rising prices of basic needs, the price of food, the rising prices of pesticides and fertiliser etc. In these discussions many

different views concerning the crisis were expressed. According to some villagers, the events were severe, but according to others, they were easy to overcome. In general, villagers' opinions varied according to socio-economic and demographic factors such as status, occupation, age, and gender. Young people perceived *krismon* as a serious crisis, while on the contrary, the older generation perceived the crises as a normal condition of rural life. According to the older villagers a crisis is a real famine when no food of good quality is available. The old generation saw the 1998 crisis only as little turmoil, as basic needs were still available although expensive. Therefore, they regard the crisis in 1998 only as a normal condition of village life. In their lives, they had been hit by worse crises before. For them, the availability of food is the main indicator for a crisis. In the 1930's, during the world economic crisis (villagers call this the missed era, *jaman meleset*),⁸ they suffered so badly from famine that they ate the skin of cassava, the roots of banana trees and grassroots. During the Japanese occupation,

⁷ For the villagers *krismon* means that they lost their job as a construction worker and fabric worker in the cities and also the rise of the price of goods and the agriculture intake i.e. pesticide, fertilizer, etc.

⁸ The meaning of *meleset* probably originates from the Dutch word *malaise*, which means misery, but *meleset* in Javanese means missed.

people suffered even more and died of starvation. During the revolutionary years of 1945-1950, food availability was limited. At the end of the Old Order or the beginning of the New Order (1965), the most recent crisis occurred. That one is still perceived as being much worse than the 1998 one. The younger generation however, who has never suffered from any crisis or famine before, regards this crisis as very bad. For the younger generations not only the lack of good food means crisis, but the decline of other consumption goods—cigarettes, sweets etc—as well.

The socio-economic status also influences the view on the nature of the crisis. Middle to upper classes realised they still could do quite well. For the lower classes, it was very hard to accept that they had to economise on the quality and the quantity of food. In contrast to the lower classes, the middle and upper class seemed however more worried about the crisis. Although they were less affected, the middle and higher classes tended to discuss much

more about the crisis. The lower classes however, were more silent and often seemed to think it being less important to express their demands.⁹

Between men and women also different perspectives on the crisis exist. In general, women, encountered, went through ... etc. more difficulties during the crisis and therefore, their perceptions on the crisis differ from men's. But this does not count for women with an independent income. For instance, households where the woman was making embroidery did better than those—under same conditions—who was not.

c. Effects of the Crisis on Villagers and their Responses

The crisis caused most difficulties for the poorer people of Sriharjo. But also for those people who depend only on non-farm activities, the crisis turned out to be a major setback as well. At the beginning of the crisis, nearly all construction work in the cities stopped, many factories went bankrupt and work opportunities decreased severely.

⁹ They often put it themselves this way: "*kami harus/selalu hidup prihatin. We must/have to accept our fate. We have to run a very simple life. Prihatin: eating less, sleeping less, demanding less. We have to be tough and patient and entrust our lives to God's mercy*". But these statements generate more questions than answers. There is a need for an analysis of the reasons, culture and mechanisms behind these statements.

Those who worked in the cities suddenly lost their source of income and some of them return to the village. At the beginning of the crisis, more than 100 people who worked in the industries of Bandung, Bogor and Jakarta in came back to Sriharjo. Only, around 10 per cent of them were female. Most women worked as domestic helpers or in the textile industry did not lose their jobs. In general, domestic servants were not fired after the crisis and those working in the textile industry were protected by one of managers who originated from Sriharjo. Therefore, most of the women who migrated to did not return. Also, more than 200 villagers who worked as construction workers and *becak* drivers in and around Yogyakarta and were travelling to and forth Sriharjo everyday, lost their job and didn't go to Yogyakarta anymore. Some villagers, who lost their jobs in the cities, were not coming back to the village, but found other work. In general migrants returned to the village if they could not do anything else. At first these returnees from the big cities were not so obvious and seemed not at ease in the village. They at first did not engage in many activities in the village, but

after some weeks, they started to assist with any kind of work, like cutting grass, wage labouring, fishing, making embroidery, and trading birds. Some time later, most of them started to go back to the cities again and found some kind of a job. For the commuters, those who stayed at home, the situation was different. They straightaway took up whatever work available in the village because they were already used to combine rural activities with their urban work. Both groups constantly tried to get information about job possibilities from friends and relatives and some of them indeed got a new job soon. Those who had established good networks of social relationships were more successful than those who were operating more individually. The lower class construction workers for instance, who used to work for a broker got quicker work again than skilled construction workers operating individually. Some however, who had difficulties finding a similar job like they had before were forced to change from urban work to rural work (*buruh srabutan*) and turned for instance to cut sugarcane, milking cows, cutting grass, etc. This meant a real drop in status, and returns from labour

were not even sufficient for feeding a family.¹⁰ To survive, they were forced to change their way of live totally. They started to mix rice with *tiwul* (low quality food made from dried cassava) and ate this without any side dish like *tempe*, *tahu*, fish or egg. They stopped using sugar for tea, changed to cheap -sometimes self-made- cigarettes, and could use only a little bit cheap of cooking oil.

The fate of the already poor villagers like widows e.g. was even worse. At normal times, their lives had already been full of difficulties, and the crisis only added to this. Like for instance the case of bu Ngadinem, a widow with two small children:

Bu Ngadinem looks like a fifty years old woman, but she did not yet reach her forties. Her husband died seven years ago because of pneumonia. She works herself as a rural labourer when at one day I saw her crying in the *warung* (small shop) because she could not pay her debts to the shop owner and had to borrow more to buy food. At that moment she already had a debt of Rp25,000.00. She wanted to buy salt, some spices, lamp oil and a kilo of

rice to mix with *tiwul* (cassava). She had to buy rice, because her children could not stand to eat only *tiwul*. She asked the other people present if they knew an orphanage for her children. "Instead of starvation, it is better I send them to an orphanage", she said. After a few months, indeed, one child entered an orphanage in Yogyakarta.

Also less poor families experienced problems with food for their children. Most children had never eaten *tiwul* dried cassava and were crying if they had to eat that. Added to this, there were also other minor complaints of children about the food, like stomach problems, about hungry feelings (as cassava does not give a full feeling) and the bad smell of cheap rice. Another widow said: "*anak-anak saya sekarang tidak pernah dapat uang jajan*" (My children nowadays never get money to buy snacks). In one hamlet, the villagers complained to the head of the hamlet about the peddlers who were selling small snacks like ice and *bakso*. Every time the peddlers entered the village, children

¹⁰ The average wage for this kind of work was Rp4,000.00 for a long working day excluding breakfast or lunch. The price of rice was more than Rp3,000.00 per kilogram.

started to cry and to beg for money to buy a snack. To lessen the economic pressure of his families, the head of the hamlet forbid the peddlers to enter the hamlet everyday. Since then, they were only allowed to enter the hamlet two times a week.

Another difficulty for poor people during the crisis was meeting the expectations of exchanging gifts (*sumbangan*) at funerals and weddings. They were afraid to stop giving these gifts in fear of social exclusion, of gossip and of being called greedy or a-social. They tried in all possible ways to grasp money to maintain the ritual exchange networks of society at large.

During the crisis, some villagers who had good access to resources like land, cattle and other resources were able to improve their position. People who earned a salary out of agriculture and combined this with income out of non-farm activities benefited most. One household for instance, which runs a *warung* and also rents half a hectare *sawah* became rich because of rising paddy prices and an increased income out of the *warung*. At the beginning of the crisis, the profit out of the *warung* was very high, because they sold stocks that were bought at a much lower price before the crisis. Due

to the crisis they could rebuilt their houses and buy some furniture like a sofa, gas stove, etc. Villagers in higher areas of Sriharjo who had cattle benefited also from the rising prices by selling some of their cows to buy a second hand motor cycle. More than 20 people sold cattles and many motor cycles entered the village. These motorcycles were not only bought for working outside Sriharjo but also for the social status attached to having one.

The impact of the crisis is also regionally differentiated and differs in several parts of the village. In the higher part of Sriharjo, which is more isolated, subsistence oriented and poor, the people did not pay more attention to the crisis than those who lived elsewhere although they were harder hit. In that time, they tried to suffice their basic needs (simple food only). They more easily changed their consumption to the low quality food (*tiwul*). The opposite took place in Miri, the lower part of Sriharjo, which is more open and market oriented. The people there paid much more attention to the crisis in daily conversations because they had a lot more expenses and needs like, electricity bills, education, health, etc. and complained all the time although many were hit less hard. If people are talking a lot about the

crisis that does not indicate anything about being affected by the crisis. The people from the hilly part had never been able to get access to good health care and education and yet adapted more quietly.

d. The Role of the (Local) Government in Fighting the Crisis

Did the local government (village heads and village officials) give good notice to the crisis? When I asked government employees during the crisis in 1998 about what they did about it, they answered: "The crisis is not so severe in the villages compared to the situation in the cities. Pitiful are those who cannot eat in the cities. For us here in the villages the situation is reasonable. We can still pick leaves freely for adding to our food". They also reported in these words about the situation in the village to the regional government officials. They believed themselves to a certain extent that in their own villages not many people were affected. The neglect of the problems in their own villages has three reasons: 1) local village officials don't know much about poor people in their own villages. They hardly ever meet them, and poverty in Java is relatively invisible. 2) They were influenced

by dominant discourses in the media and higher government echelons that depicted only the severe situation in the cities. 3) Local village officials in general are more oriented to serve the higher levels of the government than to serve villagers. Because of this, they were very busy with carrying out government programs and instructions from above and therefore were not capable to tackle specific problems and needs of villagers. The local village officials therefore didn't do much to enhance the living conditions of the local poor. They never proposed new ideas or programs, and the government programs that were employed in fact more benefited the rural middle class, not the poorest of the poor.

During the crisis, it seemed that the local government did not pay much attention to the crisis. They just carried on with the routine jobs as being part of the lowest bureaucracy system in Indonesia. In fact, they were busy indeed with the routine programs and in assisting the higher level officials (*kecamatan* and *kecamatan*). But therefore, they could not focus on the village problems. The office of the village head (*kantor kelurahan*) was visited every day by government guests who all had to carry out important things. And

of course, the lowest level officials were ready to serve their higher officials. But it took months before something was done about the impact of the crisis, whereas the local government did not take any initiatives. The crisis made painfully clear that the local government turned out to be an administrative unit instead of having a governing function.

During the crisis, the village of Sriharjo received several forms of aid to fight the impacts of crisis. This help was rather imorganised. Before the program from the government came, the village had already received help from non-government sources, like from religious institutions, private sector initiatives, the Red Cross of Singapore, etc. This support was distributed on the basis of three different sets of data about the needy. Sometimes data from the village office were used, sometimes data from BKKBN (family planning), and sometimes from the Department of Social Welfare. Sometimes even a region was selected and only villagers of one hamlet got all the help both letting poor and rich members benefit. Poor people living in a richer region did not benefit. Unclear and unreliable data were the main reason for the many problems related to help programs in the village. But also dormant

and hidden conflicts, hierarchies and competitions between villagers came painfully to the fore. People started to be jealous to others from different hamlets, from different classes and especially within families and neighbourhoods. Youngsters organised three demonstrations in villages and asked the local government about the injustice of the distribution system. Because of these demonstrations, the local government decided to divide the help equally over all families, both poor and rich villagers got help. In this way, help only meant for the poor, was transferred partly to the richer echelons of society.

Besides demonstrations the aid led to some funny experiences. For instance, help from Singapore contained some luxury food like creamer, spaghetti sauce with spaghetti and some canned food. The villagers had never seen that food and were confused. Like the family of Pak Jen0, a poor household. They received one box of food, and tried to cook it and they mixed everything together, but, in the end, never succeeded to eat that food.

Later, the government offered cheap rice (*sembako*) for poor villagers at Rp10,000.00 per 10 kg's. The viilage of Sriharjo received 613 packets a month and most of that aid was meant for the

hilly part of Sriharjo. That was a good idea, because in that part lived most of the poor households. But, the head of hamlet distributed that aid not only to the poorer households, but every household got a share of it. Eventually, every household received around 7 kilogram a month. The local government legitimised their decision by stating that they were afraid of conflicts in the village.

A small amount of the cheap rice was distributed in lower part of Sriharjo. Since access to non-farm activities in that area is more open, there are not many poor households. During the crisis however, most of them were affected. Nevertheless, they did not receive aid from the government, as they were not registered as poor households in the pre-crisis situation.

In short, in the beginning of the crisis, programs were more about food (*sembako*) but later on, also other elements were included, like health, work and income generating activities. Total help to Sriharjo, exceeded 200 million Rupiah, for several programs. Since the village administration had never received so much money before, one of the heads of the hamlets said that he did not understand that so much money was coming into the village for he could not spend it. He got confused

because he had not received information about a clear program with clear criteria. Some villagers expressed the feeling that the government wasted a lot of money, and misuse of funds by lower government officials became indeed possible.

3. The Crisis in Krajan, East Java

a. Typicality of Krajan's Economy

The village of Krajan lies on the slope of mountain Argopuro at a distance of 20 kilometres from Bondowoso town, East Java. The village has always been much more isolated than Sriharjo until recently the village road has been improved and irregular daily transport to Bondowoso or Besuki is available. Nevertheless, Krajan is located far from the big urban centres in Java. The first middle-sized city is Jember at a 60 kilometres distance and little villagers have ever been there. Krajan has around 3400 inhabitants of whom the majority is poor and engages mainly in subsistence farming. As Krajan is situated on the North East of Java, the population is fully Madurese. The village has been founded before 1850, long before the main Madurese migration waves to East-Java started in the beginning 20th century.

Desa Krajan lies at an altitude between 800 and 1,100 meter and the terrain is hilly. The red *ladang* soils in the village are washed out and less fertile than most of those in rural Java, but they are more fertile than the limestone soils of higher Sriharjo. The few *sawahs* of Krajan however, are of much lower quality than those of Miri, lower Sriharjo. In the long dry season, no crops can be planted at all as the irrigation is limited. After the first rains, maize, rice, cassava and some vegetables are planted. These crops are mainly for subsistence purposes and are hardly commercialised and monetarised. After the harvest of maize, as a second (cash) crop, many farmers plant tobacco (for the domestic market). Due to the shortage of rain, the poor soils, the limited use of technology, inputs and knowledge, the production of crops are relatively low in Krajan. Due to these less favourable agricultural conditions, Krajan is —like Sriharjo— a village with a low agricultural production base. Only lower Sriharjo (Miri) has fertile *sawah*, but even there, rice productions are a bit lower because of problematic access to irrigation in the dry season. Therefore, both villages did not

profit much from the positive effects of the crisis on agricultural production and export related crops. In Krajan only a few farmers (less than one per cent) own enough land to sell rice or corn on the market. Although Krajan is rich in cattle, most farmers who sold cows needed the profit dearly to buy rice, maize, or to pay off debts. The only other important non-agriculture based source of income is the making of *bese*k (small bamboo baskets). Incomes out of the *bese*k, however, are low and decreased during the crisis. Contrary to Sriharjo, migration rates are low¹¹ and therefore, cash inflows from outside are not significant. Added to the weak production base of Krajan, is the insecurity in crop output. The harvests in dry land agriculture, are more fluctuating than those in irrigated agriculture. Farmers therefore are used to deal with fluctuations in income and follow risk avoiding and investment extensive agricultural strategies. In Krajan, where irrigated plots are scarce, erratic rainfall, poor soils and tobacco production add to fluctuations in income. To a certain extent, people are used to these insecurities. But in Krajan this did not —contrary to the

¹¹ Less than 5% of the population has a family member working somewhere else

expectation (Wolters¹²)—lead to collective village-wide arrangements to cover the risks of income fluctuation (Wolters, 1998). One of the conclusions of the research is that the insurance against these risks takes place individually and of the household level. Insurance against income fluctuations takes place by the means of saving (in gold, cows, and—to a certain extent—social relations), by avoiding and spreading risks, by agricultural diversification (combining different crops and by the growing of subsistence crops), and by occupational pluralisms (the combination of different sources of income). In contrast to Sriharjo, the possession of land as production factors is very important in Krajan, where land has more and more a status function. Another difference is the rate of villagers having access to land. Land ownership in Krajan is slightly less unequal than in Sriharjo, but generally this condition as unequal as anywhere in rural Java (Hart, et. al., 1989; Hefner, 1990; Husken, 1989). In Krajan around 75 per cent of the villagers at least have some access to land, either by ownership, shared tenancy arrangements or

by other forms of labour arrangements. The only cash crop, tobacco, is a main source of insecurity in itself. Prices are unstable and the production needs quite some inputs. In 1997 many farmers took loans from richer villagers, the village head, and a cheap credit programs for the tobacco production. Usually this borrowing takes place at rates of 50 per cent for 6 months, and many went bankrupt.¹³ due to low tobacco prices and the low quality of it affected by the prolonged rains. Eventhrough, the price of tobacco has been rising during the crisis, the real price of tobacco declined.¹⁴ Profits declined while production costs rose. This process in fact took already place several years before the crisis, but then accelerated dramatically leading many farmers to bankruptcy. A significant number (50) of these bankrupt farmers fled to Kalimantan in the hope to finding work and money to cover their financial problems. Others were forced to sell, pawn, or rent out cows or land to cover their debts. Most of the migrants to Kalimantan—also those who were not debt-driven—did not succeed and came back poorer

¹² Personal communication. Compare Plateau, (Plateau, 1991).

¹³ With bankruptcy I mean technically bankrupt; not being able to repay debts.

¹⁴ The real price declined from ten kilo rice equivalent for one kilo tobacco to less than 3 kilo's to one in the course of five years.

than when they left. Because of the crisis and rising prices of transport some could never succeeded to come back at all.

b. Effects of the Crisis on the Villagers and their Responses

According to the villagers, life had never been easy before. From time to time, they face insecurities in access to income and food due to lifecycle crises, bad harvests, and fluctuating incomes. Added to this, a number of wider regional, economic and national crises have had an impact in the village. From the beginning of the 20th century onwards, the people of Krajan have experienced six major economic crises. 1) The crisis of the thirties with deflation and stagnating rural prices,¹⁵ 2) the Japanese occupation, 3) the Dutch *Agressie*, and the following revolutionary years, 4) the eruption of mount Agung in Bali in 1963 in which ash rains

destroyed most food crops, 5) the turmoil and inflation around the end of the Sukarno era, and eventually 6) the economic crisis of 1997.

Whereas before the 1997 crisis the village economy of Krajan was for an important part subsistence oriented, the monetary crisis affected only parts of the village economy. Those poor depending on monetary is adjective never verbal income sources were among the hardest hit, like wage labourers, petty traders and part-time carpenters. The domain of subsistence production however, stayed mainly untouched and even proliferated.¹⁶ It's important for the subsistence of villagers to maintain the domestic production of maize, paddy and cassava, which is consumed by the household. This includes subsistence production relations¹⁷ as share cropping arrangements (with most important *babunan*¹⁸ taking a 1/5 share of the harvest in return for the labouring),

¹⁵ See for instance Van der Kolff 1936[?], who describes the impact of the recession in the thirties at the village level in a nearby region. The effects of the 1997 crisis show some similarities with the crisis of the thirties.

¹⁶ With this we don't want to argue there is something as a dual economy on village level (Boeke, J. H. 1953) On the contrary, the cash oriented and the non-cash part of the society are highly interrelated. Most villagers make a living by combining these two and only by this combination are able to survive.

¹⁷ Sometimes called non-capitalist relations of production (Cf. Hart, G. 1986).

¹⁸ Compare with *bawon* in Java. As described by: Breman, Husken, White, Jay....

exchange labour, rotating labour, and labour for helping out. Only three per cent of the farmers own enough land to sell food crops on the market.

On the local level, the national crisis was a monetary crisis. The rising prices—inflation—were the talk of the day at the beginning of the crisis. In Krajan the crisis began to be felt during the month of *Ramadhan* (January 1998)¹⁹ when villagers started preparing for *Idul Fitri*, the yearly Muslim's Celebration the end of the fasting. Every villager experienced the higher than usual²⁰ prices of rice, cooking oil, flour, and clothes. After these months, the prices continued to increase dramatically. As often during a sudden rise of prices, villagers responded by cutting back on their consumption. Families, who used to drink coffee, started to drink tea. The ones who drank tea drank sugar water, and those who could even not afford to buy sugar drank only plain water. Eggs and noodles, which were common food before the crisis, had been cut from nearly all menus except from dinners at weddings and funerals.

And *kue*, cookies and snacks, essential for *selamatan* and for maintaining social relations, were less sweet, and less abundant than in the past. New clothes were hardly bought. At the second research period (May—August 1999), for some families the lack of money for new clothes started to become real problematic.

One old man said: "*Sekarang makanan sama dengan jaman Belanda. Kita makan nasi jagung dengan ikan kering lagi. 53 Tahun merdeka, tapi tidak ada hasil sama sekali*". (At the moment we eat similar to what we did during the Dutch period again. Just rice mixed with maize and dried fish. 53 years of freedom didn't bring us any advantage at all).

These effects and responses on the crisis might seem subtle, but it means a lot in Krajan if you cannot offer coffee to your guests anymore or exchange the required snacks and cookies.²¹ The crisis meant not only a drop in consumption but was perceived as a drop in status as well. Furthermore, only heavy smokers can understand what it means to have to shift from *Gudang Garam*, the

¹⁹ Five months after the first devaluation of the Rupiah in July 1997.

²⁰ Every year at X-inas and at the end of the *Ramadhan*, the prices of consumption goods are rising.

²¹ Usually the number of cookies could be met, but the quality (used quantity and quality of sugar, cooking oil, eggs and flour) decreased significantly.

good quality filter cigarettes, to cheap alternatives.²²

The effects of and responses to the crisis by agricultural producers in Krajan are diverse. Some farmers reacted to avoiding risk, others went bankrupt and all of them were facing rising costs and lower yields. Nevertheless, some farmers were still able to make good profits and some even benefited by the crisis. It is important to distinguish between effects of the crisis and more general climatic effects like *El Nino* (drought) which had effects on the food production and later on *La Nina* (extensive rains) which were disastrous for tobacco production. Effects of these climatic changes in agriculture had been explicitly mentioned.

The differential responses and effects on the 1997 crisis were been partly due the specific composition were of the farming activities and due to the unique characteristics of farm labour processes itself: "containing a complex whole of interlinking tasks, each with its own degree of flexibility and particular procedure [...] Decisions that are crucial for the end result can be made only during the labor process itself. Therein lies the

craftsmanship of farm labor: the interaction between direct producer and labor object; i.e. the continual observation, interpretation and evaluation of one's own labor in order to be able to re-adapt it" (Ploeg, 1990).

In the tobacco season, following the beginning of the crisis the area planted with tobacco in Krajan declined fifty per cent and most farmers shifted from this risky crop to the safer subsistence crop of maize. Most farmers worried said and that they would not make much profit because of the rising costs and preferred to plant corn, rice or cassava "*karena perut harus kenyang dulu*" (because we have to fill our stomachs first). Due to the rising prices of food and labour, many of richer farmers (who are in control of 60 per cent of the land area) were reluctant to use any paid labour, or even huge numbers of unpaid labourers. These labourers still needed considerable amounts of food, coffee, and cigarettes to work. Some farmers, who were used to grow tobacco on a large scale, speculated on higher prices and borrowed money to produce tobacco in the same way as they were used to do (by using wage

²² By the way, nobody quit smoking because of the crisis. According to villagers, they even increased smoking, *karena pusing* (because of the stress).

labour and many external inputs). But, most of these went bankrupt and only some were able to make some profits, by shifting quickly to form of non-paid labour during the growing season. Only farmers, who were able to mobilise unpaid labour,²³ had other sources of cash income, or were successful in tobacco trading, succeeded in making profit with tobacco in the summer of 1998. For smaller numbers of farmers (30–40 per cent of total population), who could not mobilise much labour force, only the amount of seedlings a household with close neighbours or friends could master was planted (with a maximum of 1/3–½ hectare *ladang*). They were able to make some profit because of their access to labour and the use of non-commodity labour arrangements for the production of commodities (see Ploeg, 1990). However, this profit was—in relative terms—lower than in previous years and seldom enough to make all ends meet. Added to this, the prices of inputs like fertiliser, seedlings and pesticides²⁴ rose. The impact of the rising prices of agricultural inputs in Krajan was much smaller than

in Sriharjo because of the minor role of inputs in its agriculture.

In 1999, when for the second time after the start of the crisis tobacco was planted, little had changed. Few villagers decided to plant cash crops because they were afraid to borrow money and if they planted, then they did this with a minimum of inputs leading to a bad harvest. The heavy and early rains at the beginning of the season, and the total lack of rain at the end added to the problems. Only a few richer farmers who planted cash crops got high profits because prices of tobacco had increased steeply.

Generally, during the crisis, making a cash profit in Krajan agriculture was only possible with the use of non-cash labour and non-commodity resources. The economic crisis in Krajan, thus led to a general withdrawal from the market, risk avoiding in agriculture activities and trading, and to the cash-shortages in the village.

c. Effects of the Crisis on Rural Labour

As the majority of the Krajan population does not own any

²³ These are usually patrons who before the crisis already had a considerable number of clients tied to them. Or villagers who were part of rotating labour groups or exchange labour arrangements.

²⁴ Pesticides are hardly used in Krajan.

land,²⁵ these people are depended on wage labour as their main source of income. As it described previously, in Krajan both wage labour and non-commodity forms of labour are important to get access to land. After the crisis broke out, the need for wage labourers had decreased more than 60 per cent and for free (non-tied) wage labourers, the possibilities of finding paid work nearly diminished to zero. On the other hand, forms of co-operative work, as local forms of *gotong royong*, exchange labour, rotating work groups and helping-out labours increased in importance. The village economy shifted from semi-subsistence to a highly subsistence economy again except for those having access to the outside economy.

It is important to realise that rural people make combinations of different types of work (occupational pluralism) and in that way often are able to survive crises. Only few Krajan families were solely depended on wage labour. Villagers combined wage labour (whenever possible)

exchange labour arrangements and handicraft production at home. As with the embroidery makers in Sriharjo, many women in Krajan played a crucial role for the households survival by earning money at home. In Krajan, women make sell *bese*, small bamboo baskets, and bring them regionally to Bondowoso and Jember as containers for the production of *tapé* (sweet fermented snack of cassava). In some hamlets before the crisis, 30—40 per cent of all women were periodically engaged in these *bese* productions. Women usually make them incidentally to cover short periods of cash or food shortages, in slack periods during the agricultural cycle or when the prices of *bese* are high. When the crisis broke out, nearly all poorer villagers made *bese* the whole year round. It increased popularity because it was the only work available, it is easy and cheap to make, the bamboo is locally available, it yields cash and it offers the opportunity of small loans or cash advancements by traders. But more important even,

²⁵ I define landless as those with little or no land. As nearly all villagers have use rights of some land (the land where the house is standing on and a garden or adjacent plot) I use as definitions of landless those categories whose domestic production does not exceed more than two months of food (paddy, maize or cassava) or who do not share a household with those who have access. Landlessness in Krajan means on an average, those families owning an acreage of *sawah* less than 0.1 ha. and *ladang* less than 0.2 ha.

the work can be done at home by the whole family, in combination with other household activities such as cooking, fire wood collection, drying rice or maize, child care and the like. Increased household production of *bese* enabled villagers to buy rice and maize and prevented many villagers from starvation. The availability of non-agricultural sources of income was much more important than the aid programs of the government in coping with the crisis. However, as demands for *tapé* declined and supply increased, prices stayed constant and in context of huge inflation relatively declined. Before the crisis in 1997, a day work of one person making *bese* was enough to buy 1.5—1 kg of rice of reasonable quality, a year later, only the equivalent of 0.5 to less than 1 kg of low quality rice or maize could be earned. As before the crisis, the supply of *bese* was depending on the price, now the supply became inflexible and villagers continued to produce it even under diminishing returns because they had no choice.

As a side effect of the crisis and the availability of handicrafts, we

found indications that labour divisions between man and women had changed. Women in poorer households are traditionally strong in the subsistence part of the household, then became responsible for a steady cash flow by selling *bese* as well. They were in fact much more successful than men in guaranteeing subsistence and in coping with the crisis, therefore gained a stronger and more independent position within the household and—in some cases—in society.

Contrary to Sriharjo, migration in Krajan is not massive. Before the crisis, five to ten per cent of the households had a family member engaged in some kind of migration. Contrary to the general picture of Java where rural villagers migrate to cities,²⁶ migration out of Krajan is mostly rural-rural. Some of these villagers were searching for work in the region of Bondowoso, Besuki and Madura. Others went to Bali to work as street peddlers and some young women, recruited by outsiders, went to Malaysia. Only some of these migrants have been successful and many of them

²⁶ In Krajan no migration to the big cities of Java (Surabaya, Semarang, Jakarta) took place. But even Denpasar, Kuta, Jember and Malang did not attract villagers. Maybe because of the relative isolation of Krajan, or because of language problems or simply because nobody ever tried and had returned successfully.

returned without any profit. The majority of the Krajan migrants however, followed campaigns of *Depnaker* (department of labour) which lured workers for the oil palm plantations in Kalimantan.

When the crisis broke out, not many of these inigrants returned to Krajan. Only some women who worked in Malaysia returned, some had been successful, others not.²⁷ Those who used to go to Bali decided to stay at home after receiving news that business in Bali was slack. Many villagers in Kalimantan didn't wish to come back, or were trapped because they could not pay the boat trip anymore. Only in 1999, when GN returned for the second time in Krajan, many former wage labourers had found work in the forests of Banyuwangi and earned reasonable incomes that they brought home to buy rice. These groups of poor were among the first to recover and turned out to fall down below the poverty line only temporary.

d. Effects of the Crisis on Poverty

Like in Sriharjo, those who have no access to land experience

difficulties in living, but not all of them are automatically poor. Only those who also have no access to other sources of income are. Categories as widows, widowers, widows/widowers without children or with very small children, old people without children and the handicapped usually make up the poor, if they are not cared for by more affluent relatives or village members. Therefore, social exclusion and isolation are important in understanding the real hard sides of poverty. Relations with other people are crucial and make the difference between the needy and cared for. The poorer you are, the more difficult to maintain social relations like the example of bu Sahami shows:

Bu Sahami lives in a small bamboo shed with a roof of *alang alang* grass. She has one bed on which she sits all day long making *beseke*. With that, she earns just enough to buy maize and rice and sometimes some salt. She never goes to *selamatan*, because she cannot afford to give two kilo's of rice. She therefore, has hardly no contacts, never gets visitors, and the head of

²⁷ One of the women was able to bring a lot of ringgit. Two others had earned money, but were beaten up by the Malay police and lost their money. One died within three days after her home coming.

the hamlet does not even know her.

She never buys on credit, because "then the money would not be enough for food" as buying on credit is more expensive. "At first, when the cheap rice came (*sembako*) I did not know it. I only started to take part since the last few months".

She also cares for her granddaughter of five years old. Besides that girl, she has no relatives in the village and neighbours do not care about her. Her children left a few years ago for Kalimantan and bu Sahami never got any news of them. Her main worry is her slant house of which she is afraid will collapse one night and fall down on her and her granddaughter.

Poor families responded on the crisis in several ways. Even more than in the past non-cash benefits were preferred above cash ones. One farmer engaged in sharecropping told GN: "*Saya tidak mau uang tapi beras, karena rupiah sekarang tidak sama dengan dulu. Rupiah sekarang kurang kuat, tidak kuat untuk beli beras*". (I don't want money but rice [for my work, GN] because the Rupiah is not like it used to be. The Rupiah is not strong to buy rice anymore).

Very poor villagers could not do much than cut their coat according to their cloth. They only once or twice a day, mixed their rice with bigger shares of maize. Much depended on where they got their income from. The far most poor, people like bu Sahami really experienced the pain of inflation while she really owns nothing and therefore totally cash depended. Those categories are not the most subsistence in society, as they are often excluded and isolated from any access to local resources. Others, widows, who for instance are allowed to clean the fields from leftovers after harvesting (a clear example of a social security arrangement) could lessen the pain to some extent and did not experience major differences as they could not fall any further living for years at the edge of starvation.

But, were there local arrangements and initiative who cared for the local poor? Hefner writes about moral considerations in caring for weaker members of society: "The social orientation emphasizes neither selfless collectivism nor self-possessed individualism. Ideally households guarantee its own subsistence and welfare". And about the moral village economy: "Its norms are most apparent not in the realms of production, but in consumption

and exchange [...] It's effect is life-style conformity not selfless sharing" (Hefner 1990). I share the opinion of Hefner. A major conclusion is that not much of a village-wide social safety net existed. The rule is that villagers take care of their own social security.

In contrast to poor villagers, richer villagers had not much difficulty in doing this, as many of them even benefited from the crisis or were able to consolidate their way of living. Among those who were doing well during the crisis were big landowners able to sell rice or corn (less than 5 per cent of the total population) and traders of cattle, chicken, birds and tobacco. These richer villagers however were hit more by climatic irregularities and subsequent crop failure than by the crisis itself. A major effect of the crisis might have been that inequalities between the rich and the poor will increase again. This time—in contrast to the green Revolution—not by the increase of income by richer members of society, but by the fall back of income by the poor resources.

e. The Role of the Local Government During the Crisis

The beginning of the crisis can be characterised by a general lack

of policies, both on a national and regional level. The regional government that deals with village affairs is the *kecamatan* level (district) and the *kabupaten* (regency) level. Officials at those levels have always only been used to carry out programs of the national government, but were not very adapted to react on the differential needs of the local people. At the beginning of the crisis, both national and regional governments continued their normal responses up until village levels. It seemed that the national government had no solutions at hand and the regional ones continued to carry out the ordinary programs and were busy with visits to villages presenting their usual stories about development, mutual help and *Pancasila*, the five pillars of the New Order society. An example of the visit of the *Bupati* (head of regency Bondowoso) to Krajan:

Once, during the *ramadhan* of January 1998 the *Bupati* came to Krajan. He opened the dinner in the house of the village *kiai* (religious leader) and prayed with the village people in the mosque. In his speech, he focused on the responsibility of villagers to make a better living, to obey God and the government and to keep silent and harmonious. According to

him, the best thing to do in this time of economic impair was to be active in *gotong royong*, following the government developmental projects, the tillage of elephants grass and *kopi rakyat* (peoples coffee), using modern inputs as fertiliser, new varieties of rice, maize and tobacco. He larded his speech with humour and populist references to religion and norms to strengthen his argument. Unfortunately, most villagers did not understand him, as he spoke high class Indonesian and not Madurese.

When the crisis had continued, governmental officials started to visit the villages more often. At first, some funds for small local projects as alphabetising programs, PKK, and reforestation increased. Then the funds for these projects dried up and were not renewed. The other normal development programs on village levels kept running. As Krajan is an IDT-village (*inpres desa tertinggal* (literary a backward village)) the village is entitled to special developmental projects. This has implications for the funds available for the village cooperative (KUD), the IDT projects as road building, poverty alleviation, etc. and for cheap credit (KUT) programs. These

programs just kept on running as they were before except that the IDT programs were terminated.

Only at around April 1998 the first special programs started to help the poor who were no aid longer able to buy foodstuffs. The government, army and private donors (Muslims, Christians and Chinese) started to supply basic needs as rice, cooking oil and salt to the rural poor. These —often spontaneous— aid campaigns, locally simply called *sembako*, can be characterised by a lot of showing off, little organisation, and a lack of reliable old (pre-crisis) data. The decision of whom was entitled to help was decided by the village leader and his officials, but not based on clear criteria. Often I witnessed that the most needy did not get while others close to village officials were able to secure one or more than one package. More remote hamlets of Krajan often got less help than those nearby. This whole campaign of spontaneous *sembako* aid was more symbolical than really effective. Krajan received five times around 150 packages, while the needy made up much more. More significant *sembako* help was given later (starting in October 1998), when the government sent cheap rice on a monthly basis (Rp1,000.00 per kg). In the

case of Krajan, this meant that 12 tons served a population of 3,400 villagers. This not only decreased the rice prices in the village but led a dozen small *warung* to the edge of bankruptcy as these small shop owners were dependent on the selling of rice. The amount of rice was so huge (3.5 kg per head of the population per month), that it was sometimes hard to find enough buyers for the rice. The village head and later his secretary were selling some of the rice illegally back to town for market prices. Nevertheless what went wrong, for those poor who were shocked by the sudden fall of purchase power were very helped by it. Many poor villagers were prevented for starvation in this way. Unfortunately, the utmost poor had no access to this program. Even Rp10,000.00 was too much for them as poor people have no access to income and credit. Only after some time they were offered loans from the main shop owner of the village - the mother of the village head - who asked 60 per cent of the received rice in return what she sold with profit in her shop. The village middle class were mainly profiting from this program including that quite some of this rice disappeared in the distributing process. In neighbouring villages, the amount of rice was

always five till ten per cent lower than promised. Government officers at the district level sold this rice per cent "to cover the costs of the extra work" as they justified it. As with most other village aid projects, lower government employees benefited from this aid programs. The cheap credit programs (KUT) were extended greatly for the planting season of 1998/99. Little farmers became available for local farmers and most of the funds (more than 150 million Rupiah's were used by the village head for his own projects). This crisis made clear that the Indonesian government has been more often a source of insecurity than a provider of social safety during the crisis. Other aspects of the JPS (social safety net programs) hardly reached Krajan and I was not in the position to study what happened with the funds available for these programs at the district and regency level, but was able to notice that no significant programs to increase work, education or access to health were carried out on a village level.

In general, poorer villagers benefited most from the subsidies on the nine strategic basic needs which kept prices as low as possible, from the cheap rice program and from their specific village economy who offered many opportunities to return to a

subsistence. More important than all, the programs of the government was the home industry of making *besek* who offered the rural poor a way to survive and to generate income next to their subsistence sources.

Comparison and Conclusions

A close comparison of these two villages shows that the impact of the crisis has been substantial in both villages. Both Harmoko and Jellinek were too quick in saying that the impact in the rural areas was not severe. Jellinek's quick study was based on research in few villages with small-scale enterprises and therefore a stronger production base than the villages of Sriharjo and Krajan. Her conclusion might be applicable for villages with strong resource bases.²⁸ If looking at villages like Sriharjo and Krajan, it can be concluded that the crisis has hit the rural areas as strong as it did the cities and more painfully, especially the poor in these villages were among the hardest hit. The comparison of Sriharjo and Krajan in this article shows that it is not very useful to judge the effects of the crisis in broad dichotomies as rural -urban, or

poor- rich, but a more differentiated approach is needed. Therefore, in our article we offer an insight view of two types of Javanese rural societies and describe different categories of villagers. Especially in dealing with the rural poor, it is important to look at the resource base and differential ways of their access to resources to explain their vulnerability.

In the article, we come across four categories of poor villagers.

1. The weak and already poor. This category includes needy villagers who have little or no access to resources, caring relations and hardly no capabilities to work, like: widows, widowers, ill people, and old people.
2. The poor who have already for a long time no assets as cows, land and other production goods and who have poor access to stable income and work.
3. The new poor. These groups of people who were just able to make a sufficient living and stay part of society before the crisis, but faced a major setback by reducing returns from labour and were forced to sell,

²⁸ Compare with studies of Ben White, Juliet Koning and Henry Sandee, who all did research in wealthy villages with subsequently rice production, lobster fishing and furniture manufacturing for the international market.

pawn or rent out productive assets or lost access to paid labour (often in cities).

4. The temporary poor. Those villagers who fell to poverty by losing their jobs, or by a severe fall in income due to inflation.

These villagers were able to cope with their problems and soon find new work again. In Sriharjo, most of them who lost work in cities were able to find a new job again, while many wage labourers in Krajan started to migrate and added their income by working seasonally outside the village. The first three categories of villagers form the structural poor and for them a national recovery from the crisis will not make difference. Especially for them, something more any drastic should change. The most important effect of the crisis has been that the number of structural the poor in rural areas has been increased and the gap between rich and poor widened further.

Comparing Sriharjo and Krajan at a more general level we can see that the village of Krajan is much more remote and isolated than the village of Sriharjo and more villagers have access to land. A reason for this difference can be found in the population pressure between these villages. Sriharjo has three times more inhabitants

than Krajan, which means that per villager, less land is available. Nevertheless, the population pressure cannot fully explain the big difference in access to land. Reasons for these differences are also the rate of commercialisation, the organisation of village society, the impacts of the Green Revolution, which had little influence in Krajan, infrastructure and the different agro-ecological conditions as soil fertility, and the agricultural system. Regarding the weak production bases of these villages, we can observe that poverty is slightly different within these villages as well. Sriharjo is much more dependent on incomes out of urban areas while Krajan is more subsistence and agriculture oriented. In Sriharjo, most villagers have been excluded from agriculture and were forced to find work in cities already two decades ago, while in Krajan most villagers still have some access to land (although land of low production quality). Labour arrangements in return are more important in Krajan and have become more important during the crisis. Examples of these labour relations are *babunan* (working for a 1/5 share of the harvest), exchange labour, clientele labour and corvee. Due to these forms of access many villagers were less hard hit by the crisis than those

wage labourers totally dependent on cash incomes, both in Sriharjo and Krajan.

Hefner (1990) studied labour utilisation in mountainous Tengger and observed that: "Highlanders refer regularly to the importance of co-operation (*gotong royong*) and reciprocal labour in their lives. They cite its prevalence as a key point of contrast with lowland society. Whatever its moral value as a symbol of upland communalism, however, in practise its role in agriculture is minor. Most agricultural work is done by household labour". In studying the upland economy of Krajan, we come to the same conclusion. In Sompok, the hilly part of Sriharjo, communal labour is important, but to a lesser extent as relations with the outside world are much more intense. During the crisis, household labour turned out to be crucial in both villages. Although villagers engaged in non-commoditised labour relations were not that bad, they mainly survived by the labour of the whole family and for those in Krajan, especially that share tenancy is important. Sometimes relations between the landowners and the landless became so close that they take the shape of patron-client relations. Hefner remarks about patron-client relations: "The

patron provides a significant measure of social insurance by advancing interest-free loans during difficult times. In the long run, these loans may not be repaid even if the employee severs ties with the employer (Hefner, 1990)". The social security function of patrons for providing cash turned out to be insignificant during the 97/98 crisis. Patrons turn out to be such unimportant social security agents as described in the work of Hefner, but they help secure the livelihood of their clients by offering labour opportunities (either in cities or in rural areas), shares of the harvest and small daily help in the form of free meals and small rice or maize loans which indeed often were not expected to be paid back (see Nooteboom, 1999). Hefner describes the aspirations of the lowest coolies in the Tengger: "Most of them see their chances for self-improvement, not in collective solidarity with anonymous class cohorts, but in personalized alliances with individual patrons" (Hefner, 1990). People engage in patron-client relations if it can help them reach their goals, and the crisis made clear that those being part of these kinds of dependency relations were not among the worse off.

In fact, the stereotypical view that rural societies are homo-

genons and harmonious and more adapted to cope with crisis situations has highly blinded government employees and intellectuals for the hardships of the rural poor and the existing inequalities, like inequalities between regions, economic sectors, classes and within villages. At the beginning of the crisis, the government was very hesitant to take action. They still seemed to believe that the rural areas were not affected and could cope with the difficulties. Governmental responses on the crisis were not effective, too late and had nothing to do with the causes of the crisis. The local government was only adapted to carry out programs and waited for instructions from above. When these instructions did not come, they were not able to take initiatives themselves. Therefore, it was hard to meet government people who seemed to be deeply concerned by the poverty of the local population and not seldom officials benefited substantially from channelling help to local people.

The students call for *merdeka* (freedom) at the beginning of 1998 in Jakarta, leading to the fall of Soeharto, appealed strongly to many villagers. Since Soeharto's step down, people were daring to open up and willing to take

initiatives resulting in numerous demonstrations and replacements of village heads and government officials. One of the similarities that could be observed in this movement in both research areas, was the quest for equality, justice and poverty alleviation. In Sriharjo, this led to numerous demonstrations and increased tension. In Krajan, where village society is more hierarchical, villagers were afraid for the village leader and limited themselves to gossip. In neighbouring villages however, a number of village leaders were forced to step down. Villagers in general were happy. They now could freely speak out about the government, corruption, poverty and inequality and about the widespread lack of governmental responsibility. In that sense, the *merdeka* movements — the freedom of speech — was a success and has been carried to the local level. *Merdeka* in fact was a bigger success than *reformasi*, the reformation of up to government and society that only partly has taken place yet. Our data make clear however, that for a reformation of the Indonesian government, not only a reformation of the higher levels of the government is needed, but attention for restructuring the local government is crucial as well.

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