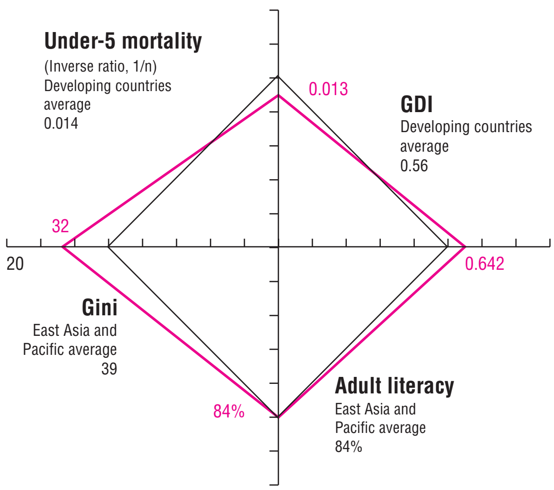
•KAFIL YAMIN

THE CIKINI JEWELS



The Equity Diamond: National values in terracotta compared to regional ones in blue.

For decades, the Cikini traditional market in central Jakarta has been a mecca for small jewelry traders keen on making humble livelihoods in the Indonesian capital. «This traditional market serves as a bank for us. When we have cash, we buy a ring, earring or bracelet. But when we need money, we sell them,» said 38–year–old Maimunah, a Cikini patron for more than a decade and a half.
However, the days of the bustling market, long familiar to Jakarta residents, are numbered. Only 32 of 479 jewelry kiosks remain open, as the sprouting of huge commercial malls draws long–time customers away.

«It's getting more and more quiet around here,» said Mahmud, 47, a jewelry shop owner here for two decades. *«People prefer to go shopping in that mall,»* he said, pointing to the huge Cikini Mall just in front of his compound.

The Cikini market is far from a lifeline for the poorest Indonesians. Still, the changes there show how the country's bid for modernisation and affluence can adversely affect the lives of ordinary folk supposed to benefit from them. **Analysts say it reflects how the push for market–driven development and modernisation is often at the expense of the less well–off and less powerful.**

Over the years, hundreds of traditional markets in the country have become modern supermarkets, malls, and plazas. In Jakarta, traditional markets are being put on the list of the government's urban «rejuvenation» programme.

Ilyas Ruhiyat, a leader of the Muslim Nahdlatul Ulama organisation, says these have left out small traders, who do not have the clout that big business does. *«The results of development are not equally shared»,* he said. *«And it can make people angry».* Some rejuvenation projects have met resistance from traditional market dwellers.

«If dwellers of certain sites stage strong resistance against a rejuvenation project, people can guess what is going to happen next: a fire. And then the fire engines would come late», said a «warteg» or street food seller in central Jakarta. *«The next scene would be a billboard stand at the burnt site, notifying that the place is state property and a "public" project is underway on it»,* he remarked.

This may be an urban, and thus limited, example for an archipelago of more than 13,000 islands and 204 million people. But Ignas Kleden, social scientist at the Society for Political and Economic Studies (SPES) research center, says the phenomenon clearly shows that the government is on the side of big business. *«People would say "to hell with the professed commitment to the less fortunate, just look at what they are doing"»,* Kleden said. The government has succeeded in sharply reducing levels of absolute poverty. However, it has yet to do as much to ensure special help for the less privileged –and to address the highly unequal distribution of wealth in the country. Like several of its Southeast Asian neighbours, Indonesia's record in reducing poverty stands out. 70% of Indonesians lived below the poverty line 25 years ago, but official figures say this has fallen to 14% as of 1996.

That is no small feat for a country that vast, also the world's fourth most populous nation. But particularly worrisome is the rich–poor gap, which is fueling popular discontent. This gap played a part in the riots and disturbances reported in Indonesia's provinces in recent years. Figures of the United Nations Development Programme (UNDP) show that from 1981 to 1991, for instance, unequal levels of income were such that the ratio of the highest 20% of income to the lowest 20% was 4.9 to 1.

Likewise, addressing income gaps is likely to become even harder as Indonesia carries out austerity measures under a bail-out programme led by the International Monetary Fund. This was put in place recently amid financial instability stemming from Asia's currency crisis. Already, the Fund is requiring Indonesia to cut politically–sensitive subsidies on fuel, food and fertiliser. While this may help convince international investors that Indonesia is ready to tighten its belt, doing so may spell trouble for the government.

«The IMF has an image that it will cut everything (for the poor), which could destabilise the political situation», said Loekman Soetrisno, professor of rural development at Yogjakarta's Gadjah Mada University. *«If they tighten the belts of the poor, they must be prepared to do it for the rich as well»*. Indonesia's poor people will suffer the most from spending cutbacks. While per capita income stands at $1,000 a year, economist Faisal Basri says 80% of the people earn less than $250 a year.

Analysts say the effects of the economic crunch may be softened if the government had put up adequate safety nets while the country's growth graphs were still surging. But judging by the government's inadequate performance in taking care of ordinary folk, this is unlikely to be the case, they add. In many «development» projects, these efforts – as in the modernisation schemes that lead to the eviction of small traders – may even deprive the poor of opportunities to improve their lot. *«As we see it, they are even thrown away to the peripheral side of the community»,* Kleden said.

TIGHTENING THE BELT

The Indonesian government has launched many anti–poverty schemes since the 1995 Social Summit in Copenhagen, Denmark. There it pledged to target the very poor and focus on those sectors left out by economic growth. In 1996, President Suharto called on the wealthy to help narrow the widening income gap and briefed 300 of the country's tycoons about the social risks it poses. He urged them to set aside two per cent of their companies' after–tax income for the government's poverty alleviation fund. *Business people, they have a stake in poverty reduction because their present good fortune is a product of social stability.»,* he told them.

In apparent response to Suharto's call, the tycoons agreed on what is now called the «Jimbaran Accord». The money goes to the Self–Reliant Prosperity Fund, which is supposed to make low–interest loans of 20,000 rupiah ($5) and a Rp 2,000 (50 cents) donation, to every one of Indonesia's 13.1m poor families. Since 1996, businesses have handed over $128m.

In early 1997, Suharto's call became law through a presidential decree that set out legal sanctions for those who breach it. The decree also obliged state–owned companies to contribute 5 % of their net income to cooperatives. Most recently, large businesses were called to establish partnerships with small–scale businesses and cooperatives. State–owned companies were told to become «foster parents» of small businesses. Banks were told to allocate 20% of their credit to these enterprises after the state Indonesia National Bank (BRI) was commissioned to provide Rp 50,000,000 ($12,600) in interest–free loans to small businesses without collateral.

These efforts, seen by some as a demonstration of political will, may well work to ensure commitments by the more affluent to help the needy. Officials say they should play a part in the government's aim of further reducing poverty incidence from 14% to 10%.

However, these ambitious targets have to be seen against current social and economic conditions. Despite strong growth rates, economic advancement has been uneven. **The official unemployment rate remains below 5%, but some say the number of under–employed may swell that statistic sixfold. Of some 2.3m entering the job market yearly, only 300,000 are able to find full–time employment.**

Meanwhile, the strong–arm methods that have helped curb poverty are feeding the discontent of the poor and marginalised. For instance, critics question the charity–based nature of poverty alleviation programmes. *«The anti–poverty packages still treat the disadvantaged merely as recipients of help, not survivors in need of facilitation»,* said Bambang Ismawan, senior lecturer at the University of Indonesia.

«This kind of package on the one hand underestimates their human dignity; on the other hand, it reduces poverty problems to economic matters», he added. He said poverty alleviation should aim only to help the poor make the most of their abilities, while keeping their dignity. To that end, the poor people must participate actively in implementation of the programmes and not be seen as recipients of doleouts.

«What we need is programmes that incorporate poor people in deciding what programme is to be designed and how it should be implemented. The choice is not just where the well should be dug, but whether it is necessary to dig the well at all», he argued.

Asmara Nababan of INFID, a Jakarta–based NGO focusing on urban development, says the doleout nature of many anti–poverty schemes worsens the situation. With such programmes, *«(poor) people tend to wait. They don't catch the ball»,* he said.

As an example, he cited the case of Gerakan Nasional Orang Tua Asuh, which in English means «foster–parent national campaign» (GN–OTA). It is a foundation run by Suharto's daughter–in–law that helps in basic education. Facilitated by presidential clout, the foundation collects funds from well–connected business people and donates them to poor school children and ailing schools.

«This is nothing more than an attempt to seek public praise», Nababan said. It does little to help poor people change their lives. *«Why doesn't the government increase taxes and*

allocate a percentage of them for basic education? Then children could go to school free. Yes, basic education should be free», he said.

The government is not to blame for everything, says Nababan. If the anti–poverty campaign does not focus on empowering people instead of making them objects of charity, then some fault also lies with the NGOs who claim to work to help the poor.

«NGOs here are busying themselves with human rights issues, while they know that poverty is contrary to human rights», Nababan said. He conceded that NGOs are limited in funds – and certainly have much less personnel than the government.

- IPS Special report for Social Watch