

4 POVERTY REDUCTION PROGRAMS FOR ADAT COMMUNITIES

The Government of Indonesia has over the years paid attention to the problem of poverty in the country. Since the early 1970s, the Government has carried out efforts to reduce poverty through various development sectors, although the activities have not explicitly referred to poverty. Beginning in 1993, mandated by the Peoples' Assembly through Broad Outlines of the Nation's Direction, the Government started intensive efforts to reduce poverty, beginning with the *Inpres Desa Tertinggal* (IDT; President's Instruction on Backward Villages) program and followed by other programs that expressly referred to poverty reduction.

However, the approaches and programs carried out to date to handle poverty problems lack coordination. Each department has its own approaches and programs. Lack of coordinated policy and program can be seen in the use of different criteria to measure poverty. The Department of Social Affairs, for example, uses the following indicators to measure poverty: monthly income of rupiah (Rp) 34,000 (approximately US\$3.40 in January 2002) or less, only two meals per day, two or three items of clothing, a house smaller than 15 m², house floor made of soil, and walls of wood or bamboo.

The National Coordination Board for Family Planning (BKKBN) also used criteria related to the fulfillment of basic needs to measure poverty (or prosperity) of a family. The BKKBN defines a preprosperous family (or very poor family) as a family that cannot fulfil one or more of the following three criteria: (1) in general, the family members eat twice or more a day; (2) the family members have different clothes to wear at home, at school, and when travelling; and (3) part of the house floor is made of soil.

These criteria are generalized and applied nationally. Because there are differences in local

conditions and needs, some programs do not reach their real target. This happens, for example, with the criteria of BKKBN for preprosperous families. The criterion of a floor made of soil might identify poverty in urban areas, but does not apply in certain rural areas, such as in West Lombok, where such flooring is part of the local culture; many houses there have dirt floors, but the families own a number of cows and definitely should not be categorized as poor.⁶²

In addition, the targets of poverty projects are usually individuals, families, or groups. Interventions aimed at these three target groups are expected to improve their lives. It is very rare that the target group is an ethnic (e.g., *adat*) community.

REVIEW OF POVERTY REDUCTION PROGRAMS

There are few programs or projects, especially by the Government, aimed at the *adat* communities. In general, programs and projects are related to one or more sectors of development. There are, however, various projects by the Government, NGOs, and other agencies that aim at reducing poverty and do influence *adat* communities. Some of these are described briefly in this section.

President's Instruction on Backward Villages

An umbrella program for poverty reduction was launched through the President's Instruction No.2 of 1993 (IDT) on poverty eradication directed at the poor people in "backward" villages. The program was implemented with involvement of both the public and

private sector, including universities, peoples' organizations, and many others.

The program, which began in 1994/1995, has been applying the principles of people empowerment. This was meant to increase active participation of local people in handling their own poverty problems. Cooperatives were founded through the establishment of self-reliant peoples' organizations based on local sociocultural conditions. These organizations, known as *Pokmas* (peoples' groups), functioned as a medium for economically productive activities managed and owned by local people. The fund was given directly to the people through *Pokmas* in the form of a Rp20 million (US\$8,500 in 1995) revolving fund for each poor village, and facilities and facilitation by a technical assistant.⁶³

A top-down approach in implementing the IDT program can be seen in determination of the poor populations eligible to join the program. In Buol Toli-Toli district, Central Sulawesi, for instance, the selection of poor people was done through participatory processes involving the local people. However, this process only took place during the first year. Since then, the village leader, local facilitator, and *Kasi PMD* (the Head of Section for Village Community Empowerment, a subdistrict agency handling issues of community empowerment) of the subdistrict became very dominant instead of people participation. The village leader was very dominant in forming *Pokmas*, including giving its name, determining the number of members, and selection of its executives. This also happened in Donggala district (Central Sulawesi).⁶⁴ Given the strong top-down approach taken, the *Pokmas*, which was supposed to empower the local people, became incidental only. It was formed only for the project and once the project was over, it was terminated.

Program on Social Safety Net

The Program on Social Safety Net (JPS) was implemented following the financial and economic crisis that began in 1997. Its aim was to encourage economic recovery by creating productive job opportunities for the jobless, increasing people's income and willingness to pay, improving social welfare, and coordinating various programs that addressed the impact of the crisis and poverty eradication.

The JPS programs were classified as

- food security, including programs of (i) operation of rice markets, (ii) development of seedlings and chicken raising in villages, and (iii) development of small-scale fisheries;
- job opportunities, including (i) urban labor-intensive projects, and (ii) specific facilities for women who were jobless;
- social security in the education sector, including (i) scholarships and operational financial support for high schools, (ii) similar scholarships and support for higher education, and (iii) operational and maintenance funds for elementary schools;
- social security in the health sector including (i) health services, (ii) social services, and (iii) additional nutrition programs for school children; and
- empowerment of the regions in overcoming the impact of the economic crisis.

Support in the form of food and occupations was not enough to overcome the problems of the poor during the crisis period. Therefore, the Government also provided social protection by abolishing some school fees and giving free health cards. Funded by foreign loans, each program was implemented by relevant government departments based on the planned projects.

A survey conducted by the Social Monitoring and Early Response Unit regarding the implementation of the program for empowerment of the regions to overcome the impact of the crisis found a lack of transparency and use of a top-down approach. The program aimed at providing grants and a revolving fund for the poor and the jobless, as well as job opportunities including small businesses that could improve their income. A good plan and people involvement were important to ensure the success of the project. However, the project was implemented hastily, resulting in problems such as

- the senior officers (a coordinating team at the district level and a management consultant) had a good understanding of the project, but the poor people themselves did not;

- selection of activities at the village level was done by the village team, usually consisting of the government officers with little participation by villagers; and
- it was difficult for people to find out the amount of and allocation of funds for each project.

Subdistrict Development Program

The Subdistrict Development Program (PPK) was one of the government's programs to alleviate poverty. It started in 1998 with the aim of assisting regional governments to apply principles of democracy and participation through empowerment of subdistricts and villages. The program had support from the World Bank, which was used to build facilities and to pay for small-scale economic activities based on those principles. Targets of the program were underdeveloped subdistricts. During the 2-year implementation period, the program was active in 67,925 villages in 4,028 subdistricts covering 28 provinces.

Activities of the PPK were basically similar to those in other poverty reduction programs. It provided funds to build facilities and develop a productive economy. What made the program different from the others were, first, participation of villagers, especially women and poor groups, and second, transparency and sustainability. Although it did not result in substantial changes, the PPK contributed to the process of participation. The people designed the plan and monitored its implementation for the regional government. Monitoring was also done by external groups such as the Independent Journalist Alliance and credible NGOs such as *Lembaga Penelitian, Pendidikan dan Penerangan Ekonomi dan Sosial* (LP3ES; Institute for Research, Education, and Information on Economy and Social Issues), which conducted self-monitoring on PPK implementation.

PPK faced problems of delayed implementation. Active participation of residents in some villages was made difficult by the elite, who dominated the decision-making processes. There also were problems in transparency, triggered by insufficient information distribution. The system of receiving and tracing complaints worked well but the system for handling the complaints was cumbersome. There were no sanctions for corruption or loan violation.

Multistakeholder Forestry Program

The Multistakeholder Forestry Program is being carried out by the British Department for International Development (DFID). The main focus is to alleviate poverty among people highly dependent on forest resources. The program is not dedicated to *adat* communities but most of the forest villagers belong to *adat* communities.

DFID views poverty in the context of political or structural problems regarding policies, institutions, bureaucracy, culture, and law enforcement. The program aims at changing the existing regulations by encouraging more transparent policymaking so that there will be fair rules of the game for poor people. DFID provides funds for central and local government, NGOs, and universities to stimulate initiatives in poverty reduction for forest villagers.

Projects proposed by such stakeholders as government, NGOs, and universities are not always suitable for *adat* communities. For this reason, DFID is preparing "mini donors" in localities close to the target people, to receive and channel the funds. *Adat* community organizations have potential to play the role of mini donors. The program, which began in 2000, is ongoing.

People Empowerment in Nawaripi-Tifuka, Papua

Yayasan Sejati (*Sejati* Foundation) is a Jakarta-based NGO that has an office in Nawaripi-Tifuka, Papua, where the mining company Freeport Indonesia operates. In 1997, the Foundation initiated a program on People Empowerment in Nawaripi-Tifuka, looking for more useful ways of using funds given by Freeport to the villagers in recognition of the communities' *adat* rights. As a result of the mining operations, the Nawaripi-Tifuka people lost their indigenous territory and the village split up. The *Sejati* Foundation tried to bring the villagers together in another locality, Nayaro, which the Government has recognized as indigenous land or *adat* land/*ulayat* land. They made a participatory map and negotiated with the local government regarding the issuance of communal certificate for the land.

During the first year, *Sejati* Foundation helped people to build infrastructure such as houses in order to show the people the benefits of cooperation. In the following years, they helped the development of the village economy by introducing agroforestry, fisheries, and other activities related to efficient use of natural resources. The project was designed to last 10–15 years with 14 staff, mostly from Java, and 51 local facilitators. The problems that the project faces include lack of support from local NGOs and limited understanding by new local members of parliament on the project.

Credit Union Development in West Kalimantan

Yayasan Pancur Kasih (*Pancur Kasih* Foundation) in West Kalimantan developed a credit union⁶⁵ in 1997. Originally, this scheme was to meet the needs of the organization's members to get easy and cheap loans. The credit union is not a new concept to the people in West Kalimantan. The Catholic Church developed this activity there in 1975 and shortly after there were about 80 credit unions. However, because of mismanagement and misunderstanding of the meaning of a credit union, only 5 were still operating by 1980.

Given this experience, it was difficult for the *Pancur Kasih* Foundation to find members at the beginning. At the end of the first year, they had only 61 members, most of whom were their own activists. The credit union organizer realized that the concept would not work if based only on economics; the union should belong to the people. Eventually, through educational activities, a spirit of solidarity became a basic feature of the economic activities.

The credit union was then understood as an effort to develop the *adat* communities' economy, especially that of the Dayak in Kalimantan. The awakening of Dayak people started with a *Pancur Kasih*-induced movement that introduced new strategies and approaches, including the credit union.⁶⁶ From the latter, the Dayaks were made aware that they were among the marginalized "backward" people and that they could progress through solidarity in the credit union.⁶⁷

This spirit of solidarity and enthusiasm developed⁶⁸ and made the credit union movement progressive. The *Pancur Kasih* Foundation then helped in credit union development in East Kalimantan,

Siberut, and South Kalimantan. Their credit union is no longer a simple credit cooperative but a holding company with many business units. In 1992, the members established a community credit bank with assets of more than Rp1 billion.

Participatory Mapping, Facilitated by NGOs

In Kalimantan, a local NGO named PPSDAK (a unit of the *Pancur Kasih* Foundation) has helped in community mapping of Dayak land and natural resources use based on their *adat* laws, knowledge, and wisdom. Through this participatory mapping, communities have also been strengthened, because the mapping process enabled the Dayaks to speak out with great clarity and strength about their natural resources rights, demanding that they be respected and protected. So far, PPSDAK has facilitated the mapping of 112 villages in Kalimantan.⁶⁹ In Central Sulawesi, participatory mapping has also been carried out, facilitated by another local NGO, the *Tanah Merdeka* Foundation.

CONCLUSIONS

Despite different visions and activities, there have been many programs of poverty reduction carried out by various stakeholders that have directly or indirectly benefited *adat* communities. Given their varying degrees of success or failure, these programs offer a number of lessons. The government-initiated projects on poverty reduction have the following characteristics.⁷⁰ First, from an institutional aspect, the Government tends to position itself as the owner, giving the projects and programs to the people as recipients. Second, from a planning aspect, the people do not participate to a large extent; the top-down approach is still used. Third, from an understanding aspect, the people see their assistance as charity; thus, it is difficult to define management responsibility and obtain repayments. Fourth, there is lack of preparation for recipients and lack of extension services to people who have already received assistance.

Anecdotal evidence reveals that poverty reduction programs by stakeholders other than the Government are usually more receptive to community consultation

processes in the planning and implementation stages. This results in a more widely shared ownership of the programs by the community, a better understanding of the significance of the programs to community livelihood improvement, and more importance given to fulfilling community responsibility to sustain the programs. However, it is the small-scale nature of such poverty reduction programs that has made possible the higher degree of community participation. The question now is how to up-scale the lessons learned from such small-scale poverty reduction programs.

Many poverty reduction programs do not address the root cause of the impoverishment problems, such as agrarian issues or limited access to natural resources.

Ignoring basic problems means that the programs are only short-term remedies that do not strengthen the people but instead make them more dependent on the Government.

However, these experiences have led to better initiatives by the Government, NGOs, and other agencies. Poverty reduction programs are related to efforts to obtain and reinforce the legal certainty of people's rights over natural resources as well as to influence policymakers. The programs are also exhibiting participation, transparency, and accountability. However, good substance and processes need to be supported by strong common values, such as solidarity and cooperation.