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**SOCIAL SYSTEM DEVELOPMENT IN
ANTICIPATING UNPREDICTABLE
OCCURRENCE AND POVERTY ALLEVIATION**

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SOCIAL SYSTEM DEVELOPMENT IN ANTICIPATING UNPREDICTABLE OCCURRENCE AND POVERTY ALLEVIATION

By
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I. Abstract

In the early twenty one century, Indonesia has got so many occurrences that makes Indonesian people suffering. When Indonesia is going to recover from economic crisis by economic development and political democracy, suddenly Indonesia got unpredictable occurrence. Earthquake and tsunami occurrences destroyed part of Nangroe Aceh Darussalam (NAD) and North Sumatera Province. Its impact are more than 200.000 people die, settlement and all public facilities was gone. This situation made up local and foreign sympathies to help and support NAD and North Sumatera people. A lot of fund, food, clothes, information, heavy and light equipment, and so on was distributed by government, NGO's, soldier, and Indonesian and foreign volunteers.

Increasing gasoline price policy which was released by government made more complicated problem. The policy got big reaction from all components to refuse it. Increasing of basic need price cause the power purchasing parity (PPP) of Indonesian people is getting lower. This situation carried out of increasing poor people in Indonesia. The reports showed that there are malnutrition and hungry flatulent at baby under five ages in NTT Province, and Bogor District. It can prove that the increasing gasoline price policy affect to suffering of people.

The problems above could not be solved only by government but all components should be involved. There are two strategies approaches to solve the problems, they are macro and micro strategies. The macro strategies are to develop the economic growth, early warning system, and social security system. The micro strategy, especially at the local level, is to strengthening social system. Social system can be described by intercommunity relationship (in or out of community) that would make good foundation to build social cohesion, economic relationship, reward and punishment in the community, and so on. Therefore, the social system can be the first instrument to prevent from unpredictable occurrence and poverty alleviation. The basic of social system are community based development.

II. Introduction

The reflection of movement history which was beginning in the middle of 1997, there are three phase history, that are economic crisis phase (middle 1997 – 1998), recovery phase (1998 – 2000), and recovery and growth phase (2001 – present).

Economic Crisis Phase (middle 1997 – 1998)

Economic crisis in Indonesia really became in middle of 1997, marked by the drop in the rupiah exchange rate. The situation caused highest inflation, collapse of the corporate sectors (such as textile, real estate, electronics, financial,

etc), dramatic political development, and social relationship getting worst. The dramatic political development made paradigm changing of Indonesia structures like laws, politics, economic, social, defending and security. These reforms can see at table 1.

Table 1. Examples Structure Changing in Indonesia before and in Crisis

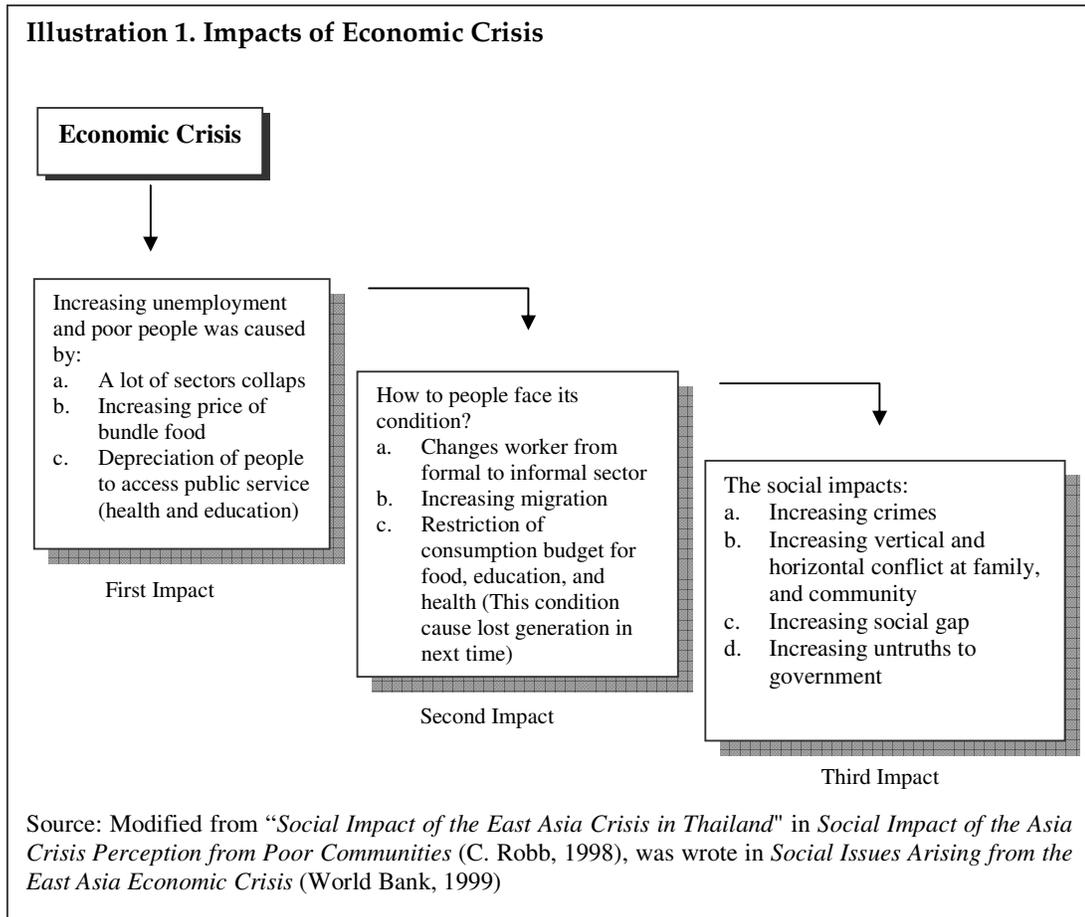
Structure Changing	Before Crisis	In Crisis
Law	<ul style="list-style-type: none"> • UUD 1945 cannot be changed • The law tend to pro the power 	<ul style="list-style-type: none"> • UUD 1945 can be amendment • Process to enforcement of law
Politics	<ul style="list-style-type: none"> • The leader tend to authority power • Centralistic power 	<ul style="list-style-type: none"> • The leader was elected by people and parliament control the leader • Decentralization power
Economic	<ul style="list-style-type: none"> • Pro big enterprise • Increasing financial institution 	<ul style="list-style-type: none"> • Focused to small and medium enterprise • Decreasing or unity of financial institution
Social	<ul style="list-style-type: none"> • Good social cohesion 	<ul style="list-style-type: none"> • Decreasing social cohesion
Defending and security	<ul style="list-style-type: none"> • The army (ABRI) have two function facilities, as an army and civil society • Only one defender include the police 	<ul style="list-style-type: none"> • There is no two function facilities for army (ABRI) • Separation of police and army

Besides, this situation was further complicated by the fact that the country was also facing its worst drought in 50 years—some say it was the worst in this century. The accumulation of worst condition in Indonesia nation cause (see illustration 1), such as:

- a. First Impact. Increasing of unemployment and poor people cause a lot of sectors collapse.
- b. Second Impact. Increasing of changing work from formal sector to informal sector, temporary migration from city to village, and restriction consumption budget for food, education, and health. This situation increased prevalence of micronutrient and energy deficiencies among poor women and children. If the malnutrition at babies under five years age get worst, it can be lost generation in the next time. A couple of schoolchild were dropouts (DO) which caused by a parent cannot pay education.
- c. Third Impact. Increasing social disquiet, that are higher crimes, social gap, degradation of traditional community support network, increasing horizontal and vertical conflict at family or community, and make people or communities to simple blow up emotional if there are issues.

But the crisis is not only make negative effects, there is positive effect to enhance nation adulthood. The positive impacts of economic crisis generate reflection and correction of development which was implemented, what are pro poor or not? Implementation of programs development have been built not based

on community aspiration but government aspiration. So, a lot of programs were useless, not sustainable, and waste money. This situation made stakeholder suggest to revise the programs to be based on community aspiration or button up planning, where community can participate in the program such as planning, implemented, and controlling program, specially poverty program.



Recovery Phase (1998 – 2000)

In this phase, government has made serious effort to recovery people which caused by crisis. Recovery program was lunched by government and it called social safety nets (SSN) program. The objectives of the program are to protect people from food deficiency, lower to access public health and education, and lost income. The type of programs implementation are food security, scholarship for schoolchild, free health service for mother and child, and empowerment to make income generate. All programs must involve community participation, transparency, and accountable to make exactly target and sustainable program. The government discuss with donor to fund the program. Involving of Donors is very important to support the SSN program cause the government have limited fund. The donors, like Asian Development Bank, World Bank, Japan Bank In Corporations, was realized participating by helping fund with soft loan credit.

The note, this phase is a beginning time to support democratic implementation cause the program was set up to make a clean government, involving stakeholder, transparency, participation, and accountable. Controlling program and a lot of complaints from NGOs, community, and people indicate that there is interaction among of government as a program executor and stakeholder as a controlling program. This process was continued not only for SSN program but all development planning.

Recovery and Growth Phase (2001 – present)

In this phase, there are two activities: continued recovery program and economic growth. The reason why the government still continues recovery program because there is a lot people in poor condition. The recovery program is the same like SSN program, that are scholarship program, health services, food security, and income generation. But, the program recovery in this phase was funded by government. The supporting fund for the program was allocated by government from gasoline subsidies.

Another side, government has made serious effort to make economic growth. Government invites local and foreign investors to invest in leading sectors. Government offered decreasing taxes and simple regulation to investors who invest fund in Indonesia. This policy has an objective to subtract unemployment. In order to create the government income and subtract gasoline subsidies, the increasing gasoline price policy was lunched by government. This policy has got reaction to all component in Indonesia but government did that policy. The government reason are to decrease wrong target from gasoline subsidies and subtract oil smuggling to the other countries.

When the government was enjoyed to make economic growth, unpredictable occurrence made complicated condition. On December 26, 2004, earthquake and tsunami occurrences destroyed a part of Nangroe Aceh Darusalam (NAD) and North Sumatera Province. About 200.000 people die, people settlement and all infrastructure was gone. This situation is worst condition which was experienced by Indonesia nation and may be in the world. The occurrence invited local and foreign people sympathies to help NAD and North Sumatera. The supporting fund, clothes, food, health facilities, heavy equipment was disbursed to NAD and North Sumatera. In this time, recovery program to NAD and North Sumatera is still running.

In a quarter of 2005, the crude oil price become increase from level US\$ 30/barrel to US\$ 55 – 60/barrel. The global impact has been influencing to Indonesia economic structure. This phenomenon is same condition with economic crisis which caused by global impact. There is scarcity gasoline in couple provinces of Indonesia cause government did not have a lot of money to buy import gasoline. Report said that government spent of 120 trillion rupiahs to buy gasoline. The next worst condition if the government does not anticipate will make a sum of poor people to be increase. The reports indicate that malnutrition condition was occur in a couple province, like East Nusa Tenggara and Bogor District. Besides, the internal negative side, like corruption, collusion, and nepotism, is still in process of enforcement.

The occurrences on the above prove that a lot of temptation must be finished by Indonesia nation. The development reform which built by government has to solve problems step by step. Therefore, government could not implement the development reform on self but it should involve all stakeholder to join the government to solve it.

III. Fact and Data

Based on statement on the above, the occurrences which is happen in Indonesia was classified in three part: Global Impact, Internal Negative Side, and Unpredictable Occurrence. This classified has an objectives to know really condition which is happen. A couple data and facts can be seen at table 2.

Table 2. Classified Occurrence and Its Impact

Occurrences	Cause of Occurrences	The Impact	Prediction time impact
A. Global Impact			
1. Economic Crisis	Depreciation rupiah to US\$	<ol style="list-style-type: none"> 1. Increasing poor people at 17.7% in 1996 to be 24.2% in 1998 2. Increasing unemployment at 4.7% in 1997 to be 5.5%, 6.4% and 6.1% in 1998, 1999, and 2000. 3. Deficiency health condition such as malnutrition. The fact that there is 13.1% babies under five years age in 1995 to be 16,6% in 1998. 4. Increasing dropouts (DO) at schoolchild from 3% in 1996-1997 to be 5.7% in 1998-1999. 5. Increasing street children in big and middle city. The sum of them reach 492,281 children. 	Long impact
2. Increasing gasoline price	Increasing crude oil price at international level	There is no complete data to describe of occurrence, but reports said that there is malnutrition at a couple province, like NTT province and Bogor District.	Long impact
B. Internal Negative Side			
3. Corruption	Decreasing moral value	<ol style="list-style-type: none"> 1. The report said that lost money was caused by corruption reach 900 trillion rupiahs 2. Government Budget Deficit 3. Capital flight 	Long impact
C. Unpredictable Occurrence			
4. Worst drought occurrence	El Nino effect	<ol style="list-style-type: none"> 1. Decreasing supply of agriculture food product 2. Decreasing water supply 	Short impact
5. Earthquake and Tsunami occurrences	Big Earthquake	<ol style="list-style-type: none"> 1. People settlement and all infrastructure was gone 2. More than 200.000 people die 	Long impact

Source: Central of Bureau Statistic (BPS), Sakernas, BKKBN, and the other various sources.

IV. Building Social System

Development Approach by Social Capital

Social capital concept is a old concept which revived to be a good concept for development and nation civilization (Bustanul Arifin, 2005). The World Bank scientist, Deepa Narayan, Christian Grootaert, Philip Keefer, Stephen Knack, Peter Evans and another try to spread the concept in to big strategies for poverty alleviation, empowerment, democratic process, and politics structure.

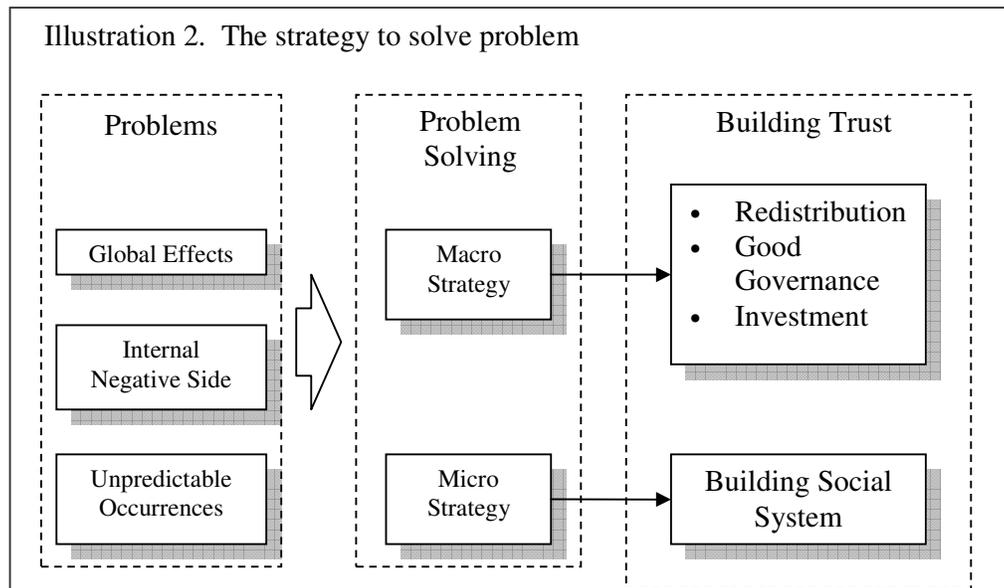
Definition of social capital refers to build a trust which determined to sources, information, ideas, and individual support to participate and interact in societies social (Bustanul Arifin, 2005 and World Bank, 2000). The basic concept of social capital is individual involving degree in information network and organization formal to be a good strengthen in group or community including of implementation value of live, norms, and institution rule which should be respected together. Based on definition, the critical point of social capital is social tied in community to build the sustainable development. Therefore, social capital could be accessed by trust improvement and respect to each other in relationship dimension of community, country or in the world.

Social capital could be divided into two condition: *bonding* and *bridging* (Bustanul Arifin, 2005 and World Bank, 1999). Bonding of social capital refers to growth a trust and internal development network based on the same demography, like family, tribe, alumnus, friend, and so on. Bridging of social capital refers to growth and develop the trust with the same value or destination, like organization or groups at all level (local, district, or country level). But the other side, social capital can be used for negative importance and it called “downside” of Social Capital. The same social ties which enable community members to work together can exclude outsiders (Collier, 1998 in World Bank, 2000). For example social networks which provide people access to markets through reputation and repeated transaction can exclude new entrants.

Social capital has important implication for development theory, practice, and policy. Conventional prescription for enhancing the economic prospects of communities and nations include improving education and health facilities, competent and accountable political institution, and facilitating the emergence of free markets able to compete in the global economic. Therefore, relationship country, market, and community linkage which wrote by Narayan (1999), government must create a good strategy to solve problems in Indonesia. Not only government its self to responsible and solve the problem but all nation component must involve to solve problem..

Social System Development to Solve Problem

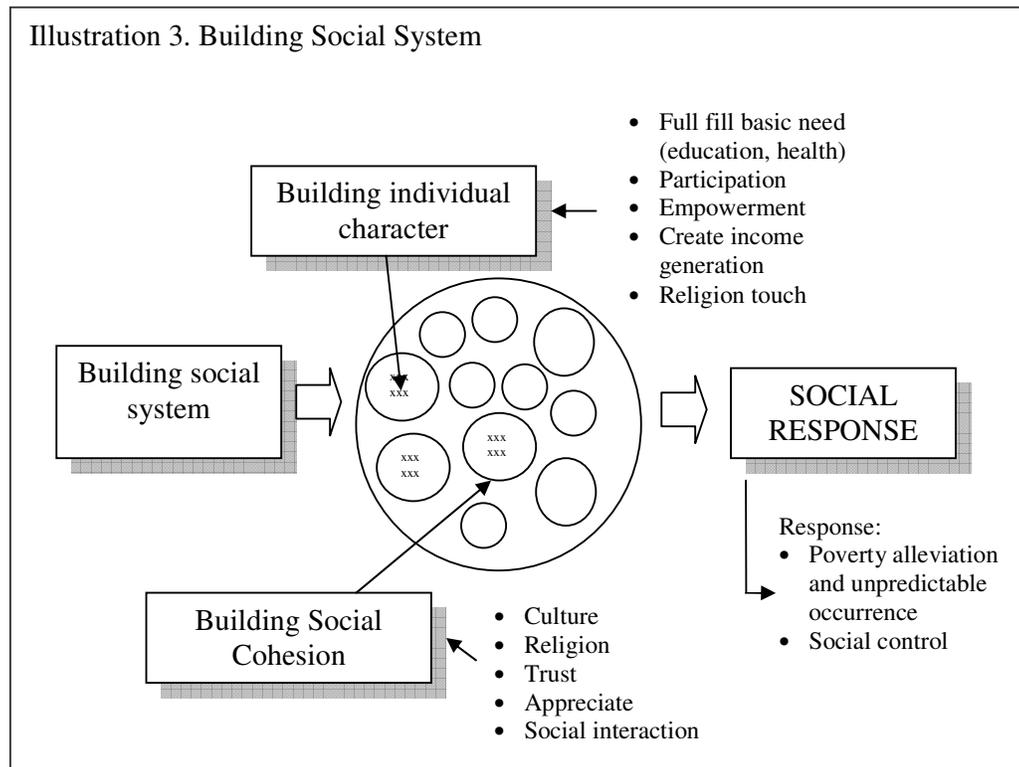
The problem on the above should be an material for evaluating of development implementation. Solving problem approach should pay attention priority scale, sustainable, focus, and self-supporting nation. We understand that the problem can solve in the short time but needed more time to solve it.



Based on the problem, we try to solve the problem by two strategy. First strategy is called by Macro Strategy. Macro strategy should be implemented to development trust by transparency and accountable. The implementation of macro strategy are redistribution, good government, empowerment, enforcement, corruption elimination and so on. In another side, micro strategy was more focused by strengthen social system which built by participation, interaction individual and community, increasing social cohesion, empowerment, and trust. The schema of that strategies can be seen in illustration 2.

How to Build Social System?(see illustration 3)

It is important to know how to build social system. The first step to build social system is individual development its self. How to make it? To build strong individual can made by education, good health service, increasing income and welfare, religion touch, application of norms and so on. The first environment to support individual to be good characteristic and response individual is in family environment. The family environment is very important to protect from bad behavior and knowledge. If the individual was built with good character, so capacity building of community is not so hard. The sustainable of community or groups was built based on common interest and did not build based on individual interest. If there are good interaction among of individual in community or individual with community, social cohesion can be built its self. The social cohesion carry out strengthen community to response all problem inter or external community, like poverty, natural disaster, building common facilities and so on. Therefore, if the social cohesion was getting well, so social response can be built its self.



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