



The Poor Speak Up

17 Stories of Corruption



The Partnership for Governance Reform
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Preface

*“A person who cares for and respects life’s rules is better off than someone who ignores them, even if he gets great wealth.”
(Javanese saying)¹*

KKN (corruption, collusion and nepotism) has been a major concern for Indonesian society. Corruption erodes trust in government and hinders social and economic development. However, little has been known about how corruption affects the poor in our society.

This book is the result of an initiative by the Partnership for Governance Reform in Indonesia and the World Bank. It sets out to understand from the poor themselves the ways in which corruption intersects with their lives and how it affects them. In order to learn from the poor the project team went to urban areas in Jakarta, Yogyakarta and Makassar and encouraged the poor to speak up about corruption as they experienced it. The stories set out here reveal the pervasiveness of corruption in virtually every aspect of poor people’s lives, ranging from schools to garbage collection and social safety net programs. It also reveals the willingness of the poor to speak up, and share their insights and ideas. Their many stories reveal the complexity of corruption and its many consequences – economic, social, moral. It also exposes their sense of powerlessness vis-à-vis public officials and community leaders, where a combination of a lack of information and knowledge plus a strongly-felt dependence on the providers of services usually prevents the poor from voicing their concerns.

This book is an opportunity to listen to the voices of the poor. The stories here are those most readers will be familiar with from their own personal experiences. It builds on the belief that we can move from indifference to action and solutions can be found and implemented.

¹ The original Javanese: “Sak beja bejane wong kang lali sih bejo wong kang iling lan waspada.” Bahasa Indonesia: “Seuntung-untungnya orang yang lupa, masih bagus orang yang ingat dan waspada.”

The purpose of this book is to help “think solutions” and encourage action. The stories are grouped by “solutions”, i.e. where the same underlying solution might possibly change the outcome of the experience. It aims to inspire action and to start a dialogue about solutions among policy makers, change agents and the communities themselves as well as NGOs and media. Democracy has opened a window of opportunity to claim one’s rights and to demand governance reform. The challenge lies in making use of these new freedoms and opportunities to engineer change that reduces the burden of corruption on the poor.

Erna Witoelar

Co-Chair
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Prologue

This book is the result of an action research project on how the poor perceive corruption and how it affects their lives. The project was carried out jointly by the Partnership for Governance Reform in Indonesia and the World Bank. The World Bank's contribution was financed primarily through the Danish Governance Trust Fund.

The findings presented in this book are derived from quantitative and participatory research carried out during the first half of 2001. The quantitative analysis was based on a survey of 1250 households across Indonesia as part of the “**Diagnostic Study of Corruption in Indonesia**” by the Partnership for Governance Reform². It provided data on how the poor perceive corruption, its causes and financial cost, compared to the non-poor.

This was complemented by **Participatory Research** using Participatory Corruption Assessment techniques (PCA)³ with poor communities in three cities, namely in Yogyakarta, Jakarta and Makassar. In each location, the project team talked to groups of 30-40 poor people⁴, men and women, about their experiences with corruption, their perceptions and ideas for solutions. The poor were encouraged to share their insights on their experience with corruption, while the team sat back and listened. This was followed by individual interviews throughout the community to elicit where and how corruption affected them. Many interesting examples of corruption emerged, the best of which are compiled in this book. This allows immediate insight into poor people's lives and provided a holistic understanding of how corruption affects them. And it motivated the participants as well as researchers to stay engaged beyond the field work, linking research to action. But above all this book attempts to give voice to the poor and to bring their concerns more directly to those in a position to address them.

² Available to be downloaded at the Partnership's website <www.partnership.or.id/publications>

³ For a description of PCA methodologies, see Holloway and Teggemann, 2002, available through the Partnership for Governance Reform

⁴ In selecting the poor for this research local definitions of poverty were used. While the criteria differed from location to location it was striking to see that the community members were clear on who belonged in the poor group without any debate.

Acknowledgements

The Partnership for Governance Reform in Indonesia and the World Bank are highly indebted to a number of people who through their commitment and expertise contributed to this book.

The project team was led by Stefanie Teggemann under the overall guidance of Sarwar Lateef and Richard Holloway. Menno Pradhan carried out the data analysis of the Partnership's Diagnostic Survey of Corruption. The development of participatory corruption appraisal techniques has greatly benefited from Ratna I. Josodipoero's rich experience.

The field work in Yogyakarta, Jakarta and Makassar was implemented by the Yayasan Bina Swadaya (team leader: Y. Arihadi) and LBH-P2I (team leader: Christina Joseph). Irfani Darma provided invaluable support during the field work and Alexander Irwan transformed the interviews into case studies. The final touches were added by Indra Piliang who further edited the case studies into their final form. Ibnoe Marsanto contributed cartoons.

Danty Kromodimoeljo and Torben Brandt helped develop the concept of the book and the media strategy through their many creative ideas. Ratih Hardjono contributed to the dissemination strategy for this work.

The task team is grateful to the work of an advisory panel comprising Elizabeth Carriere, Ben Dickinson, Scott Guggenheim, Paul McCarthy, Soni Sadoko and Al Wight.

Disclaimer

The stories in this book are based on interviews with poor community members in cities of Yogyakarta, Jakarta and Makassar. They are not meant to be representative of the whole of Indonesia. Nor are the stories they relate representative of the rest of Indonesia. They represent a selection of experiences by poor community members as they related them. The stories attempt to amplify their voices. The names used in the stories have been changed to protect the privacy of those who were willing to speak up.

Stories on Corruption

Notes:

Rp. .	Indonesian Rupiah (US\$ 1 = Rp. s.10,000)
RT	Neighbourhood Association
RW	Community Association
Kelurahan	Village (both rural and urban)
Lurah	Leader of a Kelurahan
Kecamatan	Sub-District
Camat	Leader of a Kecamatan
Kabupaten	District
Bupati	Leader of a District
KUA	Kantor Urusan Agama (Office of Religious Affairs)
KTP	Kartu Tanda Penduduk (Identity Card)

In Indonesia, the first tier of government authority is the neighborhood level known as *Rukun Tetangga* or RT. An RT consists of 30 to 50 families. When an RT exceeds 60 to 70 families it is usually split into two RTs. Ten to twenty RTs form a *Rukun Warga* or RW (community) and 10 to 20 RWs form a *Kelurahan* (village – this may be rural or urban). This is the grassroots government structure. Higher up the ladder is the *Kecamatan* (sub-district), the *Kabupaten* (district) or *Kotamadya* (city) and finally the *Propinsi* (province).

Part 1

Group Action – Corruption at School & at a Labor Supply Firm



Go up a Grade, but Money First...

Fitri wanted to look for a job, not only to ease her family's burden, but also to rent a better house. But that wish would have to wait. Her children were still too young and they could not yet stand on their own feet. Halimah had to wait for her children to get older, in spite of the increased cost of living, including the school fees for one of her children.

Sari, her oldest child, was in the first grade of Primary School. The second child was 2 years old. Living in a small row house room measuring 4 x 4 meters, the two children had no playing space at all. Because the room was so small, visitors would find it hard to get in. Consequently, they would have to talk outside, in a narrow alley, in front of the house where they had some wooden benches.

Fitri, a native of Jakarta born in Pulogadung 28 years ago, enjoyed education up to *Madrasah Tsanawiyah*, equivalent to Junior High School⁵. With such a level of education, Halimah believed she would get a job to make an extra income for her family. But what to do, she just could not leave her two little children alone in that rented house.

Now, her family lived on her husband's income. Thanks to his *Madrasah Aliyah* (equivalent to Senior High School) diploma, Dodo, Fitri's husband was now working as a factory laborer. His average income per month could reach Rp. 600,000. Such income comprised a base pay of Rp. 400,000 and overtime pay of Rp. 200,000,-.

With such income, Fitri's family had to meet their routine average requirements which cost Rp. 20,000 per day. It meant that her husband barely earned enough money to meet his family's needs. Fitri still thanked God because her husband who had a good religious knowledge was often invited to give religious speeches in his factory. From such speeches, Fitri's family could earn an extra income to bear the heavy burden. However, if they had any extra expenses, an extra income like that could not hope to cover it. So-called "extra expenses" always terrified Fitri's family. Halimah would then have to borrow some money from

⁵ SMP – Sekolah Menengah Pertama

⁶ RT – Rukun Tetangga

the Neighborhood Association⁶ at a very high interest rate of 10% per month.

But, problems never stopped coming.

That morning, Fitri experienced an infuriating situation which made her mad. But at the same time, she felt powerless. Finally, she had to take out extra money from her wallet. She knew full well that she would have to cover such an extra expense later through a high interest loan.

That morning June 29, 2001, Fitri rushed to make her house up and feed her second child. She then carried her child and went to the highway to catch a mini-bus. That morning should have been a historical day for Sari, her daughter, because she would receive her school report for her grade promotion. Fitri also felt happy of course. She went to 03 Pulogadung Primary School to take her child's report.

But what did she get? Before handing that report to Fitri, the teacher gave some information. She said a one of the students was in mourning over one of her parent's death. To show solidarity, the homeroom teacher asked all the students' guardians who wanted to take the children's reports to make contributions for the grieving child. Although voluntary, the contribution must come first before they could get the reports, the teacher told parents.

Fitri of course wished to contribute. She prepared several Rp.1000 bills. But the teacher told her that other parents gave contributions of Rp.15,000 to Rp.20,000, so Fitri was expected to give Rp.10,000, minimum.

Fitri was shocked. That would mean an extra expense and she should try to avoid it as hard as she could. Or, her children would be short of food.

Because of her objections to paying so much, Fitri soon went to the principal's office asking for explanation. When he saw that Fitri was angry, the principal admitted that no guardian had died. But he did not want to exempt Fitri from the obligation to make such a contribution. According to the principal, the contribution was the teacher's business and he could not do anything about it.

Fitri could not believe it, how come a principal could not do anything to control his subordinates.

“Don’t tell me the principal has a share in those forced contributions from the deceived pupils’ guardians,” Fitri murmured emotionally.

With the principal’s explanation, Fitri had no other choice but to go back to the homeroom teacher. Unwillingly, she gave the requested contribution to get her child’s report. Fitri also told the teacher that her husband had not received his salary yet. She could only make a contribution of Rp.10,000.

With a sullen face and without a word, the homeroom teacher grabbed the money from Fitri. When Fitri asked for a receipt for her contribution, the female teacher said in a red face, *“Later, later!”*

Such unfriendliness continued. When Fitri thanked her, the teacher just kept quiet. She was indifferent to Halimah.

Because her second child was crying, Fitri felt more and more powerless to do anything. She felt pity for her child. Eventually, she asked permission to go and gave a “pen tip” of Rp.5,000,- Just then the teacher smiled and gave Sari’s report to Fitri. Her smile that morning only increased Fitri’s resentment.

Upon arriving home, Fitri immediately shared her resentment with her neighbors.

“But what I cannot share with my neighbors is the size of the burden I have now got as I try to find some replacement for the Rp.15,000 that had gone to redeem Sari’s report that teacher took as hostage. For me, the grade promotion day supposed to be a happy day has turned into a national resentment day,” Fitri said, trying to smile bitterly.

A Heavy Burden

Education. For many it still represents an opportunity to realize dreams and change destinies. Even if not every dream is realized, education still offers the hope of a better world with a brighter future. This is the hope of Rismala, a mother of six living in a Makassar slum.

Her late husband Efendi was 10 years her senior and a relatively successful businessman. With his passing Rismala had to take on the role of provider for her family. Today they live in a shack that they rent for Rp. 500.000 per year. Rismala only makes about Rp.7.000 per day as a laborer in a confectionary factory, and as such is forced to cut corners and be thrifty in how she uses her income. What is certain is that despite her austerity, a life of poverty is inevitable.

Her children have also learned to accept inevitability. They are clever, and gifted and have used their wits to ensure their education. With the limitations posed by their economic status as a family, all they can do is bow their heads in quiet acceptance. To whom can they go? Who will hear their cry?

Rismala's firstborn managed to graduate with a high school scholarship program for gifted students⁷ from a public high school focusing on Pharmacology. This program is offered to only the brightest of students, which proved her intellect and ambition. Yet her dream was soon abandoned, as her mother could not afford the non-tuition expenses (the scholarship program only covers tuition) of higher education. College was well beyond reach. Try as she did, Rismala was simply unable to afford a college education for her eldest daughter, while intellect alone could not make her dream a reality.

The family's financial difficulties also threatened the futures of the five other children who are at various levels in the education system. They feared that their education would be cut off before completion because of insufficient funding. Fortunately, one of Rismala's children secured aid from the local Mosque, while another was awarded a scholarship. This good fortune did not however, spell an end to the family's problems. The burdens borne by Rismala (who for a time sold food at the canteen in one of her children's schools) included unexpected school fees as

well as the usual monthly fees⁸. One such fee came in the form of the “Study Modules”⁹ introduced into the national school system in order to provide uniformity of education.

Without good cause the school chose to implement the “Study Modules” method. This resulted in a per lesson cost of Rp.5.000 to 7.500 without exception. These study modules could not be photocopied and all students were required to purchase modules when instructed. This soon became a serious burden for Rismala. *“School Officials should consider that the LKS method is not the only successful method in existence. There must be some other way that allows the underprivileged to eat and still receive an education,”* mused Rismala. Even without sufficient materials and funding, however, Rismala’s children continued to excel.

Aside from the monthly fees and the study module costs, the school board without warning decided that each student must be required to purchase a uniform at a cost of Rp. 340.000 well above the market average and the quality to price ratio of which was poor. In order to afford such a luxury, Rismala would be forced to cut corners further over several months. *“Of course I was upset! Who wouldn’t be? Since when is a uniform a mandatory purchase? If I can provide my children with appropriate clothing by some other means I should be permitted to do so. This is something I simply cannot accept. Imagine, Rp. 340,000 per uniform. I have six children. It would be better if I made them myself,”* declared Rismala.

A talented seamstress, Rismala understands all too well about the quality of cloth. In her opinion it was a complete waste of money to purchase clothing that her children would only be able to wear for a short time because of its poor quality.

Rismala requested that school officials allow borrowed school uniforms to be worn. Neighbors or friends could lend used uniforms previously worn by children who had graduated. Her request was denied for reasons such as color differences, uniformity, faded colors and others. Rismala has since chosen to accept these conditions, forcing herself to be stronger and work harder to provide a future for her children. She

⁷ PMDK - Paket Penelusuran Minat Dan Kemampuan

⁸ SPP - Sumbangan Pokok Pendidikan

⁹ LKS - Lembar Kerja Siswa

has impressed upon her children the importance of education and the weight of the burden the family must bear. From her hard earned money, Rismala is forced to purchase uniforms required by school officials that are of no particular use to Rismala or her children. "To subsist on a menu of only dietary staples, I must spend Rp. 8.000 per day, which is why I really have to be careful if I want to set aside money for my children's' education," said Rismala.

Rismala hopes to ease her family's burdens through understanding and openness. Though life is difficult, Rismala has opted to provide an honest living for her own instead of taking the more traveled road of petty crime and prostitution. She has sworn never to become involved in anything of this nature in order to instill in her children the virtues of morality, discipline and honesty in the face of extreme hardship. "It is enough that I am taken advantage of and deceived by men in suits. My family is in a bad situation because of greed and lies," stated Rismala.

Rismala knows the pain of being exploited by others, and would never wish the same on anyone. Her only hope is that in the end the values that she has striven to instill in her children will help them to succeed and to contribute to the creation of a better nation in the future.

A Refugee's Fate: Promises, Promises, Promises

Each year hundreds of thousands of people are forced by war, politics, and natural disasters to leave their homes and become refugees - but still life goes on. Erna, age 30, clings to this principle. Her children were refused entrance into the Cinderella Elementary School, but were soon after accepted by the Tanggul Patompo Elementary School. The leader of the neighborhood where Erna lives assisted her by writing a letter to the school confirming Erna's legitimate status as a refugee in need of assistance. Her children were accepted and Erna heaved a sigh of relief.

Erna's story begins in strife-torn Ambon in 1999 when riots and sectarian violence forced her to seek refuge in Makassar, leaving her husband

behind to protect their property. Life in Ambon had previously been comfortable. Her 40-year old husband Nurman owned a small fish nursery close to the beach. The city was beautifully situated at the edge of white sandy beaches and surrounded by dense forests and endless fields of wild tobacco. It was perfect. Nurman, Erna and their partners had worked hard to establish a thriving business.

The ensuing mayhem and destruction caused by the riots brought ruin to Erna's family and thousands of others like hers. Neighbors turned against each other. Once peaceful communities began to wage war, burning the other to the ground. Hell had found a home in Ambon. Homes and villages were destroyed and with them the peace that Ambon had once known while vengeance, hatred and suffering quickly took its place. Erna could not even begin to understand how her entire world could change so drastically in so short a time.

Fortunately Erna was able to escape to Makassar, where she moved in with her in-laws. The commercial successes she and her husband had shared in Ambon were now no more than a distant memory. All had been obliterated by unreasoning violence and anger. She and her children would struggle to cope with lives that had changed drastically overnight. With just the clothes she was wearing, Erna had thought only of saving her children when the violence erupted and was forced to flee without her husband or members of her own family.

Today Erna and her three children live with her in-laws who are invalids. Never in her worst nightmares had Erna foreseen such hardship. In Ambon, she had looked to the future with the promise of life. When the conflict erupted in Ambon, the government and the people of Makassar promised to receive the families fleeing the carnage and care for them. Unfortunately, that promise was never fully realized.

Many Makassar residents were not ready to accept the presence of the refugees. The Principal of the Cinderella Elementary School for example, made no attempt to expedite the registration process and instead demanded compensation. Erna wanted her children to attend school, but her desire was met with a demand for an exorbitant administrative registration fee of Rp. 200.000.

Erna was unable to pay the required fee. How was she to earn the

money? She was living in the house of her in-laws, her husband had sent neither money nor word as to his condition, and her part-time work as a washerwoman barely afforded her little family the bare necessities. *“From where would I get that kind of money? The instructor at the school refused to understand my situation,”* said Erna. She continued, *“I know I’m not the only one who has struggled. Hundreds of others like me have had similar experiences. Where is all the assistance we were repeatedly promised before our arrival at the refugee center?”*

Erna’s sorrow is visible. She has trod a long and difficult road as a refugee. Throughout her flight to Makassar, Erna had to ignore hunger, discomfort and emotional distress as she hurriedly boarded the ship to safety clutching the guardrails as to life. Erna had left her husband behind for the sake of her children. She did not question her husband when he told her that he would remain in Ambon, and only drew a breath as she watched the shores of her beloved Ambon fade from view.

“Upon arrival at the Makassar port, we were released by security and given Rp.50,000 to search for our relatives,” she said. Without that money Erna may not have found her in-laws.

Though her troubles seemed to be compounding rapidly, her children wanted to attend school once again and bravely faced the bureaucracy involved. Fortunately for Erna, several of her new neighbors needed a washerwoman. Paying Rp. 5,000 to 7,000 per day, Erna was just able to put food on the table. Her income did not however cover incidentals like the registration fees at the Cinderella Elementary School.

After her first attempt to enroll her children in school, she applied at the Tanggul Patompo Elementary School. Her children would get an education no matter what. With the help of her neighborhood leader by way of a letter to the Principal, Erna’s children were accepted at Tanggul Patompo. Erna was relieved to learn that her children would be exempt from all school fees.

But for how long will Erna enjoy such good fortune? As a refugee in her own country, her troubles are far from over. One thing that still troubles her is the unknown fate of her husband – Is he alive and well? Wounded? Dead? – only time will tell.

Students' Protest Uncovers Corruption

The hope of all parents is that their children grow up to be intelligent and well educated. This is a hope that parents will sacrifice just about anything to fulfill. For the underprivileged, a decent education is a dream that is difficult to pursue given the ever-increasing costs of living and education, both official and unofficial.

There always exist opportunities for those in positions of authority to exploit those they are paid to serve. This was the case with Mrs Marsini BA who is the principal of Tirtomolo Public High School and felt that she had the authority to do as she pleased. In June of 2000, Marsini decided to increase the building fee paid by the families of students to Rp.100,000. This fee was allegedly for building maintenance. None of the families protested the drastic increase as they assumed it had been mandated by the Board of Education. Furthermore, the notice circulated stated that anyone not capable of meeting the new requirement was welcome to find a new school.

Most parents informed their children of the unexpected increase, which many of the students found quite curious. Several of them teamed up to look into the issue further and reported their findings to their parents. "We were surprised to hear that the official building fees had only been increased to Rp. 35,000 by the Board of Education, a fact made known only after our children in the 10th and 11th grades protested the increase in January," said Indarto whose daughter attends Tirtomolo.

For Indarto Rp.100,000 was a large sum of money. His pension only provided Rp.350,000 per month, which coupled with his wife's income as a seamstress totaled approximately Rp.500,000 monthly, a large percent of which was used to put food on the table and contribute to social causes. "In order to pay the new building fee, I would have had to acquire a loan of some kind," Seraya, another parent said.

Indarto was concerned that the Department of Education had not made any effort to explain its procedures and policies, because when regulations are not publicized a margin for corruption is created, as the public then has no means of guarding itself against exploitation. The

decisions issued by the Department of Education should be consistent and published. At the very least the families of students should be notified of by the Department of Education, through the government educational development agency¹⁰.

“We could protect the school from routine corruption if we were fortunate enough to have access to the necessary information,” exclaimed Indarto. As a result of the protest the principal of Tirtomolo admitted that she had abused her authority and increased the building fees without proper cause or authorization. In order to diffuse the heated situation, in February a meeting was held arbitrated by the BP3 between the families of the students and the school officials

School officials stated that the money already collected could not be returned. The parents of the students were disappointed in the school administration and after a drawn out debate a decision was reached. The excess payment of Rp.65.000 was to be used to pay overtime fees and to make repairs to the school restroom. This conclusion undoubtedly profited the school and its officials, but caused losses to the students and their families whose disappointment would not be soon forgotten. They will always remember how the school board lied to them and then tried to cover their lies by hiding behind rules and regulations.

The Department of Education in Bantul penalized Marsini with a transfer. This was strictly an administrative penalty and could not have presented much of an inconvenience to her. One thing is certain; Marsini should be closely supervised regardless of where she works to ensure that this does not happen again.

¹⁰ BP3 - Badan Pembinaan dan Pengembangan Pendidikan

Student's Scholarship Stolen By Teacher

Any needy student, when offered a scholarship, gladly and gratefully receives it with little thought to whether it was awarded as a result of his/her scholastic achievements or merely out of pity. Certain scholarships are provided to poverty-stricken communities by the Indonesian government via the State Budget¹¹ and the District Budget¹². The Indonesian government frequently creates and sponsors programs to help the underprivileged. This practice began with a Presidential regulation requiring all children to attend school for a minimum of nine years and continued with the disbursement of the government grants to raise the level of education through the Education Section in the Social Safety Net¹³

Scholarship programs have been implemented in every corner of the archipelago including Makassar, South Sulawesi. One intended beneficiary is the family of 31-year-old Rima. She and her family live under the same roof as three other families in a crowded, noisy hovel. The thick smell of raw sewage hangs in the air. Such are the living conditions that Rima faces in her efforts to provide her family with a decent home life.

Her husband, Nawir works installing electric cables. His monthly income rarely exceeds Rp. 100,000. With no other source of income, Rima simply stays at home as she possesses neither the money nor the skill to conduct a home business such as selling baked goods. Rima is already forced to be thrifty beyond reason just to provide for the needs of her family, which include funding her daughter's education. The Asian economic crisis in 1997 made her already difficult life all but impossible, and with each passing day life becomes more unlivable and Rima frequently finds herself dreaming of a better one.

However, good luck is unpredictable and can come from anywhere in any form. In the case of Rima and her family, luck took the form of an academic scholarship awarded by the government to Lani, Rima's daughter. At long last she was able to draw a breath. The assistance that would be provided by the scholarship was more than Rima could have hoped for. She would no longer need to struggle to cram education

costs into the already strained monthly budget and could now concentrate on other necessities such as food and clothing. The real shame is that in the end someone else enjoyed the benefits of this miracle as Lani and Rima only basked in its light for a brief instant.

This housewife residing in the *Maccini Sombala* district of Makassar felt as though good fortune was here to stay, but little did she know that she would never see the answer to her prayers. The individual identified to collect the scholarship funds from the local Post Office was Lani accompanied by her teacher (not her mother Rima). Lani as the beneficiary would fill out all the required forms under the direction of her teacher. The Post Master on duty would then relinquish the funds to Lani who was overjoyed to receive such a grand sum of money.

On the return trip to her elementary school on Bajigaum Street however, Lani's teacher asked Lani to give him the money informing her that it was intended pay for Educational Development Board Fees¹⁴, monthly scholastic fees¹⁵ books and so on. The help provided – Rp. 60,000 per school term, or Rp.120,000 annually - vanished in the blink of an eye. Lani, the rightful recipient was played like a pawn and did not receive a penny of her scholarship funds.

Her mother was understandably confused by the situation. The simple housewife stated that she had no intention of using the scholarship funds for anything other than the purpose for which they were intended and that she did not care whether she saw the cash or not. The problem was that no receipts were issued for the payments supposedly made by Lani's teacher from the scholarship funds that he had retained. Rima, as Lani's mother felt that she had been entirely excluded from the process by the school officials.

"We were not provided with receipts for the scholarship funds or any proof of payment by anyone," said Rima.

¹¹ APBN - Anggaran Pendapatan dan Belanja Negara

¹² APBD - Anggaran Pendapatan dan Belanja Daerah

¹³ JPS-P - ProgramJaring Pengaman Sosial Khusus Pendidikan

¹⁴ BP3 - Badan Pembinaan dan Pengembangan Pendidikan

¹⁵ SPP - Sumbangan Pokok Pendidikan

Two questions troubled Rima: (a) why should a school representative and not the parents of a child claim scholarship funds? and (b) further, didn't she as the recipient's legal guardian have a right to know exactly how the scholarship funds were utilized?

"I finally figured that maybe this was information I didn't deserve to know, or that perhaps Lani's teachers felt that we, her parents, wouldn't understand anything", stated Rima.

Rima's questions went unanswered, and the smell of the raw sewage seemed even fouler than before as her cries for help fell on deaf ears.

Pay Now, Employment Not Guaranteed

Each of us are well aware of the financial crisis Indonesia is currently undergoing and the resultant high rate of unemployment. The stigma of unemployment even seems to stick to those seeking employment. These men and women are vulnerable and easy prey for confidence tricksters, ever ready to take advantage of the needy. In their search for meaningful employment many become victimized by such opportunists

Such was the case for Prihatini, known to her friends as Tini, who was unemployed for quite some time. Soon to be 32, Tini longed for employment in a company that cared about the welfare of its staff, which is why when she came across some information concerning PT. Duta Bangsa, which loosely translates "*The Representative of the People*", she visited the company immediately. Located on Pasanggrahan Selatan Street, PT. Duta Bangsa was an employment agency. Tini readily paid the Rp.25,000 administration fee and fulfilled all the registration requirements of the company - returning home with a promise that she would be contacted soon. Tini waited first for days, then weeks, but still no word came.

Eventually Tini contacted Mr. Haryanto, the head of the agency who asked Tini to please be patient and explained that there were many other candidates registered with the company who were ahead of her. Tini insisted that she needed a job immediately. Mr. Haryanto saw this

as a golden opportunity as it was the law of supply and demand in action. In all of his cunning, Mr. Haryanto pledged that it would not be long before Tini would be on a payroll again. Of course there was one condition, Tini would have to pay an additional fee of Rp.300,000.

"I wanted so much to work again that I paid the fee," admitted Tini. After paying the additional money Tini once again had to be patient and simply wait for the fulfillment of Mr. Haryanto's pledge.

Ningsih, Tini's neighbor is a 40-year-old housewife and mother of two. She, like Tini, registered with PT. Duta Bangsa in hopes of finding employment to subsidize her family's income and provide a reprieve from the financial strain they were experiencing.

Before she was married, Ningsih had worked as a marketing associate for a cosmetics brand. After giving birth to her firstborn, Ningsih opened a food stall at the school (BOPKRI – Gondolayu) with an initial investment of only Rp.200,000. She operated her stall for two years netting a reasonable profit of between Rp.200,000 and 300,000 per month. Ningsih quit after the birth of her second child.

Ningsih's husband is a taxi driver and makes an income that is minimal at best. Ningsih began to worry about the future. It was easy for her to imagine the increasing needs of her family especially once her second child started school. When her second child was only three years old, Ningsih decided to return to the food stall in order to supplement her husband's income, but to do so she needed an initial investment. Her plan was to gain employment with the aid of PT. Duta Bangsa and then put the money she earned towards the startup costs of her business.

Her husband's income as a taxi driver, approximately Rp. 400,000 per month, barely covered the essentials and despite their thrift they were left with a zero balance at the end of each month. Because she had no money, Ningsih could not pay the additional Rp. 300,000 fee requested by the agency. Furthermore, she was not convinced that the company's President would make good his promise to find employment for her quickly. *"Rp. 300,000 is a considerable sum, and I could get no guarantee,"* she stated bluntly.

Six months passed as Tini and Ningsih waited for Mr. Haryanto to

fulfill his promise. They had registered with PT. Duta Bangsa and paid the required fees in March, but come September they had still received no assurance of employment. Tini and Ningsih were not the only victims; close to 15 other job seekers also began to complain about their uncertain fates. The case eventually caught the attention of the media and in the end Mr. Haryanto was reported to the Police. A settlement was agreed upon, and the agency was forced to fully refund all additional fees paid.

While the others victimized by PT. Duta Bangsa were demanding a full refund, Tini was afraid to claim that which was rightfully hers. “*I had already accepted the fact that my money had been taken by the employment agency.*” sighed Tini.

Tini has since found work as a washerwoman and cook for Rp.150,000 a month. For the time being it seems she has abandoned her dream of meaningful employment at a fair wage, but she is still waiting for an opportunity to present itself, although from where she does not know.

For now Ningsih will have to be satisfied with her refund. Her goal of helping to ease her husband's burden will remain unattained. Her children are quickly growing, the elder is preparing for high school while the younger will begin elementary school in a short while. Ningsih might have to save some of her shopping money bit by bit to afford her food stall. She would gladly accept a small business loan if only someone were willing to offer, but who?

The Stories Analyzed: Group Action

These stories illustrate how poor parents are forced to pay unofficial payments at school, often not aware of the gray area between the legality and illegality of various payments at school. Some payments are vital to keep schools up and running. Others might end up in someone's pocket. But these contributions are especially tough on poor parents.

Parents are often reluctant to speak up since the future of their children depends on the quality of education they receive. They have to be careful to avoid a backlash against their children. Many, therefore, do not dare to question teachers and school officials when they ask for contributions in cash for new building, maintenance, uniforms, study supplies or anything else.

However, if parents who are affected by corruption get together and make allegations of corruption, the teachers and school officials will have more difficulty in ignoring their demands or taking revenge against a particular child.

These demands for bribes are not isolated incidents. There is great potential to take action together and even involve outside help from NGOs or the media if necessary.

The unauthorized collection of the Rp.100,000 as a maintenance fee for the school building in Yogyakarta is a concrete example of how group action can make a difference. While the parents did not question the amount demanded by the teacher, the students at the school found out that the official limit set by the Department of National Education was Rp.35,000. They attracted public attention by staging a demonstration. They then held meetings where eventually, everyone agreed to a solution to the problem. Although the money paid by the parents was not returned, the school headmaster received disciplinary action by being transferred to another school. But most importantly, parents and students united to voice their concerns and eventually found a satisfactory solution to the problem.

Part 2

Knowledge is Power – Improving Access to Information in Public Services



Garbage Fees are a Mess

Pulogadung, like many areas of Jakarta is overcrowded, noisy, and polluted. Most of its residents live in cramped plywood cubicles that are laid out in rows hardly resembling decent homes. Garbage is a major hazard in this area. If residents dump garbage in the sewers it blocks the canals and causes flooding in the rainy season, but if it is disposed of in the designated dumping grounds the garbage is seldom removed and the rancid smell attracts every variety of insect and poses a significant threat to public health. Burning garbage is not allowed either because of the fire hazard this presents. In these overcrowded communities, fire is a greater risk than in better neighborhoods as it rapidly spreads engulfing these plywood complexes.

The residents of one community in the Pulogadung district are charged a monthly fee by their neighborhood leaders, who in turn organize garbage collection and basic sanitation. Fees differ from neighborhood to neighborhood according to the financial standing of the residents and the agreement reached between the neighborhood leaders and their constituents. These sanitation fees range between Rp.1,500 and Rp.3,000 monthly, though some residents with particularly large amounts of trash can pay up to twice that.

A percentage of the fees collected are allocated to pay the individual garbage collectors. The neighborhood leader coordinates the collection of the fees and the payment of the sanitation workers. In general, the citizens of this particular district have found the system to their satisfaction. *“The use of the fees is clear enough to us, and the balance of the money is generally used as gifts to bereaved families or to sponsor neighborhood activities,”* said Yatim, a resident working at a nearby factory for a monthly wage of Rp. 300,000. *“The sanitation fees are collected once a month and payment documented on a card,”* added Sunardi, a neighborhood leader.

In addition, each neighborhood leader is responsible to pay a monthly fee of Rp. 17,000 to the community leader, although many are reluctant to pay this particular fee. The community leader is supposed to use this funding to ensure basic sanitation services. The garbage collected from house to house is brought to a dumping ground within the community. To have it transported elsewhere requires a larger payment and is the responsibility of the district leader.

These sanitation fees are not the only ones paid by residents in a given neighborhood. Those who own small businesses such as cigarette stands and food stalls are charged an additional fee for their place of business. According to Ruminah, who owns a small kiosk from which she sells Kebabs, she and her friend Warti, are charged Rp.1,000 daily apiece which is collected by a young man named Havid. *“Strangely enough, even though we pay monthly fees to the neighborhood leader, we must pay more to a local marketplace worker,”* sighed Ruminah.

Everyday Havid collects sanitation fees from all the local merchants, Rp.1,500 for the larger shops and Rp.1,000 for the smaller ones. These fees are collected without any proof of payment. Havid collects close to Rp. 80,000 per day from the merchants, Rp. 60,000 of which he turns over to the Staff of the Market Owner ¹⁶splitting the remaining Rp.20,000 between himself and his friends.

In Jauhari’s opinion sanitation should be handled by the Municipality, but up to now it is still handled by the Market Owners’ staff. Whoever it is collecting fees at the marketplace never encounters any protest from Ruminah or Warti, who view such extortion as simply a part of doing business on government property. This may explain why Ruminah likes to tip Havid Rp.500 when he collects from her. These women’s tolerant attitude however, does not mean that this practice was considered acceptable. Residents began to ask questions when they found an additional charge to the state sanitation office on their utilities bills for April 2000. Many did not understand why after having already paid sanitation fees to the neighborhood leader, some twice over, they were being billed by the government and by Havid.

“The governing regulations were never clarified by the state sanitation office, and the individual collectors never explained,” complained Yatim. It’s different with Ngatinah. She has been paying these fees regularly for the last six months. At the start she refused to pay, but before long government collectors were at her door and she began to pay. *“The neighborhood leader should have explained things to us in greater detail,”* said Ngatinah.

Arya, who works for the sanitation office, is responsible for the fee collection counter at BRI Bank¹⁷. He explained that these additional fees went to pay for the transport of garbage already collected within

the neighborhoods to a final disposal location by the large garbage trucks owned by the sanitation office. *“Flyers explaining the fees were given to all neighborhood and community leaders in the area,”* stated Arya.

In addition to the flyers, Public Service Announcements have been aired on TV explaining the fees to the public. Sunardi supported this claim, but explained that not everyone understood the repeated announcements. Sunardi has no problem paying sanitation fees as the three small shops he rents at Rp. 2,000,000 annually, afford him a monthly income of Rp. 6,000,000.

For most there are still too many questions left unanswered. For instance, why must they bear the cost of a government-owned garbage truck driven by a government-paid driver? None of their questions were satisfactorily answered and in the end many residents simply refused to pay the government sanitation fees, including a handful of residents who had already paid via a service organization called the Youth Association¹⁸ Most residents trust the integrity of the organization, which conducts social activities like Independence Day festivities, raffles and other fundraisers, and provides community entertainment. This is why when the Youth Association was elected to collect electricity payments and sanitation fees the local citizens felt much better. *“In my opinion, the electricity bills and the sanitation fees should have been collected by the Youth Association from the start. Residents pay their bills and fees to this organization and often make small donations that are used to fund various community activities,”* explained Sunardi.

The general sentiment is that transparency and clear process are lacking. Those who refuse to pay are not fined, and those who pay faithfully are not given any proof of payment. Do they not have the right to know where their money is going? *“These fees are not collected everywhere. I have a friend in Cakung that has never been asked to pay any garbage or sanitation fees. I just want to know how the system is supposed to work. What are the stipulations, particularly concerning the management of these programs?”* asked Yatim, a resident who feels that the additional fees cause him and his

¹⁶ PAMUNGKAS - Petugas Pemilik Lahan Pasar

¹⁷ BRI (Bank Rakyat Indonesia)

¹⁸ Karang Taruna

family unwarranted financial strain. His friend Sabar echoed his sentiment, “*These fees are a bit extreme,*” he said.

Yatim, Sabar and their fellow residents will have to be patient because the clarification they seek from their neighborhood and community leadership as well as from the sanitation office is not yet forthcoming.

Indonesia’s National Electric Company, Still in the Dark!

PLN (Indonesia’s National Electric Company) and electricity are one and the same. According to public opinion, the supply of electricity in Indonesia is unstable and unreliable. The cost structure of installation and service has never been clear to anyone and to date no genuine effort at clarification has been made. There are no standards and consumers are forced to try and guess the rates. More often than not a certain percentage of consumers’ payments is pocketed by company personnel up and down the chain of command.

PLN officials in Yogyakarta admit that the services provided by the company are still well below the expectation of the public. One such official is Budiman, a staff secretary in the service department of PLN, Yogyakarta. PLN subcontracts other companies to handle installations and upgrades. The subcontracted companies service homes, small businesses, schools, and large companies. “*The problem with this is that the public often uses the services of companies not authorized to work with PLN, which results in higher fees. There are also thieves at work within PLN who take advantage of the situation for their own benefit,*” admits Budiman.

In other words, PLN has little or no control over its employees, and we the consuming public get stuck with the bill. How is the average person supposed to know who is and who isn’t an official PLN employee or subcontractor? The consuming public has been confused by PLN since the beginning as the company has refused to clarify its processes and standardize the costs of labor and installation. These are initial steps that must be taken if PLN is serious about solving the problems its customers are facing.

“The public’s biggest grievance against PLN is its meaningless service guarantees. Upon initial installation for instance, no guarantee is made as to when the electricity will actually be turned on. They promise the consumer power in several days but in reality this is hardly the case,” said Rangkuti, a resident of Suryowijayan who had an 900 watt installation done in April last year.

Rangkuti called PLN to ask how much a 900 watt installation would cost and was quoted an official price of Rp. 650,000. However, the company could not provide him with a *switch-on* date, so Rangkuti chose to use a subcontractor who assured him that the power would be on within three days. As it turns out, this was not an empty promise. The service proved to be quick and effective, and within three days Rangkuti had electricity. For this Rangkuti had to pay Rp. 700,000, or Rp. 50,000 beyond the official price quoted by PLN. Rangkuti was not provided with a receipt, however.

Yet another example is the experience of 42-year old Masimin, who in 1996 had a 450 watt instalation done. A friend suggested that he call a subcontractor directly in order to expedite the installation process, which he did. *“However, I ended up waiting three months before the electricity was turned on. I also had to pay an additional Rp. 50,000 to the individual that looked into the problem for me,”* said Masimin.

Masimin does not understand the lengthy waiting period any more than he understands the additional Rp.50,000. Neither Masimin nor Rangkuti know for certain if the services they utilized were contracted by PLN or not.

“In all honesty I cannot afford to pay an extra Rp. 50,000 as my wife and I have a combined income of exactly Rp.700,000 per month,” protested Giyono a neighbor of Rangkuti.

Both Rangkuti and Masimin felt forced to pay the additional fees in order to know with some certainty when to expect power in their homes, and even though both paid an additional Rp. 50,000, the service provided was very different in each case. Rangkuti had power in three days, while for Masimin it took three months.

The guarantees provided by PLN’s subcontractors are in reality no

better than those offered by PLN. So, although the homes of consumers may be kept brightly lit, when it comes to information they are kept in the dark.

The Crazy Issue of Land

In Indonesia, the simplest of tasks can become complex and difficult, even when it is only a matter of land. This is true even when the land in question is our own land, your own private property inherited from our parents and handed down from our ancestors. Issues are even more complex in Java where land is very limited.

This story is about 42 year old Bantarto. In 1997 Bantarto together with 7 of his neighbours (Paijo, Sukarto, Nanang, Sulastri, Brama, Tejamukti, and Mayo) tried to get land ownership certificates for their own land on which they lived. At the time the Government of Indonesia was actively promoting a land certification program in order to protect the rights of land-owners. A number of disputes between competing landowners had given the Government a bad image. As a good citizen wanting to obey government rules and regulations, Bantarto started the process of exercising his land rights

Bantaro was an itinerant *rujak*¹⁹ seller, known to his friends and neighbours as “Uncle Rujak”. Every day he would cover his working area, pushing his cart and selling servings of *rujak*. Bantart would leave home about 8.30 in the morning to earn a living for his family, and come back in the afternoon at 3.00 in the afternoon. His gross income per day was between Rp.20,000 to 30,000 and his net income would be about Rp.10,000 to 15,000 per day. That income was supplemented by his wife’s business for she had opened a stall from which she sold noodles, salt, sugar, toothpaste, tea, coffee, cigarettes. This staff produced an income of about Rp.250,000 per month.

If we add it all up, Bantarto’s family’s net income was between Rp.550,000 and 700,000 per month. This was enough for his families needs, school fees, and from time to time to buy clothes or a sarung. Bantarto was also able to make a contribution if there was some social occasion on the village which needed money. His two children’s

education needed about Rp.65,000 a month.

When the Bantarto family had paid the school fees, the money needed for daily requirements, and some other needs, they were able to save a little. From these savings they wanted to pay for the land registration. They also hoped that these savings would help with any emergency needs. Luckily, they were rarely sick – hard work kept them in good health.

In agreement with the other land-owners, Bantarto and his 7 neighbours agreed to contact a Notary or a Land Registrar to draw up their land certificates. The Notary was called Ahmed Rawi. The land in question, after it had been measured by the National Land Registry²⁰ was 743 square metres. If it was divided between 8 people, each land-owner would have about 92.8 square metres each.

In fact the costs that they found themselves having to pay were not only the official costs of the Notary or the Land Registrar²¹. They also had to pay people at the National Land Registry itself – and these were government civil servants who get salaries and are meant to serving the public. Apart from these payments, they found themselves making “voluntary contributions” starting at the household committee level right up to the Kecamatan level. If they did not make such payments, then the process would not go smoothly. The land certification process could easily be delayed indefinitely.

What a shame that they have to spend so much time and effort over land matters: this is very likely to disrupt their ability to earn their daily living.

Bantarto and his friends did not want to lose this opportunity to register their land. Their land was their life, their children's lives, and they would enter the land when they died.. However, not to make a long story of it, even if they protested, they would finally have to pay these unofficial fees. Almost all Bantarto's family savings were used up in the land registration process, even though it was such a small piece of land.

If we calculate the amount that each person paid the Notary, it came to Rp.325,000. This is a standard amount based on the land regulations

which set the cost of a document for the purchase of land to be 1% of the value of the land. Such an amount of money is equal to half of the families' monthly income, or equal to 5 months worth of school expenses (including school fees, lunch, and bus transport).

What is also a part of the land regulations is that the person who owns the land has to draw up a Statement of Willingness to sell to a Third Party²². This has to be signed by both the Neighbourhood²³ and the Community leaders²⁴ according to Burhan Kurhaini, from the Immigration and Population Section of the Mantri Jeron Kecamatan.

Problems started from here. Each of the friends were required to make a number of cash contributions beyond the official fees: Rp. 75,000 each to the RT and RW leaders, Rp.50,000 to the Village Chief²⁵ and a further Rp.75,000 for the signature of the Camat.. None of these payments, from the Neighbourhood chief up to the Camat were legally required.

According to Giyono, the Village Chief of Gedongkiwo, the Village Chief is not a Land Registrar, and a Village Chief has no right to take money for the process of arranging a land certificate. If money is required, it is only money to purchase a form or a stamp – and these costs would be between Rp.100 and a few thousand.

At the Kecamatan level the problem is the same. The Camat can indeed be a land registration officer, similar to a Notary. Bantarto and his friends did not understand why a Camat as well needed to be paid in order to make a land certificate. As Bantarto said *“The whole business was handed over to a Notary and he was also a Land Registrar.”*

This means that the land Registry was paid twice. Thank goodness if the money paid went into the office of the Land Registry or even into

¹⁹ Rujak is a kind of fruit salad served on ice and eaten with a spicy peanut sauce.

²⁰ BPN – Badan Pertanahan Nasional

²¹ PPAT – Pejabat Pembuat Akte Tanah

²² Surat Pernyataan Kesediaan Menjual Tanahnya

²³ RT – Rukun Tertangga

²⁴ RW – Rukun Wilayah

²⁵ Lurah

the office of the Kecamatan. But what if it goes into the private pocket of the Camat? This thought daunted Bantarto and his friends.

So, in short, all the expenses paid by the 8 people from the RT level to the Camat level were all "voluntary". There was no legal foundation at all for such payments. It is difficult to tell the difference between a bribe and a "voluntary payment". But Bantarto and his friends were scared that if they did not pay all the money demanded the issuing of the certificate would take a very long time. Just for example, if you are missing a single letter, the process can take months to fix, and also there is the threat of the Certificate not being granted. So to make things easy, the best way of describing these costs is "voluntary bribery"

Bantarto and his friends are unlikely to be the last victims. How can this not be when information about the process of obtaining a land certificate is unclear? Burhan attempted to explain the components of all the costs associated with obtaining a land certificate

1. The Survey Cost by BPN
2. The Land registration cost for the Camat or an assigned Notary
3. The Administration Fee (stamps etc.)
4. The Land and Building Tax
5. A "consultation fee" of Rp.2,500 every time anyone had a consultation with the BPN office

In fact information about this process should have been provided together by, at the least, the BPN, the Tax Office, and the RT and RW bureaucracy. If they do not do such tasks, why are these public servants there? Without clear information, anyone who tries to obtain a land certificate will continually be asked for "voluntary bribery".

Simply obtaining a land certificate is complex and requires a lot of money. And this is not taking into account the possibility of a conflict between the original landowner and a squatter. This would be even more more complex - and, most often, the squatters have the backing and protection of government uniforms. In fact Bantarto might have to sell his life in order to get the rightful ownership of his own land in such a case.

The Stories Analyzed: Improving Access to Information

The stories told by the poor expose a major weakness in the way public services are organized: procedures tend to be so complicated that even public officials sometimes do not understand them. Official regulations are often incongruous with the way public services are carried out in reality.

Lack of clarity about procedures and fees for public services make poor community members easy prey to illegal levies and extortion. Some feel intimidated by complicated processes and are thankful if the community chief takes care of the issue. Most feel powerless to resist demands for various fees they are charged.

As an example, everyone knows about applying for ID cards: this is an issue which shows how knowledge is power and can be exploited as a business opportunity. The poor pay bribes to simplify the process, although ID cards are meant to be free of charge.

Although wider governance reform is needed to simplify procedures and clarify accountabilities, there are two things a community can work towards to discourage corrupt behavior:

- (1) Provide clear information on the correct procedures, fees and responsibilities
- (2) Establish a complaint mechanism if regulations are violated or bribes demanded.

Part 3

Increasing Transparency and Participation - Handling Money at the Community Level



Are Community Finances in Order?

Anyone in a position of authority (however low) must be monitored to make certain he or she is not abusing their authority for personal gain. The fundamental aim of leadership should be to protect the rights of the public. One way to ensure these rights is transparency, especially with regard to public finances.

As a neighborhood leader, Ghofur has witnessed the mishandling of public funds at the neighborhood and community levels. He has lived in the Pulogadung district of Jakarta for the last 20 years, during which time he and his wife have had several children. To make ends meet, both Ghofur and his wife serve as public servants at the neighborhood level.

According to Ghofur, each family must pay a monthly fee of Rp.17,000 to the community leader. This fee is intended for such community incidentals as deaths, festivities, and garbage collection. Not everyone pays these fees on a routine basis. Rawi, also a neighborhood leader, feels that many residents are reluctant to pay the fees. In his neighborhood of approximately 100 families, only 75 people expressed a willingness to pay the required fees and Rawi is not comfortable with trying to force collection from those who refuse, but where there are costs there must also be income. Aside from the above, additional fees must be paid to utilize the neighborhood bathing, laundry and toilet facilities²⁶. Ghofur says that individual users can spend up to Rp.25,000 in a given month.

For Bejo, a 13-year resident of Jakarta originally from a small city in central Java, the misuse of public funds by those in authority at the community level is nothing new. This merchant who operates a small convenience stall earning a net profit of Rp. 500,000 per month, admits that his previous neighborhood leader, now deceased, was guilty of such misuse. "When Suseno was in charge, the use of residential fees and income from facilities was not made public knowledge," affirmed Ghofur.

²⁶ MCK - Mandi, Cuci, Kakus.

However, according to Lukito, a community leader, the lack of clarity concerning the public funds handled by Suseno was simply accepted by all and was not kept a secret intentionally. *“The residents never directly protested although there was some gossip on the subject as there always is between residents,”* said Lukito. Community members did not seek clarification, as they concerned themselves more with the care of their families. It is this lack of concern that encourages community leaders to act dishonestly.

According to residents, Suseno passed away a year ago leaving behind two wives. At the time of his death, after several terms as neighborhood leader, he had been promoted to the position of community leader. *“Before Suseno became a public official he had at times served as a guard at a government warehouse,”* said Lukito.

How did the residents come to the conclusion that Suseno was misappropriating community funds? If this was common knowledge, how is it that he was elected community leader?

“Residents did not oppose Mr. Suseno’s candidacy, because it was uncommon for residents to seek the top spot in the community. Most residents work very hard and shrink from giving up their jobs to run the community with its diverse cultural persuasions, complexities and problems,” confided Rawi, a resident of Pulogadung for 30 years. Rawi sells goods out of his home with the help of his wife and has a daughter attending college in Bekasi. He claims that it is difficult to find residents willing to fill leadership positions in the neighborhood and community, which is why when Suseno declared his candidacy he ran unopposed.

For Lukito, aside from a great deal of inconvenience, he can hope for not much else as community leader. He undertook some projects such as the main sewer clean up, now completed, that ran into problems involving neighborhood and community leaders. *“Anyone with a problem would approach neighborhood or community leaders for a solution, and most would bring an envelope,”* remarked Lukito (the envelope in question would contain money), *“but that was in the days when it meant something to be in a position of authority.”*

How then are public funds handled at the community level? Each

community usually has a bookkeeper that is responsible to collect all outstanding fees and payments from the neighborhood leaders every month. These payments are then entered into the community ledger as income. Just as these payments are recorded as income, all funds utilized by the community are documented as debits, payments or costs. For his services the community bookkeeper is paid Rp.75,000 per month. But the theory is far more orderly than the practice.

Rawi embarrassedly admitted that the late Suseno had borrowed from the public funds for personal use, leaving a debt of around Rp.300,000. *“The exact amount is known only to Suseno’s bookkeeper,”* added Bejo.

Lukito explained that the misappropriation or misuse of community funds in this instance was not a big issue with the neighborhood and community leadership, who were all too well acquainted with the situation, and who in fact agreed to write off the debt. They explained that Suseno was always cooperative and helpful, and had served community residents well during his tenure.

The residents were forgiving because they regard neighborhood and community leadership positions as social or voluntary postings. The fact that neighborhood and community leaders who are responsible to ensure good governance can misappropriate funds provided by the residents in their care is evidence enough that the system of checks and balances is sorely lacking. Although this may not prove detrimental when such negligible sums of money are involved, what happens when more is at stake?

The Fate of Teluk Bayur, Makassar

Teluk Bayur is an old port city in Padang, West Sumatra, which became famous after Indonesian artist Erni Djohan popularized a song written about it. A sentimental symbol of home to Padangese everywhere, it also became familiar to the residents of the Maccini Sombala district of Tamalate, Makassar who decided to name a street in their district after the famed port. At the time the Provincial authorities²⁷ were looking to merge two districts and the residents agreed to facilitate the merger.

Firman led the local residents in their negotiations with representatives from the the Regional Legislature²⁸ that came to scout the location. Because the members of the Regional Legislature fall under the jurisdiction of the Provincial Government, Firman felt certain that the residents could negotiate a fair price with their landowners to purchase the land needed to build the street. *“If they could reach an agreement, the local landowners would leave their property singing Selamat Tinggal Teluk Bayur (Goodbye Teluk Bayur),”* said Firman.

But dreams rarely reflect reality. According to Jalil, who has been a resident of the district since 1987, the construction took a three year long, step-by-step process. After the first step of laying the gravel and sand mixture it was two years before the second step of pouring the asphalt was completed. *“The street was built by contractors, and if I remember correctly the project was subsidized by the World Bank,”* said Jalil.

Jalil didn't pay much attention to the project, as it was a good distance from his home. A fruit and vegetable merchant whose business was losing profit, Jalil observed that the road construction project was being completed in a very poor manner. For instance, the surface roughening was not quite finished before the asphalt was poured, and very little asphalt was used. Five drums of asphalt should have been used for a project of this size but only two were actually poured. Perhaps the contractor thought that because the residents knew very little about construction they could be easily fooled. Or perhaps he agreed with the opinion stated by Tambusi, another resident, that the roads in the district were always bad like they were meant to be that way.

According to Jalil, several local residents complained to the construction crew, but their complaints went unheeded perhaps because the workers were not in any position to make decisions. In the end, the final stretch of road was left unfinished and after only a few months use the road began to crumble because of the poor quality of the construction and a lack of coordination with the local water authority. The contractor had apparently believed that the landowning residents did not wish to part with any more of their land for the widening of the road, but he

²⁷ PEMDA – Pemerintah Daerah

²⁸ DPRD – Dewan Perwakilan Rakyat Daerah

never asked. In Jalil's opinion the landowners would have gladly allowed a wider road, especially for a reasonable price.

Firman felt that an understanding between the local citizens and the contractor was never established. The residents wanted the drainage ditches dug within their individual properties to allow for a wider road. The contractor did not comply. Moreover he reported to the district leader that the landowners did in fact not wish to sacrifice additional property for the widening of the road. Eventually, the contractor abandoned the project without the knowledge of the residents.

Oddly enough, the district leader accepted the contractor's reasons without question and without confirmation from the residents. Jalil could not identify exactly who was to be blamed for the failure of the project and the obvious corruption involved, but from the beginning the road construction had been less than transparent, as details of project funding and road specifications were hidden from the residents. The district leader also never spoke of the project in an open, informal manner with any of the residents, which they all agreed was rather strange. All the residents felt that the district leader should have taken responsibility for the project especially considering that it would impact on the local economy and the lives of his constituents. He should have been upset by the contractor's negligence and demanded that he finish the project in accordance with the contract.

Tambusi, a rickshaw driver whose daily income is approximately Rp.10,000, felt that the blame was beyond the district leader and fell with Provincial Government. *"There were definitely under the table dealings throughout the project. Now it would be impossible to force the contractor to return and complete and repair the road because the original work was supervised by Provincial Government representatives,"* speculated Tambusi.

To date this case was never investigated as a civil infraction and no discussion of any kind has taken place between officials and residents. Given the regional leader's silence, the residents had no one to approach with the issue. The neighborhood leader took some initiative though, and with the help of the residents used the remaining building materials to build a bridge.

Once again Teluk Bayur was left behind. Not by the sentimental Padangese, but by an unscrupulous contractor who left without word.

Assistance For Silence

Rice is the dietary staple of most Indonesians and is a commodity that since the economic crisis and the subsequent growth of poverty has become increasingly expensive and difficult to obtain. According to government figures, Indonesia produces enough rice to meet local demand, but for many Indonesian citizens it is still difficult to come by.

And so it is with Kusnan, a 50-year-old trishaw driver in Suryowijayan, Yogyakarta. Frequent assistance in the form of government subsidies for rice has made his life much easier although he has regularly suspected one particular assistance program or another of malpractice.

An example of this is the assistance program that provided building materials like cement, sand, roofing tiles and window panes to the needy to commemorate National Social Assistance Day²⁹ in 1999. *“The materials provided were said to be valued at Rp. 300,000, but when I added it all up the actual cost could not have exceeded Rp. 225,000,”* said the father of seven who earns less than Rp. 300,000 per month.

In 1996 Kusnan also received six plates and two pans from the Department of Social Welfare. Although he did not know the value of these items, he felt that there was something odd about a program that would provide a family of nine with only six plates and two pans. Kusnan never complained and was of course grateful for the help provided by various community leaders. *“I was afraid that if I questioned it, I would never receive any help again,”* he said.

In a similar incident, Agus Subagio, a neighborhood leader in Suryowijayan suspected a specific financial assistance program called the Community Development Fund³⁰ (local community-building fund)

²⁹ HKSAN - Hari Kesetiakawanan Sosial Nasional

³⁰ Dana Bangdes

of corruption. When he received Rp. 4,000,000 to develop his neighborhood he was asked by his superior, a community official, to report the use of Rp. 6,000,000. Agus refused to falsify his account and queried the official about the missing Rp. 2,000,000. The response was not satisfactory.

Similarly, during the 1999 Program for Overcoming the Effect of the Financial Crisis³¹ that was handled by the Village Development³² department at the district level in Gedongkiwo, the program coordinator gave Agus gravel for use in construction. *“When the gravel arrived I and one of my staff members refused to accept it. But the program coordinator argued that the program was coming to a close, and in the end we accepted the gravel and built the road ourselves. It would have been a shame had the gravel been taken somewhere else,”* said Agus pointing at the gravel road near his house. Strangely enough, M. Hamdan, the head of the previously mentioned program, and the Village Development coordinator in Gedongkiwo, seem to have disappeared.

More often than not, reports of aid distribution and other social assistance are fraudulent as the assistance reported (monetary or otherwise) is far more than that actually provided. According to Rachmad, a department head in the Gedongkiwo region and acting program manager for the JPS program in Suryowijayan, many aid recipients are impostors - selected directly by the neighborhood leader. Rusman HS, a neighborhood leader in Suryowijayan corroborated this claim when he stated that; *“Recipients for JPS assistance or any other assistance program for that matter are directly selected by the neighborhood leaders.”*

Ruhyat, a neighborhood leader in Suryowijayan, in contradiction of Rusman's claim argued that the relevant community leader determined those selected to receive government aid. Selections are made in this manner even though it is impossible for the community leader to know exactly who in such a large area is in the direst need, or which families are the poorest in the area. *“The end result of this method are programs that are ineffective in helping those who really need assistance,”* complained Purwoto. Several other residents of Suryowijayan agreed.

That was the case with the Special Market Operation³³, a rice distribution program. The most obvious sign of corruption in this particular instance

was that the amount of rice reportedly delivered was frequently much greater than the actual amount received by program participants. Corruption was also evident in the selection of individuals to receive subsidized rice from the Special Market Operation. According to regulations, rice was to be sold under the program at Rp.1,000 per kilogram, but in reality certain officials sold the rice to the poor for Rp.1,100 or Rp.1,200 per kilogram. Rachmad, the Social Safety Net³⁴ rice program administrator, claimed that the money in question (Rp.100 to 200 per kilo) was used to cover transportation and administration costs, employee lunches and such. *“This was done by the community leader and agreed to by the residents,”* he stated.

According to Rachmad, the administrative costs are covered under the program budget. These funds are disbursed in two phases. The first provides Rp.90,000 to cover administrative costs while in the second phase Rp.180,000 is disbursed for other administrative needs. Rachmad insists that this funding is well below the actual administrative costs of the program. What is strange is that the public is kept totally in the dark and if information on the subject is disseminated it only serves to further confuse the public.

“There is a problem with information being withheld from the public,” remarked a resident of Suryowijayan. The lack of information concerning various building subsidy programs sponsored by the government is quite obvious to residents who claim that information always seems to be interrupted at the elite neighborhood or community level. Residents also claim that very often even before distribution, three kilos of subsidized rice is already missing. The difference varies in correlation to the amount of rice a particular resident has the right to receive.

Rachmad’s version of why this difference exists is temperature and punctured gunnysacks. Thieves puncture the gunnysacks in several places with sharp objects and steal the rice. *“These sacks can be punctured at any point in their journey: the port, the ship, the truck, or the train prior to distribution by government agencies,”* he added.

³¹ PDMDKE – Pemberdayaan Daerah Mewngatasi Dampak Krisis Ekonomi

³² LKMD

³³ OPJ – Operasi Pasar Khusus

³⁴ JPS – Jaringan Pengaman Sosial

Because the Social Safety Net programs are intended for neighborhood residents, they naturally have the right to demand accountability, but most have simply given up, choosing instead to turn a blind eye to the corruption of the officials involved. *"I no longer complain about the method by which the community leader selects aid recipients,"* says Ruhiyat. *"I sometimes question or mildly protest actions that appear to be illegal or corrupt, but when I do my questions and protests are answered by even greater cutbacks in assistance. If I were to get really inquisitive, I'd probably get cut off from assistance all together,"* adds Agus.

Like Kusnan, both of these men have chosen silence over conviction in order to receive any assistance possible.

Community Leaders Profit From Rice Shortage

Originally from the Polmas Province of Sulawesi, Nungki has been a resident of Maccini Sombala since 1986. In 1988 she started a small business providing basic goods to customers on credit paid in daily installments. In 1999 she tried to export lobsters to neighboring countries but found this process to be time consuming and bureaucratic.

The regional economic crisis brought Nungki's business to a complete standstill wiping out her lifesavings - money she needed to feed her family. Fortune came in the form of the Social Safety Net Program³⁵ that provided rice to needy families. Nungki was overjoyed. *"In the beginning ten kilo packets of rice were routinely sold directly to any household in need at only Rp. 10,000 each month. The market price for the same cost roughly Rp. 17,500 at the time,"* said Nungki.

Families benefiting from the Social Safety Net Program were to receive a specific amount of rice and no less, but when residents began receiving lesser quantities than stipulated (in this particular instance ten kilograms), it was clear that something was amiss. According to Nungki, the situation had been ongoing for quite some time, which is why in October 2000 residents made the Social Safety Net rice program a legal issue.

³⁵ JPS - Jaring Pengaman Sosial

This mismanagement was the result of the actions of the community leader. According to all available information the rice allocated by the Social Safety Net program was ten kilograms per household, but by the time the aid had reached the neighborhood leaders as much as two to three liters per packet had already been skimmed off.

Aside from the skimming, distribution schedules were also ignored. Often rice was distributed to beneficiary families only two instead of three times per quarter meaning that up to ten kilos per family could simply vanish. Nungki suspected the regional leader to be behind this illegal activity assisted by Edi, the man responsible to weigh and divide up the rice. Sutana, another accomplice, would sell the stolen rice to another community leader who would in turn sell it to two markets, namely Pasar PT. Pamos and Pasar Sambung Jawa.

In November of 2000, this case was publicized by Nungki's husband in a local newspaper, *Pedoman Rakyat* along with photographs of the stolen rice that had been hidden in the home of Mr. Rusli the community leader charged to resell the rice. Rusli stated that he was unaware of the origin of the stolen rice and his wife claimed that it had come from the Village Leader, her husband's superior.

In February 2001, the residents demonstrated at the county offices demanding that the leader of the Maccini Sombala region be relieved of his position due to his misappropriation of the rice provided for the residents through the Social Safety Net Program. These same residents also filed a formal complaint with the Mayor of Makassar containing signed statements from six neighborhood leaders threatening to resign if the Village leader was not replaced. Unfortunately at the time the Mayor of Makassar was on a visit to Mecca.

The Village leader in question appeared unconcerned. In fact, before the case caught the eye of the media, he had already prepared an affidavit declaring the accusations against him as slanderous and claiming that he was being set up. With relatively strong backing the village leader was not worried in the slightest about losing his position, and when asked about the missing rice he simply scoffed, "*This is not unusual.*"

One neighborhood leader, Surya Brata, did not believe the village leader's

explanation because the amount of rice stolen was estimated at three to four liters per ten kilograms. Surya had weighed the rice in the presence of the designated distributors and demonstrated the discrepancy. The distribution staff could not deny the facts that they had witnessed first hand, but neither did they do anything to rectify the situation once it had been brought to their attention.

The Mayor did not see the need to replace the village leader, but instead felt it necessary to change the distribution personnel in the field. Kabupaten staff replaced those responsible for the division and delivery of the rice at the Kecamatan and Village level. This reshuffle changed nothing and the rice continued to be delivered in amounts less than stipulated. Johansyah, secretary to the village leader of Maccini Sombala, said that the rice could have been stolen long before it arrived at the regional office.

"I frequently pick up the rice provided by the JPS program from the warehouse where all trucks are weighed before and after the rice is loaded. The recorded weight of the rice to be distributed is documented according to the difference in the weight of the trucks before and after loading. However, this documentation is not closely examined and it would be difficult to prove a claim under the process," stated Johansyah.

Nungki certainly did not accept this explanation. The reality was that the stolen rice had been stored in the homes of two different neighborhood leaders to be resold at public markets. Nungki felt frustrated to see the village leader behaving in such a manner.

The backing of the village leaders turned out to be stronger than originally thought, which gave Surya good reason to worry. Joined by other community members, Surya tried to expose the corruption going on. She went as far as to conduct demonstrations using college students to increase their numbers. However, the Kecamatan leader and the Mayor of Makassar did not look kindly on these demonstrations. Surya tried to maintain control and not permit the situation to escalate into rioting. He also hoped that A. Khaerul would replace A. Makkulawu as the Kecamatan director as Surya felt certain that such a move would help to create a cleaner local government.

In the long run though, Surya suffered personal losses because as a

neighborhood leader designated to distribute aid to his constituents, he could not in good conscience distribute less than agreed upon and ended up making up the difference out of his own pocket.

The corrupt profiteers benefited while Surya suffered losses.

The Stories Analyzed: Increasing Transparency and Participation

The money managed by the Community Leader comes from community members who make regular payments each month, from community revenues such as public latrines or through development programs. All these funds belong to the community, and their leaders are just managers of these funds, and must operate on the principles of transparency and accountability so that the community members know exactly how their money is spent.

However, people in our stories seem reluctant to act against community leaders who misuse public funds either because they feel powerless and dependent on them or because they do not have proof of this misuse.

In order to promote accountability of community leaders, citizens must demand transparency and participation:

Transparency: If community leaders were forced to be transparent about inflows and outflows of money contributions, community members would be able to distinguish between cases where money disappeared illegally and where part of the assistance was used to cover administrative costs. The community could then speak up about leakages, as people did in Makassar, discouraging their leaders from engaging in illegal activities.

Participation: If local community members are involved in the design and implementation of projects, this would reduce opportunities for corruption.

Part 4

The Illegal Bribe – Interactions With the Police



The Complexities of a Cell

To learn the true value of money, spend a night in a jail cell. If you really have no money or means of obtaining some cash, only further trouble lies ahead.

If you really don't have any money be honest from the start. Lying can be very painful particularly for a petty thief. In a case of grand larceny (in the billions of Rupiah) the accused hardly get touched by the law. A legal advisor will act as mediator between the police and the accused. The law can then be tailored to suit the customer. As for more petty criminals, don't expect any help, such assistance is simply out of the question.

Sugeng, now 45, was lucky in his brush with the law some years ago. At the time of the incident he had just left his hometown in rural central Java to come to the big city in hopes of striking it rich. A strong young man, his particular skill was as a bricklayer. He and three of his friends sought employment at construction sites around the capital. Back in those days (the 80s) Jakarta was undergoing a period of rapid development, and the construction business was booming.

Sugeng's efforts were soon rewarded, as he quickly obtained employment in a construction project under the auspicious of the Police Department, building row houses on government land. At the time he was employed, the prospective site was not much more than worthless - swamp land, filthy, foul smelling, mosquito infested and covered in mountains of trash. It had to be cleared. Sugeng and his buddies were assigned the daunting task and attacked it with zeal. They did not mind the filth, the insects or the dangerous working conditions, because foremost in their minds were their paychecks.

After four years of backbreaking work, Sugeng began to feel increasingly well off. Consistent income and a degree of job security gave Sugeng the confidence to start a family of his own, so in 1984 he married his childhood sweetheart. Today Sugeng and his wife have three children, all boys. Their firstborn is 16 years old and attending high school, the second is 12 and in the 5th grade, and the youngest is 11 years old also in the 5th grade. The two older boys live with their Grandmother in a

simpler and cheaper rural part of the country because their father cannot afford to send them to school in Jakarta. Jakarta is not only more expensive but also holds greater risks for children, as gang violence, drug and alcohol abuse, and gambling are prevalent.

Reflecting on his 20 years in Jakarta, Sugeng says that it has turned out to be a much rougher road than he had anticipated. Construction work was not always stable, which has made for bare kitchen cabinets. Sugeng, his wife, and their youngest son have often gone hungry. After four years of marriage when Sugeng's firstborn was three, tragedy struck. Sugeng, ever the proud and doting father, wanted so much to fulfill his child's every whim. To do so he religiously sought employment, at numerous jobs.

Like all toddlers, Sugeng's son would cry and carry on any time he wanted something or felt uncomfortable. Even if no more than a balloon or a piece of candy, Sugeng went out of his way to give his son gifts and make him happy. When Sugeng's son turned four he asked his father for a bicycle. Bicycles similar to the one belonging to neighborhood friend, that Sugeng's son so enjoyed to ride, were expensive. Often the neighborhood children would fuss and fight over whose turn it was to ride. Sugeng could not stand to see his son unhappy and this made it difficult for him to think clearly and rationally. He schemed and plotted for several days, and finally arrived at a plan to provide his son with a bicycle.

One fateful day Sugeng told his wife he would be stepping out for a while to visit a middle class neighborhood in a different district and buy a bicycle for their son. When she questioned him about how he intended to pay for it he could only reply with a nervous grin. His plan was brilliant, or so he thought. He was going to steal a bicycle he had had his eye on for some time. But instead of returning home with a gift for his son, this first time thief was caught in the act by a group of local residents who grabbed him and badly beat him before turning Sugeng over to a passing policeman. Such street justice is quite common in Indonesia and Sugeng was lucky that the officer happened by when he did, before any permanent injuries could be sustained. After being rescued from the angry mob, Sugeng was taken to the local police station, his wounds treated with Iodine, and placed in a cell.

After being held for two days, Sugeng had an unexpected visitor. To this day he cannot remember who his visitor was but distinctly remembers being offered a peaceful solution. His visitor told Sugeng that he wanted to help, but that there were conditions to be met. *“If you want to get out of here quickly you need only pay Rp. 200,000 and this will all go away.”* This proposition frightened Sugeng, who wondered how he could possibly pay, as he had absolutely no money. *“If I had that kind of money to begin with I would not have tried to steal that bicycle,”* answered Sugeng.

Upon hearing Sugeng’s response, the individual left and Sugeng began to mentally prepare himself for his incarceration as he was determined not to burden his wife with his release money. He decided that even if his wife could borrow the money, it would be better spent to buy his son a bicycle. Four days later Sugeng was released without condition. It is quite possible that his mysterious visitor was a police officer sent to determine whether or not there was any money to be made from Sugeng.

When Sugeng was released to his wife and son he had learned this lesson, *“It’s more important for a son to have a father than a bicycle.”*

Peace Is Beautiful As Long As...

In the midst of conflict and chaos thousands of banners proclaiming the beauty of peace can be found flying atop buildings, posts and monuments throughout the capital. These banners frequently display the names of the institutions that produce and place them such as the Police Force, the Military, or private companies and communities.

The Indonesian Police Force plays a major role in peacekeeping throughout the country - at least, this is the general feeling of the public. In Indonesia “peace” takes on a rather different face, one of bypassing the legal apparatus in the event of criminal activity in order to arrive at an equally illegal “peaceful solution”.

Not every police officer in the country subscribes to this erroneous interpretation of peace. The good image of the police more than often are ruined by those police officers who claim that they are “peace

negotiators". According to recent public opinion polls the three "peacekeeping" duties most sought after by police are traffic violations, legal disputes, and the threat of imprisonment.

In the event of a traffic violation motorists need only ask the relevant official if the issue can be solved "peacefully" Once a "peace offering" is made, the offender is permitted to continue on his way. Mugiyono, Bogiyo, Muji Astuti, Rubiyem, Artati and Parjono, all residents of Suryowijayan, Yogyakarta have experienced this unique brand of "peacekeeping" firsthand.

According to Mugiyono, he was pulled over by the police at the Pojok Beteng intersection. Since he does not possess a license or registration papers for his motorcycle and was unlucky enough to have had an empty wallet at the time, the presiding officer impounded his vehicle. The following day Mugiyono met with the same officer who proceeded to inform him that his bike would be returned to him provided he made a Rp. 37,000 contribution to a certain "peacekeeping fund". *"I'm unemployed and my wife is a washerwoman, so I bargained the contribution down to Rp. 17,000 and it worked. I returned home with my motorcycle,"* said Mugiyono.

Bogiyo, Muji Astuti, Rubiyem, Artati, and Parjono all had similar experiences and each paid "peace offerings" of between Rp. 15,000 and Rp. 20,000 to settle their traffic tickets. *"I wanted to avoid the whole legal process as it is so time consuming and if you add the cost of the fine to the trial fees and your transportation costs, finding a "peaceful solution" is so much cheaper,"* said Artati, a 40-year old housewife.

Muji Astuti, Rubiyem and Parjono echo Artati's opinion. Rubiyem is annoyed at having his activities and work interrupted and feels that a little "peace" money is far more expedient. *"Besides, everyone knows that's what the cops are hoping for,"* claimed Rubiyem who is a young mother working at a fashion school.

The "peaceful" resolution of disputes serves to bypass the complex and lengthy Indonesian legal process. According to Brigadier Police Officer Suwarso of the Mantri Jeron district of Yogyakarta, most police officers are adept at resolving incidents in which the law has been unmistakably broken such as in the case of traffic accidents or brawls.

To resolve such incidents all parties to a dispute must first agree to settle their differences “peacefully”. If all agree, then the officer will not make arrests, and if the mediation process is successful then the officer leaves the scene of the crime a hero. Unfortunately however, sometimes the Police like to fish in muddy waters. Such was the case in a gang fight involving Marwoto, Bambang and Susilo who all joined forces against a single victim. Marwoto stabbed the victim during the fight, seriously injuring him, but not fatally

The three youthful offenders were arrested and taken to the Wirobrajan police station. Gunawan, Marwoto’s father, offered a settlement to the family of the victim but was refused. *“The family of the victim was demanding a peace offering in excess of Rp.2,500,000. How could I possibly manage that when I can barely provide my family with basic necessities?”* questioned Gunawan. He continued, *“and the sum was exclusive of the Rp. 200,000 that all the families involved had to pay collectively. Besides, I was informed that the victim’s medical bill at Rumah Sakit PKU Muhammadiyah came to a total of only Rp.1,070,000.”* Gunawan’s monthly income never exceeds Rp. 125,000. His wife also works as a washerwoman adding another Rp.60,000 to the family coffer each month.

Gunawan could not understand why the victim’s family would ask for more than twice the cost of their son’s medical expenses to settle the matter. Was someone else involved? Perhaps a police officer looking to profit from this particular case? Gunawan also needed more than Rp.200,000 to retrieve the motorcycle that he had turned over to the police as collateral. These questions arose because it is well known that cases, even those of assault and battery or murder are prosecuted solely at the discretion of the presiding officer.

The victim’s family refused to change their settlement demand of Rp. 2,500,000, and the most that the families of the perpetrators could offer was Rp. 500,000 so the police turned the case over to the courts. Throughout the hearings that followed the defendants were offered the chance to settle, but were simply unable to pay. Amid all the tension and anxiety surrounding the case, the family of one of the defendants called a lawyer who promised to secure the release of all three offenders at a cost of Rp. 1,000,000 per offender. *“I suspect that the Rp.3,000,000 was intended to bribe the judge,”* stated Giyono, who had originally tried to

retain legal representation. *“When the lawyer presented me with the final figure I was shocked to discover how expensive legal services were. The legal means of acquittal cost more than the settlement.”*

The case was heard 14 times and on 18 June 2001 a federal judge sentenced Marwoto to serve ten months in prison, while Susilo and Bambang were sentenced to eight months each. Giyono was present at every one of his son’s hearings, which alone cost him Rp.750,000. Each attempt to buy his son’s freedom had failed because he could not afford to pay the bribes demanded at every turn. Eventually he had to bare the pain of his son’s incarceration.

In another case, police officers stopped and detained Dino a 20-year old rickshaw repairman, on Cokroaminto Road in Yogyakarta for carrying a sickle in a concealed manner. At the time Dino was on his way to a religious rally in Muntilan not far from where he was stopped. Dino’s father offered a “peaceful solution” and was assured that his son would be released upon the receipt of a Rp.500,000 bribe. Dino boldly refused to accept the offer. *“Let them lock me up,”* he told his father, *“but I will not permit you to suffer to purchase my freedom.”* Eventually, due to his political connections, Dino was released without trial or having to pay a bribe.

For Dino, peace truly is beautiful

Freedom For Sale

Ipda Muhammad Alibaba, a regional inspector, was recently assigned to the police unit in Tamalate. Prior to this assignment, he worked with the Sombaopu police. Alibaba says that many officers accept money from citizens who are caught breaking the law. He emphasized however, that such actions do not constitute corruption or bribery, but are simply expressions of thanks to the officers for helping to solve whatever dilemma the individual involved was facing or had created.

One prime example of such a dilemma is the deliberate breach of contract between creditor and debtor as a result of fraud. Typically,

once the police are involved the creditor and debtor are able to arrive at an out of court solution. *“This is just the way it is, and people are usually more than willing to provide officers with a token of their appreciation for their assistance in expediting a process or finding an amicable solution. This cannot be considered as bribery as it is simply a custom that takes place everywhere (in Indonesia). The police most definitely do not have quotas to fill or targets to meet as their primary responsibility is to serve the public,”* states Alibaba as he emphatically delivers the (no doubt) well-rehearsed official response. However, reality does not lie and all too often the police put a price tag on freedom for those caught breaking the law. The price tag is not related to the officer’s rank or responsibilities, nor to the gratitude felt by the individuals involved, but rather is set at the whim of the official.

One classic case of such is the experience of a young man by the name of Alwi. Feeling quite militant one afternoon, Alwi left home in full battle gear complete with a bow and a quiver of arrows to join his friends in a *tawuran*, or battle, against students of a rival school. Nurhayati, Alwi’s older sister, and her husband who is a local seafood merchant, have two children of their own and are both fed up with 21-year-old Alwi’s antics.

As fortune would have it, the Police arrested Alwi as he was crossing a canal bridge for carrying weapons in a threatening manner. *“We really panicked when Alwi was arrested,”* said Nurhayati. She continued, *“Alwi isn’t home much and what is worse he involves himself in gang fights and gets in trouble with the law.”*

After four nights of her brother’s imprisonment Nurhayati began to worry. What would happen if he were tried and sent to prison? He would be ruined. It would be impossible for him to find decent employment after his release because nobody hires ex-convicts. Nurhayati sprung into action determined to find a solution to her brother’s incarceration. First she contacted a member of the police force with the help of her friend Rauf.

“I was introduced to a police officer from the Mariso Police station but he was unable to assist in any way because his boss was already handling Alwi’s case. He pointed out the Chief of Police for me, and the next day my parents and I returned to meet him. We were informed that Alwi would be released for Rp. 300,000. We of course

could not even begin to afford a payment that high," sighed Nurhayati. Despite this initial setback, Nurhayati and her parents continued to negotiate with the police until they agreed to a bribe of Rp. 150,000 for Alwi's release. After the Police were paid, Alwi was released on probation, provided that he would never again partake in gang activity. The conditions of his release were written up, stamped and signed by Alwi thus legalizing the document. Were he to break the terms of his release he would be immediately arrested and imprisoned. Afraid that Alwi would only get into more trouble if he remained in Makassar, Nurhayati sent him back to his parents in Takalar, a district of Southern Sulawesi.

Nurhayati's friend Abdul Rauf had a similar experience in early 2000. On this particular day, Rauf, a struggling vegetable merchant with a family of three, left home on his motorcycle bound for the house of a bookie that he worked for part-time. Rauf made additional income distributing illegal gambling coupons, as he was never able to fully support his small family by selling vegetables. *"I often spent the money required to purchase vegetables to pay for my children's schooling, sometimes forcing me to close my stall for weeks at a time,"* explained Rauf.

As Rauf returned to the bookie's that afternoon, he was suddenly pulled over by four police officers. How the officers knew that he was returning from selling gambling coupons Rauf couldn't tell, but he suspected that they were familiar with the plate number of the motorcycle he was driving, which actually belonged to the bookie. Rauf panicked when the officers unabashedly demanded Rp. 250,000, stating that if Rauf did not pay up they would press charges against him. *"If you don't pay the fee, we'll take you to the station,"* taunted one of the officers.

Rauf explained to the officers that he did not have any money, although at the time he had Rp.78,000 in his pocket to be given to the bookie. The four policemen did not believe his claim and searched his person finding the Rp.78,000, but nothing more. They then began to quarrel with each other, as two of the officers were willing to release Rauf after confiscating the Rp.78,000, while the other two continued to demand Rp. 250,000.

When it became clear that they were not in agreement, the less greedy of the four left Rauf with the other two - who promptly hauled him

to the nearest police station. *“We stopped to seek shelter from the rain three different times,”* remarked Rauf. Upon arrival at the station, Rauf was instructed to return home and bring back the Rp.250,000. The officer gave him Rp.2,000 for public transport and kept the motorcycle and the coupon proceeds as collateral.

Fully aware that there was no money to be found at home, Rauf went directly to the bookie’s house and told him everything that had just taken place. Without too many questions, the bookie accompanied Rauf back to the police station to meet the two officers. When they arrived only one of the two arresting officers was waiting for Rauf to return, as the other had grown impatient and gone home.

Rauf has no idea how much the bookie paid for the release of himself and the motorcycle. *“They negotiated a long time, but I don’t know what the officer’s demands were. All I know is that the Rp. 78,000 that I had earned from the sale of the gambling coupons was not returned, because as we were leaving the officer who had waited told us that his friend had taken the money before leaving the station.”*

After this close shave Rauf never again sold gambling coupons, as his fear of being caught is now stronger than his desire for the commissions he once earned

The Back Door Into The Corps

For Wirahadi being a part of the army was a dream he would pursue despite great personal sacrifice. In addition to dedicated service, unquestioning obedience and loyalty to the Corps, Wirahadi also had to pay a large sum of money to purchase his position, one that he continued to pay for over nearly a decade.

In the late 80s, Wirahadi had to pay bribes in order to secure employment as a federal employee in a military affiliated office. Even though it was just an average job it meant the world to him and his family. In early 2001, a member of his family applied for and gained entrance into a military training program as a soldier in training. Wirahadi’s

family again had to pay numerous bribes throughout the training period.

Wirahadi and his wife Lastri are both originally Javanese and they live in a very small home in the Pulogadung district of East Jakarta. As a civil service employee of the Indonesian Army, Wirahadi's income is minimal and reflects his level of education. Lastri is a housewife and is not employed.

Before being employed by the Armed Forces, Wirahadi was a blue-collar worker in a private company for several years. Throughout the duration of his employment Wirahadi often worried about his future. He had no job security and no pension plan. He often thought of what might happen if the company went bankrupt and he lost his job. How then would he provide for his family? They could only afford the bare necessities as it was. Wirahadi became determined to find more secure employment.

When he heard through a friend about a civil service post that was vacant, Wirahadi readily applied. He was aware that federal employees were paid very little, but in his opinion a small guaranteed income was far better than one that was uncertain and that could not guarantee a future. For Wirahadi becoming a federal employee was a golden opportunity that he simply could not pass up. As a federal employee, he would receive a pension plan and would not have to work well into his old age in order to survive. He and his family would live with the security of knowing that all their necessities would be provided for.

In pursuing his dream Wirahadi was more than willing to pay a small fortune of Rp.2,000,000 in "fees" said to constitute administrative fees and a "show of appreciation" for those processing his application. Wirahadi did not consider this as corruption, extortion or bribery but simply as a procedure necessary to secure his future. The result? Wirahadi was hired, initially as a candidate and eventually as a confirmed employee. Wirahadi was so grateful to have secured a job he loved at a relatively low cost. He believed this good fortune to be nothing less than a gift from God. Wirahadi had better luck than many of his friends and family who were forced to pay much higher initial fees. Some were even held in candidate status for many years all the while paying large sums to their superiors to ensure confirmation.

Similarly Arden, a member of Wirahadi's extended family wanted nothing more than to join the military as a soldier, a dream even more impossible than Wirahadi's since Arden had never finished high school. The prerequisites for military personnel are somewhat complex and include such things as health, height, weight, personal history and family background. Applicants must also undergo formal testing. This involved and time-consuming process drives many applicants like Arden to seek a back door solution.

During the acceptance process, a ranking member of the Armed Forces is assigned to evaluate candidates and make a recommendation to the chief of personnel who is authorized to approve or reject the applicants. The higher the rank of the evaluating official, the better the chance that his recommendations will be accepted. The particular officer assigned to appear on Ardan's behalf was of considerable rank and influence within the Army. He explained to Ardan and his family that they would have to pay Rp.10,000,000 in order to secure approval. Ardan's parents agreed to this exorbitant fee in light of the worsening economic situation, rising unemployment and the high cost of education claiming that; "*We both want something. We want a position for our son, and the officials want money.*"

In reality though, all that this sum ensured was that Ardan would make a basic soldier³⁶ enabling him to enter basic training. But the bribery did not end there. In order to make the grade at each phase of his training more money was required, because if he failed at any point in the process he would be immediately dismissed. This system encourages trainees to bribe their instructors - who in turn award them high marks that guarantee graduation.

However, once the training period is complete other bribes must be paid to purchase a favorable commission. Ardan paid his assignment officer Rp.1,000,000 to be commissioned in the vicinity and to avoid being sent beyond Java and into areas of conflict.

Now, Ardan and his family must budget for his advancement in rank, promotions, military pension and other administrative needs that will ensure him a successful military career.

³⁶ Bintara

The Stories Analyzed: Legal Clarity, Moral Behavior and Governance Reform

In the first three groups of case studies it was easy to draw the line between a corruptor and his/her victim: the bribe-payer was directly or indirectly forced to pay and received no benefit from paying other than receiving a service that she should have been eligible for anyway. Three cases in this group are different: The bribe-payer is bribing in order to escape punishment for a wrongdoing. A bribe allows the perpetrator to avoid a fine or other punishment for a crime. Here, the bribe-payer has a strong interest in settling the affair by paying up and the bribe-taker benefits financially.

The poor in our participatory research point out that there is a moral cost to corruption in that people become lazy and do not follow the proper regulations. Corruption becomes part of solving legal disputes at the expense of justice, rendering the rule of law ineffective. The police force ceases to be an institution that effectively discourages crime, be it small or large, because there is a negligible risk of imprisonment or punishment if you have the financial power to pay. Financial power is translated into legal power: the wealthy can get away with anything. Justice becomes a matter of negotiation, it has a price tag.

Lessons from previous chapters can be applied in order to avoid the corrosive effect on justice:

Increasing information on what is legal and what is not and its correct punishment would put the poor in a position where they could distinguish between a justified punishment and situations where the police are trying to extort money under false pretenses. It would also help the poor to avoid transgressing the law in the first place.

Setting up a report mechanism whereby community members could report incidences of extortion would also empower the poor in their interactions with the police. If for instance the local media decided to run a complaints database which they would use to feed a weekly feature on corruption this would put enormous pressure on the police to change their behavior or else risk continued damage to their reputation.

How Corruption Affects the Poor

Analysis of Research Findings

The stories in this book speak one language with different tongues. It is the language of powerlessness, of unfair treatment without recourse, of a lack of information, transparency and voice causing uncertainty and dependence.

But what is a common experience amongst Indonesia's poor also harms society as a whole. Respondents in our Diagnostic Survey voted corruption in the public sector to the top of a list of various problems that plague the country. 82% of the poorest quintile and 96% of the richest quintile³⁷ found corruption to be "common" or "extremely common" in Indonesia.

Corruption harms society in many ways. On the one hand, there is the KKN committed by politicians or businessmen, the big-ticket corruption at the state level. This corruption has implications for the levels and efficiency of private investment, curbing economic growth and development. But it also distorts the allocation of public funds, since sectors offering greater opportunities for corruption attract more funds, and thus divert expenditures away from less lucrative sectors that are more important to the poor - such as health and education. Indirectly, this corruption hurts society in general and the poor specifically.³⁸

On the other hand, there is the nitty-gritty every day corruption which affects the poor directly about which they have spoken out so eloquently above.

Corruption is often defined as the "abuse of public office for private gains"³⁹. A more comprehensive definition of corruption which also captures its effects on relationships within a community or between bribe-payer and demander is the "abuse of power for private gains" or the "abuse of trust for private gains"^{40, 41}. The poor in our participatory research tended to view corruption in this broader sense, equating it with criminal and morally bad behavior, including theft and fraud. However, at the other end of the spectrum, others did not see voluntary unofficial payments as bribes because they chose to pay them.

The Pervasiveness of Corruption

The corruption cases cited by the poor in our research sites in Jakarta, Yogyakarta and Makassar mostly related to the public institutions which were vital pillars of their lives.

Asked to vote for the most pressing corruption problems participants over all three study sites chose garbage disposal, electricity provision, the police and schools. This coincides with results from the nationwide Diagnostic Survey where respondents chose the traffic police as the **most corrupt institution** across all income groups. The poorest income group in this survey ranked the police excluding the traffic police as the second most corrupt whereas all respondents in this survey voted judges as the second most corrupt institution.⁴²

Top four most pressing corruption problems identified during participatory research in Yogyakarta, Jakarta and Makassar:

- Garbage collection
- Electricity company
- Police
- Schools

Top three corrupt institutions identified by the poorest quintile in the Diagnostic Survey:

- Traffic Police
- Police excluding traffic police
- Judges

³⁷ The poorest quintile refers to the bottom 20% of respondents in our sample measured in per capita average of income and expenditure. This equals per capita income and expenditure averages of Rp. 17,708 to Rp. 92,857 per month. Similarly, the richest quintile relates to the top 20% with a per capita income and expenditure average of Rp. 275,000 and above per month.

³⁸ These findings are supported by empirical analysis. For the effects of corruption on economic growth cf. Mauro, 1995; Knack and Keefer, 1995. For the diverting effect of corruption on expenditures cf. Mauro, 1997. For the effects of corruption on income equality and poverty cf. Gupta et al, 1998. The analysis in this book does not deal with indirect effects of macro level corruption.

³⁹ The World Bank, 1997, p. 8

⁴⁰ Syed Husein Alatas, *Corruption: Nature, Cause and Function*, LP3ES, Jakarta, 1987. "...corruption is considered as theft that is done by means for fraud in a situation that betrays trust.", quoted in Ardyanto, 2001. Corruption is often more subtle and coercive in nature, which makes it less visible than theft or other criminal activities.

⁴¹ Cf. Amanda L. Morgan, 1998, p. 10-12 for a discussion of definitions.

⁴² The list of institutions from which to choose in the Diagnostic Survey differed from that the poor communities came up with during the participatory research. During the participatory research, institutions of direct relevance to the community were the focus of attention whereas in the Diagnostic Survey, respondents were asked to indicate the level of corruption in 35 public institutions, many of them at the national level, on a scale from 1 to 5.

By contrast, the **cleanest institutions** were perceived to be religious organizations such as mosques, churches or temples by the poorest quintile of respondents in the Diagnostic Survey. This was followed by the post office, the news media and NGOs. However, this is a relative ranking and does not imply that these institutions are free of corruption.

In most cases people expressed **anger** or **sadness** at the prevalence of corruption. However, there were a few exceptions. Some appreciated the benefit of corruption since they perceived it as a way of solving things, such as a bribe to the police officer in case of a traffic violation or to release a prisoner from jail, a bribe to the electricity company that speeds up the installation of electricity, saving the bribe-payer time and hassle. Or participants gave Social Safety Net Programs good grades because they received rice at low prices despite corruption. People also seemed to be more tolerant if bribes served as an additional fee, but they would still receive the goods or services. We found some variation in perception across our three research sites. While participants in our hamlets in Yogyakarta and Makassar were mostly sad or angry about corruption, participants in Jakarta were split: the majority of the women's group was indifferent, tending towards being sad or angry while the men were mainly happy or indifferent.

In Makassar, all 22 participants in the women's group were angry about corruption in a development project because as a result, the road was of bad quality and broke easily. However, only 5 women were angry and 17 indifferent about the fact that birth control pills were sold at the public hospital although they were supposed to be given for free.

Costs of Corruption

Corruption affects the way money is handled at the community level and therefore cuts across all areas of community life. If money disappears, services such as waste disposal cannot be carried out properly. Waste piles up at home and becomes a source of flies and diseases or is disposed of in canals or places where it is not properly handled and pollutes the environment. Similarly, the impact of the Social Safety Net Program that is supposed to help the poor is significantly reduced. If

the installation of electricity depends on the payment of bribes then some households are excluded from electricity and thus also from economic opportunities and mass communication channels (unless they can access the media at their neighbors' house or at public venues). Although the way corruption works, the roles it fulfills and the price tags it carries vary from case to case, overall corruption reduces the quality of and access to services for the poor.

Financial Cost

There are many reasons why corruption hurts the poor most. The first reason is **financial**. Bribes eat into an already tight budget and therefore put a much higher burden on the poor than on the rich.

Data from the Diagnostic Survey revealed that in **public schools**, the poor pay on average Rp. 26,300 each time they make an unofficial payment. At the **District and Sub-District Office** the poor pay on average Rp. 11,200 each time they bribe and for civil registration as much as Rp. 71,300. The **Land Registration Agency (BPN)** tops the list with an average bribe payment of Rp. 225,000. Second comes the **Police** (other than the traffic police) where the poor pay Rp. 112,000 each time they bribe. The traffic police extort Rp. 25,400 on average from the poor in bribes (see table 1). While these amounts might be negligible for a medium or high income household it has a considerable impact on a poor household considerably - as the stories in this book illustrate.

Table 1: Average unofficial payment per case (Rp.)

Service provider contact	Bribes per respondents (%)	Total quintile (Rp.)	Poorest quintile
State-owned hospital	2.9	9,800	6,300
Public school	4.4	43,700	26,300
District/Sub-district Office	12.6	21,500	11,200
Civic Registration Office	15.5	38,600	71,300
Traffic police	32.5	28,500	25,400
Police other than traffic police	20	203,500	111,700
Land Registration Agency	13.7	192,700	225,000
Electricity Company PLN	0.8	17,200	11,800

The National Diagnostic Survey shows that in general rich people spend more money on bribes than the poor. But there are also cases where the poorest pay *de facto* more than the rich or the average of all respondents, be it in absolute average amounts of bribes per incidence (see Table1) or as a percentage of total bribe payments to a public institution (see Table 2):

- At **state-owned hospitals** the poorest quintile bears 28% of total bribe payments to those hospitals and the richest only 17%. This is due to the fact that the poor use public hospitals more often than the rich. The average bribe per incident is Rp. 6,300 for the poorest quintile, almost half of what the rich pay.
- In the case of **civil registration** such as birth and marriage certificates the poor pay the largest bribes. The poorest quintile pays on average Rp. 71,000 whereas the richest quintile pays just Rp. 38,300 on average.
- For **land registry** the data shows that the poorest quintile pays more than the average for all respondents (see Table 1). They pay more than the middle class, but are topped by the richest quintile which pays over Rp. 500,000 each time they bribe officials at the land registration agency (BPN).

Table 2: Share of total bribe payments borne by income quintile (%)

Service provider	1 poorest quintile	2	3	4	5 richest quintile
State-owned hospital	28	18	17	21	17
Public school	9	15	18	28	30
District/Sub-district Office	10	16	12	35	26
Civic Registration Office	11	26	10	28	26
Traffic police	13	11	21	33	22
Police other than traffic police	4	7	8	8	73
Land Registration Agency	8	3	8	5	76
Electricity Company PLN	11	44	10	9	25

NOTE: Based on providers with 40 or more recorded bribes.

SOURCE: Diagnostic Survey of Corruption in Indonesia, Partnership for Governance Reform

Even if the poor spend less money on corruption than the rich they can afford it least. Extra expenditures mean tradeoffs in other areas or, if the demanded bribe exceeds the financial capacity, this may mean going into debt.

Cost of Not Bribing

For electricity installation the community group in Yogyakarta complained that corruption in the provision of electricity is an extra burden on each household which the poorest households cannot afford. They said that it, in fact, denies access to electricity or forces them to wait months until they get connected.

In situations where the poor refuse to bribe - on financial or moral grounds - they have to bear a **penalty for refusing to bribe**, such as exclusion from or lower quality of public services.

In competitive situations refusing to bribe can mean losing the contest against a bribing competitor. This can have far-reaching consequences such as not receiving a job one had applied for in the public service or through a job agency.

Sometimes the poor are left in the dark as to whether an additional payment is actually a bribe or not. In Yogyakarta, a community member related that the service provider who connected him to electricity said that bribes were not necessary, but he asked for an additional “tip” for the workers.

Human Capital

The poor argue that corruption affects their physical well-being and their skills. Corruption in schools increases the financial burden on parents, stretching them to their financial limits. Some have to earn additional income in order to be able to support their offspring at school and keep up with the extra demands that are put on them.

Others may delay enrolling their child in school or be forced to let their child drop out after elementary school. Alternatively, parents might risk having their loved ones exposed to ill treatment by the teachers if they cannot respond to the pressure of paying extra. So they quietly pay. If corruption in the allocation of rice aid reduces the amount of rice available while increasing its price the poorest of the poor are hit most severely, effectively defeating the purpose of such projects. It reduces their physical well being and thus their ability to work, which further constrains their economic opportunities.

To the extent that the desperately poor resort to illegal and criminal means of income generation, this in turn erodes the sense of security of the whole community.

Moral Decay

The poor bemoan the **moral decay** of officials and subsequently the community as a whole.

In the Diagnostic Survey, 16% of respondents blamed a lack of morals as the main cause of corruption. Participants in the participatory research also often referred to a “culture of corruption” where everyone is used to resorting to corruption and accepts it as a fact of life. Over time, KKN corrupts people’s minds and morals. A corrupt environment encourages corrupt behavior and corrupt behavior reinforces a corrupt environment, a vicious circle that is hard to break.

“Bribing becomes a habit and is imitated by other people in the community. Over time, people become lazy in following correct procedures, too many things are solved by bribing and the rule of law is eroded.”

Group analysis of causes of corruption in electricity provision, Yogyakarta

One mother described corruption in the police as the most disturbing form of corruption because it erodes the respect for the police and the rule of law, leaving her children to grow up without respectable role models. It also harms the reputation of the police, lowers their authority and opens the door to crime. People try to avoid dealing with the

police as much as possible. This further disadvantages the poor since it leaves them without recourse and protection, making them more vulnerable to crime, theft and fraud.

Loss of Social Capital

In Ujung Pandang, a group complained that officials “lack discipline” since they are already so used to corruption. As a consequence, they say, the community dislikes and distrusts the officials. They also said it raises public anger, stands in the way of the community becoming prosperous and just. They complained that they are fed up with receiving too many false promises.

Related to the moral decay is the **loss of social capital**. Corruption damages relationships and destroys trust and therefore is corrosive to the way communities are managed. Eventually, it increases the cost of governing communities.

Cases the poor discussed revealed that if public officials take advantage of the ignorance and obedience of community members to extract bribes from them, community members doubt whether they really represent their interests and lose their respect for them.

A suspicion of corruption is enough to harm social ties. At one site, the poor suspected that their community leaders overcharged them for rice provided under the Social Safety Net Program and pocketed the difference. The poor were too afraid to confront their leaders while the leaders did not make an effort to explain to their village

why they had to sell the rice at a price above the administered price. When prompted during our community gatherings, the sub-district chief, the local social worker and the community chief explained that they had to charge more to cover their expenses for administrative costs, for re-weighing, re-packaging and transportation of the rice, which had not been sufficiently budgeted for. In this case, all it took was communication between leaders and the community to restore trust, but other cases involve more effort.

Why are people corrupt?

When asked about the causes of corruption, 36% of respondents in the Diagnostic Survey chose low salaries of public officials as the main cause. Second came lack of control over and accountability of public officials (19% of respondents), followed by a lack of morals (16%) and poor law enforcement/punishment of corrupters (7%).

Participants in the three urban communities responded similarly. **Low salaries** were repeatedly mentioned. The poor saw that the many financial demands which came from the family, various community donations, increases in taxes, or electricity charges were a push factor that led officials to ask for bribes.

Another cause commonly mentioned was a lack of **control**, both from supervisors and the community. Participants pointed to collusion between supervisors and employees in the electricity company where supervisors get a cut from bribes taken by their staff.

The poor were often afraid of the consequences of speaking up. As one participant related during a discussion on why the community does not complain about nor monitor the weighing process of rice provided through the Social Safety Net Program:

“I do not speak up because I am afraid that next time around, when rice is delivered to my village I will be excluded from the allocation.”

Male participant on causes of corruption in the Social Safety Net Program,
Makassar

In addition, the poor lack **information** about the required procedures. In many cases these are so complicated that people see bribing as a short-cut so that they do not have to deal with different levels of the bureaucracy. This explains why some participants in our participatory research were happy to bribe since bribery allows them to “solve” matters easily. Administrative reform and simplification of procedures would reduce bureaucratic hurdles and therefore also reduce incentives for bribery.

In some cases it is also unclear which agency is responsible for which services.

In Makassar, a man had to bribe the religious leader in order to settle his divorce although the religious court is responsible for handling the formal procedures for marriage and divorce:

“We are just common people, we don’t understand these things. Well, we had to give in order to avoid hard feelings.”

Pak Rangkudu on a divorce case, Makassar

The poor also lack information on how to report cases of corruption. People did not know where and to whom to turn in order to complain about fraudulent practices of the electricity company. Similarly, data from the nationwide Diagnostic Survey showed that only 6.4% of the poorest respondents knew what process to follow in reporting corruption cases relating to public officials compared to 16.4% for the richest quintile. And only 2.5 % of the poorest quintile who had observed a corruption case involving a public official had reported it as opposed to 3.8% of the richest quintile.

Lack of **transparency** was mentioned as another key cause. In Jakarta, the community was forced to pay for waste disposal, but was left in the dark as to where their money went. The community chief collected garbage disposal fees for residential waste. Another officer collected fees for small-scale businesses. When the Sanitation Officer of Jakarta Capital City introduced another garbage fee, the community was rather baffled:

“The reason and rules are not clear. We have never seen a circular letter explaining the Jakarta Capital City garbage levies. We do not know much about the officer who is collecting the fees, his office of origin, whether he is from the sub-district office or from the Jakarta Capital City.”

Pak Machsun, in: “Garbage Fees, It’s a Mess”, Jakarta

A recurring theme during our participatory research was the so-called “**culture of corruption**”. People also cited greed and a lack of morals when explaining why officials would take money. They talked about a culture of corruption where bribe-paying is a way of getting things

done, of hiring and managing staff, of filling up insufficient budgets. Teachers were characterized as “loving money”, staff at the sub-district office as “dishonest”, electricity company employees and local government staff as “mentally corrupt”.

But where do these attitudes come from? People learn certain behaviors and adopt survival strategies based on their environment as they grow up. It is therefore important to take a step back and look at the system: the problems do not start where the traffic policeman demands a bribe. This is just the outcome of an elaborate system, of a chain of events and wrong incentives which provide opportunities for corrupt behavior without much cost.⁴³

Most cases of corruption can be explained with push and pull factors: **Push factors** are factors in the external environment which prompt people to behave in a certain way. In the case of corruption these can be *personal* factors such as greed or family demands or a shortage of disposable income or *professional* such as peer pressure (letting opportunities of corruption go untapped is considered a stupidity) or pressure by supervisors to generate cash. There might also be budgetary pressures because the allocated budget for the job is not sufficient to cover operating expenses. **Pull factors** are factors that tempt a person into doing something, that pulls them towards the action such as positive incentives. Here, it is the opportunity of generating additional income at virtually no risk of being caught.

While this describes accurately the enabling environment of corruption there are more factors within a system that actually produce these push and pull factors. Looking at the corruption stories in this book we found that a corrupt environment defined by the following **three characteristics** is especially prone to shift the burden of corruption on the poor:

- (1) A **lack of information and transparency** in a bureaucratic system with complex processes and regulations. This makes it harder for the poor to understand and therefore make use of

⁴³ Cf. Klitgaard, 2000, for a more detailed discussion of successful anti-corruption strategies.

services correctly and therefore creates endless opportunities of corruption. The poor are often intimidated by complicated procedures and more willingly pay a bribe to get easier access to services.

- (2) **Governance problems** and corruption at higher levels of government which “**trickle down**” and are absorbed by the poor. If government agencies are not funded properly this puts pressure on them to generate funds through alternative means. If money is stolen at higher levels of government this reduces the size of funds earmarked for public services. If public agencies are managed badly because loyalty rather than performance are rewarded this reduces the effectiveness of delivering public services. In short, corruption plays a role in these governance problems, reducing the quality while increasing the price of public services. The poor suffer from these consequences. They are at the receiving end with little influence over the root cause. Like passive smoking the poor suffer from the behavior of people around them that is outside their control.
- (3) Unequal **distribution of power** with the poor having less power and voice to demand change. The lack of power manifests itself in a lack of financial resources, a lack of information, knowledge and formal education, a lack of voice in the public discourse, a lack of access to those who have power and a lack of support from the legal system and the police. Although the poor often rely on an informal justice system through community leaders to settle their disputes, recourse to the formal justice system is sometimes necessary. If bribes are a prerequisite for justice it cuts the poor off from a vital conflict-resolution mechanism.

A lack of power makes the poor highly dependent on their community leaders and public officials for obtaining key services. At the same time, the power of public officials is enlarged by a high level of discretion and insufficient checks and balances, be it in the form of oversight within their institution or a reporting mechanism which allows the public to report corruption cases involving public officials.

Ways of Reducing Corruption

Despite pessimism and apathy, data from the Diagnostic Survey shows that there is a sincere will to eradicate corruption across all income groups: 67% of respondents said that *“corruption is a disease against which we should all combat, denouncing every case that we know of”*. Compared to the New Order regime, the majority of respondents thought that people are (much) less accepting of corruption now than they used to be.⁴⁴ Moreover, the Diagnostic Survey found that 57% felt that there is sincere desire and will to combat corruption within the people of Indonesia, whereas the majority of respondents (30%) gave the government a medium rank between “no sincere will” and “a sincere will” to combat corruption. This shows the great potential for social action in countering corruption. Ideally, local reform initiatives must go hand in hand with systemic reform efforts.

In order for reform to make a difference in poor people’s lives it has to start with public services that the poor rely on most. In the three research sites these included the police, schools, electricity provision, garbage collection and Social Safety Net Programs.

As we have seen **information** is a key component. Special attention has to be paid to socializing the official prices and procedures for various public services in a way that reaches and can be understood by the poor. **Transparency** in the management of community finances will help prevent corruption. **Accountability** mechanisms need to be introduced to make community leaders and public officials accountable for the money that they manage entrusted by the community. **Participation** by community members can increase the oversight over public officials and increase information and transparency.

When we talked to poor community members in Yogyakarta, Jakarta and Makassar, they came up with plenty of ideas to reduce corruption in their communities. Amongst them, **two key elements** in local campaigns can make a difference in limiting corruption:

⁴⁴ Specifically, 65% of respondents thought that people are (much) less acceptant of corruption and only 5% that people are (much) more acceptant. This breaks down in 59% of the poorest and 73% of the richest who thought that people are (much) less acceptant of corruption.

- (1) **Act as a group** as a precautionary measure to protect individuals against reprisals by public officials and to gain a larger voice. Joining forces with neighbors, friends, fellow parents, and community leaders is a crucial first step. Seeking support from local NGOs who work on community development, legal aid or anti-corruption issues is also beneficial.⁴⁵

- (2) **Increase the flow of information:** sharing experiences of KKN in local communities will bring out common characteristics and problems as well as identifying priorities for reform; organizing awareness campaigns to put corruption issues on the local agenda, socializing information on official prices and procedures for public services in a way that reaches and can be understood by the poor; setting up a complaint mechanism for corruption cases etc. Introducing transparency in the management of community finances will help prevent corruption and spot it if it occurs. Local media through radio stations, theater groups, newspapers, but also signboards and community meetings are effective means of communication. Officials will have a harder time turning a blind eye to people's demands if 100 people know about it, even less so if it is 1,000 or 10,000.

⁴⁵ In the Diagnostic Survey, the poorest quintile ranked religious organizations such as mosques, churches or temples as the cleanest, and the news media and NGOs as third and fourth the cleanest institutions. These can therefore play a pivotal role in supporting anti-corruption campaigns.

Appendix

Corruption Map: Cases in the Three Study Areas by Sector⁴⁶

SECTORS	CORRUPTION CASES FROM POOR PEOPLE'S LIVES
EDUCATION	<ul style="list-style-type: none"> • Parent had to bribe to receive report card from teacher • Excessive collection of fees, some of them “voluntary” such as building money, school tuition, charity activities, administration fees, etc. • School demanded interest payments for arrears in building fee • Special entrance fee for refugee's children (Rp. 100,000) in Makassar • Scholarship money taken away by teacher • Scholarship was reduced • Parents have to buy school uniform from school at inflated prices • School purchased school equipment at more expensive prices
POLICE	<ul style="list-style-type: none"> • Traffic ticket: bribes to traffic police: Rp. 17,000 for not carrying a Motor Vehicle Document; etc • Disputes: police arrested youth about to get involved in a fight and offered to release him against payment of Rp. 300,000, later bargained down to Rp. 150,000; police solved debt or credit conflict :conflicting parties paid “thank you money” • Seller of illegal lottery coupons got caught by police. Police demanded Rp. 250,000 or would send him to court. Kept motor bike as collateral. • Father got caught as he attempted to steal bike for his son. Police rescued him from the angry crowd, threw him in jail. Someone offered him to get released from jail against a payment of Rp. 200,000 which he cannot afford. After some days he was released. • Man caught carrying a sickle. Police demanded Rp. 500,000 to release him from prison • Bribes demanded for illegal cock fighting • Bribes for releasing gamblers from prison

⁴⁶ The research in the three study areas produced many stories and examples of corruption experienced by the poor. Not all cases were written up for the 17 stories in this book.

COURT	<ul style="list-style-type: none"> • Police jailed three youths engaged in a gang brawl: family of victim demanded Rp. 2.5million. When transferred to court, court demanded bribe, lawyer demanded Rp. 1million per person as bribe to the judge. None of these could be paid.
ELECTRICITY	<ul style="list-style-type: none"> • Unofficial and official suppliers charge different prices for installation of electricity • Bribes to get (fast) access (Rp. 50,000 for 3 months or Rp. 700,000 for 3 days) • Irregularities with electricity bill (rose suddenly). Had to pay more than the meter showed
INTERNATIONAL DEVELOPMENT PROJECTS, INCL. SOCIAL SAFETY NET	<ul style="list-style-type: none"> • Real value of building material received under aid scheme lower than stated (Rp. 225,000 instead of Rp. 300,000) • Received aid that was not needed • Selection of Social Safety Net (SSN) recipients through RT chief often missed the target • The delivered amount of SSN rice was less than stated and the price Rp. 100 to 200 per kilo higher • Cuts taken higher up the delivery chain of SSN rice - Attempted collusion between sub-district office and RT chief. RT chief was asked to account for / Rp. 6 million while he only received Rp. 4 million. • Head of RW kept diverted SSN rice piling up at his house. Collusion between sub-district head and RW head kept him in office • Road left half-finished and of bad quality so it started to break soon. Collusion between contractor and sub-district head
REGISTRATION (SUB-DISTRICT AND DISTRICT OFFICE, RELIGIOUS LEADER OR RELIGIOUS AFFAIRS OFFICE (KUA))	<ul style="list-style-type: none"> • Divorce and marriage certificates: religious leader demanded extra payment of Rp. 250,000 • 300,000 to handle the matter although the religious court has such responsibility • Divorce certificate Rp. 50,000 to KUA • Marriage certificate Rp. 17,500-40,000 • Birth certificate Rp. 17,500 • Residence card Rp. 30,000 • Household certificate Rp. 5,000 • Various fees for KTP issuance or renewal. Complicated procedures which entice middlemen to reap a profit (fees between Rp. 2,000-250,000)
LAND TITLING & ACQUISITION	<ul style="list-style-type: none"> • Complicated procedures for procurement of land documents etc. plus corruption. Various legal and “voluntary” levies, distinction unclear: “Almost everybody involved gave money in envelopes” (civil servant, Jakarta)

<p>FINANCIAL MANAGEMENT AT COMMUNITY LEVEL</p>	<ul style="list-style-type: none"> • Lack of transparency of who contributed to community financing and how the money was used. Community chief had discretion over use of money. - Community chief “borrowed” money (Rp. 300,000 or more) from community funds and died before he could repay
<p>GARBAGE COLLECTION</p> <p>LOCAL GOVERNMENT</p>	<ul style="list-style-type: none"> • Several garbage fees: RT management fee, garbage fee to Jakarta Municipality, sanitation fee for business owners • Garbage fee (Rp. 1,500) paid, but garbage not moved • Residents told to pay for local street lamps themselves although responsibility of local government (residents pay street lamp tax to local government)
<p>HEALTH (PUSKESMAS, POSYANDU)</p>	<ul style="list-style-type: none"> • Family planning pills were sold although should be free of charge • Public Health Centers: Cards/tickets for Rp. 2,500; baby weighing for Rp. 2,500; registration fee Rp. 100 more expensive than official tariff
<p>EMPLOYMENT</p>	<ul style="list-style-type: none"> • Labor Placement Firm: “Additional fee” of Rp. 300,000 to receive a job that was never delivered; administration cost for job cancellation of Rp. 400,000 • Bus company: applicant was asked for Rp. 50,000. Ended up not paying because he did not pass the test. • Various incidences of bribe payments to become a civil servant. Bribe payments and purpose varied but ranged from Rp. 2million as appreciation money and administration fee to Rp. 10 million passed to a middlemen, a high-ranking official who writes recommendations. More bribes were required for passing the entry test and for making it through the training period, for assignments to popular posts (Rp. 1million for Jakarta), for promotions, office rotations and to receive pension money.

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