

SMERU
Working Paper

*Sharing the Wealth:
How Villages
Decide to Distribute
OPK Rice*

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INTRODUCTION

In response to the financial crisis which struck Indonesia in mid-1997, the government of Indonesia, in cooperation with the World Bank, instituted a food support program called *Operasi Pasar Khusus*, or OPK. The OPK program was designed to provide first 10kg, and later 20kg, of rice per month to every poor family in Indonesia.¹ The rice was to be sold at a price of Rp1,000/kg, which represented a substantial subsidy from the market price of over Rp2,000/kg. For a typical poor household receiving the full 20kg of rice at the subsidized price, the subsidy would be equivalent to approximately 10% of annual monthly household expenditure.

The rice was distributed through village governments. Each month, rice was delivered to the villages, either directly by the government logistics depots, DOLOGs, or by the village staff, who retrieved the rice from the kecamatan (sub-district) office. Though the list of rice recipients was supposed to follow the national BKKBN social welfare guidelines, in fact, village officials had almost complete authority to determine how the rice would be distributed within their villages. As a result, as has been documented by earlier SMERU reports, the implementation of the OPK program varied dramatically from village to village, even within the same kecamatan. In some areas, the rice was well-targeted to poor families; in others, the rice was simply divided equally among recipients. In yet other areas, it was simply announced that cheap rice was available for sale, and whoever could afford to buy it was allowed to do so. Virtually all aspects of the rice distribution, from the generation of eligibility lists to the amount of rice each household was allowed to buy to the price of the rice, varied dramatically from village to village.

The purpose of this study is to try to begin to understand what lay behind the decisions made by village heads as to how to distribute the rice. Which villages distributed the rice evenly, and which were more successful at targeting it to the poor? What aspects of the village made targeting easier or more difficult? What aspects of the villages' underlying economic, social, and political landscape led to the dramatic differences in who received the subsidy, and how much subsidy they received?

This study consists of field visits to five villages—three villages in Kabupaten Pandeglang, Banten, and two villages in Kabupaten Semarang, Central Java. The three villages in Pandeglang were three of the villages included in BPS's *Survei Seratus Desa* (SSD), a panel dataset conducted from 1997 to 1999 in 100 villages, spread across 10 kabupaten (districts) in 9 provinces. The analysis from those villages is therefore supplemented with data from the SSD. Additional background information about the villages comes from BPS's 1999/2000 *Potensi Desa* dataset.

¹ Rules have subsequently been changed so that 20kg represents the maximum each family is allowed to receive per month.

SUMMARY OF FINDINGS

The differences in rice distribution had many causes, both economic and political. In all villages we visited, village officials reported that the BKKBN lists were not accurate representations of who in the village was actually poor. Commonly heard was the situation of a family with a good house-and therefore classified as non-poor by BKKBN-but with few other assets and little in the way of income. As a result, all villages we visited making any attempt at targeting rice to the poor created their own list of who was poor. The number of people added to the official BKKBN lists depended on the economic conditions of the village-the more people who were near the poverty line, the more difficult it was for a village to draw distinctions and keep rice concentrated. Therefore, a relatively flat income distribution near the poverty line seemed to lead to a much wider distribution of rice. This is not necessarily bad-in fact, the fact that local governments had the authority to spread OPK rice to such families may have been welfare-improving.

A second economic cause of targeting problems was the fact that, in all villages we visited, the rice was sold on a cash-and-carry basis. As a result, many of the very poorest families did not have cash on hand to purchase the total amount to which they were entitled, creating a surplus of rice in the village. Since the village needed to pay for all of the rice received, the surplus was sold to other families, with relatively little effort made to target the surplus rice to poor families. As the team heard from one RT (neighborhood association) head, the instruction from the village head was that all rice must be sold-to whom it was sold was a lower priority.

A third economic determinant of targeting effectiveness was the level of prosperity of those not eligible to receive the rice. In all villages, people reported problems with the quality of the rice-it sometimes had a bad smell, and it didn't always stick together properly. As a result, some wealthier families may not have wanted the rice, even if they had been able to obtain it at a cheaper price. Thus, self-targeting may have played a role in villages where the rich were substantially better off than the poor. However, the role of self-targeting may have been limited by the ability of villagers to re-sell the rice on the market. In one village, for example, we found evidence that even though richer families lobbied to receive the rice, once they received it they simply re-sold it to traders, keeping the subsidy without having to eat the inferior rice.

Politics seemed to matter more than economics in the two villages we visited in Kabupaten Semarang. In one village, a young, new village head quickly yielded to pressure to distribute the rice evenly, whereas in the other village, in almost all other respects similar, a long-established village head had no problems implementing his decision that rice should only be distributed to the poor. In Kabupaten Pandeglang, we also found that the village with the most open politics during the period, where the village head had regular meetings with residents, including meetings where OPK was discussed, was also the village with the broadest distribution of rice. We also found an inverse relationship between the education of the village head and the targeting of the rice-in the villages we visited, the villages with the worst targeting were the villages where the village head had only a primary school education.

Geography may have also played a role in explaining some of the village differences. Operational costs were generally not fully covered by BULOG, and even when they were covered, were the same for all villages in a region. Therefore, the operational outlays varied dramatically between villages close to the kecamatan office, where the rice was dropped by BULOG, and those villages further away. To the extent these costs resulted in increased rice prices, the increased prices could have made targeting the rice to the poor more difficult.

What follows is a detailed description of how the program operated in three villages in Kabupaten Pandeglang, Banten and Kabupaten Semarang, Central Java. The three villages in Kabupaten Pandeglang were purposefully selected using data from the SSD to capture differences in social and economic conditions, as well as differences in distribution of OPK rice. The two villages in Kabupaten Semarang were selected because of their similarity in economic conditions but very difference experiences with OPK.

KABUPATEN PANDEGLANG

VILLAGE 1: DESA PANACARAN, KECAMATAN MUNJUL

BACKGROUND

Desa Panacaran is a remote, very poor village, located approximately 13 km from the kecamatan town of Munjul. Panacaran is connected to Munjul by a dirt road that is impassible during much of the rainy season, and even during the dry season, negotiating the road can be difficult. As a result, transportation of goods both in and out of Panacaran can be difficult and expensive. According to the village head, when the OPK rice arrived during the rainy season, it could be transported only part of the way by truck-for the remaining distance it had to be carried by hand. This is common in the kecamatan-according to the camat, rice could not be transported by truck to 80% of the villages in the kecamatan, including Panacaran.

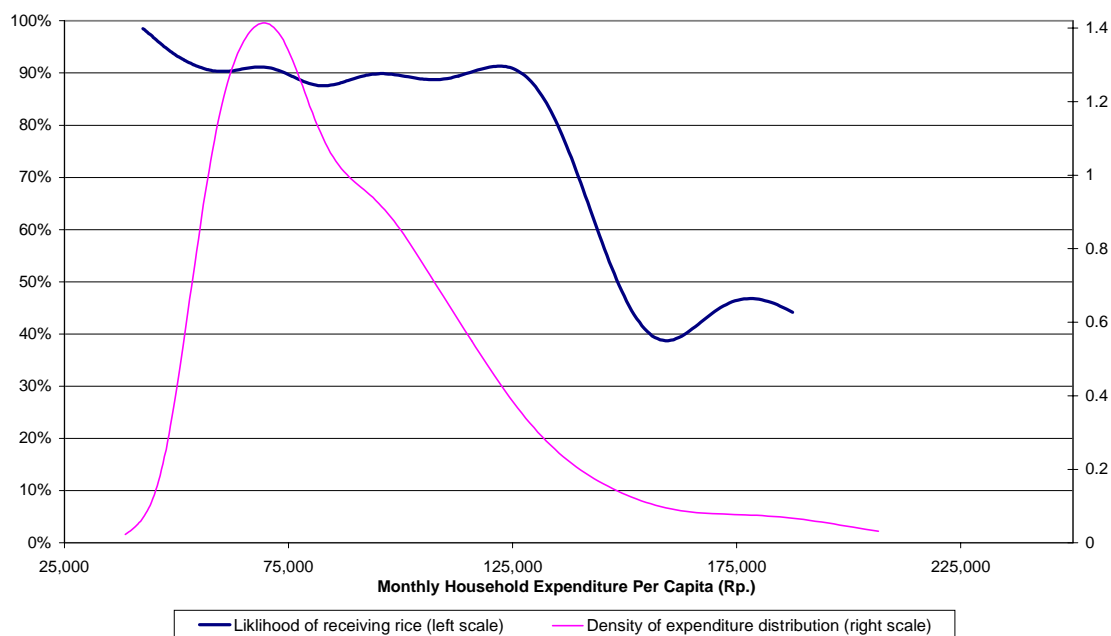
The economy of the Panacaran consists of rice farming in unirrigated fields, individual pepper, cloves, and coconut founding, and work in the surrounding rubber plantations. During times when there is not much work in the nearby areas, residents often travel to outlying areas for work as coolie laborers. According to respondents, due to strong religious sentiment in the area, family planning took root here only recently, with the result that families in Panacaran tend to be larger than those in the other villages we visited. As a result, though total household monthly expenditure in Panacaran is similar to that of other villages, per capita monthly expenditure is significantly lower, with the median family consuming only Rp74,500 per person per month in October 1999. Housing in Panacaran was also substantially simpler than in other villages – only 6 percent of all houses in the village have cement walls.

OPK-WHAT DO THE DATA SAY

The results from the SSD in Panacaran indicate a very uniform distribution of rice. From June 1999-October 1999, 89 percent of households reported receiving “sembako murah,” which was confirmed by our field visit to consist entirely of OPK rice. As Figure 1 shows, the rice was very evenly distributed, except for a slight dip at the very highest level of incomes. Closer inspection, however, reveals that the dip at higher levels of income is composed of only three households not receiving the rice. Therefore, except at the very, very top of the expenditure distribution in the village, OPK was distributed uniformly.

The following data obtained from BULOG show that, during this period, 20kg of rice was being provided for each of 462 households. Our estimates suggest that 89% of the villages 635 families, or 565 families, obtained OPK rice during this period. Since many of the families who did not obtain rice were evenly spread throughout the income distribution, it suggests that all but the very richest families-perhaps as many as 615 out of 635 families-had an opportunity to purchase the OPK rice when it arrived in the village.

Estimated Likelihood of Receiving OPK rice: Desa Panacaran
June 1999 - October 1999



Kernel density estimates based on log expenditure using Gaussian kernel, with optimal bandwidth chosen using cross-validation

OPK-TEAM FINDINGS

All OPK rice in the village was distributed directly by the village head himself. Those wishing to purchase the rice would take the rice directly from the village head's house, which doubled in Panacaran as the village office. In addition to these households, the village head added an additional 60 households whom he judged were also poor and worthy of receiving the rice, but who for various reasons had not been included on the official eligibility lists. Moreover, he also decided that all village officials would be allowed to purchase the rice as well, adding effectively another 25 households. Therefore, in total, about 400 households out of the 635 households in the village are currently eligible to receive the rice.

When it came time to distribute the rice, the village head first let the 400 families on the official list purchase the rice. From the program's inception, each family was allowed to purchase up to 5 liters of rice. (There are approximately 0.8 kg of rice per liter.) After all those on the list had purchased what they had wanted, all remaining rice was put up for sale at the same price to anyone in the village who wanted it, with no additional targeting. According to the village head, this meant that families ended up with anywhere from between 2 to 20 liters of rice, depending on how much total rice the village received. In the end, almost all families in the village had an opportunity to buy the rice—whether on the list or not.

According to the village head, the price of the OPK rice was Rp1,100 per liter, but all respondents we asked quoted a price of Rp 1,250/liter (approx. Rp1,550 per kg). In part, the additional price (Rp550/kg) was to cover the cost of transporting the rice from the kecamatan to the village—Rp10,000 per 50 kg sack over the part of the journey taken by

road, and 2 liters of rice paid to each of the laborers per sack transported over the part where it needed to be carried by hand. Adding all these costs to the base cost of Rp1,000/kg, and allowing for the fact that a sack may contain as little as 47 kg of rice, yields a total cost to the village of approximately Rp1,050 per liter, substantially less than the Rp1,250 price per liter reported by respondents.

In general, the rice was sold on a cash-and-carry basis. However, the village head reported that there were occasionally times where he gave the rice free of charge to a few of the poorest households in the village. This is consistent with there being some surplus of money available to the village head due to the higher prices charged.

POLITICAL AND SOCIAL BACKGROUND

The village head, Sarnata, seems to be popular in the village. When first elected village head in 1993, he won in a landslide, gaining 897 out of approximately 1,200 votes, despite the fact that he had three challengers for the post. He also seems quite powerful—whenever he was present, everyone else, including the *tokoh masyarakat* referred to as Pak Haji, seemed to defer to him before answering any questions. Despite the fact that there are other village institutions, such as a BPD and LKMD, that ratify his decisions, it seemed very clear that he was in charge.

Sarnata is running for re-election as village head next month. He is expected to have three challengers once again. However, he seemed confident that he will be re-elected. The *camat* also said that, from what he has heard, Sarnata is popular in the Panacaran.

Despite the perceived power of the village head, there seems to be a fair amount of discussion in the village about village policies, and a relatively high level of direct contact between the village head and residents. The chief avenue for such interactions are the *pengajian*, or religious study group meetings. There are 8 *pengajian* in the village, and they seem to be reasonably well attended. To communicate decisions and to inform people about programs in the village, including OPK, Sarnata usually makes the rounds of the *pengajian*, and explains directly to the people what is going on. In addition, he holds weekly meetings of the LKMD, which are attended by as many as 150 people.

Debate at these meetings can be lively. In discussing OPK, for example, several people put forward different proposals for how the rice should be distributed. Some proposed that the rice be divided equally throughout the village, and others proposed that religious leaders should also be included on the list of recipients. Though Sarnata's official decision added only 90 households to the list, due to the limits on the amount of rice each family could purchase, in the end the village effectively ensured that almost all households could purchase some rice.

Gotong royong seems to be strongly functioning in the village. Villagers meet every Tuesday to work on various projects, particularly the construction of the road and several bridges. From what we observed, most people in the village participate in gotong royong, regardless of class status.

CONCLUSIONS

There seem to be two main causes of the broad distribution of rice in Panacaran. The first is economic-Panacaran is a very poor village, and, perhaps even more important, the distinctions between those who are poor and those who are not are slight. Out of the 100 villages in the SSD, Panacaran had the 6th lowest gini coefficient, indicating a very equal distribution of expenditure across households. As a result of this narrow distribution of income, from the village's perspective there were many households who deserved to buy the rice who were not included in the BKKBN criteria.

The poverty of Panacaran had a second effect. Because of the poverty of the poor, many people were not able to buy the full amount of rice allocated to them. Some could not even afford 5 liters of rice per month. As a result, even if there had been no limits on the amount of rice poor families could buy, there would in all probability have been a substantial surplus of rice available to the wealthier families in the village.

Finally, the political situation in the village seems to be consistent with a broad distribution of rice. Despite Sarnata's power in the village, he directly communicates with the people, and there seemed to have been a number of people who questioned publicly whether the rice should be distributed more broadly. This pressure may have contributed to Sarnata imposing the 5 liter limit on rice sold to each family, a limit which created a surplus which was then sold to wealthier families.

VILLAGE 2: DESA CIGEULIS, KECAMATAN CIGEULIS

BACKGROUND

Desa Cigeulis is a middle-income village, located along a provincial road in the western part of Pandeglang. The village is surrounded by several different types of plantations, as well as rice fields owned by people in the village. People supplement their income by planing cloves, coconuts, bananas, and *melinjau*. There is apparently still open land available in the surrounding area, available for use by anyone willing to clear it and willing to plant teak or mahogany.

Though the economy of Cigeulis is primarily agricultural, it is also the kecamatan town, and so it is home to a number of civil servants. Its location along a provincial road also makes it home to a number of traders, some of whom transport agricultural products from the kecamatan to Jakarta. The recent development of the Tanjung Lesung resort, about 10km from the village, also has provided some economic boost to village residents. By all accounts, those interested in finding work in Cigeulis have a number of options available to them.

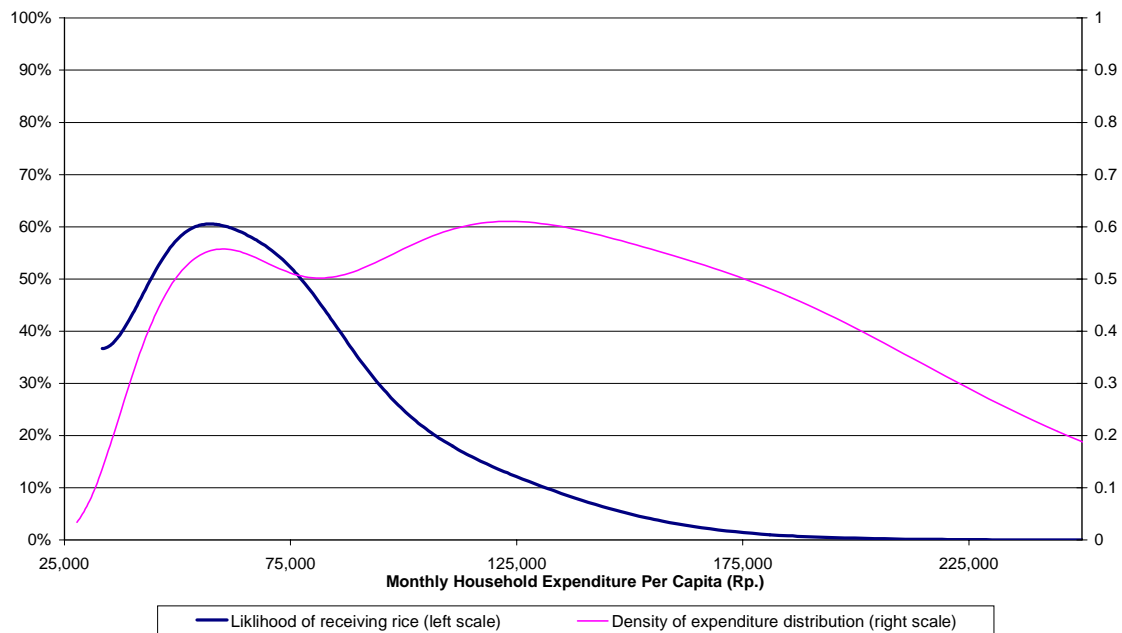
OPK-WHAT DO THE DATA SAY

Data from the SSD suggest a reasonably well-targeted distribution of OPK rice in Cigeulis-those who received the rice were almost exclusively at the bottom half of the expenditure distribution. Approximately 30 percent of households reported receiving OPK rice.

The data suggest, however, that the BKKBN criteria were not strictly followed-38 percent of pre-prosperous (KPS) households reported receiving rice, as opposed to 25 percent of prosperous (KS1-KS3) households. Had the rice been targeted entirely to the 30 percent KPS households, the rice would have been even better targeted to the poorest households.

Data obtained from BULOG show that during this period, Cigeulis received enough rice for 346 households, or 67 percent of the households in the village. This suggests a different problem in Cigeulis-rather than spreading the rice around to more households that were entitled to it, many of the households entitled to receive the rice did not receive it at all.

Estimated Likelihood of Receiving OPK rice: Desa Cigeulis
June 1999 - October 1999



Kernel density estimates based on log expenditure using Gaussian kernel, with optimal bandwidth chosen using cross-validation

OPK-TEAM FINDINGS

The distribution of the OPK rice in Cigeulis was conducted through the RTs heads, who in turn had almost complete autonomy over how rice was distributed in their neighborhood. When the rice arrived in Cigeulis, the village head called the various RT heads to his office, and told them to bring the rice back to their RT. He divided the rice equally among the RTs, despite the fact that the number of poor families living in each RT varied dramatically. The main instructions issued by the village head were that the rice had to be sold and payment returned to the village head within seven days. To whom the rice was to be sold, or at what price, was a secondary consideration, if mentioned at all. One RT head reported never even having been told that the rice was intended for poor families.

The distribution of the rice therefore depended substantially on the behavior of the RT head. Some RT heads picked out the families in their RT they considered poorest, and gave those families first priority to buy the rice. Only after the poor had purchased the rice were the wealthy allowed to purchase what remained. One RT charged a higher price to the wealthier families (Rp1,300/L, as opposed to Rp1,000/L for poor families), and used at least some of the additional money he received to distribute 3L of rice each month for free to 6 of the very poorest households in his RT, households so poor that they could not afford to buy the rice on their own. This RT was one of the poorer RTs in the village, with about 40% of its households (25 out of 58 households) considered poor.

By contrast, in another RT, the rice was not targeted at all. A fixed price was set for the rice (either Rp1,200/L or Rp1,300/L, depending on the respondent), and anyone was allowed to buy the rice. There was no priority given to poor families. Each family was first allowed to buy 5L of rice, and then if there was any rice left over, it was offered to other families in the RT. Since no priority was given to poor families, it sometimes occurred that a poor family might be unable to buy rice while a richer family would be able to. All rice in the RT was sold on a strictly cash and carry basis. As a result, since poor families could afford to purchase less of the rice than richer families, more of the rice ended up being consumed by richer families in this RT than by poorer families. This RT was relatively wealthy, home to many civil servants, and with only between 20-30% of its households (10-15 out of 50 households) considered by the RT head to be poor.

The price of the rice varied dramatically by RT. Originally, the village head asked each RT head to pay Rp60,000 for each 50 kg sack – a price of Rp1,200 / kg. This was reduced in 2001 to Rp55,000 for each 50 kg sack. The additional Rp5,000 – 10,000 seems higher than the costs incurred by the village, given that the costs of transporting the rice the 1km from the kecamatan warehouse to the village office was only Rp2,000 per sack. The village head claimed that the rice was sold at a uniform price of Rp1,200 / L, but the price varied by RT, and may have been as high as Rp1,500 / L. One RT head asked the village head what to do with the surplus money he earned from rice sales in his RT, and was told that he could keep the surplus for himself.

There was no effort made by the village head to directly inform the people about the program. Instead, all communications about the program went through the RTs, resulting in the very different distributions by RT observed by the team.

POLITICAL BACKGROUND

The current village head was elected in April 1999. He is quite young-35 years old-and high school educated. He apparently spent upwards of Rp10 million on his campaign to get elected, which was quite close-he defeated his sole challenger, a woman, by only 80 out of the approximately 1200 votes cast. From various reports, he does not seem to be very popular in the village.

His predecessor, who was in charge at the time the OPK program began, was also not particularly popular in the village-it was generally acknowledged that the reason he did not run again was that he thought he would lose the election. There were apparently a number of problems in his administration. For example, apparently land records were not

accurately kept-a village resident who thought he owned 1 hectare of land might find out that, in the official record books, he only owned ½ hectare-with the remaining land being redistributed to a friend of the village head.

The village currently has a quite strong and independent BPD. Several members of the BPD confided independently to members of the team that the BPD is planning on convening a meeting next month to discuss various problems with the village head. Since the BPD was formed in January, the village head has reportedly been much more cautious in his activities, making sure to seek their approval for all major decisions

Before the BPD was formed, however, the village head seemed to be quite powerful, and relatively removed from the people. As mentioned above, meetings between the village head and the people were infrequent, and there was no opportunity for village residents to express their opinions to the village head as to how OPK rice should be distributed. Moreover, the village government was entirely controlled by the village head, so there was little popular check on his decision making.

CONCLUSIONS

The relatively good distribution of rice observed in the data from Cigeulis is actually somewhat surprising, given the findings of the team. Most likely, the good distribution of rice derived from several causes. First and foremost, Cigeulis is a relatively well off village. As a result, the OPK rice, especially in the small quantities people end up buying (e.g., 5L per month), was not as important for residents as it was in other areas. As one relatively poor resident said, "Though I benefited from receiving the cheap rice, it didn't really make much of a difference." The result was a general indifference towards the program, from the village head on down-the village head did not seem particularly focussed on who received it, leaving it up to the RTs to decide for themselves, and the program did not become a major topic of discussion in the village. In particular, while those who were not poor may have benefited somewhat from the rice, it was not very important to them, and therefore no pressure was put on the village head to distribute the rice more broadly.

Moreover, even if the people had wanted the rice to be distributed differently, it is not clear that they would have been able to influence the village head's decisions. While the BPD in the village seems quite strong now, and there are people who seem to have more informal power than the village head, before the BPD the people did not have much of a voice in village affairs. There were few village meetings, and the village head did not seem to either need or want to solicit the people's opinions before making decisions. Therefore, pressuring him to change the rice distribution would have been difficult, even if there had been strong pressure to distribute the rice differently.

The targeting that resulted in Cigeulis seems, therefore, to have resulted from differences in wealth between RTs. In RTs that seemed to be poorer, and where the OPK rice was more important to people, the RT head seemed to focus much more on targeting the rice to the poor. By contrast, in wealthier RTs, the rice received was less well targeted.

The wealth of the village also may have had a self-targeting effect as well. There was a general acknowledgement here as well that the rice was of an inferior quality. Therefore, many of the wealthier inhabitants of the village, many of whom either grew their own rice or could afford to buy rice at the market, may not have wanted to purchase the cheaper OPK rice.

VILLAGE 3: DESA MARGASANA, KECAMATAN PAGELARAN

BACKGROUND

Desa Margasana is a middle-income village, located about 5km from the town of Labuan, on the western coast of Java. Though the village boundaries contain coastline, the village itself is located several kilometers inland, and the village is more similar to inland communities than to coastal ones. The village is surrounded primarily by rice fields.

This inland orientation is reflected in the occupations of Margasana's residents-only 3% are involved in fishing. A substantial portion of the inhabitants work in farming, but many also have jobs in the town of Labuan, resulting a relatively high standard of living for a rural community.

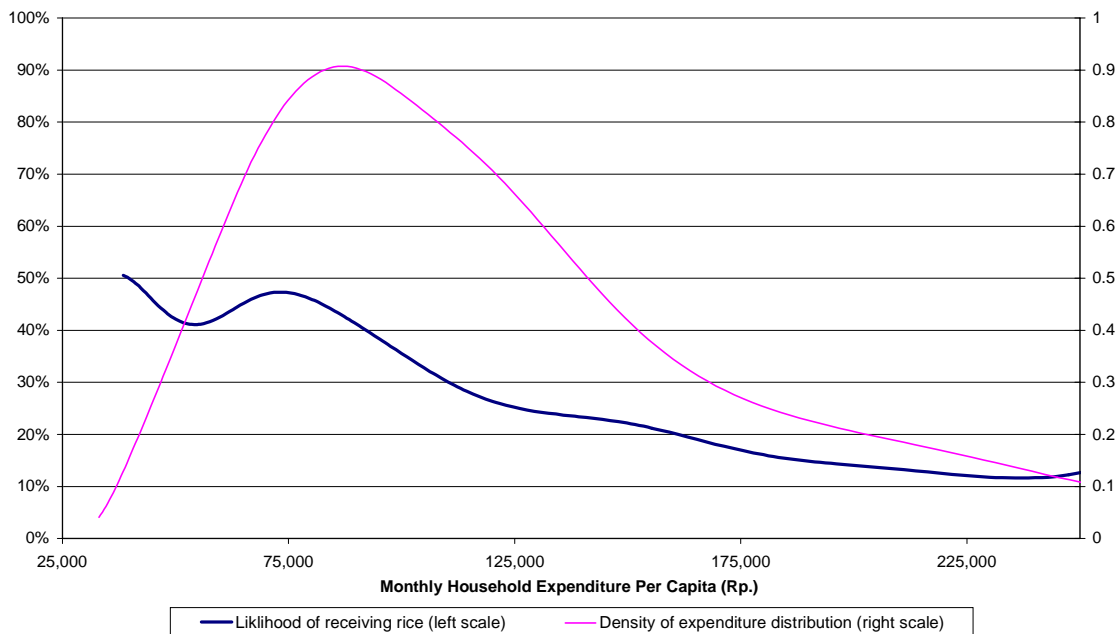
OPK-WHAT DO THE DATA SAY

Data from the SSD indicate good targeting of rice in Margasana during the period from June 1999 - October 1999, with the percentage of households receiving OPK rice falling gradually from near 50 percent among the very poor to close to 10 percent among the wealthy. A total of 36 percent of households reported receiving OPK rice during this period, suggesting that a total of 191 households in the village received OPK rice during this period.

According to data obtained from BULOG, rice was intended to be distributed to 318 out of the village's 532 houses. Once again, this suggests that all households eligible for OPK rice did not receive it. Moreover, while BKKBN data also did not seem to be rigorously followed-pre-prosperous households actually had a lower likelihood of receiving rice than prosperous households-in Margasana, this discrepancy actually seems to have improved targeting, as there was some mismatch between BKKBN criteria and poverty as measured by consumption per capita.

It is also important to note that the distribution in Margasana looked substantially less well targeted in earlier waves of the survey (December 1998 and May 1999) than in October 1999. There are several possible reasons for the improvement in targeting. First, during December 1998, the program was quite new, and it is possible that the coupon system described below was not yet in place. Second, field reports suggested that many people did not want to purchase rice during the harvest season, which in Margasana coincides with the period covered in the May 1999 survey.

Estimated Likelihood of Receiving OPK rice: Desa Margasana
June 1999 - October 1999



Kernel density estimates based on log expenditure using Gaussian kernel, with optimal bandwidth chosen using cross-validation

OPK-TEAM FINDINGS

During 1999, OPK rice came regularly to the village. When the rice arrived, it was directly measured out into plastic bags, each containing between 9-10 L of rice. Each sack was sold for Rp10,000 per sack. It was not possible to buy less than one 9-10 L sack of rice-those wishing to do so needed to find a friend with whom to split the contents of a single sack.

One coupon was issued for each sack by the village head's office. The heads of the RTs were called to the village office, and the coupons were divided among the RTs depending on the number of poor families in the RT. The RTs returned and distributed the coupons to the members of their RT. From all accounts, this system worked relatively well-the coupons were in fact given to the poorest members of the RT, and those with coupons were given priority in purchasing the sacks. If the poor did not use all the coupons allocated to a given RT, either because they could not afford the purchase price of a sack or because they did not need the rice (e.g., during the harvest season), the coupons were re-allocated, either to other members of the RT or to a different RT head. Even during

the re-allocation of coupons, there was an effort made to target the relatively poor. The only problems we found with the system were occasional reports that the rice was sold out by the time some people with coupons went to buy it, suggesting that perhaps the rice was sold to a few others before everyone had the opportunity to redeem their coupons.

The main problem in Margasana is that the delivery of rice was sporadic in 2000, and according to respondents in the village, did not arrive at all in the village during 2001. However, the camat and his spokesman, the village head from Desa Kartasana, claimed that rice had been delivered to Margasana every month, with the most recent delivery of 1.6 tons of rice in July, 2001.

When we tried to contact the village head to clarify this and other matters, he declined to answer our questions directly, offering instead to meet with us at the camat's office with the camat and the spokesman of the kecamatan village head's association. When we arrived at the camat's office, though the village head had been there earlier in the day he had left by the time we arrived. Though he was supposed to be at the nearby Independence Day celebration, the camat claimed he could not find him, and we were unable to get any further clarification from him.

POLITICAL AND SOCIAL BACKGROUND

Because we were unable to speak directly with the village head or village leaders, the profile of the political and social dynamics of the village is incomplete. The coupon system was in use elsewhere in the kecamatan, so it is possible that the decision to use that system was made by the previous camat.

Like Cigeulis, the main avenue of communication between the village head and the people regarding the program seemed to be through the RTs. The village head did not seem to have direct meetings with the people.

CONCLUSIONS

The good targeting observed in 1999 in Margasana seems consistent with the use of the coupon system we observed. Like Cigeulis, Margasana is a reasonably prosperous village, suggesting that the demand for the rice among those with slightly more income may have been lower than in other areas.

The targeting problems observed in Margasana likely stemmed from the indivisibility of the 9L sacks-those too poor to buy 9L could not obtain any rice at all unless they could band together with another villager in the same situation.

The main issue we found in Margasana was the disparity between what we heard from the kecamatan-that the rice was being delivered every month, most recently in July 2001-and what we heard from the people, which is that the rice has not arrived in over eight months.

KABUPATEN SEMARANG

VILLAGES 4 AND 5: DESA KEBOWAN AND DESA BEJI LOR, KECAMATAN SURUH

BACKGROUND

Kebowan and Beji Lor are neighboring villages, located approximately 10km from the city of Salatiga in Central Java. Kebowan consists of seven dusuns, each in a distinct location and with a distinct identity, with a total of 3,300 inhabitants. Beji Lor is somewhat smaller, with only two dusuns and 2,317 families. Since the two villages are located in the same area, have similar economic and social profiles, but had radically different experiences with OPK, to facilitate comparisons we have combined the report on the two villages.

Both villages are relatively prosperous. Though both villages are located several kilometers away from a kabupaten road, both villages have managed to pave most of the main roads in their villages. Each village has two primary schools, both in good condition. Almost all houses in the villages have tile roofs, and there are a fair number of houses with cement walls in both villages.

Inhabitants of both villages are primarily rice farmers. In Kebowan, more than half of households own land. However, only approximately 18% of households own half a hectare or more, and the remainder work at least in part as day laborers or sharecroppers on land belonging to others in the village. In Beji Lor, 37% of households own land, but again, since most landholdings are not sufficient to support a family, most people in the village work as day laborers or sharecroppers. In addition, both villages contain a small number of traders and people making a living in small industry.

Respondents in each village reported that the other village was slightly better off-qualitatively, the villages appeared very similar. The only major difference in background between Beji Lor and Kebowan reported by people in both villages was that there were slightly more people with high levels of education-high school and college-in Beji Lor than in Kebowan.

OPK IN KEBOWAN-TEAM FINDINGS

Though the villages have a relatively similar economic profile, the experiences with OPK in the two villages were very different. In Kebowan, the rice is divided evenly, and all households are eligible to purchase rice. In Beji Lor, by contrast, coupons were given to poor families by the village government to ensure that only the poor families of the village can buy the rice.

In Kebowan, according to the village secretary, the village is currently receiving approximately 6 tons of rice per month. The rice is distributed to each of the village's dusun heads, who then made it available to the people in the village. The amount of rice

each family is currently allowed to purchase varied from 4.5 kg to 6 kg, depending on the dusun and the month. The price of the rice is Rp1,000/kg, plus Rp200 for transportation.

However, not all families that purchase the rice consume it themselves. In another dusun, a respondent reported that all but the very poorest families produce enough rice themselves for personal consumption, and prefer to sell the rice OPK rice back to traders at between Rp1,200 and Rp1,300 per kg. Since they only receive 4-5 kg of rice each time they purchase it, the total amount they net from receiving the rice is only around Rp1,000 per month.

According to a number of sources, the first time the OPK rice arrived in Kebowan in 1998, village officials distributed the rice only to pre-prosperous families. However, this policy met with substantial resistance. In part, the resistance was from families that were poor but failed to meet the 'pre-prosperous' criteria—for example, a family with a nice house but no land and no income. However, there was also resistance from other, wealthier members of the village as well, claiming that they had participated actively in *gotong royong* activities and felt they should not be excluded from the cheap rice. The desire to receive the rice was widespread—according to one dusun head, though only 65 of the 80 families in his dusun are poor, all but 1 family wanted to buy the rice.

As a result of the resistance, a meeting was called by the village head, who had just been elected several months previously. The meeting consisted primarily of the village staff, including the dusun heads, as well as several *tokoh masyarakat*. At the meeting, a decision was taken to allow everyone in the village to purchase an equal amount of rice at Rp1,000/kg, even though they were aware that this was not in accordance with the central government's rules. The policy has been in place ever since.

Some poor respondents in the village reported hearing, either on the radio or from friends in neighboring villages, that the rice was intended only for poor families. However, though these people were unhappy that they were not receiving as much rice as they should have been, unlike the wealthier members of the village who had pressured for an equal distribution of rice, they did not approach the dusun heads to lobby for the rice to be given to the poor.

OPK IN BEJI LOR-TEAM FINDINGS

In Beji Lor, by contrast, the OPK rice is delivered only to poor families. Poor families receive a coupon from the village head, which they are required to bring to the village office each month to purchase the rice. The village is currently receiving approximately 2.6 tons of rice per month. Each family that is allowed to purchase the rice is allowed to purchase 10kg of rice per month. Accordingly, the last time the coupons were distributed, the village distributed 264 coupons.

In order to determine who would receive a coupon, periodically, the village head calls a meeting of all of the RT heads, who, he said, are the people in the village who know best who in the village is truly in need of the OPK rice. The RT heads each list the very poorest families in their RT, and then the next poorest, and so on until the number of

people on the list equals the number of coupons available for distribution. The RTs then take the coupons back and distribute them to the appropriate people.

Initially, as in Kebowan, there were some families who did not receive a coupon to purchase the rice who wanted to receive it. Some of those families approached the village head. However, unlike in Kebowan, he explained that the rice was intended for the poor, and since then there have been few problems.

Because the amount of rice per family was always fixed at 10kg, the number of coupons distributed by the village varied depending on the amount of rice available. When the program was at its peak, in 1999, there was enough rice that everyone in the village was able to receive a coupon and purchase the rice. When the amount of rice was reduced, however, the number of coupons were reduced. According to the village staff, people understood that the rice was intended for poor families, and reducing the number of coupons did not generate problems.

A number of respondents in the village independently confirmed that the coupon system was in place, and that only the poorer members of the village are eligible to receive the coupons. They also confirmed that they receive 10kg of rice per month, that the rice arrives every month, and that their price is fixed at Rp10,000. Moreover, those respondents not receiving the rice seem to understand that the rice is intended for poor families, and do not seem to express any desire to receive the rice themselves.

POLITICAL AND SOCIAL BACKGROUND

Both Kebowan and Beji Lor seem similar in that they seem to have a high level of social interaction. In both villages, there are regular meetings of local *pengajian* (religious organizations). The men's organizations generally meet twice per month, whereas the women meet weekly. These meetings are usually accompanied by an *arisan* (rotating savings group)-the amounts varied from Rp25,000 to Rp60,000, depending on the location.

There also seems to be a high level of *gotong royong* (community self-help) in both villages. For example, both villages reported that they had received asphalt from the government to pave roads, but had not received funds for the remaining supplies necessary for paving, such as sand and gravel. In both villages, the funds to complete the paving had been raised collectively by the community, usually with the wealthier members of the community contributing the bulk of the funds and everyone pitching in to help with the actual work. In addition, Beji Lor was rehabilitating their main mosque, also entirely funded by private contributions and executed collectively.

The political situation in the villages is quite different, however. In Kebowan, there was an election in 1998 for village head. The previous village head was defeated by approximately 672 to 500, with a small number of votes cast for two other candidates. Two factors apparently figured into the defeat of the previous village head-corruption (several people reported that the old village head, while a good leader, was corrupt) and money politics-apparently the victor spent approximately Rp25 million on the campaign.

Several of the respondents reported dissatisfaction with the new village head, Trijono. The main problem cited was his education—he has only a primary school education, whereas the previous village head had a high school education. As a result, they said, he is uncomfortable speaking in public, and rarely makes appearances at village gatherings. Also, respondents in several dusuns noted that the PKK, the village women's organization, which had previously been meeting regularly, had become much less active since the new village head took over, a result of lack of leadership from him and his wife. In two dusuns, it had stopped meeting altogether.

The village government seems largely run by the village head and the dusun heads. While the BPD has been elected, the head of the BPD reported that it was just getting off the ground, and that the village government was not used to cooperating with it. Prior to the BPD, decisions in the village were generally made by the village head, in consultation with the dusun heads and village secretary.

In Beji Lor, the situation is quite different. The village head has been in office for 15 years, and seems to be well respected by the people. He is the son of a previous village head, and was elected without challenge both times. He has a college education, and though he is now retired used to work in a bank. All respondents interviewed in Beji Lor seemed to express satisfaction with and respect for the village head.

CONCLUSIONS

The differences in OPK policy between Kebowan and Beji Lor seem to stem, most directly, from the differences in the political situations between the two villages. In Kebowan, the village head seemed to feel no inclination to withstand the pressure he faced to distribute the rice evenly. In part, this may reflect the fact that he was so new at the post and that may have achieved his post by money politics rather than by having won the respect of the people. Given his position, and given that, as the head of the BPD put it, OPK was not the most important problem facing the village (paving the remaining unpaved roads is considered a higher priority), he may very well have wanted to save his limited political capital for other purposes. Building consensus, and especially obtaining the buy-in of the more influential members of the village, may have been more important than distributing the rice to the poor. In Beji Lor, by contrast, the village head was well-established and respected, and as a result had a much easier time making the decision to distribute the rice only to the poor.

Differences in education may have made a difference as well. Anecdotal evidence suggested that there may be more people with higher levels of education in Beji Lor than in Kebowan. In particular, the people who would have been most vocal in demanding that the rice be divided evenly, the “not-quite poor,” may have been more educated in Beji Lor, and therefore more receptive to the explanations that the rice was intended to help the poor and was not just cheap rice available to everyone. This may have led to less pressure on the village head in Beji Lor than in Kebowan.

APPENDIX

Village Background Information

<i>Basic Information</i>	<u>Panacaran</u>	<u>Cigeulis</u>	<u>Margasana</u>	<u>Kebowan</u>	<u>Beji Lor</u>
Population	2,695	2,387	2,247	3,316	2,317
Number of Households	560	509	532	762	539
Geography	Hill Area	Flat	Coastal	Hills	Hills
Distance to Kecamatan	13 km.	2 km.	6 km.	4 km.	4 km.
Distance to Kabupaten	67 km.	60 km.	42 km.	42 km.	43 km.
<i>Economy</i>					
Median Monthly Household Expenditure	Rp362,412	Rp376,334	Rp391,194	N/A	N/A
Median Per Capita Monthly Household Expenditure	Rp74,366	Rp98,718	Rp91,595	N/A	N/A
Gini Coefficient, Household Expenditure	0.146	0.177	0.238	N/A	N/A
Main Occupation	Farming	Farming	Trade/Farming	Farming	Farming
<i>Farmers</i>	82%	57%	25%	N/A	N/A
<i>Fishing</i>	0%	0%	3%	N/A	N/A
<i>Other Agriculture</i>	14%	9%	1%	N/A	N/A
<i>Industry</i>	0%	3%	14%	N/A	N/A
<i>Trade</i>	3%	11%	24%	N/A	N/A
<i>Services (including Civil Servants)</i>	1%	16%	13%	N/A	N/A
Land distribution--percent of households					
<i>0</i>	3%	12%	72%		N/A
<i>0 ha - 0.5 ha</i>	8%	30%	12%	82%*	N/A
<i>0.5 ha - 1 ha</i>	29%	25%	8%	11%	N/A
<i>1 - 1.5 ha</i>	30%	13%	6%	3%	N/A
<i>1.5 ha - 2 ha</i>	18%	8%	1%	2%	N/A
<i>> 2 ha</i>	12%	13%	2%	2%	N/A
<i>Politics</i>					
Length of service of village head	6	0	5	0	13
Age of village head	44	34	45	35	55
Education of village head	SD (Primary)	SMU (High School)	SMU (High School)	SD (Primary School)	SMU (High School)

* For Kebowan, 82% figure includes both those owning no land and those owning less than 0.5 ha
Source: October 1999 SSD,