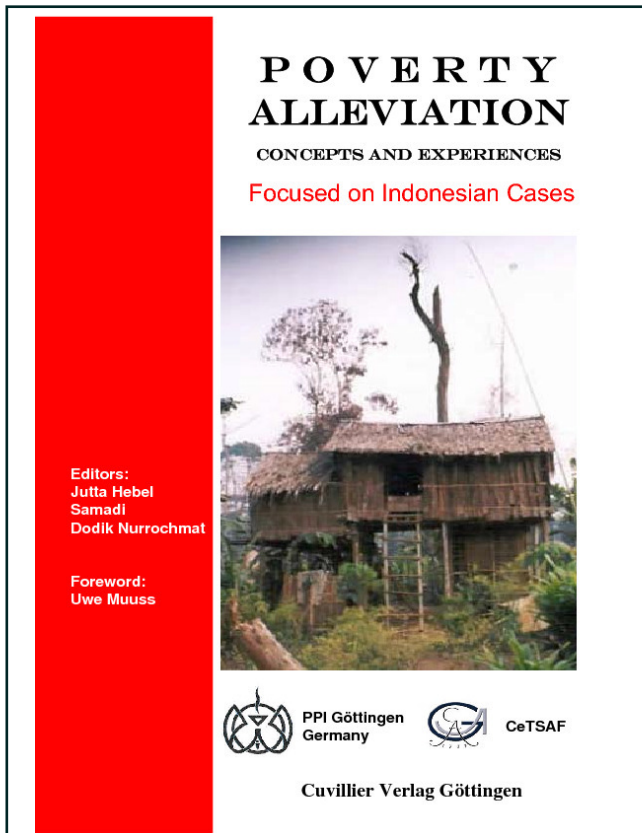




Jutta Hebel (Autor)  
Dodik Nurrochmat (Autor)  
**Poverty Alleviation**  
Concepts and Experiences



<https://cuvillier.de/de/shop/publications/2971>

Copyright:  
Cuvillier Verlag, Inhaberin Annette Jentzsch-Cuvillier, Nonnenstieg 8, 37075 Göttingen,  
Germany  
Telefon: +49 (0)551 54724-0, E-Mail: [info@cuvillier.de](mailto:info@cuvillier.de), Website: <https://cuvillier.de>

# Preface from the Editor

**Jutta Hebel**

Institute of Rural Development, Georg-August University of Göttingen, Germany

Poverty has been and is a major concern of many governments and societies in the initial stages of this new century. The UN Millennium Declaration, adopted by the world's leaders in 2000, committed countries to do all they could to eradicate poverty and to meet the target to halve by 2015 the proportion of people whose income is less than a US\$ 1 per day. Although a worldwide reduction of the percentage of poor among the world population has taken place, the growth of the world population has increased the number of the poor in absolute figures.

Poverty is not equally distributed around the globe, and some regions are particularly afflicted. On the one hand, the fight against poverty has been remarkable in some regions of the world, in particular in China and India. The reduction of poverty in China is a result of both continuous economic growth and different poverty reduction policies targeted to support rural areas. Nevertheless, the tremendous reduction of poverty reported from rural China is not a stable achievement as new risks emerge in urban areas and regional disparities grow. India's performance varies enormously across states. On the other hand, poverty increased in some regions of the world: in Africa, South Asia and Eastern Europe. South Asian countries – Indonesia included – were hit by the Asian crisis in 1997/98 and are recovering only slowly from the shock. Prior to the crisis, Indonesia – a newly industrialized country with rapid economic growth rates – experienced the expansion of its production, exports and private consumption. A net poverty reduction had taken place. The urban middle class had been enlarged and lifted to the consumption level of threshold countries. The Asian crisis caused a heavy setback in this promising direction.

As poverty is a long-lasting and persistent dilemma, the world does have knowledge on how to tackle the problem. Knowledge and poverty-alleviation projects provide additional insights as to how to meet the Millennium goals. The same holds true in the case of Indonesia. By drawing attention to Indonesian, we can go beyond making a mere statement as to the extent of poverty. Poverty is a multidimensional phenomenon. We can look for interesting points of departure in poverty-alleviation policies and ask what can be learned from the different projects. What can be and what has been done to improve the situation of the poor in Indonesia and to lift them out of poverty? Furthermore, helping the poor also contributes to society at large and to sustainable natural conditions of life. Therefore, an evaluation of the Indonesian concepts and policies applied in poverty alleviation enlarges the understanding of the recent developments in the country. Although a comprehensive poverty alleviation strategy might not be available – neither today, nor in the near future – various

interesting attempts and strategies have been, and are being undertaken. Which are the transferable lessons that can be learned from these strategies?

The contributors to the conference "*International Seminar on Poverty Alleviation: Concepts and Experience in Developing Countries*" and the subsequently published book address the problems of poverty and poverty alleviation primarily with respect to the Indonesian situation. The twelve chapters are organized in two parts, focussing on *concepts and policy evaluation* and on *strategies to alleviate poverty*, respectively.

The guidelines of the Indonesian policy to eradicate poverty are highlighted in *part one* by Mrs. M. E. A. Bey from the Indonesian Embassy. She emphasizes the general increase of poverty following the Asian crisis in 1997/98 and, in particular, the shocks to the urban population. The Indonesian government committed itself to poverty reduction policies in line with the international programs. The second chapter, written by Mrs. J. Hebel, is dedicated to theoretical and methodological considerations in the poverty debate. She accentuates the fact that in addition to aggregating and counting the poor it is necessary to disaggregate the group in order to fine tune poverty alleviation policies. The duration and depth of poverty are of great importance for policies. In addition, the concepts should assess the complexity of poverty and not only consider low income.

Some more specific aspects of Indonesia's poverty alleviation policies are presented in the following chapters. Mr. M. Afifi draws on the coral reef management and presents evidence from research on the effects of the Coral Reef Management Program (COREMAP). The aim of the program is to conserve nature and alleviate poverty by creating additional sources of livelihood. As can be seen by the results of the intervention, income diversification is a necessary precondition for nature conservation, but it does not suffice to prevent further degradation. Mr. D. R. Nurrochmat presents concepts and experiences from social forestry in Indonesia. Social forestry can be considered an applied welfare economics' measure, letting the poor benefit from the program as they are often the potential agents of forest degradation. Although poverty reduction was the main objective of the program, results from four forest villages show an increase in income but no clear reduction of poverty. Mr. Y. Subagyo emphasizes the contribution of livestock to poverty reduction in rural Indonesia. Livestock improves the livelihood of the poor in many ways, not only as a direct source of food and cash income, but also due to the interaction between livestock and agriculture. The role of livestock is of crucial value to the poor. Mr. I. F. Maharika addresses the problems of urban poverty which are often underestimated. He uses a more complex concept of poverty ("culture of exclusion"). Labelled "proto urban condition," the author displays how urban poverty in Indonesia is linked to the way of life in this country. Using three "icons," the author links poverty to the particular Indonesian way of life and argues in favour of a change that could include the marginalized poor population. The case of China is addressed by Mr. Yan Zhang. He describes three different phases of poverty alleviation policies in China: (1) a first phase of poverty relief through structural reform in rural areas (1978-1985), (2) a second phase of a well-planned and organized large-scale campaign (1986-1993), (3) and a third phase in which the key issues in poverty regions were tackled (1994-2000). He describes the major policy principles and measures of the Chinese government, emphasizing the switch towards a development oriented policy mainly targeting the poverty striven Western and Central regions of China.

*Part two* of the contributions focuses on the strategies to alleviate poverty. The six articles provide evidence taken from various case studies. Mrs. Marhawati Mappatoba and R. Birner describe the results of a project on nature conservation in villages belonging to Lore Lindu National Park, Central Sulawesi. Different agreements were made to balance and compromise the goals of nature conservation, on the one hand, and livelihood security for the rural poor, on the other hand. These agreements were locally negotiated and differ in form and issues. They are a good example of a participatory culture and authority devolution in natural resource management. Despite the remaining challenges, the projects offer valuable insights. Mr. L.M. Baga tells the story of a milk cooperative as an example of agribusiness cooperatives in Indonesia. The agribusiness sector experienced varying economic and political conditions. Milk cooperatives showed good growth and performance. The author describes the main factors that caused a rise in the standard of living of the farmers through milk cooperatives and to use it as a lesson to be learned. The farmers strengthened their power position by performing cooperative activities and, thus, contributed to the improvement of their livelihood. Empowerment problems are also an issue addressed by Mr. Suryo Woyono and Mr. Wahono. They describe three cases of integrated pest management based on participatory research. As can be seen on the basis of the cases, when given the opportunity, farmers are able to develop better insights with respect to the necessary technology. Organic farming yielded a better profit margin. Farmer participatory research (FPR), participatory technology development (PTD) and farming system research (FSR) all contribute to improving the livelihood of small farmers. Finally, this part of the book includes three contributions focussing on animal production and livestock. Mr. A. Sodiq focuses on animal production and emphasizes the role of small ruminants for increasing the farmers' income in poverty-stricken areas. There are a number of common problems such as poor quality in breeding or inadequate feeding which have to be overcome in order to improve the people's income. A number of efforts have to be made in order to alleviate poverty such as disease control, improved breeds, etc. Mr. Samadi also addresses the role of livestock in poverty reduction among smallholders. Livestock can be a manifold source of income, but many poor farmers and pastoralists rely on livestock and face problems such as scarcity of feed, health problems or poor breeds. Several strategies have to be implemented in order to improve livestock performance. If properly managed and efforts are made to solve some basic problems such as feeding and breeding, livestock turns out to be a valuable source of income generation. Poultry and sheep production have also been investigated as a strategy to reduce poverty. Mr. Winarto Hadi and Mr. A. Sodiq present information on the Livestock Development Planning System (LDPS) created by the FAO. They describe a poultry development breeding model which is targeted at the most deserving groups and encompasses steps to lead the participants out of poverty. Sheep development breeding programs are also in line with the LDPS. Both programs are implemented in view of income generation and poverty alleviation.

As can be seen on the basis of the various contributions, research and projects on poverty alleviation are manifold. The rural sector in which the world's poor try to make their living is of outstanding importance. Although the emerging new urban poverty should not be overlooked, the Millennium goal of poverty alleviation can only be achieved if the rural poverty in many countries of the developing world is successfully tackled.

# Acknowledgement

## Samadi

Chairman of Indonesian Student Union in Göttingen, Germany, 2003-2004

First of all, we would like to express our sincere thanks to Dr. Jutta Hebel at the Institute of Rural Development, Georg-August University of Göttingen for the editing of our proceedings and also to Dr. Uwe Muuss, the Managing Director of the Centre for Tropical and Subtropical Agriculture and Forestry (CeTSAF) – Georg-August University of Göttingen for his valuable support and good cooperation in publishing the proceedings.

We would like to extend our sincere gratitude to; the Ambassador of the Republic of Indonesia to the Federal Republic of Germany in Berlin, H.E. Mr. Rahardjo Jamtomo, the Ambassador of the Republic of Indonesia to Belgium and Luxembourg in Brussels, H.E. Mr. Sulaiman Abdulmanan and the General Consul of the Republic of Indonesia in Hamburg, Mr. I.B. Putu Djendra, the Integrationsrat of Stadt Göttingen, the International Office (AAA) of the University of Göttingen for both technical and financial supports, and also the Institute of Rural Development of the University of Göttingen for providing seminar facilities.

Our profound gratitude goes to the committee of the international seminar of Poverty Alleviation and to all the members of Indonesian Student Union in Göttingen. Without valuable assistance and good cooperation from all of you, this seminar would be difficult to be conducted. We wish also to express our thanks to Ms. Elodie de Lapeyre for the proof reading.

Last but not least, our warmest appreciation is due to all speakers and participants for their contribution to and attendance of our seminar and culture exhibition.

Thank you

# Opening Remarks

**H.E. Mr. Rahardjo Jamtomo**

Ambassador of the Republic of Indonesia to the Federal Republic of Germany  
On the Occasion of the International Seminar on  
Poverty Alleviation: Concepts and Experiences, Focussed on Indonesian Cases.

Mr. Samadi, Chair Person of the Indonesian Student Union in Göttingen,

Member of the Organizing and Steering Committee,

All Members of the Indonesian Student Union,

Distinguished Ladies and Gentlemen,

It is indeed an honour for me to give the opening remarks today in front of the distinguished participants on the occasion of the International Seminar on Poverty Alleviation: Concepts and Experience in developing countries, organized by the Indonesian Student Union. Allow me to take this opportunity to express my sincere appreciation to the organizer for arranging the Seminar. I believe that through this Seminar, we will be able to find common understanding, which in turn could further the efforts to find solutions to help alleviate poverty.

I think we are all aware that in doing so, problems constantly need to be overcome and that we should not be delayed for any reason. In line with the principle of equity, poverty alleviation is one of the most strategic efforts in the realization of a people-oriented economic system. In order to create such an economic system, action must be taken to keep families and groups of people who suffer from temporary destitution as the result of the economic crisis safe.

Poverty is a complex and multidimensional problem that requires a comprehensive understanding strategy. This strategy should be supported by a macro policy, such as the stabilization of prices and a growth policy favourable to the poor, agricultural development and the development of small and medium scale businesses, education and health as well as the development of rural areas.

To be fair, we have come a long way in our understanding of poverty. We now see that it arises from a social relationship of competition among individuals, groups and states in their pursuit of wealth and political power. As Lord Keynes once said "How

difficult it is for nations to understand one another even when they have the advantage of a common language". But unless we can go one step further, and realize that poverty cannot be eradicated by simply increasing economic growth, trade, consumption and the exploitation of resources, then the ideals we now hear being trumpeted will turn out to be nothing more than rhetoric. The path currently being followed by governments and many international institutions, in assuming that economic growth is the first priority, is actually leading away from the alleviation of rural poverty and environmental degradation, which is fundamental to addressing the inequality that is such a dangerous force in the world.

There has, too, been some evolution in the way the world approaches the social and economic disparities that bring it so much grief. It is increasingly being recognized that such problems are often linked in complicated ways to the manner in which societies deal with their natural resources - forests, soil, fresh water, seas - and to the impact of the globalised economy on those resources. Intergovernmental organizations have at last begun to acknowledge the essential role that environmental assets play in sustaining the rural areas where most of the world's poor people live. This necessary change in attitude was neatly captured by the UN Secretary-General, Kofi Annan, in his recent report on the implementation of Agenda 21: 'Reducing poverty and improving opportunities for sustainable livelihoods requires economic and social development, sustainable resource management and environmental protection.'

Ladies and Gentlemen,

Alleviating poverty is now on the top of the world agenda. I believe globalisation cannot be agreed upon by a large majority of the world without a significant change in the distribution of income and wealth. The poverty issue is obviously an ethical one but it has become a security one as well. We have seen how abject poverty accelerates conflicts and finally incites ethnic and religious hatred, how it fuels a violent rejection of the economic and social order on which our future depends.

Public support for global trade and investment also has decreased in recent years. Many people feel that trade has not brought extensive benefits, particularly for poor nations, and that the current trade system undermines democracy. To address both concerns, market democracies in both the industrialized and developing world must take the lead in suggesting reforms together.

But one subject on which there is a consensus is the importance of alleviating global poverty. All agree that something must be done to lessen the suffering of the poorest of the poor. Think about this when you go home tonight: half of the people on earth live on less than two dollars a day. A billion people live on less than a dollar a day. A billion people go to bed hungry every night and a billion on a half people – or a quarter of the people on earth - never get a clean glass of water.

Of course it is terrible that such a big portion of the world's population lives in abject poverty. But this is not a new problem. What is new is the world leaders' focus on trying to raise the living standard of the poorest of the poor. At the United Nations Millennium Summit in September 2000, global leaders committed themselves to a set of 'millennium development goals' to be achieved by 2015. These included reducing

the number of people living on less than \$1 a day to half the 1990 level, reducing child mortality and achieving universal primary education.

These all sound like worthwhile objectives - but they represent a lowering of horizons in terms of the kind of development that the third world can hope to achieve.

A few years ago, the aspiration was to bring developing countries up to a material level that was comparable with that in the West. It was seen as a reasonable goal that the billions of the people living in the South should have universal access to key utilities like electricity, water, roads and telephones. It was also thought that they should have a modern industrial sector - rather than relying on one or two primary commodities, such as coffee or copper - and access to the full range of consumer goods, such as cars.

Admittedly, much of the South failed to meet such objectives. Only countries that enjoyed rapid economic growth, such as South Korea and Taiwan, came close. But at least there was a consensus that such far-reaching development was the goal to aim for.

Today, the talk is of 'poverty eradication' or 'poverty reduction', rather than development in a broad sense. It seems to have become accepted that poverty will always exist - the aim of policy is merely to mitigate its worst effects.

The new approach to poverty is related to the popular notion of 'sustainable development'. Like the idea of poverty reduction, sustainable development represents a limitation on broader and more far-reaching ambitions for development in the third world.

Every sustainable development goal tends to be counter-balanced by some kind of reservation. The idea of trying to promote rapid economic growth for the benefit of humanity is entirely alien to the supporters of sustainability. Indeed, rapid development is viewed as the worst possible aspiration, most 'unsustainable', in fact.

No doubt the supporters of poverty reduction would counter that it is important to be realistic. They would say that, first the worst manifestations of poverty need to be alleviated, then it is possible to go further. A more ambitious approach, from their perspective, condemns millions of people to remain in the worst poverty.

But in reality, the opposite is true. Extreme poverty does not exist in isolation from the rest of society, instead, it is a manifestation of the broader lack of economic development. It is hard to see how extreme poverty can be overcome without raising the poorer countries as a whole to higher levels of economic development.

People in developing nations do not need empty rhetorical commitments to alleviate the most extreme manifestations of poverty. On the contrary, they desperately need a strategy that will develop the economic potential of their societies as a whole. The first step in achieving such an objective is to remove the mental shackles that limit the desire for economic growth.

Ladies and Gentlemen,



Poverty is an issue, which concerns all of us, which must be addressed in a comprehensive manner not only on the national level, but also on the global level. Concluding my short remark, I therefore would like to express my deep gratitude for your attention and interest in the issue and hope that this seminar will help forge a better understanding among the participants and lead to a close cooperation to alleviate poverty, our common enemy.

I would now like to wish you lively and constructive discussions and a successful seminar.

Thank you.