

Chapter 7

Conclusion

This thesis has investigated the relationship between kampung residents, warung, and urban poverty. In Cicadas, kampung residents and warung owners form a mutual relationship, that John Sullivan (1992) terms communality, which is more likely to be found in the kampung than the kota. According to John Sullivan ‘Communality exists to some degree in residential neighbourhoods everywhere, but the negative end case is acknowledged: neighbourhoods of zero communality [kota] in which residents maintain absolutely no primary relations with people outside their own households’ (1992:221).

In respect to Cicadas kampung, communality is evident in relations between warung owners and their customers, as seen in warung transactions. These relations are marked by the fact that the traders and the buyers know each other very well: they are neighbours or even relatives who interact intensively in daily life. As a result a warung is not only a business, but a social activity as well, involving the warung owners, their customers, and the shared values of the kampung. A warung transaction therefore cannot be understood in purely business terms; it involves the notion of sharing, taking care of each other (*silih asuh*) and the expectation that warung owners should be kind-hearted (*bageur*) to the people (the warung customers) who are in need. Guinness (1986) used the term *rukun* ‘social harmony’ to describe the relationship between kampung residents. He quoted Jay (1969) who wrote ‘For a group, *rukun* refers not only to achieving a state of communal health, but also to a process of sharing through collective action’ (1986:131).

As a result, the way a woman runs her warung is closely related to the community’s socioeconomic characteristics and the values shared by kampung community members. The provision of credit—available in most warung in Cicadas—shows how the notion of sharing is implemented. The credit relationships involved in warung transactions are generally successful from the point of view of the owners and customers, in marked contrast to the limited success of government sponsored credit mechanisms.

While *nganjuk* or credit marks the relationship between *warung* owners and the *kampung* people, *jajan* or buying and eating snacks marks relationships among residents. In *Cicadas* it is easy to find people—including children—eating snacks while chatting at a bench in the alley or at *warung*. Consuming snacks is a social activity. *Warung* exist at least partially because of the *jajan* habit among the *kampung* people. As well as making an important economic contribution, *jajan* is an aspect of cultural practice which supports the *warung*.

Nganjuk, *jajan*, and more generally the way transactions occur, show that *warung* in *Cicadas* operate in a particular way accommodating local values and ‘culture’. According to Jennifer Alexander and Paul Alexander ‘Anthropology’s tendency to treat the economic in one of two diametrically opposed ways—either as inextricably embedded in the social or as apart from and analytically prior to the social—has made us slow to appreciate that an economy is always culturally constituted’ (1991:493). The *kampung* community, including *warung*, show a pattern of relationship of sharing sustenance which indicates a survival strategy that responds to economic hardship and limited resources.

As the *kampung* is not a homogenous category (see for example Guinness, 1986), the relationship between *warung* and *kampung* is similarly complexly constituted. In *Cicadas* for example, *kampung* people have varied livelihoods and income, which lead to differences in social rank; exemplified in the distinctions between *kota*, *kampung* and *kumuh* (see chapter 2).

This research has also shown that *kampung* women are not a homogenous grouping. The women’s family background, their socioeconomic status, and their position in social ranking all affect their access to resources. As Stoler (1977) has noted, women’s social position relates to their place in the class structure which determines their options to earn income, rather than their social position being just a reflection of their gender. In *Cicadas*, only women from certain socioeconomic backgrounds and from certain levels in the social ranking can establish *warung*. These women usually have at least one family member with regular income and are all *kampung* residents (see chapter 3). Women from the *kumuh* area face more

limited options to earn income than women from the kampung area. The former generally rely on their labour such as being domestic helpers to support their families (see chapter 6). In terms of social status, having warung offers women higher prestige than work as domestic helpers, though it is less prestigious than work in the formal sector such as civil service employment.

The informal sector in the kampung—in this case the warung—is varied in terms of the business scale and the main commodities they sell (see chapter 3). I categorize the business scale into large and small, based on the daily capital and profit. The amount of supporting salary—which is used for the capital—is another important factor in determining the size of the warung. The main commodities of warung fall within the range of vegetables, non-perishable goods, snacks, and cooked food. There are also warung in which the commodities do not fall into the above categories: notably traditional herbal medicine and eye glasses.

Warung as an economic institution relates to the socioeconomic condition of Cicadas kampung people. Most of the kampung residents live in low income households and this affects their access to the formal trading sector. Formal sector businesses do not routinely extend credit and do not allow customers to buy goods in very small amounts. From the people's point of view, the reasons to shop at warung mainly relate to services which are available at warung and not generally available in other trading sectors. Such services are in line with their socioeconomic conditions; these include credit facilities, the possibility to buy small quantities of goods, their proximity, and as a way to save money (see chapter 4). The last reason particularly applies to buying cooked food, where customers can save money, time, and labour buying ready-to-eat meals relatively cheaply compared to cooking one's own food. A similar situation is found in Kebun Kacang kampung in Jakarta where Jellinek wrote 'The local stalls [warung] were mainly used because they were conveniently located and sold items in tiny quantities and on credit (1991:84). Jellinek (1991) also points out that there are economies of scale in the purchase of ready-cooked food.

Generally people from the kota area rely less on warung than people from the kampung and the kumuh area, mainly because of differences in their

socioeconomic status. There are less warung in the kota—which is inhabited by people from middle- to high-income households—as people in the kota normally go to the formal trading sector such as shops and supermarkets, where prices may be cheaper but there is no available credit and goods cannot be bought in small quantities. On the other hand, the kampung and the kumuh areas, which are dominated by people from low income households, rely more on warung. There is no significant difference between kampung and kumuh residents in regard to their ‘reliance’ on warung.

Warung businesses support approximately one third to two thirds of the total households in Cicadas kampung¹. They provide income to warung owners and hence enhance their economy (see chapter 3). Warung ownership is a strategy to extend the limited income of family members. Despite the fact that many women in Cicadas have been conducting warung businesses for a long time—in some cases for more than 30 years—there is little or no significant growth and development of individual warung businesses. Many of the warung owners are unable to improve their business into something more substantial, and most have no intention to do so.

This research shows that a warung business is only able to support the household at the subsistence level. It is a survival strategy to fulfil day-to-day needs, rather than a strategy to improve the owners’ economic status. There is no significant economic progress on the part of the women and their households. As Forbes (1981:139) wrote ‘We should not allow these features [the informal sector] of the system to blind us to the fact that it is no more than a coping mechanism, characterized by perpetual low incomes and stagnant productivity.’

Warung in Cicadas play a crucial economic role not only in the owners’ households but also in the domestic economies of kampung residents. Jellinek (1991:85) wrote ‘Most kampung [in Cicadas this includes the kumuh] dwellers did not budget, but spent whatever money came to hand each day. It was the poor, who had no access to such stores, needed credit and had little money to spend,

¹ See chapter 1, section 1.3.3. for calculation on the ratio of warung and households.

who mainly patronized the local stalls [warung]'. With regard to the poorest in Cicadas, warung have indeed helped them to survive (see chapter 6).

There is a link between women, work, and trading on the one hand, and the family circumstances and the kampung community on the other (see chapter 5). While women's involvement in the warung business is an important aspect of household and kampung economy, for individual women, the motivation to open warung relates to the women's stage in their life cycle, to their family's circumstances—there is a need for the family to extend the limited income in a way which can be combined with domestic responsibilities—and community expectations. These 'lead' the women to do what is 'appropriate' in their responses to resources scarcity. Norma Sullivan (1983) wrote that it is women who 'Provide the tactical leadership and day-to-day management of kampung affairs [including warung] because that is their socially and culturally defined role (cited in John Sullivan, 1992:121). This relates to ideologies of appropriate gendered behaviour which involve responsibilities for children, but also management of household economic affairs.

Differences in social rank also affect the chance to participate in community activities such as the *arisan* and cooperative (see chapter 2). To participate in these activities requires the commitment of the participants for regular financial contributions, which is hard for women from the kumuh area. These women tend to choose activities which do not involve such commitment, but prefer other community activities such as the monthly Posyandu meeting which gives them 'direct' benefit through the provision of free supplementary meals and immunization for young children. The notion of sharing is also evident in *arisan* and cooperative, but these activities are more suitable for kampung women.

To answer the research question 'Why are there many warung in Cicadas?' the existence of warung is mainly related to the socioeconomic level of both the warung owners and the kampung people. From the owners' view point the reasons to establish warung include: to extend the small amount of income to make ends meet. From the kampung people's view point, the reasons to shop at warung relate to the services provided by warung that meet their needs.

As to the question ‘Why do more women than men run warung?’: having a warung enables women to combine their reproductive and productive work, although this results in women working extremely long hours to perform both tasks. Warung can also be seen as an extension of women’s domestic responsibilities.

This study has contributed significantly to our understanding of the economic dynamics of an urban poor community. It has highlighted the role of warung as an important women’s economic activity. It has developed our understanding of credit relations in an urban poor community, and identified social and cultural dynamics of economic transactions. This understanding provides an important foundation to address programs of credit to the urban poor.

Epilogue

On the 1st of March 2005, less than three months before I finished writing this thesis, the Indonesian government announced an increase in fuel and gas prices known as *BBM (bahan bakar minyak)*, of an average of 29%. The government had indicated the increase since the end of 2004. Even by this time there had been some increase in the cost of basic commodities such as rice, sugar, meat, eggs, and vegetables. The formal announcement was soon followed by increases in many other necessities such as transportation costs and electricity. As a result, basic commodity prices rose even higher.

When I first heard this news, I automatically thought about the people of Cicadas, in particular the poorest from the kumuh area (see chapter 6). This BBM increase would be hard for many people, but it would be hardest on the poorest of the poor, who, even before the increase already had a miserable life.

I have had no chance to return to Cicadas to get first-hand information on the impact of the increase of BBM prices on the people. I can only imagine how people like Ati, who was forced to ‘fast’ for three days because she had no money to buy food, and Ibu Eti who had to sell her clothes to get only Rp 2,000 to buy

food (see chapter 6), would cope with increases in prices of basic commodities, including those at warung in their neighbourhood. They may not know the bigger picture of the reasons for the rise, but I am certain that such increases will only make their lives harder. While the price of kerosene, which is widely used by low income people, has not increased, other basic necessities such as the price of food may rise as a result of the rise in transport costs.

Following the announcement, the government stated that they would allocate Rp 17.9 trillion, known as the 'BBM compensation fund' (*dana kompensasi BBM*) to subsidize the poor (Kompas, 2005a). This fund is to support the poor in education, to provide health services, cheap rice through the 'rice for the poor' program (RASKIN), health services, and to develop physical infrastructure in poor rural areas (Kompas, 2005a). However, to date poverty alleviation programs such as RASKIN, the KUKESRA/TAKESRA (see chapter 6) and related programs applied in other areas, have done little to improve the situation of the poor in Cicadas. There is also the 'classical' problem of the mechanism of distribution in the programs discussed above. For instance, in Cicadas the rice for the poor program did not always reach the target group and the poor did not receive the amounts stipulated in the policy.

As for the warung owners, they may face higher prices for the warung goods they buy at the dawn market, while their capital remains the same. This may lead to the warung owners buying fewer goods than they used to. In conducting their warung businesses, they may also have to face demands for more credit. I would assume that most people's income will remain the same. There may be a salary adjustment for those working in the formal sector, but it may not be commensurate with the rising prices. As a result the people in Cicadas may have to further tighten their budgets and will get less for their limited funds.