

Livelihood Strategies and Rural Changes in Indonesia: Studies on Small Farm Communities

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Abstract

The use of the concept of livelihood currently has received an increasing acceptance from the social scientists that pay their attention particularly on the issues of rural development studies. The concept also has become one of the major important research topics under the theme of sustainable development of the marginal rural agricultural communities since last decade. This growing concern arises in response to the fact showing that the tendency of the adoption of multiple livelihood strategic actions among the rural peasant communities is steadily increasing. In that regard, some studies came to the conclusions by showing facts that the application of **diverse livelihood strategies** could have significant socio-economic and ecological implications not only for the people who live in the rural region but also those who are outside the rural regions. This study attempts to identify types of livelihood strategies that are undertaken by peasant households in two village areas. Each area represents socio-economic and culturally typical village region, namely in West Java and West Kalimantan Indonesia. The study has been able to categorize two types of strategy, namely: **individual-based livelihood strategy**, and **communal-based livelihood strategy**.

Keywords: livelihood strategy, peasant communities, Indonesia.

1 Introduction

Each rural community develops its own strategy for survival and build specific **form of resistance** necessary for protecting the whole social system from any devastating socio-economic threats. At the same time, each individual household also builds various strategies necessary to carry on the livelihood of its members, particularly in facing difficulty, economic uncertainty, and preparing for any contingency. These two

types of survival actions have built a complex phenomenon of the livelihood actions that is peculiar for each community. Accordingly, livelihood strategies are location specific in the sense that different region provides its community with distinct possibilities for undertaking survival actions.

The concept of various livelihood strategies may be understood as “diverse economic actions oriented towards meeting desirable needs that are complex and interrelated, and are ranging from natural resources manipulations using specific techniques up to constructing institutional regulating mechanisms at different levels of social system of the community”. The livelihood strategies that a small traditional farm community adopted could also cause dramatic rural changes in the form of functional shifts and the transformation of social structure in a community following the performed survival actions.

2. Objectives and Methodology

This paper tries to observe and to conceptualize major **patterns of livelihood strategy** that are shown by peasant households in rural areas of Indonesia. The study also tries to identify **related consequences** resulting from survival actions that most of peasants normally adopted. The data and information used in this paper are largely based on the evidence found from the fieldwork done during 1997-1998 in West Java and West Kalimantan Provinces, where the ecological and socio-economic characteristics of both regions are definitely different. The study tries to depict the patterns of livelihood strategies based on the observation of two level of analysis – the household and the community – of these regions.

A number of respondents were drawn as samples from each study area. Questionnaires were used to gather primary data from the peasant households. At the same time, a non-survey method, that applied focus group discussions and interviewing key-informants, was used to capture socio-economic settings of the community in the respecting region. Quantitative data were processed and were analyzed by applying a

statistical program (SPSS version 8.0). Qualitative data also were collected and were used to support the entire analysis.

3 The Concept of Livelihood Strategy

The study uses the concept of peasant farm-households as its central unit of analysis. A peasant household is simply defined as 'a group of people that live under a common roof and kitchen, who are bound together by blood or by other basis of social relationship where their livelihood very much rely on the operation of small-scale traditional agriculture'. The agricultural production and the main livelihood are particularly oriented towards meeting subsistence where the peasants and their families are to a certain degree involved in the market economy.

Pursuing survival and making a better of living are two important goals that a peasant family is always going to achieve. Therefore, the efforts of securing and stabilizing livelihood will receive first attention from the peasants in the every-day life.

Livelihoods are simply defined as 'the ways in which people satisfy their needs or gain a living' (Chambers and Conway, 1992 as stated *in* Ahmed and Lipton, 1997:6). Livelihood may also be seen as an 'incoming flow' of money or sources of living so that the people are able continuously to keep their existence. In a somewhat different way with the statement of Ahmed and Lipton, Ellis (1998:4) stated that livelihood encompasses income, both cash and in kind, as well as the institutions (kin, family, compound, village), gender relations, and property rights required to support and to sustain a given standard of living. Further, a livelihood also includes access to, and benefits derived from, social and public services provided by the state. For Ellis, a livelihood may be a 'universe' of several types of ways of securing human existence. Thus, the livelihood actions are not necessarily in the field of economy but it could also embrace non-economic field of concern.

From another point of view, Scoones (1998:7) contends that in achieving the livelihood objectives, people need to fulfil some basic requirements that are needed as preconditions for survival. Scoones stated that there

are four types of livelihood resources that are necessary to support the livelihood strategies. Firstly, natural capital which appears in the form of natural resources stock (e.g., soil, water). Secondly, the economic or financial capital that is essential to help mobilize the other resources. Thirdly, human capital appears in the form of education and skills or knowledge and know-how. Fourthly, social capital appears in the form of social relation and social network. The latter capital would be particularly of importance for the people who live in an egalitarian community.

Further, Scoones (1998:9) identified two main livelihood strategies that rural people can make. Firstly, **agricultural intensification or extensification** is the common one for those who have only a single source of livelihood. Secondly, **livelihood diversification**¹ that can be in the form of an active choice to invest in diversification for accumulation and/or diversification aimed at coping with temporary adversity or more permanent adaptation of livelihood activities. Thirdly, **out-migration** appears in the form of voluntary people's movement and/or involuntary movement that is oriented towards seeking economic opportunity.

In line with the categorization of livelihood strategy as given by Scoones, Tacoli (1998:10-12) underlined the importance of rural-urban linkages for rural livelihoods. Although, the linkage of rural to urban economy could bring about some indirect negative impacts (e.g., inequality, urban economy dependency), such a linkage could also give a positive impact. Some studies have proven that income and employment that are generated from rural non-agricultural sectors could be one of valuable access for rural people wanting to make '**strategy of wealth**

¹ The concept livelihood diversification is defined as the process by which rural families construct a diverse portfolio of activities and social support capabilities in their struggle for survival and in order to improve their standard of living. Further, livelihood strategy is actually not synonymous with income diversification (occupational diversification). On the one hand, the term **income diversity** refers to the composition of household incomes at a given instant in time. On the other hand, diversification interprets the livelihood as an active social process whereby households are observed to engage in increasingly intricate portfolios of activities over time (ELLIS:1998:4-5). In this regard, the primary categories of income source when referring to diverse income portfolio are farm, off-farm, and non-farm. **Farm income** includes livestock as well as crop income and comprises both consumption in kind of own farm output and cash income from output sold. **Off-farm** income typically refers to wage or exchange labour on the other farms (i.e., within agriculture). It also includes labour payments in kind, such as the harvest share systems and other non-wage labour contracts that remain prevalent in many parts of developing world. **Non-farm income** refers to non-agricultural income sources.

accumulation' rather than just '**strategy of survival**'. The importance of urban economy as principal source of livelihoods is also acknowledged by the studies of McDowell and De Haan, (1997:1-21) and Caswell (1997:3ff).

To close, the concept of livelihood strategy encompasses a larger understanding of the idea of living rather than just an understanding of obtaining income merely. In this regard, the concept does not only denote 'survival' but it also refers to the understanding of a '**complex of human ways**' to secure the individual's existence.

4 Research Findings

4.1 Types of Livelihood Strategies

Based on the findings of the study, the most essential difference of survival actions performed by these two communities are centered on the following facts:

1. West Java tends to show a strong inclination toward a more **individual household defined livelihood strategy** where strategy of income sources diversification was the most important economic action.
2. West Kalimantan strongly shows a phenomenon where **agricultural-centered collective based livelihood strategies** play a central role in supporting the livelihood of the local people. These forms of livelihood strategy imply a fact that local institutions are still well functioning in providing the people with security. In other words, **communal-based social protection security** is still playing a major role in supporting the local people to achieve survival.

The strong contrast between types of livelihood strategies, as shown by the people of West Java and those that are shown by the people of West Kalimantan, may likely be associated with the influence of a set of socio-cultural and rural socio-economic factors. Normally, these factors are invisibly embedded in the cultural system of each community.

In time when local institution is not in position to protect the livelihood security of the local people, then livelihood actions would be set up on

individual basis. In this regard, four types of individual household-based livelihood strategies could be identified from West Java, namely:

1. **Human resources allocation-based strategy or multiple employment strategy** at various urban marginal economies. Within this strategy, out-migration plays a key role as a mechanism of distributing household labor force. Those who are coming from lowest stratum normally adopted this type of strategy.
2. A combination between **out-migration, non-farm economic based activities**, and **asset acquisition-based strategy**. Those who are coming from the middle stratum are normally accustomed to use such strategy to consolidating their economic and social position in the community.
3. **Investment-based livelihood strategy**. This strategy may be seen as an attempt of expanding all possible economic access that could expectedly supply economic surpluses to the household. In a longer-term, this strategy allows people to acquire more source of wealth (e.g., land, capital). The people from the upper stratum are used to use this strategy to build wealth accumulation strategy.

In West Kalimantan, the situation occurred somewhat differently from what existed in West Java. In general, the strategies that people built are presence in much simpler forms. Two major types of strategies have been identified as follows:

1. **Straddling strategies** via multiple breadwinners and out-migration strategies. Such a situation may occur and constitutes a direct response to the fact that the economic possibility is scarcely available, so that the household members need to simultaneously involve in the income earning activities. Those who are from lowest and middle strata are used to use this strategy to ensure their security.
2. **Farm and non-farm combination based livelihood strategy**. Both units of production are employed so that more income may be earned and wealthier status may immediately be achieved.

The livelihood strategy that is normally adopted by a group of people organized in a local community may be rooted in two assumptions. These are (1) rural people still maintain its custom and local mechanism of regulating security; (2) local social networks are well to function to provide the local people with social protection and livelihood security.

In general, types of livelihood securities system provided by the community, where local people can gain a broad range of protection, are categorized as follows:

1. **Collective farm protection strategy** that is largely based on the traditional social security networks could be an old protection system shielding the people' income insecurity. Mutual assistance arrangements, as appeared in the forms of various sharecropping systems (West Java and west Kalimantan), land-borrowing system (in West Kalimantan), are important institutions allowing poor people to obtain a minimum level of security need from the community.
2. **Collective non-farm protection-based livelihood strategy.** Such livelihood strategy can normally be found in various urban informal economic activities. In practice, one recognizes the existence of the informal job-seeking alliance that is built by a group of people wishing to obtain gainful employment opportunities in the city. They work hand in hand, where a successful applicant may become medium of channeling and recruiting labor force from rural areas.
3. **Inter-parties based livelihood strategies.** The capacity to defend and the endurance to resist the difficulty that someone has, will also be, to a limited extent, influenced by the presence of a broad range of socio-economic assistance. One of the most important sources of livelihood is the neighborhood-based inter-household loan and friendship based loan.

In short, such a broad range of socio-economic protection uses the social capital that has normally been established since many years.

4.2 Socio-economic Consequences

The study identified stages of strategic-related economic actions ranging from survival actions up to the process of wealth accumulation that are structured by the traditional small-farm communities in the regions. Some structural changes relating to the adoption of some strategies are also identified. These changes cover some following aspects (see also Dharmawan, 2000):

1. Farm household labor organizational changes resulting from the labor allocation in the non-farm activities.
2. A significant change in the structure of the farm household income where the contribution of non-farm to the total income tend to increase steadily.
3. The increasing intensity of spatial mobilization of the rural labor resulting from undertaking out-migration based livelihood strategy that is experienced by the peasant household.
4. The emergence of rural socio-economical polarization arising from the process of gain and loss of the controlled assets resulting from the consequences of exchange processes.

5 Concluding Remarks

The study believes that, in the coming years, the livelihood strategies of rural communities will become even more complex rather than what occurred at the moment. The process of getting a more complex rural community may be parallel to the fact that people find more new opportunities and niches in various fields of activities. As people found new preferences, the role of farm would become less important source of livelihood for many rural household economy of developing regions. Such changes must be carefully anticipated, if a development agency needs to receive a positive response from the its target group – the local community. The process of rural development policy formulation also needs to consider such a phenomenon.

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