

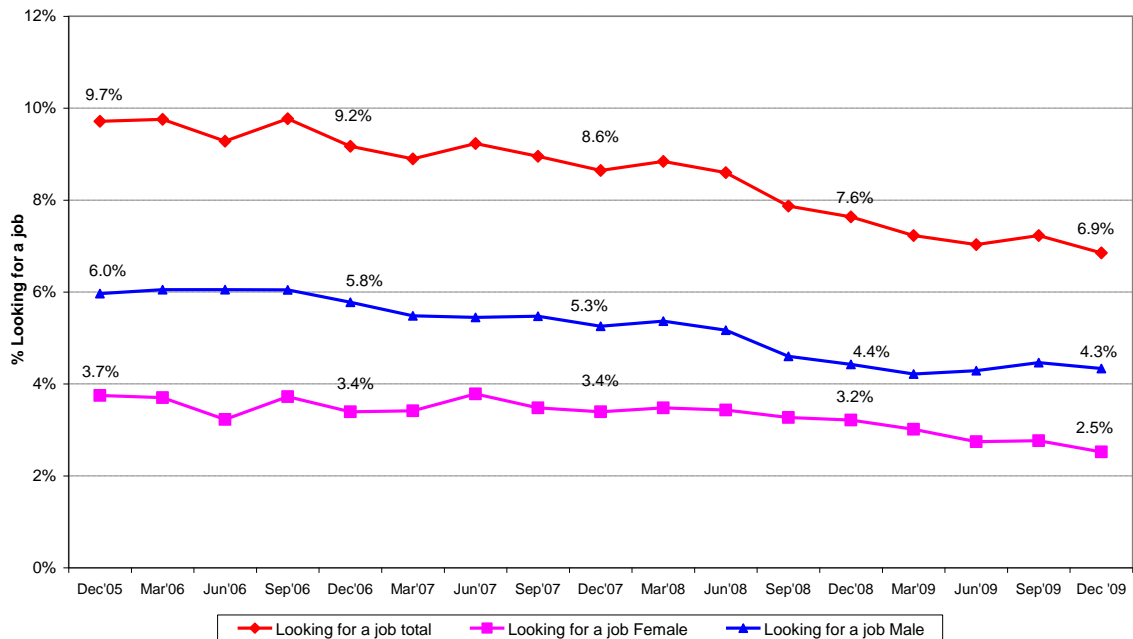
Why are there so many poor people in this rich country?

Creating jobs is Job No.1 for policymakers everywhere. Jobs not only keep the wheels of the economy turning, they are perhaps the biggest contributor to peace. Peace at home, peace in the country, peace around the world.

To give credit where it's due, this government has made laudable progress on the employment front. The creation of jobs from investments in infrastructure development both at the national and local levels has not only helped weather the global storms, they have stimulated a positive environment keeping businesses confident. In turn, the Roy Morgan Consumer Confidence Index has steadily moved up to the all-time high of 124 points at the end of 2009. Not surprisingly, the Roy Morgan Unemployment Monitor hit an all-time low of 6.9 per cent at the same time.

BPS, the country's national statistics bureau, puts the current unemployment rate at 7.87 per cent, as at August 2009. The difference in the two sets of numbers have logical explanations. First, the Roy Morgan survey is conducted in 16 provinces that is home to 86 per cent of Indonesia's population, not 100. It could well be that unemployment in the sparsely populated provinces is much higher than the densely populated ones measured constantly by the continuous survey. The second, perhaps more relevant reason, is that the Roy Morgan monitor is pegged to those individuals 14 years and older who are actively "looking for a job", not waiting for one to fall into their laps. Regardless of these differences, all measurements available reflect a steady downward trend in the jobless rate. From 9.7 to 6,9 per cent in just five years is no small achievement.

THE ROY MORGAN UNEMPLOYMENT MONITOR, AS AT DEC 2009



As in recent times, six out of ten people “looking for a job” are male. Of all full-time workers, 78 per cent are also male and no major shifts are noticeable. But throughout 2009, there was a visible dip in the number of women queuing up to supplement the household income with either full or part-time jobs. In fact, part-time jobs for both genders has been steadily declining during 2009, in favour of full-time. The shadow cast by the last few months of political tension had made businessmen nervous, impacting on the steady growth in wages we have been witnessing year after year. In turn, the squeeze on the household budget increased in the October-December quarter. Another worrying sign for Indonesia’s muscle is the visible increase of school dropouts among males in particular.

These conclusions are based on Roy Morgan Single Source, a syndicated survey with over 24,000 Indonesians 14 years and older interviewed each year. The national database is updated every quarter, reflecting views gathered not only from the cities, but towns and villages as well.

The rapidly improving picture on the employment front masks an embarrassing reality. In many respects, Indonesia is as much a “lucky country” as its neighbour down under. This is a naturally rich country, blessed not only with abundant mineral resources but fertile lands, fertile seas and a fertile climate as well. Rich country, poor people. The inequalities in this land of plenty are glaringly obvious. The concentration of wealth at the very top is all too painful for too many. That pain lingers, is even exacerbated, in a culture that allows these acute differences to flourish. The growth in employment and in earnings is gnawed upon by rising costs. The average main income earner’s monthly wage is still as much as it costs for a business lunch for two. But the 150 richest men in Indonesia celebrated in magazine cover stories each year aren’t embarrassed. Nor, seemingly, are their executive cadres.

Till that culture changes, the have-nots will continue to suffer without their fair share of this country’s immense wealth. Despite the progress made, the simple reality is that the underpaid workers are paying for those sumptuous lunches. The instinct to suppress incomes instead of fair reward is neither progressive nor intelligent. A growing middle class is good for business, good for the nation. Goods and services unaffordable today for the overwhelming majority could tomorrow become flourishing new businesses. In a country where almost 60 per cent of GDP is being created by the consumer economy, further growth in earning power can only augur well for all.

The bogey of inflation will no doubt be raised by many. But at a time when China has become the factory of the world and India the backroom, Indonesia needs to carve its niche in Asia’s 21st century. In the face of the global financial crisis, its consumer economy chugged along almost without restraint. Creating more and better-paying jobs while looking inwards as a first step is not a bad idea. Greater value-addition to value added exports of the country’s natural resources, including its once proven ability to grow more than its own food, are obvious opportunities. Nor can any money spent on projects like Jakarta’s now moribund monorail system be deemed wasteful. A leadership that is doing well can do so much better. This is a rich country, unlike China and India. That truth should not be denied.

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