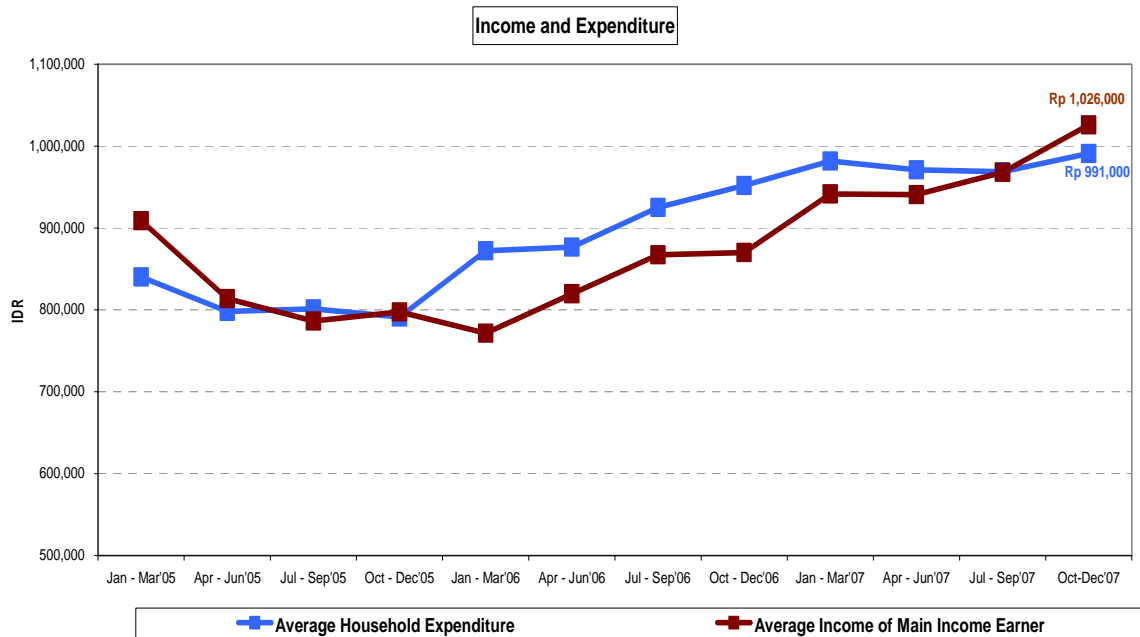


A victory for the family’s Main Earner, achieved without fanfare.

When the government announces GDP growth rates of 6 per cent or more, there is cause for one in three Indonesians, at best, to feel good. It has little meaning for the rest. To the overwhelming majority, a spike in the price of rice or soya beans creates even greater stress on the family’s meagre budget.

For over two years, most of the main wage earners in each home have not been able to cover the cost of his household’s monthly expenses, single-handedly. In a culture where most women are housewives and the man of the house is the breadwinner, this has been a source of shame for most men. Income and expenditure have been not been in synch, for quite a while. Though the amount in question may be small for Indonesia’s privileged few, Rp 1 million is the magic number, the breakeven point for the average family budget today. Earn it, spend it and there is no more pain over and above the usual struggle. That’s little over a hundred dollars a month, spent on the normal monthly bills, groceries and the like. That does not take into account the cost of building a home, or repaying the loan for a motorcycle. There are good reasons for the extended family living together, the norm across the country, both urban and rural.

Without knowing it, the average main earner of Indonesia scored a major victory for the nation collectively. That breakeven point for the family budget was positively breached for the first time in more than two years. While the struggle continues, anybody interested in the welfare of the average family has reason to celebrate. A word of caution is necessary, when averages are the topic of discussion. As always, there are many who continue to fall well below the average, and some above.



This achievement will take many pundits by surprise, activists, journalists, bureaucrats and consumer market watchers alike. But the good news from the last quarter of 2007 has already been celebrated by many marketers of fast moving consumer goods, cellular networks and motorcycle manufacturers, who have all ended the year on a high note. The traditional bonus of a month's wages at Lebaran would have contributed. Many sympathetic employers may have done what they have always done in moments of economic stress, paying that little bit extra to ease the pain at the *pasar*. But those explanations are inadequate.

Rational analysis of the facts will lead to the only possible conclusion. The average main earner is earning that extra Rp100,000 each month by simply working harder. Many have taken on additional work, doing two jobs or more. That effort of Everyman is worthy of both respect and sympathy. Tough as it is, life in Indonesia as in many developing countries has the innate ability of going back to normal. The proof of the national mood is reflected in the Roy Morgan Consumer Confidence index climbing another two points for the October-December quarter, taking it well into positive territory at 115.

These conclusions are based on Roy Morgan Single Source, the country's largest syndicated survey with over 27,000 Indonesian respondents annually, projected to reflect almost 90% of the population over the age of 14. That is a universe of 140 million people. The results are updated every 90 days. The opinions expressed are my own.

To expect this state of relative calm to continue unabated would be wishful thinking. In a world buffeted by spiralling oil prices, with a global credit crunch affecting further growth, the ebb and flow of Indonesia's fortunes are as much in question as any other country. Food prices continue to rise without any signs of a plateau. Having failed to win any energy security from the adventure in Iraq, an embattled US administration is encouraging the diversion of corn to ethanol. It is almost a secret that their entire corn production can only meet 7 per cent of their annual fuel needs, with no real reduction in fossil fuels used to produce and convert the corn. In the meantime, the resulting shortage of corn is affecting the price of food, not just animal feed and not just in the US.

In contrast, Al Gore's Alliance for Climate Protection contends that US requirement for energy could be met by covering a portion of the Mojave Desert with solar panels. That view is being met with scorn. Does anybody remember Copernicus, Galileo or Da Vinci or any of the other visionaries ridiculed and condemned in their time? In a borderless world, there can be no stability for anyone if major economies shake at their firmaments, fuelled with self-inflicted folly. There can be no social justice anywhere if a mortgage holder is refused help but Bear Stearns is bailed out by the taxpayer. At our own doorsteps, the corrupt roam free.

Captains of industry and supporters of free enterprise everywhere need to step back for some quiet introspection. If greed goes unpunished so blatantly, if the blame and the burden can so easily be shifted to the common man, who is paying the price of GDP growth? For as long as the privileged few fail to act, not just flinch at the sights of misery we witness every day, there will no real progress while we thoughtlessly chant the tired old mantras of yesterday.

The writer can be contacted at Debnath.Guharoy@roymorgan.com

PT. Roy Morgan Research, Wisma 46, Kota BNI, 17th Floor, Jl. Jend.Sudirman Kav. 1 Jakarta 10220

Tel: (021) 572 2021 or 572 7529 Fax: (021) 572 4864

411 Collins Street, Melbourne, Victoria 3000, G.P.O. Box 2282U, Melbourne, Victoria 3001, Australia

Tel: (03) 9629 6888 Fax: (03) 9629 1250 (03) 9224 5387 Email: melbourne@roymorgan.com

Website: www.roymorgan.com

Offices also in: Sydney, Brisbane, Adelaide, Perth, Canberra, London, Auckland and USA