

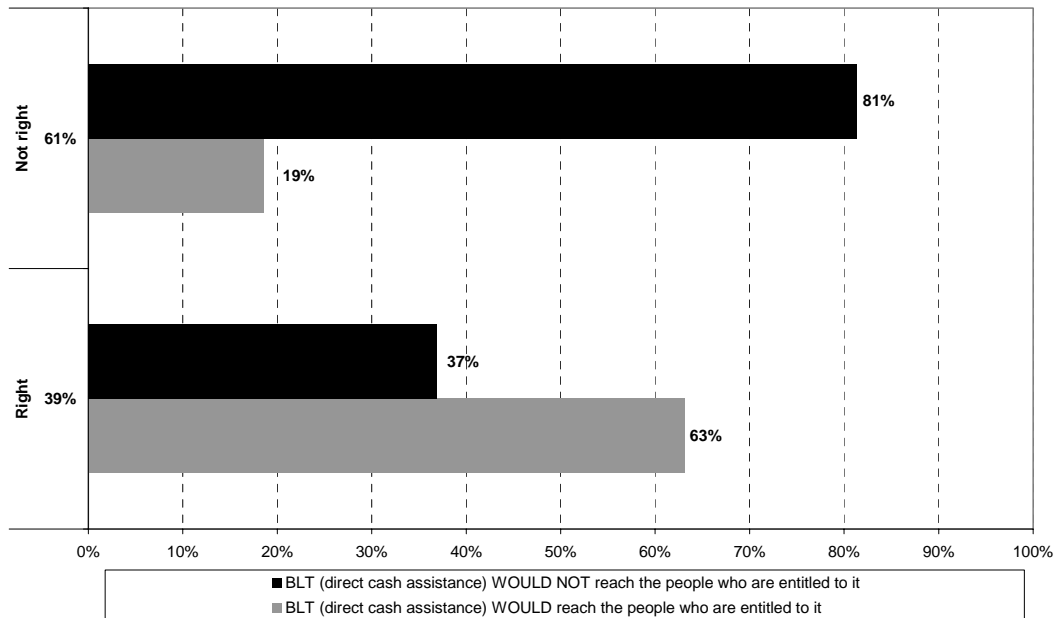
## How much does it really cost to simply do the right thing?

Like every country in the world, Indonesians continue to suffer the impact of rising prices of food and fuel. While central banks try to tackle the complex issue of controlling inflation, runaway prices on the one hand and growing economies on the other make their task that much more challenging. Mindful of the political fallout from a situation beyond their control, governments everywhere are trying to take appropriate action to ease the pain. Or, at least be seen to be responding, not careless.

Perhaps the most visible of such efforts by the Indonesian government was to provide direct cash assistance to the weakest sections of society, to cushion the impact of reduced subsidies on rising fuel prices. This assistance, in the form of BLT (*Bantuan Langsung Tunai*) is of course a political football, an issue that naturally attracts opposing views. Depending on attitudes ranging from optimism, pragmatism through to pessimism and cynicism, people’s opinions inevitably vary.

Continuing the effort to understand the people’s perspective on issues relating to this continuing crisis, Roy Morgan Research recently ran a special poll to assess the perceived value of the BLT. 2,116 respondents across the country reflecting the entire spectrum of society were asked two simple questions, in sequence. Not surprisingly, there were no significant variances from the norm either in terms of males versus females, or rural versus urban. The surprises lay entirely in the overwhelming majorities that formed in response to each question.

"Is it the right move by the government to give direct cash assistance due to high petrol prices?"



“Is it the right move by the government to provide BLT (direct cash assistance) due to high fuel prices?”, was the first question. 39 per cent believed it was the right thing to do, 61 per cent disagreed. In other words, to the overwhelming majority, BLT did not create any political capital for the SBY administration. The chasm in opinion continued to widen with the second question “Do you think the BLT (direct cash assistance) would reach the people who are entitled to it?”. 63 per cent of the people who agreed with the idea of providing the cash believed it would in fact get to them, reflecting their attitude to the effort. But one in three of those who believed it was a good idea in the first place, doubted the integrity of the system to make it happen in reality.

In other words, not all the believers really believed. Conversely, 81 per cent of the people who disagreed with the concept felt the cash wouldn't reach them anyway. If you add it all up, not even one in five Indonesians have any real faith in the project. In political terms, this would appear to be a bad investment. The bigger question however, is whether or not every decision taken by the government should be politically motivated. Is leadership only to be measured in terms of political gain? It is a question that business leaders and entrepreneurs need to ask themselves, as they steer their companies to ever greater heights.

Veering away from facts to opinions, I believe true leadership goes way beyond the expedient. This government has consistently enjoyed a popularity rating far higher than its predecessor, among the highest in any democracy in the world. It has inherited, not created, a legacy of systemic corruption. It has faced, did not create, the current global crisis in food and fuel prices. Despite the periodic ups and downs in popularity consequent to one calamity or another, the SBY government has consistently been seen to be “doing a good managing this country” by around 60 per cent of the people. That is no mean achievement, whichever side of politics anyone may choose to be in.

That leadership, with or without concern for political impact, decided to offer help where it is needed most. To the fortunate, the degree of pain felt by the poorest of the poor, surviving from one day into the next, can hardly be imagined. There are large numbers of people who spend more than 80 per cent of their monthly income on food alone. When their everyday pain grows in intensity with food prices rocketing upwards, even a token of help is appreciated. By them, if not by anybody else, even though they are in the minority. It is relatively easy for the comfortable to pass judgment on a matter that does not affect their everyday lives. For making the right choice, for simply doing the right thing, the SBY administration ought to be congratulated. After all, it is not the only action being taken.

For CEOs, a point to ponder. The easiest thing to do is to raise prices and pass all the pain on to the consumers, adding to inflationary pressures. That way, careers are not at risk, no bloody sacrifices need to be made at the altar of the almighty shareholder. Difficult though the circumstance, the choices are not necessarily obvious. What efforts are really made to cut costs, absorb costs, not just pass on the increasing costs? Even shareholders are human beings, capable of accepting rational explanations when they are presented intelligently. If CEOs cannot take the heat, how can they expect their governments to do any better?

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