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## **Jimpitan in Wonosobo, Central Java: an indigenous institution in the context of sustainable socio-economic development in Indonesia**

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## VII Conclusions, Implications and Recommendations

Indonesia is known for its megadiversity in the world (Leurs 2009), not only in terms of plants and animals but also in terms of cultural diversity, either material or non-material culture. The non-material culture refers to the ideas, which include beliefs, values, rules, norms, institutions and the intangible heritage. A value that is embedded in Indonesian society is a long-standing tradition of mutual aid and cooperation of *gotong royong*. It has been practiced in the daily life of every ethnic group throughout the country. In Java, one example of *gotong royong* is *jimpitan*. *Jimpitan* has long been used within the Javanese society along with *ronda* (the night patrol) and *arisan* (the rotating saving and credit associations), especially among the low-income families, by supplying free rice, at the outset of the 'age of development', for the elderly and the orphans. Later, its services became more varied. The practice of *jimpitan* is conducted in the community, hand in hand with other institutions, in order to fulfill the needs of the local people.

To describe and analyses the practice and use of *jimpitan* as an indigenous institution with a view to be integrated as an alternative contribution to the reduction of poverty in the research area in Wonosobo district, Central Java Province, Indonesia, this study provides a socio-demographic description of the research area with a focus on the local people, their culture, and their way of life. It also documents the background factors of the local community in the research area, and it identifies and compares the local people's use of *jimpitan* with their use of transitional organizations, and exogenous organizations. The appropriate sampling technique was chosen. Structured and pre-coded questionnaires for household surveys were conducted in the four villages of Wonosobo. The quantitative data were collected and analyzed with the use of a specific model. The designated model was used to measure the influence of determinants on the use of *jimpitan*.

Therefore, within this final chapter, the conclusions and recommendations will be presented as the result of the study of the behavioral patterns of the utilization of institutions/organizations and the contribution of indigenous institutions *jimpitan* for sustainable socio-economic development in Wonosobo of Central Java, Indonesia. There

is also an explanation and description of the significant factors affecting the behavioral patterns of the respondents from the sample in the four villages in the utilization of the indigenous institutions of *jimpitan* in comparison with the alternative existing transitional organizations, and exogenous organizations. Thereupon, the identification of the possible contribution to the sustainable socio-economic development will be elaborated. The better understanding of the attributes of local institutions and the linkages of the institutions with the livelihood of the poor will contribute to a more constructive policy-making for effective collaboration in designing and implementing local development initiatives. The practice and knowledge of the local people, that have evolved in the course of history, should be taken into account for designing the policies and projects which involve the empowerment and the development of the people.

*Jimpitan* constitutes an activity of collecting rice or money routinely conducted by a group of persons who reside in the same neighborhood to meet emergency situations. *Jimpitan* empowers local people and encourages them to participate in decision-making that influences their life, which then creates social cohesion. It is a proof of the resourcefulness of local people in addressing their problems. When the local people believe in working together, this may stimulate local community development. Development is not only concerned with material objects but also with non-material aspects, that is the development that takes culture into account and that is concerned with the general well-being of the people. In the course of history, development has often been focused on economic growth, which has neglected the non-economic aspect of human well-being. Welfare is only seen from the monetary side, which may have a negative impact on the environment. Likewise, development programs that do not take into account the culture of the local community, may in the end also be ineffective in reducing poverty or inequality. The *orde baru* (new order) regime had implemented modernization theory in development in Indonesia which tried to imitate developed countries without taking into account their cultural and historical aspects, causing distortions that actually exacerbated poverty. The decentralization that initially was created to accommodate the local people's voices has also not been very successful. Corruption, for example, is one factor that hinders the effectiveness of decentralization and fails to provide an effective public service (Suprayitno *et al.* 2017; Sriyana *et al.* 2017; Heo 2018). This problem, which endured since the *orde baru* regime, has not changed very much.

### 7.1. Conclusion

This study has focused on the question of “*what kind of people in what kind of circumstances are using what kind of institutions/organizations*”. The research question was broken down into: *firstly*, what kinds of institutions/organizations are available in the research area; *secondly*, what kinds of people utilize available institutions/organizations, in particular the people who utilize the *jimpitan*, in the research area; and *thirdly*, what kinds of the circumstances determine the utilization of the available institutions/organizations in the research area. This study employed a combination of qualitative and quantitative methods. Qualitative methods were individual interviews and field observations. By regularly visiting

the four villages it was possible to observe the daily activities of the local people and the environment in which they took place. The quantitative data were collected through structured questionnaires. In the interview process I was accompanied by a co-interviewer. The structured questionnaires were distributed to 226 households in four villages. However, after some cleaning, only 199 questionnaires were further analyzed.

There are three institutions/organizations which were found nearby or in the research area. Those institutions/organizations have provided mutual assistance to the members of the community. In or nearby the research area, these three institutions/organizations are the indigenous institution *jimpitan*, the transitional organizations comprising of the cooperative and PNPM-UPK *Program Nasional Pemberdayaan Masyarakat-Unit Pengelola Keuangan* (National Community Empowerment Program-Unit of Financial Management), and the exogenous banking organizations. In reality, there are other institutions/organizations besides those three that serve the community; however, this research has limited its scope to those three institutions/organizations. The indigenous institution of *jimpitan* is initially an activity of picking up a small portion of rice using fingertips before cooking it. Then, it is stored as a saving rice to be consumed in case there is no more rice, no more money to buy it, or if there is a lousy season. So, mostly it was for private household consumption. In its development, it became a public utility. The *jimpitan* rice is donated to the elderly, orphans, and low-income families. Referring to the qualitative result using the qualitative data from the observations, interviews with key informants (they are the head of the village (*kelurahan-lurah* and *desa-kades*); local figures; the head of *RT* or *RW* (*Ketua RT/RW*); the institution's committees), and documentation, it can be concluded that the utilization of *jimpitan* in four villages in Wonosobo served four functions: (a) as saving and loan function, (b) as precautionary conduct-risk management and health micro insurance, (c) as a social, economic and cultural value, and (d) as a source of funding for various activities of the society. The first function is as a savings and loan institution. The loan offered by the *jimpitan* is used by the respondents for basic needs fulfilment of daily life, school's tuition, and for small business expansion funding. This saving and loan function serves the community that pertains to their livelihood. As already explained in table 4.8 in chapter IV most of the respondents are laborers or small retailers. Both professions produce unstable income, therefore, to secure their needs, especially daily needs, they preferred to utilize *jimpitan* in order to meet their needs. Most of the respondents who reported to utilize *jimpitan*, perceived their needs as financial needs, either to buy staple food, to take a loan from *jimpitan*, but mostly to meet the daily needs. As a staple food and primary need, the rice should be immediately fulfilled. Therefore, the basic function of *jimpitan* was to overcome the shortage of rice. It was mainly allocated for disabled people, widows with many children, those suffering long-standing illnesses, although since then the rice was mostly replaced by money. Nowadays, when *jimpitan* is collected and shared for loans, for example, like in the field research area of Sojokerto, people tend to take the loans to repair or renovate their homes or to pay the school fees of their children. Even in Ngedok, Wonosobo Barat, they use the money to buy uniforms for their small PKK *Pemberdayaan dan Kesejahteraan Keluarga* (Empowerment and Family Welfare) women's group to be used whenever they have a regular meeting or to finance their vacation.

The second function is as a precautionary conduct – risk management and health micro insurance. At the outset, *jimpitan* rice was used as a saving so that if there was a lousy season, the people still had rice to consume. In its development, the sum-contributed money is used to support a neighbor who is ill or the family of a deceased person. Every place that still preserves *jimpitan*, not only in four villages, still conducts *jimpitan* for at least this basic function.

The third function refers to the social, economic and cultural value. Javanese people like to formalize life by conducting celebrations, feasts or ceremonies, and in that *jimpitan* serves the community by paying the part/whole costs of the ceremony. Examples are the commemoration of Independence Day on 17 August, or the celebration of the graduation of *khafilah khotmil quran* (memorising the Quran) of *pesantren* (Islamic boarding school) Al Asy'ariyah every 10 Muharram/10 Suro in Kalibeber village. The *jimpitan* money is used to pay for the event. In Wonosobo Barat village, the *jimpitan* money from selling the *jimpitan* rice was used for purchasing the pottery to be used by the residents for free when they had ceremonial activities of the life cycle, e.g., marriage, death, or circumcision.

Lastly, the fourth function is *jimpitan* as a source of funding for various activities of members of the society. Initially from the fulfillment of individual needs to communal needs, this is in accordance with the socio-economic conditions of the local community. For the members of the community with a good income, the *jimpitan* funds were usually allocated for the secondary needs such as buying uniforms for groups of women's *arisan*. For members of the community who belong to the middle or to the lower class, the utilization of *jimpitan* funds is usually for meeting daily needs. In the research area, *jimpitan* is managed in the scope of RT, RW, *dusun* or formal organization. Only recently, the *jimpitan* rice is replaced by the *jimpitan* money due to its greater flexibility and its more practical use. *Jimpitan* is sometimes conducted alongside *arisan* and *ronda*. Indigenous institutions *jimpitan* is, indeed, regarded as a non-profit institution, but it can also serve financial services. *Jimpitan* together with other institutions/organizations has served the community alongside the transitional organizations and exogenous organizations. The transitional and exogenous organizations have two functions within the community, namely: (a) payment of water and electricity, and (b) savings and loans. Therefore, when the local people need to make a payment for electricity or for water to the government-owned company, they will go to the transitional or exogenous organizations. In particular, the civil servants use the modern institution of banking (the government-owned bank) to receive their monthly salary. Also, in case a respondent needs a huge amount of money, exogenous organizations are more preferable. It is notable that there is a possibility a respondent chooses more than one institution at the same time, or he/she may choose other institutions for the next period. The decision will be based on his/her own experience of utilizing the former institutions or even the experience of others.

The transitional organizations that are available in the research area comprise the cooperative and PNPM-UPK. The cooperative constitutes a business entity that consists of one or more persons. It is a legal entity based on cooperative principles and an economic

movement on a family basis. In the research area it is divided into two types: (i) the limited membership, and (ii) the open membership. The limited membership usually shares the same interest, same gender, and so forth. Its example is *Koperasi Mardisiswa* in Sojokerto village, in which its members are only teachers. The open membership cooperative is a cooperative which accepts whoever wants to be a member regardless of occupation, gender, religion, and so forth. The PNPM-UPK was initially the World Bank's initiative of community-driven development. Its implementation is similar to the revolving funds that are provided for the villagers. The activities are like savings and loans that are conducted in a group. The group members have the opportunity to borrow money from the group and pay it back at a low interest rate. The group leader is responsible for the collection of the repayment, which is then deposited to the UPK at the sub-district level. If there is any failure in the payment, the group should bear the responsibility to pay it back; otherwise, the village that the group belongs to will lose its right to receive the next PNPM-UPK grant funds until the group has repaid its debt. The transitional organizations serve two functions for the local people in the four villages: (i) as loan and saving function, and (ii) to settle a payment.

The exogenous organizations are banks subject to banking regulations and official supervision. They are usually run by the private sector or by the government. In the research area, there are mostly government-owned banks that are available in the village, such as BRI or BNI. BRI, even, has its smallest unit that only comprises one teller and one security officer and it is using only a car (*Teras* BRI). Its functions cover (i) loans and savings, and (ii) to settle a payment and receive a salary.

Referring to the quantitative data, the kind of people who are using the available institutions/organizations are described in a socio-demographic profile (Appendix 2, Table 1). The 199 respondents representing households are reported to use *jimpitan* as their main institutions as much as 64 respondents, to use transitional institutions as much as 61 respondents and 74 respondents. The distribution of utilization between three institutions are almost balance (circa 30% each). In chapter VI, it was concluded that the socio-demographic that significantly influence the utilization of institutions/organizations are household size, age, education, occupation, and marital status. Respondents who are reported to use *jimpitan* are mostly household with 1 to 3 members, to use transitional organizations are mostly household with 2 to 4 members, and to use exogenous organization are household mostly household with 3 to 5 members. The respondents who have lower education tend to prefer *jimpitan* than transitional and exogenous organization. The respondents who are younger (around 36 until 50 years old) mostly prefer transitional and exogenous organization over *jimpitan*. Widow and widower will prefer *jimpitan* than transitional and exogenous organization. Respondents who have no formal or stable job will prefer *jimpitan* more than transitional or exogenous organizations.

To measure what kind of circumstances influence the utilization of the available institutions/organizations this study using variables of perceived needs in the psycho-social block, economic and location block. The local people often ask assistance from outside their household *ie.* they go to financial institutions for some needs (Appendix

2, Table 2). In this study, the needs were categorized into social responsibility, financial support, health care, education, and other types of needs. These five categories summarize the circumstances that the local people face in the community when they choose to use available institutions/organizations. Social responsibility is meant to capture the participation of the members of the community in the savings mechanism and in their presence in the routine meeting. Financial support is used for buying staple food or primary needs. Health care is the cost that the people must bear when they are ill. Education cost is the tuition fees for the children's education or the buying of uniforms and books. The category of 'other' describes other things besides those four types of needs such as business expansion or house repairation. In the psycho-social block, it was measured how is the knowledge, belief and opinion of the respondents regarding the three institutions/organizations. The measurement is in the likert scale from do not, little, average, and much for knowledge and belief; and no, negative, average, and positive for opinion. In economic block (Appendix 2, Table 3), there are total monthly income and total monthly expenditure that is measured from none until 3 million IDR per month; and socio-economic status that shows very poor, poor, average, rich and very rich. In location block, (Appendix 2, Table 4) there are location of the community (rural, semi-rural/semi-urban, and urban), and location of the house (mountainous, plain, and low land).

These factors are captured in chapter VI as quantitative data which included 26 independent variables that were considered to influence the utilization of the available institutions/organizations. After conducting the correlation test (Cramer's V test), all 26 variables were included into further analysis using Random Forest. The result of the Random Forest showed that 22 out of 26 variables have non-zero attributes (the importance value); meaning that those 22 independent variables have predictive power to explain the utilization of the institutions/organizations separately. The highest ten predictive variables are the location of the community (*loccom*), the location of the house (*lochouse*), the beliefs in transitional organizations (*beltrans*), the beliefs in exogenous banking organizations (*belbank*), the opinion on exogenous banking organizations (*opbank*), the total income (*totinc*), the increasing price impact (*priceimp*), perceived needs (*percneed*), total expenditure (*totexp*), and social-economic status (*ses*). Four variables that were not included in non-zero attributes (have no predictive power over utilization available institutions/organizations) are place of birth (*pobirth*), ethnicity (*ethnic*), religion (*religi*), and knowledge about exogenous banking organizations (*knowbank*).

These 22 variables then were grouped into four blocks, namely: the socio-demographic block, the psycho-social block, the enabling block, and the location block, to see which group of variables has significant influence on utilization of the available institutions / organizations. By averaging their importance value in each block and conducting the permutation test, it was concluded that only location block which significantly influenced the utilization of the institutions/organizations. The significant influence of location block over utilization of institutions/organizations describes two things, namely, (i) the physical accessibility and (ii) the interpersonal relationships, familiarity and network of local people who reside in the same location. It means that location has an important influence on the preferences over institutions / organizations.

## 7.2. Implications

### 7.2.1. Theoretical Implications

The enforced effort of developing countries to imitate the course of development of the developed countries, as suggested by the modernization theory, makes the voice of local people unheard (the top-down approach). Meanwhile, the local people, in particular those with limited resources who suffer the most from poverty, have their own ways to solve problems (the bottom-up approach). In the development programs that were designed on the basis of modernization theory that were used during the *orde baru* regime, this effort was neglected. Thus, the first and foremost theoretical implications of the study are the incorporation of cultural dimension into development. As has been explained in Chapter II, in 'The First World Culture Forum' held by the Government of Indonesia and UNESCO in Bali there was a call for a measurable and effective role, as well as the integration of culture in development at all levels in the Post-2015 Development Agenda of the United Nations. It also emphasized that culture is a driver, enabler and enricher of sustainable development. Secondly, the importance of people's participation and empowerment in development and the importance of the multidimensional measurement of well-being must be emphasized. Poverty is said to be a multidimensional problem. It is not merely an economic phenomenon. The ultimate goal of development is the well-being of the people. To choose the indicators for well-being is equivalent to choosing the minimally acceptable indicator beyond which someone is not categorized as poor. It is quite important to understand the multidimensional aspects of poverty in order to tackle the problem of poverty correctly. In the Indonesian context, the increasing economic growth is not accompanied by decreasing the level of poverty. Thus, inequality is increasing. This is the result of development planning and programs which do not stimulate the people's participation, especially to increase well-being at the community level. The importance of the local people's knowledge, belief and practice is embodied in their culture.

So, balanced development efforts need to take into account the core values of communities involved. Adherence to key values, although 'old' and traditional, may still be considered of great importance. See for instance all the positive aspects of *adat* (local terms for regulations) regulations, family values, versus 'modernization' aspects of development like increased individualism, or less interest in local community cohesion. Therefore, this study documents the indigenous knowledge of the local people. It is related to the bottom-up approach and to the local context in which development processes take place. The respondents in the four villages, through their utilization of *jimpitan*, work together in addressing their problems and finding the solutions using their own resources. Take the example of the respondents in the village of Wonosobo Barat when one of their neighbors lost his house in a fire caused by a short circuit: the entire neighborhood tried to build the house up again. The initial idea came from the local authority – in this case, the *lurah* (head of the village) – that the local government wanted to help this person, so they donated some money to the person to rebuild the house. The neighbors helped with their labor and money (some from *RT*, and some from *jimpitan*). Another example is a respondent in Kejajar who is a poor old man living alone without

relatives, and who is often ill. He had no income, so the neighbors helped him by supplying money from *jimpitan* to cover some of the health expenses. During the fieldwork, the person was hospitalized three times.

These examples describe how the value of *gotong royong*, that was facilitated in *jimpitan*, to help each other is quite important in coping with the situation. In addition to *gotong royong*, taking turns in collecting *jimpitan* rice or money also means allowing the members of the community to participate in the activities in the neighborhood. This kind of participatory approach could enhance the self-esteem of the people. Although it is sometimes voluntary in nature, the members do it enthusiastically. These three values of *gotong royong* (togetherness), voluntary work and taking turns show the self-reliance of the local community in facing adversity. I argue that what the modernization theory proposes – that to achieve economic development and growth, changes in attitudes and cultural values are needed – is supposed to be the opposite: that development programs should adjust to the local wisdom to gain effective results.

Regarding sustainable development, it should take the culture into account because it sustains the thinking and acting of the society. Studies have been conducted by several researchers about this relationship. They concluded that the indigenous knowledge embedded in the practice of traditional birth attendance and midwives (Ambaretnani 2012), the utilization of medicinal, aromatic and cosmetic plants (Leurs 2010; Aiglsperger 2014), the means of communication in health and medicinal plants (Djen Amar 2010; Erwina 2019), indigenous medical system or health care (Slikkerveer 1995; De Bekker 2020), cosmology and conservation of cultural biodiversity (Agung 2005), and indigenous financial institutions (Saefullah 2020) play a role in supporting the process of sustainable community development. The practice of indigenous institutions in this study shows in the saving and loan function of *jimpitan* in Sojokerto village: they set the rules of savings and loans so that the members of the community do the *jimpitan* money regularly (savings) and so that the non-performing loans (loans) will be minimum. In their regular weekly meeting, they will call out loud the names of the members who missed a repayment of the *jimpitan* money (for saving mechanism). This mechanism of calling names out loud makes the members of the community ashamed of a missing a contribution. They also set the rules for the members that missed the payment of the loans to pay some amount of money for the administration (for loans mechanism). Benefitting from the communal rules or agreement and taking control of their own affairs shows the resourcefulness of the local people. Therefore, I agree with Vel (1994) who stated that development activities which aim to improve the conditions of livelihood of poor local people will only be effective if the planning of these activities is based on a deep understanding of the traditional economy as it applies in the community.

### **7.2.2. Methodological Implications**

This study uses a combination of quantitative and qualitative methods to describe and analyses the utilization of available institutions/organizations, in particular the indigenous institution *jimpitan*. There are a number of publications about the utilization of indigenous

institutions that use only qualitative methods (Tonui *et al.* 2008; Jakimow 2013; Wiyani *et al.* 2016; Ojong 2018), or only quantitative methods (Dobler 2011; Khoi *et al.* 2013; Esiobu *et al.* 2015; Beekman 2015; Myers *et al.* 2017; Elizalde 2020), or mixed-methods (Leurs 2010; Djen Amar 2010; Ambaretnani 2012; Erwina 2019; De Bekker 2019; Saefullah 2020). This study has used the combination of qualitative and quantitative method. It is the first study about utilization of available institutions/organizations in terms of quantitative methods using the method of Random Forest.

Using the Leiden Ethnosystems Approach, with its three key principles of PV (participant's view), FES (field of ethnological study), and HD (historical dimension), such a study requires plenty of time and effort. The study has to be able to capture the *emic* view of the participants, in this case the perception of the respondents in utilizing the available institutions/organizations, so that the PV principle is appropriately described. The study has also made comparisons in the research area, in this case represented by the urban and rural area, thereby applying the FES principle. Lastly, the study has to provide the historical dimension of the utilization, particularly the indigenous institutions. The combination of quantitative and qualitative analysis in this study displayed the *emic* perspective, acknowledged distinct behavioral characteristics, and recorded the root of indigenous knowledge.

The multivariate model that is characteristic of the Leiden Ethnosystems Approach comprised initially of seven blocks. The blocks represent: (i) socio-demographic variables, (ii) psycho-social variables, (iii) perceived need variables, (iv) socio-economic variables, (v) institutional variables, (vi) environmental variables, and (vii) intervening variables. Those seven blocks were variables that represent characteristics of local people that were expected to have an influence on the utilization of available institutions/organizations, which were divided into three: (i) the indigenous institutions of *jimpitan*, (ii) the transitional organizations of PNPM UPK and cooperatives, and (iii) the exogenous banking organizations. The socio-demographic variables describe the physical and social characteristics of the local people. The psycho-social variables and perceived need for satisfaction measure the cognitive aspects which relate to the systems of knowledge, beliefs and opinion. The socio-economic status variables describe the economic condition of the households. The institutional variables show the accessibility to the institutions. The environmental variables depict the condition in which the local people reside. The intervening variables describe the variables that come from outside the community. As depicted in Chapter VI, the number of variables in seven blocks was 26, in which from the Random Forest results, 22 of them influence the utilization of the available institutions/organizations individually as has been shown by the value of importance. However, when it was processed into blocks, the value of average importance of each block was insignificant, so that there was a change in block arrangement. Seven blocks were rearranged into four blocks. They are: (i) socio-demographic variables, (ii) psycho-social variables, (iii) economic variables, and (iv) location variables. The rearrangement was necessarily conducted due to two things: (i) the addition of new variables and the deletion of unsuited variables, and (ii) to have more than one variable in a block to derive appropriate values that measure significance.

The classification of variables into seven blocks was also done in the study of Saefullah (2020). By using the method of OVERALS he concluded that almost all blocks have moderate correlation with the utilization of available institutions/organizations, except the enabling and intervening block that have low correlation. His result is quite different to this study in that it is only the location block which significantly influences the utilization of available institutions/organizations. However, in terms of bivariate analysis, Saefullah (2020) shows that the environmental location of rural and urban area posits very strong influence upon utilization of available institutions/organizations.

The fieldwork that was conducted encompassed all principles, *ie.* interviewing the respondents, observing their environment and daily activities, visiting local libraries. During three months of fieldwork in four villages from September to November 2017, I found a lot of information that was useful. The data I gathered from the fieldwork through the structured questionnaires were ordinal and nominal data. To capture the indigenous knowledge, the psycho-social data included the knowledge, the beliefs, and the opinion of local people about each available institution/organization in ordinal measurement. In terms of socio-economic condition of the local people, most of the local people reported to have an average social economic position. This was confirmed by observations, although there were a few differences in information obtained through both methods. There were respondents who reported that they are poor, while based on observations they can be considered as average, and some reported 'average' while by some observable indicators they could be considered 'rich'. The ordinal data are in five to six categories. However, when the statistical method was used, the categories were shortened into three or four categories. The Random Forest method was used to handle many types of variables, also because it can handle high-dimensional problems. It is a simple yet sophisticated method that could be used to answer research questions in this study. For this kind of research, which involves many qualitative variable/s in the questionnaires, using the Random Forest method allows us to quantify the qualitative variables *ie.* through the value of importance.

The knowledge and values of local people that underlie their daily life are not only beneficial for them but also for other people outside their community. There is much wisdom they can offer to the world. Trust each other, help each other, face and solve the problems together, that is what helps them cope with adversity. Being active in the community facilitated by institutions also empowers the local people. The combination of qualitative and quantitative analysis made this study rather comprehensive in understanding the behavior of local people in terms of utilization of available institutions/organizations. However, regarding fieldwork there were some difficulties that arose. First: the allotted time for the fieldwork was inadequate to explore and observe in depth the knowledge that the local people possess. Second: there were difficulties in getting the permits from the local authorities. It takes some time to get permission from the local authority to conduct fieldwork. Researchers should adequately and timely prepare the administration and documents that are needed in the process of getting the permission. However, it is worth facing such obstacles because to be able to see, observe and talk to the local people directly allows you to explore the extent of their knowledge and how they

use it in their daily activities. It is extremely useful to use local guides and assistants while interviewing the informants and trying to get to know them better.

### 7.2.3. Practical Implications

The practical implication of the study includes the identification of factors which significantly contribute to the utilization of available institutions/organizations. The study emphasizes the importance of institutions/organizations at the community level, particularly the role of indigenous institutions in the sustainable socio-economic development of local people. The result of the analysis shows that most of the local people who lives in rural areas prefer to use indigenous institutions compared to the other two available institutions/organizations, the transitional and the exogenous organizations. This behavior of the utilization of available institutions/organizations is influenced by independent socio-demographic, psycho-social, economic, and location variables. The quantitative analysis in this study shows two conclusions: (i) in terms of individual variables, and (ii) in terms of block. Individual variables that significantly influence the utilization of available institutions/organizations are 22 out of 26 variables. The highest ten predictive variables are the location of the community (*loccom*), the location of the house (*lochouse*), the beliefs in transitional organizations (*beltrans*), the beliefs in exogenous organizations (*belbank*), the opinion on exogenous banking organizations (*opbank*), the total income (*totinc*), the increasing price impact (*priceimp*), perceived needs (*percneed*), total expenditure (*totexp*), and social-economic status (*ses*). Four variables that were insignificantly influencing the utilization of available institutions/organizations are place of birth (*pobirth*), ethnicity (*ethnic*), religion (*religi*), and knowledge about exogenous banking organizations (*knowbank*).

In terms of blocks, only the location block significantly influenced the utilization of available institutions/organizations. The other three blocks did not affect the utilization of available institutions/organizations in a significant way. The importance of the location factor signifies the importance of the community in terms of spatial meaning. The members of the community in the same place share the same values, face the same problem, and have the same goals. By that, the social research about indigenous institutions should account for the spatial community that is a non-economic factor in the setting up of their research. The result is in line with the studies of Truong *et al.* (2020) that note that urban and rural people have different preferences for institutions, and the study by Aregbeyen (2011) that concludes that the shorter the distance of home or the workplace to the financial bank institutions the more likely the customer will choose them; Abbam *et al.* (2015) with their study that was based on 509 respondents in Ghana; and Inganga *et al.* 2014 that showed location is one factor out of four that determine how people choose a bank, that weighs 25% out of 100% of the consideration of utilizing the service of the modern financial banking institutions . However, this study is in contrast to the studies of Gyeltshen (2008) and Barslund and Trap (2008) about formal and informal credit that recorded that distance to the credit source is not an important factor in the utilization of institutions. The local development pattern is driven by the choices of economic actors that strengthened through social interactions and which are subject to

institutional arrangement and geographical environment (van Duinen *et al.* 2015). It should be underlined that this result takes into account that people adhere to the same religion and belong to the same ethnic background. *Jimpitan* differs from other local activities such as *pengajian* (religious gathering), *arisan* (gathering of citizens), or savings and loan cooperatives. Although those activities have rather similar benefits as *jimpitan*, they cover only a limited scope of issues. *Jimpitan* could be considered as a melting pot of characteristics of a mixed-religious and multi-ethnicity community.

The *jimpitan*, historically, complement the evening routine activities of *ronda* (night patrol). The *ronda* is established to support the *siskamling-sistem keamanan lingkungan* (a kind of village-wide security system). The villagers take turns doing *ronda* around the village. It is considered as a long and well-established collective action which is available in almost all rural communities in Java (Djamhuri 2008). While doing *ronda* around the neighborhood the patrol officer collects the rice of *jimpitan*. Hence, two functions are simultaneously carried out: to maintain security and to conduct the *jimpitan*. It shows the existence of cooperation and *gotong royong* (voluntary mutual assistance) among local people. *Arisan* as well as *ronda* are also people's activities which foster the practice of the indigenous institution of *jimpitan*. Such activity can be found throughout Indonesia at almost all socio-economic levels of society (Djen Amar 2010).

The value of cooperation and *gotong royong* in the practice of the indigenous institution *jimpitan* need to be maintained and supported in the society in general, and particularly in Wonosobo to safeguard them from extinction amid globalization and the modernization era. The transitional organizations as a combination of bottom-up and top-down approach institutions, in this study represented by the cooperative and PNPM-UPK, should emphasize the participation of local people in the planning and implementation, rather than being determined by the government in order to support sustainable community-based development. Meanwhile, for the exogenous organizations, the service for the local people in the community should emphasize the personal relationship more, instead of mere impersonal, contextual and contractual relationships.

The utilization of indigenous institutions that is based on voluntary mutual aid not only exists in Central Java, but also throughout Indonesia (*ie. Perelek* in West Java, *Bareh saganggam* in West Sumatera, and so forth). *Gintingan*, for instance, as it has been described in the study of Saefullah (2020), has shown some similarity and differences with *jimpitan*. Both are indigenous institutions which are established as a local initiative and aim to fulfill the need of the people through mutual voluntary assistance and cooperation. Both are also supported by the contributions of rice from every household in the community which are collected to be utilized by the households in need, and they are also practiced for the special ceremonies in regard to life cycle rituals like circumcisions, weddings, and funerals. One of the differences between *jimpitan* and *gintingan* is that in *gintingan* the family who receives the contribution will record every single contribution in a *buku beras* (rice book) to acknowledge the amounts of contributions from all the community members, and will contribute the same amount to other neighbors in the future. Meanwhile in *jimpitan* there is a record book for every household, for example in

Sojokerto, and one master book is with the head of the neighborhood (*RT*) that records all the *jimpitan* collections in one neighborhood only to see how much the collection was and how the *jimpitan* rice or money will be allocated. Also, when the *jimpitan* rice or money is given to people or families who are ill or suffer the loss of a loved one, they do not have an obligation to return it, unless they have received *jimpitan* money as a loan. In that case, they need to pay it back.

In other countries there are comparable institutions: *Ajo* in Nigeria, *Bayanihan* in the Philippines, *Iddir* in Ethiopia, and *Kuu* in Liberia. *Bayanihan*, according to the studies of Ealdama (2012) and Barrameda *et al.* (n.d.), is the same as *jimpitan* as it is based on a spirit of *tulong* (help). It is a tradition where people help those in need. However, it is more the practice of collectively moving a house. *Ajo* (Esiobu *et al.* 2015) is the same as *jimpitan* in terms of its daily contribution and as an informal source of funds and indigenous savings and credit institutions. Meanwhile *Kuu* is a self-help farmer's group (Beekman 2015), so the similarity with *jimpitan* is that both are practiced initially in the peasant community. Therefore, this study adds references about the importance of such indigenous institutions in development, particularly in local rural development. This study shows that social capital such as trust, values, norms and social networks significantly affect the collective action that local people conduct through the utilization of locally available institutions/ organizations. As has been mentioned earlier, the issues faced by the community in the research area have been solved through the utilization of available institutions/ organizations, in particular, their collective action in the indigenous institutions *jimpitan* via the mechanism of discussion about what was going on, what should be done, what resources should be used and how they could do something to address the issues.

### 7.3. Recommendations

The following recommendations are based on the result of the study that the utilization of available institutions/organizations in the research area of Wonosobo is primarily influenced by the location factor. It can be concluded that the location is more important as a factor than the economic factor. The recommendations are aimed at three specific targeted audiences, namely: officials in development planning, local community organization, and finally researchers.

#### 7.3.1. For Officials in Development Planning

In the past the poverty reduction program in Wonosobo was still ineffective in alleviating poverty. The PKH Program *Keluarga Harapan* (the family program) that provided conditional cash transfers, for example, was not very well targeted due to inaccurate data collection. In addition, there was still a still lack of participation from the beneficiary (Fachrudin 2017; Sofianto 2020; Faulana *et al.* 2021). Therefore, policy makers should take the local people's knowledge into account in their policy formulation as the local people's knowledge is a readily available source of 'know-how' of doing things or of solving issues

in their daily life which has been proven and conducted over generations. Local people are the ‘teachers’ who know more about their own local economy and environment, also they obey and are sensitive to the principles of a balanced environment. In this case, policy makers and development planners should acknowledge the role that the local institutions play in the community and have collaboration with local institutions in designing and implementing local development initiatives. The local people in the research area when they implement *jimpitan* always document the amount of rice or money, the people who have not participated, and the people who have savings and loans. Such documentation could be a good resource for the local government for their data collection so that the implementation of the poverty reduction program can be more effective. The local government can also work together with the people to know how to efficiently encourage the participation of the local people in using indigenous institutions.

Take the example that has been conducted by the *pemerintah desa* (village government) in Burat village, Kepil sub-district, Wonosobo. They have formalized the implementation of *jimpitan* in their village as one of its policies for poverty reduction. Their slogan being “Segenggam Beras Kita Berguna” (with a handful of rice we are useful), the *jimpitan* was implemented in each RT every 35 days (*selapanan*) to collect rice to be donated to the person in dire need or affected by a calamity<sup>8</sup>. The other village administrations can formalize the *jimpitan* according to the needs of their respective locations. As this study has concluded, people in rural areas need more to meet the basic needs, meanwhile in the urban areas people need more to meet the secondary needs. With this formalization, it is hoped that the community can be encouraged to participate more actively, the preservation of the *jimpitan* can be maintained, and the poverty reduction can be realized.

In 1999, the TP-PKK *Tim Penggerak PKK* (The Movement Team of PKK) together with UNICEF established a program called *tubulin-tabungan ibu bersalin* (maternity savings), in which the funding source was *jimpitan*. The program, that was conducted in each sub-district, was intended to reduce maternal and infant mortality, improve public health and motivate the community, especially pregnant women, to save money in preparation for childbirth. The money which was collected from this program was as much as IDR 600 million. However, in 2017 the program was discontinued due to the existence of BPJS. It is another example that *jimpitan* could be used as a resource of local people that is reliable for local development programs and projects. It should not need to halt and it could be allocated for another post for local development programs.

As the BAPPENAS-Badan Perencanaan Pembangunan Nasional (National Development Planning Agency) stated in cluster III and IV of the poverty reduction program, it is suggested to also include and encourage the local people’s participation to make the empowerment of local people more effective and sustainable, by including the indigenous knowledge systems in their policies and by paying attention to the local indigenous institutions. It is expected that the integration of bottom-up knowledge (the local people’s

<sup>8</sup> Selapanan means 35 days, this traditional day measurement is used by the local people to hold meetings, instead of using 30 days a month (Aswiyati 2015).

knowledge) and top-down governance will encourage the realization of community resilience and eventually create sustainable development.

The resilience of indigenous institutions in a context of financial or health crisis calls for a new way of thinking when dealing with the concept of development. The indigenous institutions are based on indigenous knowledge and practices. However, only few studies regarding indigenous institutions have been conducted due to their heterogeneity, the relatively small amounts used in transactions, and the lack of written documentation (Temu *et al.* 1994; de Soysa *et al.* n.d.). In this study, it is shown that the indigenous institutions offer services that are beyond the services that exogenous organizations can provide. The bottom-up approach, as opposed to the top-down approach, which is displayed in the *jimpitan* accommodates cultural differences, encourages participation, and empowers the potential and capabilities of the local people to achieve and improve their well-being at the community level. Therefore, the *jimpitan* which promotes both an *emic* perspective and a bottom-up approach should be accommodated in the socio-economic development.

As has been mentioned in the conclusion, *jimpitan* has four functions, whereas the transitional and exogenous organizations serve only two functions. The role of indigenous institutions is to provide the goods and services to vulnerable people and low-income families, particularly in times when there are inadequate safety nets and aid from local government and no well-functioning markets. The indigenous institutions tend to utilize local knowledge to respond to changes, to handle conflict, and to create circumstances that influence behavior. Moreover, the experiences of problem-solving that the local people have passed down over generations serve as a survival function. It helps individuals to adapt and master the environment. Therefore, the documentation of the local knowledge that this study brings could be used for policy-making by the relevant authorities. According to the experience of local people in Sojokerto village in conducting *jimpitan*, they can close the gap between the wealthy and the poor in their environment. This experience shows that in order to know the problems that the local people face, the policy maker should listen to them and talk with them directly. They have ideas, insights, and knowledge that they can share, that the policy makers should acknowledge and use in the design and implementation of the plans. The local people are more than just a beneficiary, an object or target group for development activities. They must be included in the policy decision-making that will eventually influence their lives in the future. Also, when doing the loan and saving, the mechanism of informal social pressure is a reminder for the person who borrows the money to make the payment in due time. The policy maker could make use of the meeting of *jimpitan* or the information that the people collect when they gather in the middle of *ronda*, *arisan* or *jimpitan* as this information could help the decision-making when setting out policies that deal with the local people. For instance, information on how many people is ill, poor, or unemployed, could be collected through the *jimpitan* networks. In short, development programs should start to consult local people who have been living and surviving in the environment. They should also take into account the relevant local knowledge as an instrument for selection of choices to be made by the people themselves.

### **7.3.2. For Local Community Organizations**

The local community organizations should have a collaboration together with the academicians in preserving the tradition by documentation and introducing it to a wider audience in order to have the resource available and to encourage the policy makers to listen more to their voice. During the fieldwork, I encountered people and organizations who are concerned about local knowledge. Sometimes, I also heard pessimistic sounds about the local knowledge and tradition as *ndeso* or *ketinggalan jaman* (being outdated or old-fashioned). This could lower the local people's self-esteem. However, I also acknowledged that there were concerns about the extinction of the local traditions from cultural activists. This study tries to convey a message to those who are concerned about their traditions, ideas, insights, and unique ways of problem-solving that is empirically tested and academically recognized.

### **7.3.3. For Future Research/Researcher**

Researchers should pay more attention to the methodology. In this study, the block that highlighted the socio-cultural factors (socio-demographic block and psycho-social block) did not significantly affect the utilization of the available institutions/organizations. Therefore, suggestions for further research regarding this are to be cautious about which of the measurement are really important, *i.e.* (i) whether we already appropriately measure what we want to measure, (ii) whether we correctly include variables that we should include, and (iii) whether we carefully choose which and how many variable/s we should put in the block. The classification of many variables into blocks that measure the factors that influence the utilization of available institutions/organizations is the strength of this study. It can help the policy maker determine which cluster of variables should be paid attention to intervene the behavior of the local people. However, the number of the variables that were put in the block is unbalanced. So, for further research, it is better to have a balanced number of variables in each block in order to appropriately interpret the block.

Researchers are suggested to do a pilot project or a preliminary-research. This is to acknowledge the local value so that in designing the tools/instruments such as questionnaires in open and closed questions can be suitable with the local condition. As has been stated in the subsection in which to conduct research that deals with local knowledge, ethnographic research is an appropriate choice to be able to capture the perception of the local people and the culture they have. However, one should bear in mind that the challenges to be faced can be different in each research area. The complexities of human behavior can be translated into indefinite numbers of variables. Variables that perhaps will give more valuable insight in understanding the behavior of local people are the psycho-social variables that are particularly aimed at understanding the local people's knowledge. Having more interaction with local people in order to know the way they convey their ideas or perceptions is a useful way for the researcher to gain a deeper understanding of people's knowledge.

## Finally

Last but not least, amidst the Covid-19 pandemic, the *jimpitan* with its saving and loan function can be one of many ways to cope with the difficult economic situation so that the local people can still manage to keep their small businesses from collapsing. Also, *jimpitan* with its basic function of providing the staple food for low-income families can help people to survive when they lose their jobs or when their income decreases in times of lockdown. The governor of Central Java recently suggested to the people in the villages to revive the tradition of *jimpitan* as a food barn. This is also being done in Yogyakarta province in which the governor issued instruction number 16/INSTR/2021 that was dealing with the local level handling of Covid-19; one of its suggestions was to make use of *jimpitan* as one of the sources of funding for the operational needs of the Covid-19 *Satgas-Satuan Tugas* (Handling Task Force) at the level of *dukuh/dusun* (sub-village), *RW* and *RT*. Farmers in Central Java who are members of *KTNA Kontak Tani Nelayan Andalan* (a group of farmers and fishermen) donated five tons of rice and 500 kgs of eggs to support the Central Java's government to deal with the Covid-19 pandemic. The Acting Chairperson of the Central Java *KTNA* said that the donated rice was the result of *jimpitan* which was set aside at harvest by *KTNA* member farmers (Aini 2020; Insetyonoto *et al.* 2020). In some places, *jimpitan* is one alternative solution to collect funds to be used to help those who are in self-quarantine and to donate aid to prevent Covid-19 (Arifin 2021; Prakoso 2021).