THE LIFE OF THE OLD: PRIOR TO NATIONAL WELFARE PROGRAM
Bambang Setiaji¹, Nieldya Nofrandila², Huda Maulana³, Haedar Nashir⁴

¹Professor Economic Islam, Universitas Muhammadiyah Kalimantan Timur (UMKT), Indonesia. ²³Universitas Muhammadiyah Surakarta, Indonesia. ⁴General Chairman of Muhammadiyah, Senior lecturer in Universitas Muhammadiyah Yogyakarta (UMY), Indonesia.

Email: ¹bssetiaji@yahoo.com, ²nieldya@ucmmk.com, ³hudam@ucmmk.com, ⁴haedar@ucmmk.com

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Abstract

Purpose: The purpose of this research is to investigate the lives of elderly people after their retirement without welfare program supporting their daily needs.

Methodology: The research was conducted by employing unstructured interview sessions with the respondents. In selecting the respondents, the snowball method was used. They were met at a market, on a rice field, or on the main roads in Solo. Later, the researchers were brought to their homes so the researchers had a chance to look at the condition of their homes. The respondents often looked glad as perhaps they felt that there are people who care about them.

Result: The research results show that most pensioners, due to the unavailability of the much-needed welfare programs, work in the informal sector. This suggests the needs of a well-managed informal sector as well as the necessity of welfare programs.

Applications: This research can be used for the universities, teachers and education students.

Novelty/Originality: The Indonesian government has not been able to provide a sufficient pension and welfare program for them. The respondents were senior citizens who live in Surakarta, Indonesia. They were interviewed about their daily activities and what they do to fulfill their daily needs.

Keywords: Old Labor Market, Informal Sector, Welfare Program.

INTRODUCTION

Without the presence of a welfare program, life insurance or enough bank savings, elderly people who should enjoy their retirement days are forced to go to work in order to survive. The intriguing question is: what do they really do to support their basic needs? Needs for food, clothes, shelter, and healthcare are key for the old.

The Indonesian government has provided a pension scheme by formally establishing the BPJS (Badan Penyelenggara Jaminan Sosial - social insurance institution). Operating from 2014, the scheme originally run as a profit-oriented enterprise which was later turned into a non-profit scheme. The change in orientation is intended to widen the reach of the program so it can cover all of the citizens. However, it is conceivable that doing so needs time.

The purpose of the research is to understand the life of retired people who do not have a government welfare program to rely on. The research questions will cover the following aspects.

1. Where and with whom do they live? How is the support from their family? These questions become relevant due to modernization, individualism, money-oriented society, and recent family migration pattern, all of which make kinship solidarity less apparent in society.

2. How does their social and economic situation look? This covers their sources of income and level of consumption as a proxy for their welfare. This also includes describing the housing situation and the daily lives of the respondents.

3. How much support do they receive (if any) from their previous employers? Do pension programs exist especially for non-government workers? Some formal workers have been covered by labor insurance but arguably the amount is not enough. The retirees usually are not good financial planners and frequently suffer from financial problem after they pass their golden age. Furthermore, the majority of citizens are farmers and informal workers that are definitely not covered by an insurance plan. The majority of people in a pension are prone to have financial, social and welfare problems.

4. What government support programs are accessible to them? How difficult is it to access the government support? How important is the government support for their survival? What are their expectations for the government?

5. What do they really need to support them? What policy is needed? How important is BPJS for them?

6. Some elders still go to work to support their survival. What are their jobs and are they in rural, suburban and urban areas? What is the meaning of their job to them?
The six questions above will be developed in the research interview to enrich the provided qualitative analysis. There were a number of old people who were still involved in the workplace as farmers, workers in home industries, and small traders. In the urban area, they are engaged in activities like providing parking service, small traders, and other minor services. They are poor and lack income because of the absence of a pension. Due to the limited economic activities, they live in very small houses with poor ventilation and sanitation. It is also common that they depend on public toilets.

LITERATURE REVIEW

Pension and Welfare Program

Most developed countries have provided welfare state programs (Clark 1996) offering aid for poor families (Moffitt 2015; Ulandari et al., 2019), pension schemes (Bosworth, and Burtless 2004), aid for children (Raphael 2004, 133), a healthcare coverage system (Riggs 2000), a welfare program for native tribe children (Leake et al. 2012; Gulzhanat et al., 2018), and insurance for the unemployed (Moffitt 2015; Kim 2010).

Indonesia, although it is still considered a developing country, has stated the importance of welfare programs in their constitution despite the implementation and performance still not as effective as expected. The BPJS for labor can only cover about 20% of all citizens. Moreover, the amount is not sufficient to cover the employees’ entire lifetime. Still, BPJS for health is considered as a brilliant program. Launched during President Yudhoyono’s reign in 2009 – 2014, it received quite an amount of praise during President Joko Widodo’s era. The poor are able to see physicians in local hospitals just by paying monthly premiums of US$ 2. Furthermore, those who are extremely poor can get free healthcare only by using an official letter issued by the government. However, this inevitably makes local hospitals almost always full. Therefore, it is common that medical staff need to work more than their working capacity.

Looking from the election context, the poor are indeed significant voters. This encourages democracy developed in the past two decades to be built around them. A number of local governments tried to initiate conducting welfare programs although some did it in non-significant amount and somewhat in an outlandish way. For instance, the government of Sukoharjo, a small town in Central Java, offered mortality aid for its citizens. It is hard to understand that someone is given aid after they pass away and not given aid when he/she retires. Indeed, the retirement aid scheme needs significant monthly amount of money and is more difficult to be corrupted. In opposite, aid for the deceased is only paid once in a lifetime (Lobão & Pereira, 2016; Barreto & Alturas, 2018).

Sadly, corruption is still prevalent. It almost feels like those who are involved in such illegal activities play cat and mouse games with KPK (Corruption Eradication Commission). Furthermore, corruption is getting more difficult to be tracked as now the alleged doers “play” with the program suppliers or contractors. They deceive the authorities by selling overpriced products so they cover up such illegal activities with seemingly legal and common B2B transactions. The urge for corruption prevents the government to conduct programs badly needed by the pensioners and the elders.

FORMAL AND INFORMAL SECTOR

The unavailability of pension programs forces marginal old workers to keep working. For some, and arguably including the elders, the only available option to save their lives is to work in the informal sector (Timofeyev 2013; Irvani & ShekarchiZade, 2014). Furthermore, as stated by ILO in Kannan and Papola (2007), the informal sector accounted for 50 to 70 percent of total employment in Asia. The sector comprises, but not limited to, independent ventures established by civilians, local street vendors (Routh 2016; Ranjbaran, 2014) and home industries with no binding legal contract.

The definition and scope of ‘the informal sector’ itself continues to grow and intrigue further discussion (Koto 2015). The characteristic of the sector is the presence of a vicious circle of poverty. The sector is characterized by small capital, small revenue, loose or even no working contract, the survival nature of the jobs and the prevalence of unregistered businesses.

The sector is also easy to do. One does not need to provide a diploma, formal working experience or certain legal requirements if he/she wants to be involved or start up a venture in the informal sector. Furthermore, the working hours in the informal sector is often flexible, allowing a part-time system and working multiple jobs. Therefore, incomes can be combined between jobs or between family members.

Figure 1 illustrates the options possessed by an individual before and after retirement. Before retirement, or during the youth, an individual still has two viable options, whether to enter the informal or the formal sector. However, after pension, with the diminishing physical ability and the inability to adapt with new technology, pensioners who previously worked in the formal sector have limited options as now it is more difficult to enter the formal sector. Only about five percent of all pensioners can strive again in the formal sector (depicted by the dashed arrow), the rest of them move to the informal sector. For instance, pensioners, and only a few of them are able to reenter the formal sector by starting up a new business. Those who start up a new venture further can be classified as shown in Figure 2.
However, it looks like mutual understanding does not have a place when it comes to the relationship between the informal sector and the city government. The city or local government officials seem fascinated by cities in western countries where they often visit which are mostly clean and organized. Hence, eviction and forced demolition for the sector become common.

It is conceivable that the informal sector, especially those who operate on the cities’ main roads, often causes traffic jams. Jakarta, for instance, now has become one of the densest cities in the world and often gets the news for the eviction they do since Governor Ali Sadikin.

In contrast, the city major of Bandung, Kang Emil, who provides roads, aimed specifically for the informal sector, has received positive appreciation from the public as well as from the media. This policy accommodates the needs of the elders who are desperate to work and survive.

Summing up, the discussion above provides the link between the absence of welfare programs and job availability in the informal sector badly needed by the grassroots. This research also shows how the absence of welfare programs can force the elders to work in the informal sector.

**DATA COLLECTION APPROACH**

The research was conducted by employing unstructured interview sessions with the respondents. In selecting the respondents, the snowball method was used. They were met at a market, on a rice field, or on the main roads in Solo. Later, the researchers were brought to their homes so the researchers had a chance to look at the condition of their homes. The respondents often looked glad as perhaps they felt that there are people who care about them.

**RESULTS AND DISCUSSION**

*The Old’s Economic Activities Without Any Pension Scheme*

This research questioned eight participants both in their home and their workplace. Most of them are in their retired ages;
some of them are 70-year-olds, and only one is 53-year-old. The retirees keep working in their old age because they worked without any pension scheme and saving.

The following is the economic activity of each respondent that the researchers met:

1. **Selling gasoline.** We met an old man who previously worked in construction. As he ages, he could not do more physically-demanding jobs so he changed his work to become a gasoline seller. It is needed to be noted that selling gasoline (in Bahasa Indonesia: penjual bensin eceran) does not refer to someone who owns a gas station. Instead, the job is done by buying gasoline in a large amount and then resell it for each liter with insignificant amount of margin. They seek to cater the needs of motorcycle owners as in Indonesia the most common mode of transportation is motorcycles. They usually have their temporary vendor by main city street and without the presence of clear regulation and licensing from the government.

2. Working in a small business. We met an old woman whose daily job is wrapping snacks. She does not want to rely on her children. She prefers to live by herself in her very modest home. The business itself is owned by her neighbor.

3. Textile screen printing. This respondent works from home. Her job is wrapping out the bottom part of the fabric. When we met her, she kept working although she was sick.

4. Supplying vegetables at Kartasura Market. The respondent is old and already in her pension age. We went to her house in Boyolali 15 km from her workplace.

5. Driving a pedicab. He recently faced his pension age. We did the interview at the spot where he usually waits for his passengers. We then continued the interview at his home.

6. Begging. She stands in an intersection near a university and gets money from passing by cars. Initially, she was difficult to be interviewed. She thought that she was going to be detained. However, after we approached her and gave her some money, she showed trust and allowed us to take her home.

7. Organizing traffic in intersections. This is a recently prevailing type of work. The job involves organizing poorly managed intersection traffic. The workers are often voluntarily involved. Sadly, in Jakarta, this informal work becomes a transactional one. When passers-by give them money, they will open up a lane for them. The government recently passed a rule to ban them as they create more traffic jam instead of untangling them. In Surakarta, this sector seems more honorable, without any tendency to ask for money. However, because most passers-by appreciate what they have done, they often give them money (around IDR 1,000 which is similar to parking fee).

8. Being a farmer. He lives in a suburban area. He has land around 2,500 square meters. He is really old and already in his pension age. He allowed us to do the interview at his home. He talked about his work, economic and social life of his family.

**Reasons To Keep Working**

As expected, retirees have to keep working as a result of the Indonesian government’s inability to give a pension scheme and public welfare system which has been well implemented in developed countries. They have no insurance or savings. In the eastern world, solving this problem can be started from religious wisdom such as philanthropy, social responsibility, and kinship solidarity. More importantly, there is an obligation in Islam to take care orphans and elderly people. These obligations can play vital roles in supporting the economy of the groups yet, sadly, eastern countries have not been able to capitalize their roles.

Furthermore, polygamy is also allowed in Islam. In the old culture, polygamy assumes an insurance plan role to ensure the lives of widows and their kids. This system guarantees the life of the widow of a soldier so they should not have any worries when their husband or father died on the battlefield. Polygamy was needed to guarantee women’s social and economic life since there were limited work opportunities accessible for women in that era. It is said that nowadays sexual motive dominates the discussion on polygamy while it was actually intended to ensure a woman’s and her children’s welfare.

Although most families can afford to financially support the elders’ lives, most of them want to live independently. They have several reasons that they choose to keep working and live independently.

The gasoline seller feels that being a burden to his children is inappropriate. Therefore, he prefers to keep working although only by selling gasoline. The money he gets is used to buy food, to contribute to his neighbors’ traditional party, and to buy gifts for his grandchildren. The old man will feel very embarrassed if he does not have money to contribute to a neighbor’s traditional party.

The snack wrapper spends her life on her own in a very simple house. Actually, she has the option to live with her children, but she chooses to live independently so she can live more freely. She does not have a bathroom and a toilet. For her daily

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2 It is common in Indonesian culture that a member of a community donates to his neighbor who hold their daughter’s wedding ceremony. In turn, the neighbors will donate money to help him when he gets his daughter married.
sanitary needs, she uses the mosque’s bathroom nearby. She keeps working in her old age as she wants to be independent.

Another old woman works at her house. Fortunately for her, the job is flexible and allows her to bring it home. She looks weak and sick, but she keeps working because of her families’ economic condition. She lives with her son and uses the salary to support their lives. Despite her deprived physical condition, she has no option but to keep working. It seems that her families cannot help them too. To make things worse, she also has to support her son’s life.

Another respondent whose job is selling vegetables feels that working is her lifestyle. She has worked for a long time. When she was still young, she was capable of selling the vegetable out of town. However, now she only sells the vegetable at a market nearby. She told us that she lives alone because her children work on another island and overseas. She sleeps in a room that also functions as a living room. Behind the room, there are a kitchen and a bathroom. The way she earns is by buying the vegetables at lower prices at the local market near her house then resells them at a bigger Traditional Market.

Being a husband and a father for his children, the pedicab driver sees working as his responsibility toward his family. Driving a pedicab is a job that requires certain physical performance. Its relatively flexible working hour makes it a popular alternative of informal work. He has grown-up children who also work in and around the Regional’s Minimum Wage Standard (UMR). His wife also works to help the family. With this kind of combination, the family can afford better housing with electronic tools like a television.

The old beggar, who works in an intercity road intersection, is forced to do that job because she has to support herself and her older brother who is blind and sick. She lives in Telukan, 30 km from her usual spot.

The next respondent is a traffic light arranger. He does the job because it is easy and the physical requirement is less demanding. Actually, his wife has a pension scheme from her previous work, but he thinks that being out of work is embarrassing. As he feels that his work helps people, he gets a sense of achievement from what he is doing.

Our last respondent is a farmer who previously was a carpenter. However, as time goes by, he does not have the required physical condition anymore. Besides being a farmer, he helps his wife making traditional food, Tempe, that is sold at the market. His children work in factories. This enables them to combine their incomes. They live in a decent house. The old man is wise; he is knowledgeable and has good idealism. He has farmland and, instead of selling it to get cash, he prefers to divide the land to his children or grandchildren for the future.

Overall, it is apparent that the respondents do not have a systematic pension scheme.

THE INCOME AND THE USE

From our interactions with the respondents, it became obvious that their low income could only afford them with basic food and clothing. When the research took place, BPJS did not exist yet, BPJS was still at its beginning phase. Generally, the retirees have no insurance. When they get sick, they only buy cheap over the counter medicine.

The lowest income of all respondents is USD 0.61 a day for wrapping out the fabric. She works from early morning to 9 pm. She still has household duties outside of her working hours. She said that the income is not enough to fulfill her needs.

When health care need arises, they only buy generic medicine available in small stores to relieve the sickness. They will buy if they have the money to do so. It seems that their body immune is their best protection.

The old woman who wraps snack earns USD 1 a day. She wakes up early in the morning to do her job. With her income, she can survive and buy food for herself. She does not need to buy household products because she relies on used stuff. The income of the gasoline seller and the traffic light arranger is similar, around USD 2.3 to USD 3.8 a day. This income can satisfy their basic needs, especially food and their family needs. They can also do social responsibilities such as giving a contribution to their neighbors’ traditional party. The gasoline seller said that he always wants to give money to his grandchild. The traffic light arranger told us that he has to share the income with his wife.

The beggar can get USD 2.3 to USD 3.8 each day. However, she has to pay for the bus and pay for her brother’s daily meal who is blind and sick. She does not cook a lot as apparent from the rarely-used kitchen. The old woman actually has children and grandchildren living not so far from her house. They often bring her to the bus stop. She feels that she has to take care of her brother and fulfill his needs.

The vegetable seller gets a marginally better income, around USD 2.78 to USD 3.8 a day. Same as the others, she lives in a small house without any luxurious household goods and tends to focus her spending on survival spending.

INCOME COMBINATION

Compared to the other respondents, the pedicab driver and the farmer earn higher incomes. The pedicab driver has a better house and household goods. He usually earns USD 3.5 to USD 5.5 daily. The farmer is able to combine his income with his wife’s. He has a sizeable house and a big yard. They combine income with their family members. In terms of combined income, families find better luck compared with other respondents. The wife of the pedicab driver works in a laundry and the farmer’s wife is selling tempe in the market. The incomes are still further complemented by their children. If combined, each of the two families can earn USD 400 a month which is comfortably above the regional wage minimum.
LIVING IN A HARD WAY

The beggar was reluctant to show us her identity. She seemed worried about our presence. She thought that we were cops that were going to detain her. Indeed, both the beggar and the traffic light arranger work in a hostile neighborhood. Cops are not the only people they need to worry about. They have to protect themselves from street hoodlums who will rob their hard-earned money. “Please don’t grab me, Sir,” the beggar pleaded to us when we approached her. She eventually believed us when we gave her some money and explained that we are not cops. Initially, she said that her house is in Wonogiri. In fact, she lives in Sukoharjo. She lied earlier because she did not trust us.

The traffic light arranger has to deal with the same situation. Luckily for him, he was a member of Banteng Raiders, an Indonesian infantry battalion. Because of the strong connection the army corps has with former President Soekarno, he believed that he is protected from them. However, we could tell from his wife’s subtle facial expression that this is not entirely true.

Their reluctance in telling us the truth shows how they are accustomed to uncertainties and suspicion towards others.

POLITICAL NON-EXPECTATION

When the research was conducted, the presidential election was coming. President Yudhoyono had been elected twice and was not allowed to run again. Surakarta, in which the research took place, is the eventually-elected President Jokowi’s hometown. He was born and breed in the city. He comfortably won the election in Surakarta. His blusukan method has made him a very likable figure among the grassroots. They support him sincerely without specific demand. Other politicians often offer fake promises. The support shown by the citizens is sincere as he is one of their own. It is common for locals to see him as their own son who needs their personal support. When they were asked what did they expect in return for the support, they said that they wanted nothing in return.

CONCLUSION

As a result of the unavailability of a retirement program, savings, and insurance, old people are forced to work. Most of them live alone or with their spouse only. It is rare that they live with their children. In some cases, the elders also seek independency so they prefer to live by themselves. However, their homes are not adequate. Fortunately, they are helped by the presence of public facilities such as mosques and public toilets.

A vast majority of them work in the informal sector making less than USD 1, be it by being small merchants, domestic workers, traffic arrangers or even street beggars. Some have to work outside under the harsh Indonesia sun. Those who work outside often have to hide from the city’s police. Luckily, there are old people who still have families and have combined incomes with their other family members.

The irony is, although these people hold majority voice, and it is often claimed by political parties that they are their number one priority, they do not have the political power to bargain with the politicians, so they will have better lives.

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3 Blusukan is similar to the Japanese term *gemba*. The concept believes that to make improvements, decision makers have to visit the location rather than to sit behind their desk. Jokowi often makes impromptu visits to local public places and poverty-stricken neighborhoods to directly listen to the people’s aspiration.


**ABOUT THE AUTHORS**

**Bambang Setiaji:** Professor, Faculty of Economic and Business, Universitas Muhammadiyah Surakarta, Surakarta, Jawa Tengah, Indonesia.

**Nieldya Nofrandila:** Senior Lecturer, Faculty of Economic and Business, Universitas Muhammadiyah Surakarta, Surakarta, Jawa Tengah, Indonesia.

**Huda Maulana:** Senior Lecturer, Faculty of Economic and Business, Universitas Muhammadiyah Surakarta, Surakarta, Jawa Tengah, Indonesia.

**Haedar Nashir:** Senior Lecturer, Faculty of Social Science and Politics, Universitas Muhammadiyah Yogyakarta, Special Region of Yogyakarta, Jawa Tengah, Indonesia.