

## **Draft Concept**

### **Strengthening Indonesia's Traditional Social Reciprocation System, Gotong Royong, using a Simple Time – Based Accounting System**

#### **Problem Statement:**

In field research conducted in central Java, Indonesia, the traditional system of reciprocal exchange ("Gotong Royong") through collective work is in decline. With this system, a person may request the support of others to the completion of a project, usually a home. Before, each person is expected to give 5 full days of labour towards this project, for which they can expect the same in return. However, today people are only willing to give 2 days labour. The main reason given suggests that people feel that they often give too much, with little or nothing in return, or because they don't need the services returned to them that year.

#### **Summary:**

A system for recording the time contributed towards projects is needed, both to ensure fair reciprocation, to allow for savings in time which can be applied towards future projects, and to strengthen the traditional system of reciprocal exchange. A Time-Based Reciprocal Exchange Accounting System (Time Bank) is suggested as a solution to the problem which is easy to manage and fits with traditional culture.

#### **Background:**

Gotong Royong, Indonesia's traditional system of reciprocal time exchange, is an ancient social structure that is still widespread in villages throughout Java and most of Indonesia. It is similar to "Barn Raising" activities in agricultural communities worldwide, where the whole community or a group will assist a family to build a new home or building on their property. It can also be used to assist with planting, harvesting, or other seasonal activities. Those that come are treated to a common meal, perhaps even entertainment.

In many areas, Gotong Royong is still a very strong social obligation. However, in other areas, it is in sharp decline, replaced by purely monetary methods for gathering people together.

#### **Rationale:**

A Time Bank system for recording time contributed as part of Gotong Royong would encourage people to contribute their time, knowing that they can save their credits to be used as a later time, or be compensated in another way for it on a yearly basis, such as before the Ramadan Holy Month. Such a system may also support other forms of organized traditional mutual aid/reciprocation activities.

#### **Project Goal:**

To record time contributed to Gotong Royong projects as a credit to the individual or family's account.

**Project Purpose:**

1. To recognize contributions in time given to Gotong Royong projects.
2. To allow for the savings of time which can be compensated for on demand or at a later date.
3. To strengthen traditional reciprocal exchange systems in Indonesia and worldwide.

**Project Results:**

1. Time contributions are properly recorded as credits to the givers account, and as a debit to the receiver's account.
2. Contributions are compensated for on a yearly basis, or on demand.
3. Contribution of time towards Gotong Royong activities increases.

**Process:**

1. Contributions can be made in ¼ day (2.5 hour), ½ day (5 hour) and full day (10 hour) blocks of time.
2. A Transaction Ledger is created with the following columns: Date, From, To, Amount, For.

**Transaction Ledger**

Date	From	To	Amount	For
Aug. 5	Bill Johnson	John Smith	3.5	building house

In this example, Bill Johnson paid John Smith 3.5 days for building a house.

3. An Account book is opened, and each individual/family participating in the system is given an account. The account has the following columns: Date, With, In, Out, For, Balance. The transactions from the Transaction Ledger are recorded in both the giver and receiver's account.

**Account Ledger**

**Family Name:** Smith  
**Individual Name:** John

Date	With	In	Out	For	Balance
Aug. 5	Bill Johnson	3.5		building house	3.5

In this example, another member, Bill Johnson, paid John Smith for 3 and a half days of work, recorded as a credit in John Smith's Account.

Bill Johnson's account will look like this:

**Account Ledger**

**Family Name:** Johnson  
**Individual name:** Bill

Date	With	In	Out	For	Balance
Aug 5	John Smith		3.5	building house	-3.5

In this example, Bill Johnson's account records his payment of time to John Smith, 3.5 days for house building.

3. As contributions or receipts of time contributions are made, they are recorded as a row in both accounts, as shown in the examples above.

4. On a yearly basis, perhaps before the start of the Ramadan Holy Month, the system's accounts are totaled and a meeting is held to determine what the creditors will do with their credits. Will the creditors want to be paid right away in money or food, or will they want to keep their credits to build another home, water storage tank or land improvement next year? The meeting determines what the creditors will receive and when they will receive it, and which debtors have to compensate the creditors now or later. Plus, there may need to be some negotiation between creditors and debtors to ensure social parity. For example, a debtor may be a woman whose husband recently passed away, and she needed the assistance of others to complete the harvest.

### **Potential Disadvantage**

One potential disadvantage of this systems is that it, generally speaking, encourages the participation of people who own land and buildings, thus who are of relatively similar socio-economic status. Landless farm workers of a lower socio-economic status may find this system disrupts their ability to earn money by working as planters and harvesters for other people. However, people may find that a strengthened traditional economy is more beneficial overall than the present monetarization that is undermining traditional community.

### **Conclusion:**

One of the weaknesses of traditional socio-economic reciprocation systems is their lack of organization. As societies, even societies that are still very traditional, become more monetized, social relations are affected such that individuals begin thinking as isolated individuals, and begin considering the amount they contribute compared with what they receive in return. The result of a non-organized traditional system, and an increasingly monetized society, is a decline in the traditional system. However, by organizing traditional social reciprocation systems in a way that matches the traditional culture, it is possible to increase the strength, stability and use of these systems.