

The Human Toll



THE HUMAN TOLL

There were about 2000 people living in my neighborhood. I am told that only 350 have been found alive. Some are at Mata Ai, some at the airport. This area had a mixture of people – university lecturers, teachers, government workers and drivers like me. When we managed to get back, we found a lot of bodies. I knew every one of them.

From Ujung Punge

PEOPLE DEAD, MISSING OR DISPLACED

An enormous media blitz has shown just how hard this disaster hit Indonesia in terms of death and destruction. The greatest human loss is due to the massive tsunami that swept away and killed tens of thousands of people living on the coast, particularly in Aceh province but hitting North Sumatra as well. Estimated figures for the death toll are 110,229 people in Aceh and North Sumatra (Dept. of Social Affairs Data), with around 12,000 people reported missing. According to the Government, more than 600,000⁷ Internally Displaced Persons (IDPs) are living in temporary shelters and camps within Aceh and North Sumatra. This figure is incomplete as not all IDPs have been accounted for. However, it does represent a minimum figure of those displaced and needing assistance. Most IDPs have so far been reported in the area around Banda Aceh, with other large concentrations around and to the north of Meulaboh. Lack of information on the population along the west coast suggests this number might rise. Local NGOs also report IDPs living in private houses, many of whom are not receiving aid due to the difficulties in identification and targeting.

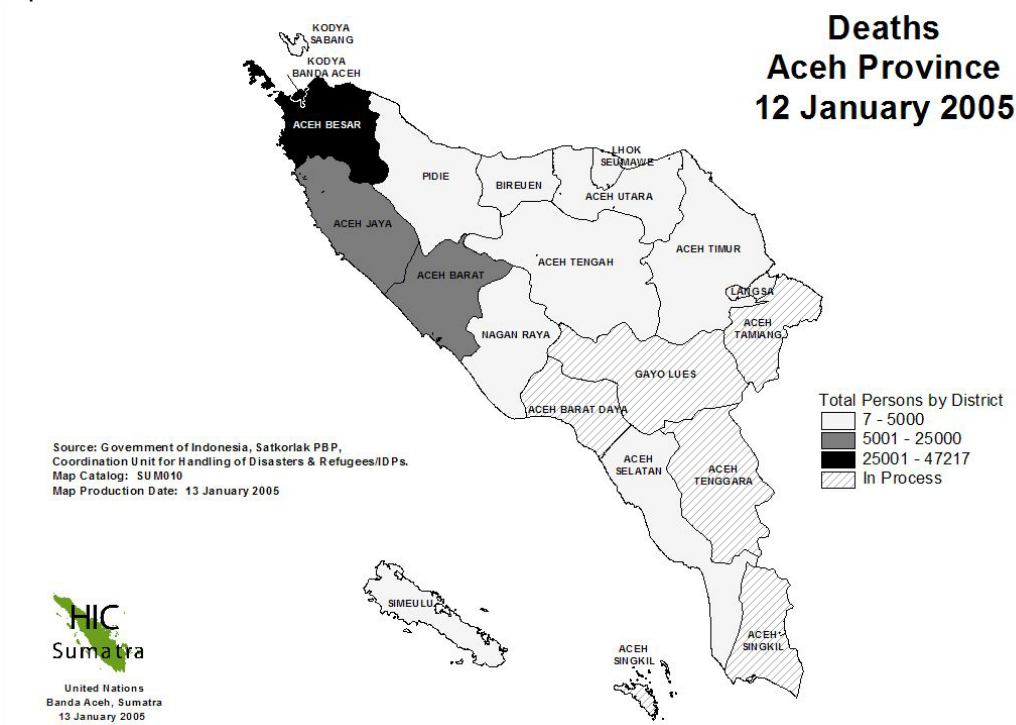
The west and north-west parts of Aceh were the most heavily hit by the tsunami which followed the earthquake. The human toll is highest in Banda Aceh and the nearby districts of Aceh Besar and Aceh Jaya (see Map 3.1). Lack of access means data is still unreliable for many areas, including the capital of West Aceh, Meulaboh. Areas such as East Aceh, Nagan Raya, North Aceh, Pidie and Bireuen may not have been heavily affected in terms of deaths and property damage but have received an influx of tens of thousands of IDPs from surrounding districts.

IDPs have gathered in over 430 locations in Banda Aceh, Aceh Besar and Pidie alone, including in mosques, meunasahs, campus and government buildings and IDP camps – detailed data is not yet in for other districts. Many assessments are presently being carried out in terms of the composition of those who survived. There is as yet, for example, no specific data on the number of women and children IDPs.

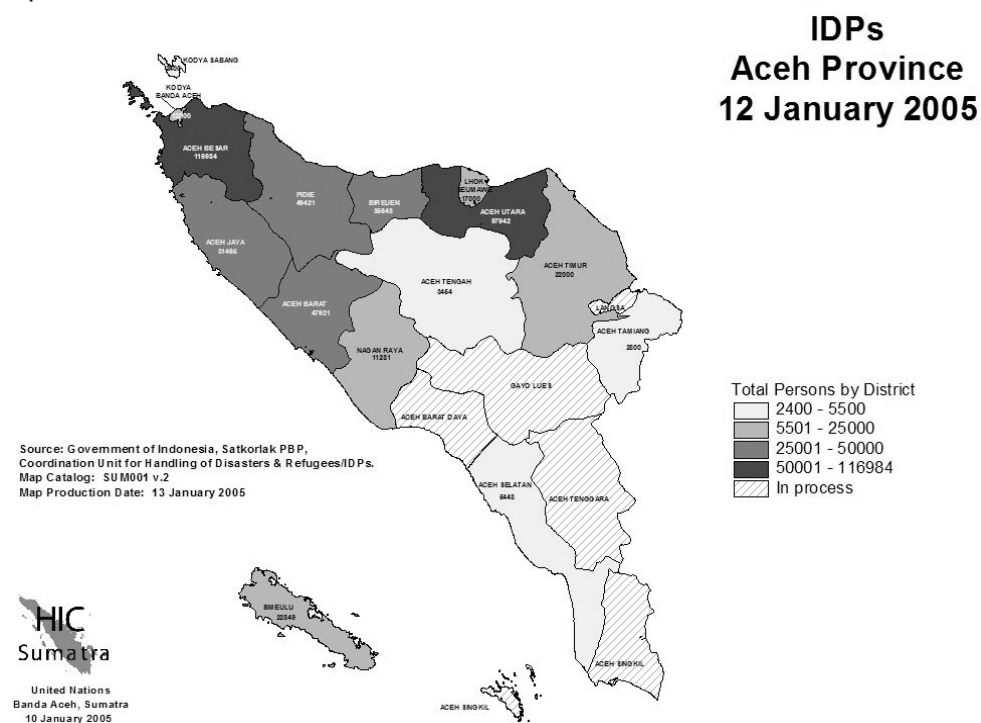
The affected communities are highly vulnerable to disease and mental health problems; they lack basic medical attention, clean water, food and access to sanitation. Service provision, schooling, business and trade are running at minimum levels. Many inhabitants of Banda Aceh, Lhokseumawe, Aceh Jaya, West Aceh, Nagan Raya, Central Aceh, Gayo Luwes, Singkil, and North Aceh are living in IDP temporary sites and makeshift shelters (see Map 3.2). Many survivors are suffering psychological trauma and acute shock from their loss and the sight of so many scattered bodies.

⁷ UN/OCHA situation report, January 17, 2005

Map 3.1 Deaths in Aceh



Map 3.2 IDPs in Aceh



THE RESPONSE

President Susilo Bambang Yudhoyono immediately declared this a national disaster and ordered his Ministers to provide emergency relief, including medical assistance, shelter, food and blankets.

The Indonesian public responded with an unprecedented outpouring of cash and goods donations. Scores of people lined up to volunteer and provide support to the relief effort. Cash and in-kind donations for Aceh came in from across the country. Parliamentarians gave their salary to the cause. Pedicab drivers donated their daily wages. Employees gave a portion of their annual bonus. Doctors and engineers lent their talents. Corporations gave out cash and in-kind contributions. Airlines provided free cargo space for transporting relief. TV stations staged impromptu telethons to raise donations - one television-based appeal raised over \$13 million in donations. Other examples, such as the district government of Banyumas, East Java, which raised \$16,667 and the Indonesian Students' Association in Germany, which raised \$78,637, show how this disaster has touched all Indonesians.

The international reaction to the disaster was generous, and plans for the large-scale rescue and relief operation were underway by the end of week one. Personnel from at least 13 countries provided immediate assistance in terms of labor, transport and medical facilities. A total of \$738 million was raised in the UN Flash appeal for a total request of \$977 million for immediate relief efforts. Of this total request, \$474 million is earmarked for Indonesia.

The extremely generous contributions from countries around the world take the form of government pledges, corporate contributions and donations from private citizens to charitable organizations. Foreign government pledges in response to the disaster have been significant, exceeding \$5 billion, while more pledges are being made. How this money will be divided between the massive relief effort and the reconstruction effort is not yet clear. Nor is it clear how much will be directed through the Indonesian Government's budget. A rough estimate based on early specific country-specific pledges, and the UN Flash Appeal, is that more than half of total regional pledges would be allocated for Indonesia.

The Special Context of Aceh and North Sumatra



THE CONTEXT: ACEH AND NORTH SUMATRA

Every time the children hear a rumbling sound they cover. They don't want to go anywhere at present. But we have got nothing; no spare clothes. And to make things worse a police friend of ours was killed up in the hills last Sunday.

Woman temporarily staying in PKK building, Djanto

Aceh and North Sumatra provinces were affected directly by the earthquake and tsunami. While some kabupaten in North Sumatra were affected, and one in particular, the devastation was far greater in Aceh, where 14 out of 21 kabupaten were significantly damaged.

NORTH SUMATRA – NIAS DISTRICT

Outside Java, North Sumatra is the most populous province, with 5.53% of the total population of Indonesia. With its 2003 regional GDP of Rp. 96.2 trillion, North Sumatra is also the largest economy off Java after East Kalimantan. Agriculture, especially estate crops is the dominant sector of North Sumatra's economy, followed by manufacturing.

Out of the 20 kabupaten and kotamadya of North Sumatra, Nias is the most affected district. The total population of Nias is 711,661. This district incurred about 216 casualties and 20% of the district's area was damaged. The population is relatively young, with 42% of the population aged less than 15 and 61% of the population less than 26. Nias is the poorest kabupaten in North Sumatra with a share of only 4.43% of regional GDP. About 45% of household heads in Nias have a primary school certificate as their final educational attainment. The reported net enrollment rates in the affected areas of Nias are lower than in Aceh, and lower than the average Indonesian enrollment rate for primary school (92.2%), junior secondary school (58.2%) and senior secondary school (32.6%).

ACEH SOCIO-ECONOMIC BACKGROUND

As Aceh is by far the province most affected by the disaster, most of this chapter concentrates on giving a picture of the socio-economic context of Aceh.

GEOGRAPHY AND POPULATION

Aceh is at the western-most tip of Indonesia. The total population of Aceh is 4.4 million, and the province is divided into 17 kabupaten (regencies) and 4 kota (municipalities). See Table 4.1 below.

Table 4.1 Geography and Population

		Indonesia	Aceh	% of Indonesia
Area (km ²)		1,890,754	51937	2.7%
Number of regencies (kabupaten)	2003	348	17	4.9%
Number of municipalities (kota)	2003	92	4	4.3%
Number of sub districts (kecamatan)	2003	4994	227	4.5%
Number of villages (desa)	2003	70921	5947	8.4%
Population (million)	2003	218.6	4.4	2.0%
Number of households (thousands)	2003	56623	1004	1.8%

Source. BPS, World Bank staff calculations

The population in the province of Aceh affected by the disaster is estimated to be around 2.8 million people. A quarter of the affected areas are urban and the remaining 75% are rural. In Aceh, the affected areas with the largest number of inhabitants are Bireuen (pop. 348,000) North Aceh (pop. 328,500), East Aceh (pop 292,000) and Banda Aceh (pop 239,000). These areas had a young population with those older than 55 constituting only 8% of the population of the province. Children younger than 15 make up a third of the population while 55% of the population is younger than 26.

CONFLICT

Aceh has experienced two decades of continued, albeit low-intensity, conflict in the province. The conflict has taken the lives of some 10,000 people, and led to the destruction of infrastructure and basic services such as health and education. This natural disaster came at a time when the Indonesian Government has scaled-down martial law status in Aceh to that of a civil emergency status.

It is estimated that 35,000 people, predominantly women, children and the aged, had already been displaced by the conflict. Some of those displaced have also been affected by the tsunami (many conflict IDPs are from West Sumatra, one of the areas most heavily hit by the tsunami).

ECONOMY

Oil and gas production is important for the economy of Aceh, accounting for 43% of regional GDP in 2003, see Table 4.2 below. In 2003, Aceh's nominal GDP was Rp.38.6 trillion (about \$4.5 billion), 2.3% of national GDP. Aceh's real GDP growth rate in 2003 was 3.4%, about 1 percentage point below the national growth rate at 4.3%⁸.

⁸ 1993 base GDP, regional accounts are not updated to the latest 2000 base GDP.

Table 4.2 Economic Structure of Aceh in 2003 (Share in total GDP, nominal, %) - Production Account

	National		Aceh		
	Share in GDP (%)	Rp. Trillion	Share in GDP (%)	Rp. Trillion	Share in national GDP (%)
GDP	100.0	1,786.7	100.0	38.6	2.3
o/w oil and gas	10.7	1,594.9	43.0	16.6	1.0
o/w Non-oil and gas	89.3	191.7	57.0	22.0	11.5
Agriculture	16.6	296.2	32.2	12.4	4.2
Mining	10.7	191.2	28.8	10.8	5.7
Manufacturing	24.7	440.5	21.2	8.2	1.9
o/w oil and gas	3.8	68.1	15.6	6.0	8.8
o/w non-oil and gas	20.8	372.3	5.6	2.2	0.6
Utility	2.2	39.7	0.3	0.1	0.3
Construction	6.0	107.1	2.7	1.0	1.0
Trade	16.3	291.6	6.4	2.5	0.8
Transportation & Communication	6.3	111.7	5.1	2.0	1.8
Finance	6.9	123.0	1.2	0.5	0.4
Services	10.4	185.7	2.9	1.1	0.6

Note. National GDP is not equal to the aggregate number of regional GDP due to technical issues. 1993 base GDP

Source. CEIC, World Bank staff calculation

On a sectoral basis, outside of oil and gas, agriculture has the largest share of GDP at 32%. In agriculture, livestock (10%) and food crops (10%) have the largest shares. Almost half the people in Aceh (47.6%) are employed in agriculture.

Together with the eastern-most province of Papua, Aceh has special autonomy status. Because of this status, Aceh has been granted a greater share of revenue from its natural resources, including oil and gas, compared to other provinces (with the exception of Papua).

In Indonesia the normal net revenue sharing with provinces for oil is 15% of the revenue generated, but on top of this Aceh receives an additional 55% of the net revenue until 2009 (after this the additional net revenue will be reduced to 35%). For gas, normal provincial revenue sharing is 30% of net revenue generated, but Aceh receives an additional 40% of the net revenue until 2009 (additional net revenue then declining to 20%). Because regional and local governments in the province received revenue sharing from Aceh's gas wealth (in addition to the block grant transfer from central government), the combined budget of Aceh's provincial and district governments grew six times between 2000 and 2002.

Because of its natural resources, Aceh is not a poor province (see Table 4.3 below). GDP per capita in 2003 was above the national average at Rp. 8.7 million compared to Rp. 7.9 million. However, GDP growth was below the national level.

Table 4.3 Regional Gross Domestic Products and Price

		Indonesia	Aceh	% of Indonesia
GDP (93 base, rupiah trillion, nominal)	2003	1,709	39	2.3
US\$ billion	2003	199.2	4.5	-
Per capita GDP (Rp. Million)	2003	7.8	8.7	-
Real GDP growth rate (93 base)	2003	4.1%	3.4%	-
CPI growth rate (average)	2003	6.6%	6.0%	-

Source. BPS, CEIC, World Bank staff calculation

Unemployment in Aceh was already higher before the disaster than the national average – see Table 4.4 below. Of the labor force in Aceh of 2.3 million people, approximately 300,000 were unemployed, an unemployment rate of 11.2% compared to the national average of 9.5%.

4.4 Labor Markets

		Indonesia	Aceh	% of Indonesia
Employment in million	2003	90.8	2.3	2.5%
Unemployment in million	2003	9.5	0.3	3.0%
Unemployment Rate in	2003	9.5%	11.2%	-
Minimum Wages (Rp. Thousands) 1/ The figure used for Indonesia's minimum wage is in Jakarta	2004	671	550	82.0%

Source. BPS, CEIC, World Bank staff calculation

The conflict has exacerbated the main woes faced by businesspeople in Aceh – lack of security, poor infrastructure, lack of access to bank credit and an unresponsive provincial government. A decline in manufacturing and drying up of investment in the oil and gas sector has led to the increase in the relative importance of agriculture to Aceh's economy. Between 1997 and 2001 the province accounted for only 2% of Indonesia's approved non-oil and gas investment and only 1.78% of approved oil and gas investment. Economic output in Aceh declined 20% during this period.

SOCIAL CONDITIONS AND SERVICE DELIVERY

Poverty in Aceh is severe among those directly affected by the long-running conflict, such as widows and internally displaced people. However, poverty comprises many other aspects than just consumption, and it is in these areas that Aceh faces the greatest challenges. For example, because of the conflict there is a large gap between how social services are delivered in urban areas compared with remote areas, where public health and education services are of lower quality due to poor infrastructure and the difficulty of attracting staff. The result is low school attendance and low coverage of public health programs.

Table 4.5 Social Indicators

		Indonesia	Aceh	% of Indonesia
Number of schools (primary, junior high and high)	2002/03	175,006	3,610	2.1%
Number of teachers (primary, junior high and high)	2002/03	1,903,052	45,650	2.4%
Number of students (primary, junior high and high)	2002/03	36,509,898	776,601	2.1%
Number of hospitals	2002	1,215	26	2.1%
Number of beds	2002	130,214	2,228	1.7%
Number of public health center (puskesmas)	2002	7,309	230	3.1%
Number of doctors	2001	26,917	567	2.1%

Source. BPS

Social indicators for Aceh (see Table 4.5 above) are not alarmingly low compared to the national average. However, although the province's proportion of doctors and hospital beds exceeds the national average, infant immunization rates and antenatal care still lag behind. Although fewer health facilities than schools have been damaged in the conflict, access to health services, especially at subdistrict and village community level, has declined due to security concerns of staff and patients. Aceh has no lack of health personnel, but health personnel often refuse to work in rural areas. The declining coverage of essential preventive programs, including immunization and maternal care, is in fact threatening the health status of the people in Aceh.

The conflict has also had a powerful impact on schooling. Since 1998 more than 900 schools have been destroyed or seriously damaged. Damage almost always includes loss of equipment and textbooks. Before the imposition of martial law, school enrollment rates in Aceh were similar to national rates, however actual daily participation rates were and continue to be much lower. Teacher attendance is poor and there has been a considerable outflow of teachers over the recent conflict period. In light of the above, there can be little doubt that the overall quality of schooling across the province has declined.

The operations of justice institutions in Aceh have been seriously compromised. Over the course of the last five years, numerous courts and prosecutors offices have been destroyed and many others have closed, mainly as a result of intimidation and attacks on staff and infrastructure. The justice system has by now virtually collapsed due to the ongoing conflict and institutional failure, and corruption is often accompanied by violence because of an added element of impunity caused by the conflict-specific circumstances. Recently the Governor was arrested on suspicion of embezzling Rp. 4.2 billion in state funds. While this signifies the will to fight corruption, it is unlikely this will have a pronounced effect on smaller-scale corruption in the province.

INFRASTRUCTURE

The relatively poor state of Aceh's power, transportation and irrigation networks is a daily reminder of the lack of economic development in the province despite its abundance of natural resources. These deficiencies touch the vast majority of Aceh's population.

Though 94% of Aceh's approximately 5500 villages have been electrified, only about 60% of the province's households have access to electricity and power cuts are common. There is insufficient power generation and transmission capacity in Aceh as its power system was built as an integral part of the North Sumatra power system, where most of the larger power plants that supply Aceh are located. Most power in Aceh is supplied either from North Sumatra or by small diesel-powered generators. The system is fragmented and lacks economies of scale.

During the conflict, bus burning and widespread extortion on Aceh's roads has raised transaction costs for transport in the province. Bus transport is extremely important due to the low level of motorization. Unbalanced road development, poor conditions of kabupaten roads, and an insufficient budget for road maintenance have led to high costs for both passengers and goods, and for both private and public transport.