



GCE A level

1393/01



S15-1393-01-R1

WORLD DEVELOPMENT – WD3

Concepts and Processes of World Development

A.M. TUESDAY, 9 June 2015

3 hours

ADDITIONAL MATERIALS

In addition to this examination paper, you will need a **Resource Folder** and **one** 12 page answer booklet.

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen.

Answer Question 1 and **either** Question 2 **or** Question 3 in Section A and **one** question from Section B from your chosen theme.

You should make the fullest possible use of examples in support of your answers.

INFORMATION FOR CANDIDATES

You are reminded of the necessity for good English and orderly presentation in your answers.

The number of marks is given in brackets at the end of each question or part-question.

SECTION A

Answer **Question 1** and either **Question 2** or **Question 3**.

You will need the **Resource Folder** to answer **Question 1**.

1. Water supply in Jakarta, Indonesia

You should spend approximately 1 hour 50 minutes on this question, including 15 – 20 minutes reading the Resource Folder.

Use the Resource Folder and your own knowledge and understanding to answer this question.

- (a) Describe and explain the economic, political and social problems associated with supplying water in Jakarta. [20]
- (b) Examine the effectiveness of water companies in supplying water throughout Jakarta. [20]
- (c) Discuss the challenges of finding solutions to improve water supply in cities such as Jakarta. [20]

Theme 3: Perspectives of Development

You are advised to spend approximately 35 minutes answering this question.

Either,

2. Examine the contribution of top-down and bottom-up strategies to development. [20]

Or,

3. To what extent is sustainable development difficult to achieve in the developing world? [20]

SECTION B

Choose **one Theme** (4, 5 or 6) and answer **one** question only on your chosen theme.

You are advised to spend approximately 35 minutes answering this question.

You are reminded of the need to support your answers with evidence and / or examples where appropriate.

Theme 4: Economic Development

Either,

4. To what extent do economic inequalities affect development in **one** country you have studied? [20]

Or,

5. Examine the view that modern technology plays a key role in the development process. [20]

Theme 5: Political Development

Either,

6. To what extent is the empowerment of all social groups necessary for development in **one** country you have studied? [20]

Or,

7. Examine the role of national and regional governments in the development process. [20]

Theme 6: Social Development

Either,

8. Examine the role of women in the development process. [20]

Or,

9. To what extent is cultural and religious diversity important for development in **one** society you have studied? [20]

END OF PAPER



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**RESOURCE FOLDER FOR USE WITH
QUESTION 1**

A.M. TUESDAY, 9 June 2015

***This Resource Folder contains information required for answering Question 1.
You are advised to spend 15 – 20 minutes reading the resources before attempting
Question 1.***

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Water supply in Jakarta, Indonesia

1. (a) Introduction

Jakarta, the rapidly expanding capital of Indonesia, is situated on the coast of the densely populated island of Java. There is great pressure on water resources due to rising population, a growing middle class, and increasing demands from industry, hotels, shopping centres and housing. Over 70% of water comes from groundwater pumped from beneath the city, but this source is declining in both quantity and quality. Rainfall is insufficient to replace the water taken. As a result of the removal of groundwater, Jakarta is sinking at rates of between 2 and 32cm per year and is consequently experiencing more frequent flooding. Some suburbs are flooded during very high tides. This problem is made worse because of rising sea levels due to climate change.

Two private companies manage the water supply in Jakarta. They provide pipes and other infrastructure, clean the water, and maintain the water network but their performance has been criticised. The lack of access to clean water and sanitation, especially in slums, remains a serious challenge and the provision of clean drinking water has yet to be made a development priority. There is a serious dispute between the government, water companies and local people about how to resolve the water crisis in the city.



Central Jakarta

(b) Selected data for Jakarta

- Population (2012) 10 million
- Population (2030) 35 million (estimate)
- 62% of the population has no access to clean water
- 55% of households have no waste water management. Waste flows directly into rivers and soil
- 82% of rivers are heavily contaminated. 18% have light / medium contamination

2. Water supply in Jakarta

(a) History of privatisation

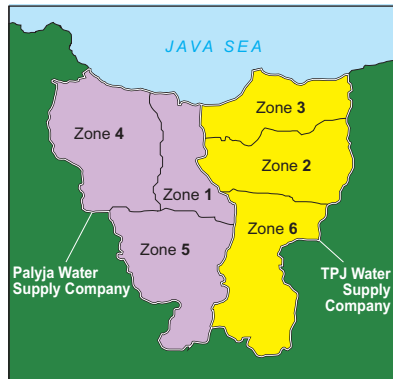
The water supply service was privatised in 1998 by President Suharto, the military dictator, to try to solve the water crisis. This was part of the structural adjustment required by the World Bank and International Monetary Fund in the 1990s. Without any transparency or competition, two multinational companies, one British and one French, were awarded the contracts to manage the water supply service for 25 years. As part of the deal, both companies set up partnerships with Indonesian firms owned by family and friends of President Suharto.

Suharto was deposed in 1998 and the two multinationals sold their shares to other national and international private companies. Today a complex web of international and subsidiary firms, from USA, UK, France, Indonesia and Singapore, own shares in two companies which deliver the water supply service.

(b) Organisation of water supply services

Informal water

- Water provided by water sellers, private wells, bore holes, bottled water sellers. This water is very expensive.
- Supplies 39% of population not connected to the piped water network.



Piped water

Piped water is managed by two private companies, TPJ for the east of Jakarta, and Palyja for the west, on behalf of the government.

Contracts with water companies

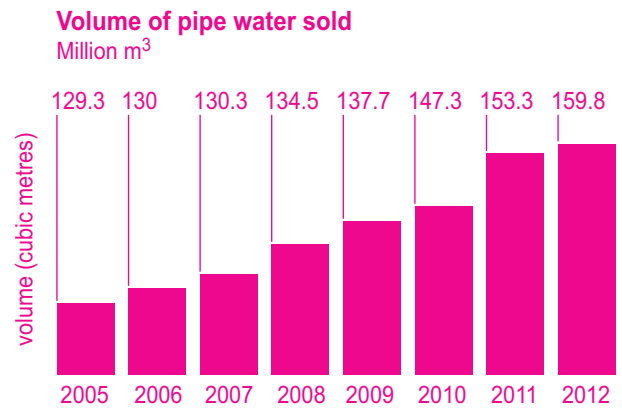
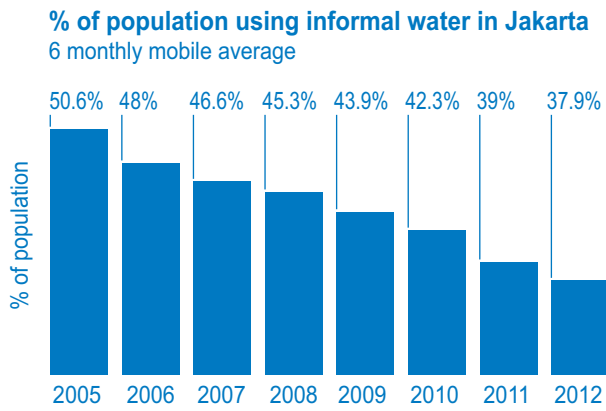
The two private companies collect the water charges from customers on behalf of the government. The regulator (JWSRB) keeps the water charges low to customers.

Government also pays the water supply companies large sums to supply water and collect the revenue. This agreement was intended to be an incentive for water companies to connect water to the poorest communities. The water supply companies make substantial profits from this agreement.

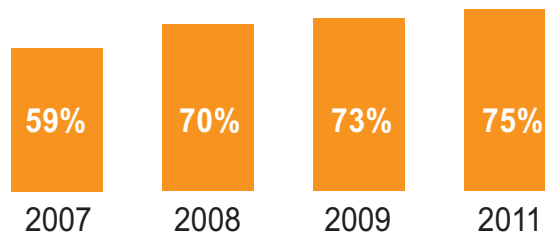
Jakarta Water Supply Regulatory Body (JWSRB):

- independently monitors private companies
- reviews price increases
- has few resources and limited authority to force water companies to meet their obligations.

(c) **Data from Palyja water supply company**




**Customer satisfaction survey
for Palyja water company**
Conducted by an independent company



Source: Adapted from <http://en.palyja.co.id>

3. Challenges for water supplies

(a) Issues concerning privatisation

<p>Economic</p> <ul style="list-style-type: none"> • Piped water remains expensive and unreliable. • Water supplies remain poor therefore people still buy safer bottled water. • Very expensive to connect water to poor households in densely populated areas. Cheaper to connect water to new middle class settlements. • Large proportion of household income spent on water. • Many poor people have no water connection and have to buy water from water sellers. • Expansion of water services driven by profit. 	<p>Political</p> <ul style="list-style-type: none"> • Lack of transparency in deals between the state and private water companies. • Private water companies sell shares on the global market. New investors control Jakarta's water. • In October 2012, one of the stakeholders in Palyja wanted to sell its shares to the Manila Water company based in the Philippines. • Public have no control over their supply of water. • Government unable to renegotiate existing 25-year contract with private water companies. • Government unable to increase the price of water. • Lack of cooperation between stakeholders.
 <p>Issues concerning privatisation</p>	
<p>Social</p> <ul style="list-style-type: none"> • Only 30% of households have a continuous water supply. • Average water availability is 12 hours per day. • Health problems for poor and vulnerable households. • Water service is worst in north Jakarta where there are frequent outbreaks of cholera. • Private water companies exclude local people from decision-making. 	<p>Environmental</p> <ul style="list-style-type: none"> • Water resources are running out. • Groundwater (which is cheaper than piped water) is being used by rich customers, hotels, shopping centres and businesses. • Many illegal bore holes are drilled on private property. • Growth of water networks lags behind expansion of the urban area. • Over 50% of water is lost from leaking pipes.

4. Views about the water supply service in Jakarta

(a) Water in Penjaringan neighbourhood

Penjaringan is one of the densest neighbourhoods in western Jakarta. The Palyja Water Company only provides a community tank for residents. People pay a large proportion of their income for what is poor quality, cloudy, salty water.

International NGO, Mercy Corps: We installed a separate tank in Penjaringan together with pipes to 55 households who could afford the US\$20 start-up fee. This project provided cleaner and cheaper water than Palyja. However, we cannot expand the project because there is not enough water available throughout Jakarta.

Local resident: The “water mafia” are sellers who take control of water kiosks and set their own tariffs 2 or 3 times higher than Palyja.

Palyja worker: Connecting some homes to the grid is difficult because people are living on the land illegally.

National government spokesperson: We are looking for more public-private partnerships to invest in water infrastructure.

City government: If local people donated money we could try to buy all the shares in Palyja and run the water supply service ourselves.

(b) Opposition to water privatisation in Jakarta

There are many critics of the water companies including civil society, trade unions and the regulator JWSRB. International organisations such as ‘Reclaiming Public Water’ support local campaigns that challenge the contracts between the government and the water companies. The Coalition of Jakarta Residents Opposing Water Privatisation (KMMSAJ) filed a lawsuit against the water supply companies because they hindered public access to affordable clean water.

Any changes to legal contracts will require huge amounts of compensation to be paid to the water supply companies. Diplomats in France and the UK continue to support the existing contract arrangements with the two companies.

(c) **Other environmental issues**

- Rivers and waterways fill up with solid waste faster than it can be cleared away.
- A small sea wall was built in 2009 to protect Jakarta from floods but sea water still rises up through drains and into homes.
- Large parts of the city, including the airport, are likely to be flooded regularly by 2020.
- Within 30 years the government plans to build a giant barrier around Jakarta Bay to combat rising sea level and storm waves.

Solid waste blocks a river supplying water in Jakarta



END OF PAPER