

TAKUSHOKU UNIVERSITY

A STUDY ON THE IMPLEMENTATION OF COMMUNITY DRIVEN
DEVELOPMENT PROGRAM IN THREE VILLAGES OF INDONESIA

A DISSERTATION SUBMITTED TO
THE GRADUATE SCHOOL OF INTERNATIONAL COOPERATION STUDIES
IN CANDIDACY FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY
IN
INTERNATIONAL DEVELOPMENT STUDIES

BY
BAGUS PAMBUDI

TOKYO, JAPAN
..... 2019

Copyright ©2019 by Bagus Pambudi

All rights reserved.

CONTENTS

TITLE.....	
CONTENTS.....	
FIGURES.....	
TABLES.....	
ACKNOWLEDGMENTS.....	
ABBREVIATIONS.....	
ABSTRACT.....	
Chapter 1. Introduction	1
1.1 Background of Study	1
1.2 Research Gap	2
1.3 Research Objectives	7
1.4 Research Questions	8
1.5 Research Methodology	10
1.5.1 Method of Data Collection and Analysis	10
1.5.2 Research Design	12
1.6 Significance of the Study	13
1.7 Structure of Dissertation	13
Chapter 2. Literature Review	16
2.1 Previous Studies	16
2.2 Key Concepts	18
2.2.1 Concept of Development	18
2.2.2 Concept of Rural Development	22
2.2.3 Concept of Community Driven Development	23
2.2.4 Participation, Empowerment and Facilitation.....	30
2.2.5 Elite Capture and Patron-Client Relationship.....	35
2.3 Summary and Theoretical Framework	40
Chapter 3. General Description of the Program and Study Areas.....	42
3.1 Program Design.....	42
3.1.1 Background of KDP/PNPM Rural Program.....	42
3.1.2 Objectives of the Program.....	43
3.1.3 Steps, Procedures, and Actors of the Program.....	44
3.2 Implemented Projects.....	48
3.3 Organizational Structure of the Program.....	48
3.4 Characteristics of Study Areas.....	49
3.4.1 Topography and Demography.....	51
3.4.2 Socioeconomic Conditions.....	52
3.4.3 Structure of Village Government.....	53
Chapter 4. Community Driven Development in Indonesia.....	56
4.1 Introduction.....	56

4.2 Adoption of Community-Driven Development Approach into CDD Program.....	56
4.3 Historical Standpoint of CDD Programs in Indonesia.....	62
4.3.1 IDT.....	63
4.3.2 P3DT.....	65
4.3.3 KDP.....	73
4.4 Innovation and Continuity of the PNPM Rural.....	
4.4.1 Similarities and Differences between the KDP and Two CBD Programs	73
4.4.2 Similarities and Differences between KDP and PNPM Rural	76
4.5 Impact Evaluation of the KDP/PNPM Rural	78
4.5.1 Economic Impact of the KDP/PNPM Rural.....	80
4.5.2 The KDP/PNPM Impact on Good Governance in the Village..	82
4.6 Conclusion and Policy Implication.....	
Chapter 5. Understanding “Empowerment” in the Context of CDD Program in Indonesia	84
5.1 Introduction.....	
5.2 The Concept of “Empowerment” in the Development Policy of Indonesia.....	84
5.3 Application of “Empowerment” in the Development Policy of Indonesia.....	90
5.4 Discussion.....	94
5.5 Conclusion and Policy Implication.....	97
Chapter 6. Implementation of KDP/PNPM Rural Program.....	97
6.1 Introduction	99
6.2 Planning Stage (Decision Making Process).....	101
6.2.1 Neighborhood Meeting.....	104
6.2.2 Hamlet Meeting/Deliberation.....	
6.2.3 Woman and the Poor Involvement in Decision-Making Process.....	109
6.2.4 Village Planning Deliberation.....	112
6.2.5 Sub-District Deliberation.....	114
6.3 Implementation of the Projects.....	116
6.3.1 Construction of Infrastructure Projects.....	118
6.3.2 Fund Disbursement of Micro-credit Activities.....	122
6.4 Project Maintenance.....	125
6.5 Conclusion and Policy Implication.....	127
Chapter 7. Villagers’ Understanding of the KDP/PNPM Rural in the Villages.....	130
7.1 Introduction.....	130
7.2 Information/Knowledge about the Program.....	132
7.3 Participation of Villagers in the Program.....	138
7.4 Villagers’ Opinion about the Program.....	142
7.5 Conclusion and Policy Implication.....	145
Chapter 8. Contexts and Forms of Elite Capture in the Program.....	147
8.1 Introduction.....	147
8.2 Power Relations at Village Level.....	148

8.2.1	Elite and Non-Elite.....	153
8.2.2	Patron-Client Relationships.....	156
8.3	Mitigating Elite Capture in the KDP/PNPM Rural.....	156
8.3.1	Project Cycle of the KDP/PNPM Rural.....	161
8.3.2	Key Features of the Program to Mitigate Elite Capture.....	163
8.4	Contexts and Forms of Elite Capture in the Program.....	164
8.4.1	Elite Domination in the Decision-Making Processes.....	169
8.4.2	Misuse of Funds in Implementation Stage.....	177
8.5	Discussion.....	178
8.6	Conclusion and Policy Implication.....	180
Chapter 9	The Role of Facilitators in the Program.....	180
9.1	Introduction.....	181
9.2	Organizational Structure of Facilitators in the Program.....	185
9.3	Duties of Consultants at National, Regional and District Level.....	188
9.4	Problems of Facilitation.....	191
9.5	Conclusion and Policy Implication.....	193
Chapter 10	Unique Contributions of this Study.....	193
10.1	Introduction.....	
10.2	Comparison of the Findings with other Existing KDP/PNPM Rural Studies.....	193
10.3	Comparison of the Findings with other Existing CDD Studies.....	201
10.4	Conclusion and Policy Implication.....	203
Chapter 11	Conclusion and Policy Recommendation.....	203
11.1	Conclusion.....	207
11.2	Policy Recommendation.....	
REFERENCES.....		

FIGURES

Figure 1.1	Research Design	12
Figure 2.1	Theoretical Framework	40
Figure 3.1	Project Cycle of PNPM Rural	45
Figure 3.2	The Relationship among Village Level Organizations	54
Figure 8.1	Patron Cluster in Infrastructure Projects	155
Figure 8.2	Patron Cluster in Micro-credit Activities	155
Figure 8.3	Planning Stage of PNPM Rural	158
Figure 8.4	Implementation Stage of PNPM Rural	160
Figure 8.5	The “real” actors in the infrastructure project	171
Figure 9.1	Organizational Structure of PNPM Rural	183
Figure 9.2	Organizational Chart of NMC	184
Figure 9.3	Organizational Chart of RMC	184

MAPS

Map 3.1	Central Java Province	51
Map 3.2	Batang District	52

TABLES

Table 1.1	KDP/PNPM Rural Program-Approved Bank Financing	4
Table 1.2	Research Questions	8
Table 2.1	Summary of Previous Studies	16
Table 4.1	Adoption of Key Features of CDD Approach to the KDP/PNPM Rural	61
Table 4.2	KDP Phase 1 Coverage vs Total in Indonesia (1998 – 2002)	68
Table 4.3	The Similarities of KDP and IDT&P3DT	74
Table 4.4	The Differences between KDP and IDT&P3DT	76
Table 4.5	The Differences between KDP and PNPM Rural	77
Table 6.1	Regular Planning Stage vs KDP/PNPM Rural Planning Stage	88
Table 6.2	Detail Mechanism of KDP/PNPMP Rural Planning Stage	100
Table 6.3	Discrepancies of Neighborhood Meeting	103
Table 6.4	Discrepancies of Idea Generating (Hamlet) Deliberation	109
Table 6.5	Discrepancies of Involvement of Woman and the Poor in the Planning Stage	112
Table 6.6	Discrepancies of Village Planning Deliberation	113
Table 6.7	Detail Mechanism of KDP/PNPMP Rural Implementation Stage	116
Table 6.8	The Amount of Block Grant and Construction Projects in Brayo Village (2012-2014)	119
Table 6.9	Discrepancies of KDP/PNPM Rural Implementation on Infrastructure Construction	122
Table 6.10	Discrepancies of KDP/PNPM Rural Implementation on Micro-Credit Activity	125
Table 6.11	Discrepancies of KDP/PNPM Rural on Project Maintenance	127

Table 7.1	Sample Comparison	131
Table 7.2	Response on Information/Knowledge about the Program	133
Table 7.3	Response on Source of Information	135
Table 7.4	Response on Type of Participation	138
Table 7.5	Response on Opinion about the Program	142
Table 8.1	Form and Context of Elite Capture during Planning Stage	169
Table 8.2	Form and Context of Elite Capture during Implementation Stage	177
Table 10	The Differences of This Study and Previous Studies	200
Table 11	Proposed Design of Planning Stage of KDP/PNPM Rural	209

ABBREVIATIONS

Bappenas	<i>Badan Perencanaan Pembangunan Nasional</i> , National Development Planning Agency
Bapermas	<i>Badan Pemberdayaan Masyarakat</i> , Community Empowerment Agency
Bapermades	Badan Pemberdayaan Masyarakat dan Desa, Community and Village Empowerment Agency
BKAD	<i>Badan Kerjasama Antar Desa</i> , Inter-Village Coordination Board
BLM	<i>Bantuan Langsung Masyarakat</i> , Direct Community Grant (the Block Grant)
BPD	<i>Badan Permusyawaratan Desa</i> , Village Council
BPK	<i>National Audit Board (BPK)</i>
BPKP	<i>National Internal Development Audit (BPKP)</i>
BPS	<i>Badan Pusat Statistik</i> , Central Bureau of Statistics
BP UPK	<i>Badan Pengawas Unit Pengelola Kegiatan</i> , Auditor Board of Activity Management Unit
Camat	Head of sub-district office
CDD	Community Driven Development
CBD	Community Based Development
FK	<i>Fasilitator Kecamatan</i> , Sub-district Facilitator
FT	<i>Fasilitator Teknik Kecamatan</i> , Sub-district Technical Facilitator
GoI	The Governemnt of Indonesia
IDT	<i>Inpres Desa Tertinggal</i> , Presidential Instruction for Under-developed Village
KDP	<i>Kecamatan Development Program</i>
KPMD	<i>Kader Pemberdayaan Masyarakat Desa</i> , Village Facilitator

LPMO	<i>Lembaga Pemberdayaan Masyarakat Desa</i> , Village Development Committee
<i>Lurah</i>	Village Head
MAD	<i>Musyawarah Antar Desa</i> , Inter-Village Deliberation
MDGs	Millennium Development Goals
MoHA	Ministry of Home Affairs
NMC	National Management Consultant
P2KP	<i>Program Penanggulangan Kemiskinan Perkotaan</i> , Urban Poverty Reduction (UPP)
PjOK	<i>Penanggungjawab Operasional Kegiatan</i> , Official in charge of Operational Activity
PMD	Directorate General of Village and Community Empowerment
PNPM-Rural	<i>Program Nasional Pemberdayaan Masyarakat Perdesaan</i> , National Program for Community Empowerment in Rural Areas
PPK	<i>Program Pengembangan Kecamatan</i> , Sub-District Development Program
PTO	Petunjuk Teknis Operasional (Technical and Operational Guidance)
P2KP	<i>Program Penanggulangan Kemiskinan Perkotaan</i> , Poverty Prevention Program in Urban Areas
P3DT	<i>Pembangunan Prasarana Pendukung Desa Tertinggal</i> , Village Infrastructure Project
RKTL	<i>Rencana Kerja Tindak Lanjut</i> , Work Plan Schedule
RMC	Regional Management Consultant
RT	<i>Rukun Tetangga</i> , Neighborhood Association
RW	<i>Rukun Warga</i> , Community Association
Satker	<i>Satuan Kerja</i> , Working Unit

TK PNPM	<i>Tim Koordinasi PNPM</i> , Coordination Team of PNPM
TPK	<i>Unit Pelaksana Kegiatan</i> , Project Management Unit (UPK)
TPU	<i>Tim Penulis Usulan</i> , Proposal Writing Team
UPK	<i>Unit Pengelola Kegiatan</i> , Activity Management Unit
UNDP	United Nations Development Program
VIP	Village Infrastructure Project

Chapter 1

Introduction

1.1. Background of Study

Community-driven development, an approach to development, initially emerged out of the post-colonial years in India as a way to help poor rural areas to advance through decentralized governance and community empowerment (Binswanger-Mkhize *et al*, 2009). This approach emphasizes community control over planning decisions and investment resources. The rationale for community-driven development centers on the notion that community-level participation and accountability arrangements will help ensure that the benefits of development flow to the community as a whole and more specifically to the poor. It has evolved to become part of a broader paradigm shift responding to the well-documented critiques of top-down and centralistic approaches that have dominated development agenda over the last fifty years (Fritzen, 2007).

The roots of community-driven development approach for international development agencies lie in the writings of social scientists such as Robert Putnam, James Coleman, and Pierre Bourdieu, who showed how the historical development of social and cultural institutions could explain patterns of cooperation and development. This thinking is then deepened in the World Bank's influential 2004 World Development Report (WDR) "Making Services Work for Poor People". The 2004 WDR proposed a "short route" alternative that could generate accountability for service delivery by giving client groups much greater control over information, resources, and choice. This alternative is served as response to traditional development strategies that relied on political and managerial mechanisms to hold government service-delivery agencies accountable – what it called "the long route of accountability" (Wong and Guggenheim, 2018).

Over the past decade this approach has become a key operational strategy for many national governments, as well as for international aid agencies, and been adopted to many Community Driven Development (CDD¹) programs that cover thousands of villages and has cost billions of dollars. CDD programs can be found working across a broad spectrum of developing country environments, from emergency response programs that follow on from natural disasters and armed conflicts, to programs in middle-income countries that are used to close gaps in basic, small-scale infrastructure and that target national programs of social assistance.

The World Bank, as the strongest proponent of community-driven development, has adopted this approach as an integral part of its policy and practice since early 1990s. On the basis of its perceived advantages, the Bank is currently supporting 190 active CDD programs valued at USD 19.2 billion in 78 countries around the world. Over the past ten years, the Bank has lent on average USD 2.6 billion annually towards CDD programs, representing 5 to 10 percent of overall Bank lending each year. Nor is this wave showing any sign of cresting (Wong and Guggenheim, 2018).

For Indonesia, starting from 2015 the Government of Indonesia (GoI) has acted to scale up donor-assisted CDD programs to cover their entire national territories. They currently finance them from their national budgets to embed annual community transfers to its 73,000 villages in its recurrent budget through a village law that transfers up to USD 7.3 billion per year. This attempt reflects the expansion and continuation of CDD programs supported by the Bank that had been implemented in the country from 1997 to 2014, the *Kecamatan* Development Program (KDP) and the National Program for

¹ This study uses the terms “community-driven development” in two ways. First, to indicate an approach, it uses community-driven development as they are. Second, it uses Community Driven Development with capitalized first letter of each word (or abbreviated as CDD) to indicate development programs adopting community-driven development approach in their design and are supported or financed by the World Bank.

Community Empowerment in Rural Areas (PNPM Rural).

Straining the chronological order, the KDP was born during the period of 1997 Asian Financial Crisis. The meltdown of Indonesia economy during this period reversed years of economic progress and plunged millions of rural poor once again below the poverty line, not to mention the collapse of the New Order regime. Prior to the crisis, however, Indonesia had marked significant progress in increasing the standard of living. The number of people earning less than US\$ 1 a day had fallen from more than 50 percent in 1970 to less than 20 percent by 1997. The crisis, else ways, opened up a fundamental period for the country to search for a new way of thinking especially to address issues related to poverty.

Together with the Bank, the GoI in the end of 1997 introduced the KDP, which employs community-driven development approach in its program design, into national context in response to relieve the problem faced by rural poor. The initiative was basically intended to improve access to economic and social infrastructure and services among the poor, while avoiding the weaknesses associated with the top-down investment planning that was typical of state agencies under the New Order era (McCarthy et al, 2016). Later, this program came to be considered as effective in achieving its goals, thus it experienced a major scale-up in 2007 when the GoI embarked on a multiyear effort to expand this CDD program into the largest program of its kind in the world under the new name of the PNPM Rural.

The Bank's investment in the KDP/PNPM Rural² has been enormous, a total of US\$ 3,5 billion loan. They financed the KDP with a budget of US\$609 million for three

² Starting from this passage, both KDP program and PNPM Rural program will be stated as “the KDP/PNPM Rural” since the PNPM Rural is generally the continuation of the KDP with fairly similar design and actor involved. Further discussion on the similarities and differences are available in the Chapter3.

phases (1998 to 2006) and agreed to add \$374 million for the third phase (2003 to 2009). The amount of funds increased significantly in 2008 after the Bank approved an additional US\$ 1.3 billion loan with US\$ 1.2 billion additional in 2011 further committing to the program until 2014. The loan in total of approximately US\$ 3.6 billion has been continually matched by the GoI (see table 1.1), thus nearly doubling the scope of the PNPM Rural from 33,300 villages (2,600 sub-districts) to 57,266 villages (5,300 sub-districts) across rural Indonesia.

Table 1.1
KDP/PNPM Rural Program-Approved Bank Financing

Program Phase	Period	IBRD ³ /IDA ⁴ (US\$ mil)	Closing Date
KDP 1	1998-2002	225	31 Dec 02
KDP Supplemental	2000-2002	48	31 Dec 02
KDP 2	2000-2006	336	31 Dec 07
KDP 3A	2003-2009	91	31 Dec 09
KDP 3B+Additional Financing	2005-2009	283	31 Dec 09
PNPM Rural	2008	231	31 Jun 11
PNPM Rural II Additional Financing	2009	300	31 Dec 11
PNPM Rural III	2010-2012	785	31 Dec 12
PNPM Rural IV	2011-2013	531	31 Jun 14
PNPM Rural 2012-2014	2012-2014	750	31 Dec 15
TOTAL		3,580	

Source: The Bank Jakarta office retrieved from PNPM Support Facility Website⁵

The KDP/PNPM Rural has a reputation for being one of the most successful CDD programs which is why this research may particularly benefit from its analysis. After the

³ IBRD stands for The International Bank for Reconstruction and Development (IBRD) and is an international financial institution that offers loans to middle-income developing countries. The IBRD is one of institutions that compose the World Bank Group

⁴ IDA stands for The International Development Association (IDA) complements the World Bank's original lending arm, the IBRD

⁵ Further fact sheet available at http://psflibrary.org/catalog/repository/Fact_Sheet_PNPM%202012-2014.pdf

program had been implemented for fifteen years, the author then believes that it is now a valued opportunity to conduct a qualitative study to learn the latest conditions as well as the changes brought about by the implementation of the KDP/PNPM Rural, if any. To deeply explore the changes that took place, this study will compare steps and procedures of the program design and the actual implementation in the field from the planning to the implementation stage of the program. Therefore, it can be determined what if any discrepancies exist, how far along have the discrepancies proceeded, and what factors were generated by those discrepancies, if any.

1.2. Research Gap

Despite growing discussions on the concepts and operations of CDD, few studies appear to have paid attention to the program design from how the design of a CDD program actually created. Intending to fill this gap, this study attempt to compare the original concepts of CDD as proposed by the Bank and those actually adopted into program designs by the KDP/PNPM Rural today. The importance of program design is also acknowledged by Woldegiorgis (2018) as he argues that effects of CDD programs on promoting equity and inclusiveness, efficiency and good governance are much depended on how well the CDD programs are designed.

In addition to above discussion, later analysis also covers review on the history of the development programs using community-based development (CBD) approach that had been implemented in rural Indonesia prior to CDD programs, CBD's recent variant. This historical review can be a starting point to investigate the continuity and innovation found in the design of the KDP/PNPM Rural.

Furthermore, as most of the field studies conducted in this topic focused on the village and sub-district level, this study attempts to deepen the analysis of what actually

happened in the field by exploring the decision-making and implementation processes at the sub-village level⁶ from neighborhood level (*Rukun Tetangga* /RT and *Rukun Warga* RW)⁷ to hamlet (*dusun*)⁸ level. Conducting a study at the sub-village level will also provide the opportunity to explain the deeper realities at the grassroots⁹ level, something missed within the existing studies on the CDD programs of Indonesia. This intention is relevant with research implication of Susan Wong's study (2012) whom she argues that the more qualitative work should be done to "unpacking the black box" of decision-making processes in the allocation of resources.

During the field study, the author concurrently kept in mind the dynamics of village politics which may at times/for some villages affect the implementation of CDD program. To be specific, the author will observe the ties between elites and non-elites at the village level in order to examine the issues of elite capture and clientelism which may exist during program implementation. These issues are seldom focus on by the existing studies.

In the aspect of literature study, the author intends to explain the meaning and application of the Indonesian expression of '*pemberdayaan*' ('empowerment' in English) in the development context. This term becomes important as all development programs in Indonesia using community-driven development approach are clustered and translated into '*pemberdayaan*' program either in academic or policy documents. In addition, this study will provide a theoretical framework that depicts the relationship between and

⁶ Sub-village level refers to lower layer organization or administrative area under the village namely *dusun*, RW, and RT

⁷ RW (*Rukun Warga*) is a unit of local administration consisting of several RT (*Rukun Tetangga*) within a village, RT is a neighborhood unit consisting 30-50 households. For the purpose of analysis, later the neighborhood associations/organizations (RT and RW) are referred to the "grassroot" organization.

⁸ A *dusun* is an administrative area within a village, consisting of a number of RW and RT (neighborhood units).

⁹ Refers to RW and RT level.

among key concepts related to community-driven development including general concept of development, rural development, empowerment, participation, elite capture and clientelism.

The other important gap that this study will provide analysis of is the role and performance of the facilitators at village level. Facilitation is believed to be a factor that can contribute to the improvement of villagers' participation in the program. Thus, providing detailed information on how actually facilitators perform and what problems they may face in the field is meaningful. Above all, the author will provide a comparison between key findings of this study and existing studies related to the implementation of the CDD program or CDD approach in general.

1.3. Research Objectives

This study attempts to analyze community-driven development approach as formulated by the Bank both in conceptual and practical domains by examining its application in Indonesia. The study will address the following two tasks: first, comparison of the key ideas of community-driven development approach with the main aspects of the CDD programs as reflected in the program guidelines of the KDP/PNPM Rural; and secondly, comparison of the program design of the KDP/PNPM Rural with the actual practice of the program in the field. A field study in three villages was conducted to complement the desk review on existing research and policy documents of the CDD programs. The main objectives of this study are:

- a) To ascertain the extent to which KDP/PNPM Rural has incorporated the key ideas of CDD approach into its program design.
- b) To identify the discrepancies between design and actual implementation of KDP/PNPM Rural at the sub-district, village, and sub-village levels.

- c) To identify the main factors that have generated possible discrepancies between the design and actual implementation of KDP/PNPM Rural

1.4. Research Questions

This study is designed to address a set of research questions identified in relation to the objectives of this study as columned under Table 1.2 below.

Table 1.2 Research Questions

Main Questions	Intermediate Questions	Specific Questions	Source of Information
1. To what extent does KDP/PNPM Rural incorporate key ideas of the CDD into its program design?	1. How are the steps and procedures of KDP/PNPM Rural? (discussed in Chapter 3)	1. What is background, objective and mechanism of the KDP/PNPM Rural? (discussed in section 3.1) 2. What are implemented projects in the program? (discussed in section 3.2) 3. How is the institutional structure of KDP/PNPM Rural? (discussed in section 3.3)	Literature review
	2. How is the adoption of community driven development approach into KDP/PNPM Rural (discussed in Chapter 4)	4. What are key features of the program that adopt ideas of CDD? How? (discussed in Chapter 4.1) 5. What are similarities and differences of KDP/PNPM Rural with community-based development programs implemented before KDP/PNPM Rural? (discussed in section 4.3) 6. What are the similarities and differences of KDP and PNPM Rural? (discussed in section 4.4)	Literature review
	3. What are the achievements of KDP/PNPM at the national level? (discussed in Chapter 4)	7. What are outputs and outcomes of the KDP/PNPM Rural Phase I, II and III on the national level? (discussed in section 4.4)	Literature review
2. What are the discrepancies between the design and actual implementation of PNPM Rural at the sub-district, village, and sub-village level?	1. What is the use in the Indonesian language the term “pemberdayaan” in development discourse? (discussed in Chapter 5)	1. What is the terminology of Terminology of “pemberdayaan” or Empowerment in Bahasa, Indonesia? (discussed in section 5.2) 2. What is the Concept of “Pemberdayaan” in the Development Policy of Indonesia? (discussed in section 5.3) 3. What is the perceptions of Community Empowerment in Indonesia? (discussed in section	Literature review

Main Questions	Intermediate Questions	Specific Questions	Source of Information
		5.4)	
	2. How are the decision-making processes conducted in the field? (discussed in Chapter 6)	4. What is the decision-making process at the neighborhood meeting level? (discussed in section 6.2.1) 5. What is the decision-making process at the hamlet meeting level? (discussed in section 6.2.2) 6. What is the decision-making process at the village meeting level? (discussed in section 6.2.3) 7. What is the decision-making process at the sub-district meeting level? (discussed in section 6.2.4)	Literature review
	3. How is the project actually implemented in the village? (discussed in Chapter 6)	8. How is the infrastructure construction process carried out at the village level? (discussed in section 6.3.1) 9. How is fund disbursement of micro-credit carried out in the village? (discussed in section 6.3.2)	Field study
	4. What are the understandings of the villagers about KDP/PNPM Rural? (discussed in Chapter 7)	10. To what degree is the knowledge of villagers about the programs? (discussed in section 7.2) 11. What are the types of participations of the villagers in the program? (discussed in section 7.3) 12. What are the opinions of the villagers regarding the program? (discussed in section 7.4)	Questionnaire
3. What are the factors that have generated possible discrepancies between the design and actual implementation	1. How are power relations in the village? (discussed in Chapter 8)	1. How do elites capture the decision-making process? (discussed in section 8.4.1) 2. How does elites capture appear in the implementation stage? (discussed in section 8.4.2) 3. How the design of the program mitigates elite capture? (discussed in section 8.3)	Field study

Main Questions	Intermediate Questions	Specific Questions	Source of Information
of KDP/PNPM Rural?	2. What are the contexts and forms of elite capture in the program? (discussed in Chapter 8)	4. Who are the elites and non-elites in the village and the program? (discussed in section 8.2) 5. How does the dynamic of the patron-client relationship operate in the program? (discussed in section 8.2)	Field study
	3. What are the roles of the facilitators in the program? (discussed in Chapter 9)	6. What is the organizational structure of the facilitators/consultants in the program? (discussed in section 9.2) 7. What are the duties of consultants at the national, regional and district level? (discussed in section 9.3) 8. What are the problems of facilitation at the sub-district and village level? (discussed in section 9.4)	Literature review and field study

1.5. Research Methodology

1.5.1 Method of Data Collection and Analysis

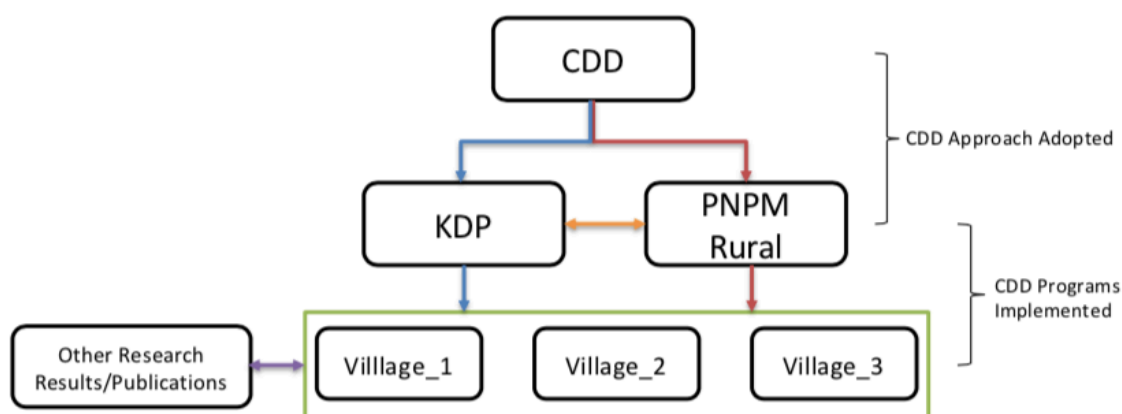
Qualitative and mixed-methods approaches are employed in different sections of this study. In the first section to recognize the similarities and differences between the original design of CDD program and the adopted designs in the KDP and PNPM Rural, this study will apply the qualitative approach using both literature reviews and interviews. At first, the author will study the documents related to CDD programs in Indonesia particularly those supported by Bank loans. Any additional reading materials which emphasize both theory and practice of community-driven development are also valuable at this stage. The results of literature review will be affirmed through extensive interviews with senior level administrators from the Ministry of National Development Planning, the Ministry of Home Affairs, the Ministry of Village and the Bank Office, Jakarta who participated in preparing the program designs.

The following section aims to evaluate the processes, outputs, and outcomes of the CDD programs. In this way, this research intends to utilize the mixed-method approach that relies on quantitative analysis of customized survey data and a qualitative analysis at the village level. Fieldwork has been conducted in three villages in three different sub-districts of the Batang District. Study areas were selected over consultation with district official who responsible for KDP/PNPM Rural implementation with regards to availability of secondary data and informants at village level. Prior to the fieldwork that had been conducted from January to March 2018, a pre-fieldwork had been taken place one year earlier or in February 2017. The pre-fieldwork is intended to provide the author identification of and initial communication with prospective informants so that the fieldwork can be done in timely manner.

Survey data has been collected by distributing a questionnaire with a list of related questions, which majorly are 'yes or no' and multiple-choice type of answer to 90 randomly selected villagers. Qualitative evidence was carried out in-depth interviews with informants and interviewees, participant observation, and secondary data collection. This study also examined the power ties between elites and non-elites at the village level and adds an in-depth analysis on issues of elite capture, not at least to mention the patron-client relationship. Cross interviews were conducted with informants at the sub-district, district and the national level to verify the answers or findings from the field findings.

1.5.2 Research Design

Figure 1.1
Research Design



Based on the above diagram, the study has two main sections of comparative evaluation. The first is the comparison between the original design of CDD program as proposed by the Bank and the adopted designs of two programs: KDP and PNPM Rural. This comparison is aimed at evaluating and explicating the extent to which these two programs adopted the key elements of the CDD approach into their program designs.

The second is to evaluate the processes and outputs of both programs by comparing their program designs as stated in their implementation guidelines to what really happened in the field. In addition, this section also attempts to observe factors that may affect the discrepancies of program implementation such as issue of elite capture, participation, and facilitation.

1.6. Significance of the Study

- a) As academic contribution, this study will help to substantively understand the scope and method of community driven development. It is also expected to add nuance to literature on participation, elite capture, and patron-client relationship that previously had been based on limited evidence.

- b) As contribution to policy making, findings obtained from this research shall be shared with the GoI to improve the design and implementation of CDD programs in rural areas.

1.7. Structure of Dissertation

This dissertation consists of eleven chapters with the composition as follows:

- a) Chapter I: Introduction.

Chapter one aims to develop the general idea of dissertation by presenting the background of the study, research objective, research questions and objectives, research methodology, and significance of the study.

- b) Chapter II: Literature Review

Chapter two includes literature review on key concepts of development, rural development, community driven development, empowerment and participation, elite capture and patron-client relationships. The Chapter also aims to develop a general understanding of the connection between and among key concepts. A theoretical framework is provided at the end of the chapter.

- c) Chapter III: General Description of the Program and Study Areas

Chapter three begins with the explanation of the KDP/PNPM Rural program including background, objectives, steps, procedures, and actors of the program. Other important mechanisms of the program such as type of implemented projects and its institutional structure follows the initial discussion. The remaining part of the chapter presents the characteristic of three selected villages presenting general research information on location covering information about topography, demography, socioeconomic conditions and village government institutions.

d) Chapter IV: Community Driven Development in Indonesia

Chapter four introduces the history of the CDD programs supported by the Bank which has been implemented in Indonesia since the mid 1990s. It also examines the key features of KDP/PNPM Rural which is an innovation or a continuity of prior Indonesia community-based development programs.

e) Chapter V: Understanding “*Pemberdayaan*” in the Context of CDD Program in Indonesia

Chapter five discuss the use and meaning of the “*pemberdayaan*” term (empowerment in English) both in the context of a development policy and the CDD program of Indonesia. The understanding of this term is important in the process of comparison and contrast the design of CDD as proposed by the Bank with the CDD design as implemented today in Indonesia.

f) Chapter VI: Implementation of KDP/PNPM Rural Program

Chapter six presents the findings as observed in research site. It covers what actually happened in the field -- “who does what” in each phase of the program from planning, implementation to post-implementation of the program.

g) Chapter VII: KDP/PNPM Rural Implementation in 3 *Javanese* Villages

Chapter seven analyzes the results of the questionnaires distributed to the 90 villagers. The discussion attempts to determine the information and perception about the program and participation in the program from the villagers’ point of view.

h) Chapter VIII: Elite Capture in the Program

Chapter eight mainly discusses the presence of elite capture in the program. Further, it identifies the elite and non-elite in the village and elaborates on the presence of patron-client relationships within the program and village social life.

i) Chapter IX: The Role of Facilitators in the Program

Chapter nine evaluates the performance of sub-district and village facilitators in the program and problems that emerge during the process of facilitation at the sub-district and village level. Additional information regarding the structure and duties of the consultants/facilitators in various levels is provided as a basis of analysis.

j) Chapter X: Unique Contributions of This Study

Chapter ten compares the key findings of this study with other existing studies focusing on implementation of the KDP/PNPM in particular or CDD programs in general.

k) Chapter XI: Conclusion and Policy Recommendation

Chapter eleven draws a conclusion and formulates a policy recommendation for the GoI for improving the implementation of the CDD programs in Indonesia.

Chapter 2

Literature Review

2.1 Previous Studies

In regard to the central topic of this study, the Community Driven Development (CDD) program, there are some previous studies that can be a benchmark for this study. The comparison of key findings of this study with other existing studies focusing on implementation of KDP/PNPM Rural in particular or CDD programs in general will be presented in Chapter X. The summary of previous studies is described as follows.

Table 2.1 Summary of Previous Studies

No	Title	Authors	Year	Location
1.	Designing and Implementing a Community-Driven Development (CDD) Programme in Indonesia	Ke Fang	2006	Indonesia
	<p>Result: The two CDD pilots, Kecamatan Development Program (KDP) and Urban Poverty Program (UPP), illustrate some key features of a CDD program, namely that participating communities receive project funds directly from the central government; and that each community decides through its own legitimate organization how the funds should be used. However, as the two programs are evolving it is not clear whether different approaches will continue over time or will eventually be harmonized. It might also as yet be too early to fully understand what impacts these different CDD approaches will have on project sustainability and on long-term rural and urban development in Indonesia</p>			
2.	Community Driven Development, Collective Action and Elite Capture in Indonesia	Aniruddha Dasgupta and Victoria A. Beard	2007	Indonesia
	<p>Result: In an analysis of a community driven poverty alleviation project in Indonesia, this article examines the vulnerability of such an approach to elite capture. The expected relationships among a community's capacity for collective action, elite control over project decisions and elite capture of project benefits were not found. In cases where the project was controlled by elites, benefits continued to be delivered to the poor, and where power was the most evenly distributed, resource allocation to the poor was restricted. Communities are both non-elites and elites participated in democratic self-governance, however, both demonstrated an ability to redress elite capture when it occurred.</p>			
3.	A Qualitative Study on the Impact of the PNPM-Rural in East Java, West Sumatra, and Southeast Sulawesi	Syukri et al	2013	Indonesia
	<p>Result: In general, this study finds that PNPM-Rural has been implemented properly. For the open menu program, almost all the villages used the program fund for infrastructure development. However, only a small part of the micro-credit projects was actually accessible by the poor. In relation to</p>			

No	Title	Authors	Year	Location
	poverty, there has been a decrease to varying degrees in almost all the research areas. It is only on the issues of participation, transparency, and accountability that the study finds a big difference between what happened inside and outside the program. Participation, transparency, and accountability worked very well in the implementation of PNPM Rural. However, outside PNPM Rural, namely in the village administration or in the implementation of programs other than PNPM Rural, participation, transparency, and accountability remained low. Furthermore, there was almost no PNPM Rural project in the study areas that corresponded to the primary needs of the poor. This may indicate that the PNPM Rural program had not been successful in terms of empowering the poor.			
4.	Can the Design of Community-Driven Development Reduce the Risk of Elite Capture? Evidence from Indonesia	Scott A. Fritzen	2007	Indonesia
	Result: Drawing on case analysis and surveys fielded in 250 Indonesian sub-districts, this paper subjects the design logic of a CDD project to close empirical testing. Results suggest that while CDD projects can help create spaces for a broader range of elite and non-elite community leaders to emerge, elite control of project decision making is pervasive. However, its effects can be influenced by project-initiated accountability arrangements, such as democratic leadership selection.			
5.	Monitoring Corruption: Evidence from a Field Experiment in Indonesia	Benjamin A. Olken	2007	Indonesia
	Result: This paper presents a randomized field experiment on reducing corruption in over 600 Indonesian village road projects. This author found that increasing government audits from 4 percent of projects to 100 percent reduced missing expenditures, as measured by discrepancies between official project costs and an independent engineers' estimate of costs, by eight percentage points. By contrast, increasing grassroots participation in monitoring had little average impact, reducing missing expenditures only in situations with limited free-rider problems and limited elite capture. Overall, the results suggest that traditional top down monitoring can play an important role in reducing corruption, even in a highly corrupt environment.			
6.	Marginalized Groups in PNPM-Rural	AKATIGA	2010	Indonesia
	Result: This study finds that marginalized groups have limited participation in the decision making process in PNPM-Rural when compared to other groups in the village. Village officials have most of the influence over the decision making in PNPM Rural. They work together with the activists, who participate actively in village meetings and in Program implementation. Despite limited participation, marginalized groups enjoy the benefits of the PNPM Rural, albeit not as much as the other groups.			

In general, all prior studies mentioned above were conducted in Indonesia between year 2007 to 2013. However, not all those studies analyzed the KDP/PNPM Rural as half of them are intended to examine other CDD program implemented in urban areas of Indonesia, the Urban Poverty Reduction (*Program Penanggulangan Kemiskinan Perkotaan / P2KP*). Each researcher, either academia, NGO or research center, has different focus and approach following the research questions. On top of that, results

generated from above studies are unique in a way that they can provide different perspective and conclusion compared to common studies within area of community-driven development discourse. For example, unlike many studies stated that the PNPM Rural has been implemented properly, Olken (2007) was able to provide evidences of misuse of funds in the provision of basic infrastructure (mainly road construction) of the program. He introduces a randomized field experiment by mobilizing researchers with technical capabilities to investigate hundreds of road construction projects built by the program. A method that has never been applied to the study of Indonesian CDD program. Thus, a comparison with these earlier studies not only will provide insights for the author to carry out this study but also can trigger a motivation to produce uniqueness.

2.2 Key Concepts

2.2.1 Concept of Development

In the beginning, development is merely seen from traditional economic measures. In strictly economic terms, development has traditionally meant the capacity of the national economy, whose initial economic conditions have been more or less static for many years, to generate and sustain an annual increase in the gross national income (GNI) at rates of 5 percent to 7 percent or more. A common alternative economic index of development has been the use of growth of income per capita to take into account the ability of a nation to expand its output at a rate faster than the growth rate of its population. Levels and rates of growth of 'real' per capita GNI are normally used to measure the overall economic well-being of a population - how much real goods and services is available for the average citizen for consumption and investment. The problem of poverty, discrimination, unemployment, and income distribution were secondary importance to 'getting the growth job done'.

Afterwards, based on the experience of the 1950s and the 1960s, when many developing nations did reach their economic growth targets but the levels of living of the masses of the people remained for the most part unchanged, signaled that something was very wrong with this narrow definition of development. The need to redefine the notion of development was widely discussed. As a result, ‘the new economic view of development’ came to be redefined in terms of the reduction of poverty, inequality, and unemployment within the context of growing the economy. ‘Redistribution from growth’ became a common slogan. Development must therefore be conceived of as a multidimensional process involving major changes in social structures, popular attitudes, and national institutions, as well as the acceleration of economic growth, the reduction of inequality, and poverty alleviation (Todaro and Smith, 2006).

In addition, the World Bank (the Bank) (cited in Leftwich, 2000) attempted to make a comprehensive and throughout definition of development as:

“Development in a broader sense is understood to include other important and related attributes as well, notably more equality of opportunity, and political freedom and civil liberties. The overall goal of development is therefore to increase the economic, political, and civil rights of all people across gender, ethnic groups, religions, races, regions, and counties”.

On another perspective, the involvement of non-economic factors in defining development also stated by Ogborn (cited in Willis, 2005), who linked the ideas of development to the concept of ‘modernity’. Modernity refers to the circumstances of being modern, new or up to date, so the idea of modernity situates people in time. Due to the social, economic, political, and cultural dynamism, the term ‘modern’ is changeable and spatial. The understanding of modernity is different from one place to another. However, in economic terms, industrialization, urbanization, and technology usage are constructed as ‘modernity’.

In contrast, Leftwich (2000) has a different opinion about development, does not agree that development is considered as growth, modernization, and structural change. He argued that although views varied about how development is to happen, and what its main goals are, there was little explicit concern initially with issues such as human development or social development, or simply said development is progressive delivery of social justice.

In line with Leftwich, development defined by Todaro and Smith (2006) is the sustained elevation of an entire society and social system toward a ‘better’ or ‘more humane’ life”. The definition indicates that the term ‘development’ has three inner meanings to be understood, namely, continuous efforts, society and its system needing to be improved, and the good life as the goal of development. Moreover, among those inner meanings of the term ‘development’, Todaro and Smith consider that ‘the good life’ is the most debatable element -- as old as poverty debates. The delineation of ‘development’ must be reevaluated and answered afresh in a continuous changing environment of the world society. However, there are at least three core values that serve as a conceptual basis and practical guideline for understanding the central meaning of development and can be listed as follows:

1. Sustenance or nourishment refers to the ability to meet basic needs as all people have certain basic needs without which life would be impossible. These life-sustaining basic human needs include food, shelter, health, and security. When any of these basics are absent or in critically short supply, a condition of “absolute underdevelopment” is contrived.
2. Self-esteem, a sense of worth and self-respect, of not being used as a tool by others for their own ends. All peoples and societies seek some basic form of self-esteem, although they may call it authenticity, identity, dignity, respect, honor, or recognition

to mention a few. The nature and form of self-esteem may vary from society to society, from culture to culture.

3. Freedom to choose, the final universal value that constitutes the meaning of development is the concept of human freedom. Freedom here is understood in the sense of emancipation from alienating material conditions of life and from social servitude to nature, ignorance, other people, misery, institutions, and dogmatic beliefs, especially that poverty is predestination. Freedom involves an expanded range of choices for societies and their members together with a minimization of external constraints in pursuit of some social goal we call development.

Furthermore, Amartya Sen, the 1998 Nobel laureate in economics, compiled the nexus between development and poverty. He argued that development must be able to transfer knowledge, skills, education, power, and resources to the poor in order to achieve what he called 'functioning capabilities'. Capabilities here are defined as the freedom that a person has in terms of the choice of functioning, given his personal features and his command over commodities. Real income is essential, but to convert the characteristics of commodities into functioning, is significantly more important, and surely requires health and education as well as income. The concept of human freedom should also encompass various components of political freedom including, but not limited to, personal security, the rule of law, freedom of expression, political participation and equality of opportunity (Todaro and Smith, 2006).

The 'capability to function' is what really matters for status of the poor or non-poor person. The point is that to make any sense of the concept of prosperity in general, and poverty in particular, we need to think beyond the availability of commodities and consider the functioning of commodities.

Finally, development is understood as enduring efforts to improve individual and

social conditions in order to achieve human wellbeing. A social system within a nation should be able to increase the number of choices of the people, but on the other hand people are expected to put into a 'functioning' state those choices to fulfill their standard of living.

2.2.2 Concept of Rural Development

Rural areas can be defined from perspectives of ecology, economy, or political administration (Hoggart, 1990; Wiggins & Proctor, 2001). Ecologically, landscape of rural areas dominantly consists of fields, pastures, forests, rivers and/or mountains where rural settlements are scattered with relatively minimum physical infrastructure. Economically, having relatively abundant natural resources in their areas, most rural people engage in farming, livestock, forestry, fishing or mining activities. These activities, combined with a limited availability of infrastructure, imply a high incidence of poverty in rural areas. While rural areas are relatively easier to be recognized from ecological and economic perspectives, it is ambiguously defined from a political administrative perspective. The distinction between rural and urban administration in many countries does not always refer to the ecological character. The effort to make a clear distinction between rural and urban becomes more complex because economic transformation has created peri-urban areas where characters of rural and urban are mixed.

Rural development is broadly defined as an overall development program conducted in the rural areas. Ellis and Biggs (2001) note that until the 1970s, rural development was mainly regarded as agricultural development aiming to increase crop production. With the focus on increasing agricultural production, rural development was delivered mostly through the Green Revolution (Fernando, 2008).

The emergence of a more diversified rural economy and the changing view of the

meaning of development and poverty lead to the change in the concept of rural development. Currently, there are at least three main elements found in literatures aiming to elaborate on the concept of rural development. Firstly, most literatures agree that rural development is a multi-sectoral program covering not only agriculture, but also infrastructure, micro finance, environment, human resources and so on. Secondly, the objective of rural development is to improve the quality of life of villagers, which ranges from income, housing, education, health and access to other public services. Thirdly, although rural development targets the rural community as a whole, most literatures also agree that it should give a priority to the poorest group within rural community (Ellis & Biggs, 2001; Fernando, 2008; Singh, 1999; World Bank, 1975).

2.2.3 Community Driven Development

Community-driven development is an approach that emphasizes community control over planning decisions and investment resources. The philosophy behind community-driven development is that by involving communities in local development decisions is not only an inherent citizen's right, but that participation can often lead to a better use of resources geared toward meeting community needs. The approach departs from traditional approaches to development by enabling communities and local institutions—rather than central governments—to take the lead in identifying and managing community level investments. The design of these programs has evolved considerably over the past two decades, and the level of decision-making authority varies as well. At their core, however, most of these programs generally aim to improve the living conditions of poor communities through participatory means (Susan Wong, 2012). The rationale for CDD centers on the notion that community-level participation and accountability arrangements will help ensure that the benefits of development flow to the community as a whole and

more specifically to the poor (Fritzen, 2007).

In line with above statements, Dasgupta and Beard (2007) argued that community-driven development is part of a broader paradigm shift responding to the well-documented critiques of top-down, modernist and authoritarian approaches that have dominated development for over the last fifty years. It is supported by a growing number of development practitioners and academics who argue in favor of community-based, participatory approaches to development. The shift is outlined by three propositions in various literatures on the topic. The first concerns the ability of decentralization to reduce the inefficiencies of centralized, state-controlled development. Closely related to that is the view that moving the locus of decision making away from central and local government bodies to communities promotes democratization. The third proposition states that the outcomes promised by the first two propositions are more likely to accrue in communities with strong capacities for collective action.

In addition, Dongier et al (2003) stated that community-driven development gives control of decisions and resources to community groups. These groups often work in partnership with demand-responsive support organizations and service providers, including elected local governments, the private sector, NGOs, and central government agencies. Community-driven development is a way to provide social and infrastructure services, organize economic activity and resource management, empower the poor, improve governance and enhance security of the poorest, those most economically deprived. Support to community-driven development usually includes: (1) strengthening and financing accountable and inclusive community-based organizations (CBOs); (2) facilitating community access to information through a variety of media channels, increasingly through information technology; and (3) forging functional links between the various CBOs and formal institutions and creating an enabling environment through

appropriate policy and institutional reform, often including decentralization reform, promotion of a conducive legal and regulatory framework, development of sound sector policies, and fostering of responsive sector institutions and private service providers. (Dongier et al, 2003).

Community-driven development is one such effort. The goal is to empower villagers in project choice and implementation. The logic behind this approach is that beneficiaries know best what their needs are, and also have the best information and incentives to implement the needs efficiently. For example, it is assumed that they have better information than outsiders with which to select reliable local agents for implementation and are in the best position to monitor and sanction those agents. In the context of CDD programs, this translates into allowing village beneficiaries to prioritize and choose their own projects, to elect their own project managers, and to financially manage, monitor and implement projects. In this way, value for money is achieved and poverty is reduced. Proponents of CDD, including the Bank, also argue that CDD has benefits beyond the projects, because the empowerment it spawns facilitates subsequent collective action and encourages villagers to demand greater accountability in governance. (Ensminger, 2017).

In a more practical definition, IFAD (2009) defined community-driven development as a way to design and implement development policy and projects that facilitates access to social human and physical capital assets for the rural poor by creating the conditions for: (1) transforming rural development agents from top-down planners into client-oriented service providers; (2) empowering rural communities to take the initiative for their own socio-economic development (i.e. building on community assets); (3) enabling community-level organizations – especially those of the rural poor – to play a role in designing and implementing policies and programs that affect their livelihoods; and (4) enhancing the impact of public expenditure on the local economy at the community level.

Aforementioned, community-driven development approach emphasizes provision of control of decisions and resources to community groups. This emphasis can generally be identified in the mechanism of planning stage of any development program. During project planning some processes of decision-making and project identification are taken place. Focusing on the issue of project planning and project identification, David Hulme (1994) was able to review various models for project planning covering orthodox model, hybrid model and political model. His journal “Projects, Politics and Professionals: Alternative Approaches for Project Identification and Project Planning” presents a framework that classifies and compares approaches or models for project identification and planning. He starts with argument that because of dissatisfaction with the results achieved by official agricultural and rural development projects in poorer countries, many scholars produced an array of proposals about ways of improving project design and implementation. They emphasize the need for more refined and sophisticated appraisal techniques.

In its initial section of his paper reviews the dominant model of projects, the orthodox approach, as the products of technical analysis concerned with the cost-effective achievement of well-defined goals. This approach is contrasted with alternative images, the hybrid and political model, with roots in political analysis. However, it is later argued that, in practice, those involved in project design find themselves in a situation in which varying mixes of both models operate, depending on specific circumstances.

Orthodox models of the project cycle have been developed mostly by economists and, although there are differences between these models, their major characteristics are the same. They gather information in relation to defined objectives, generate alternative courses of action, assess the likely consequences and risks of these options and indicate which of the options is preferable in terms of stated objectives. In addition, the orthodox

models assume that the professionalism of the actors in the planning process minimizes subjective considerations. There are only two main sources of project concepts; suggestions and systemic analysis from a wide range of parties such as government agencies, development banks or donor countries. A complex set of methodologies has been developed to quantify and assist in decision-making at certain stages of the project cycle. It has also been observed that the orthodox models have less attention on the process of project identification.

A substantial set of criticisms of the orthodox model has been presented by social scientists and a variety of alternative propositions made. They emphasize the analysis of decision-making in the public sector in which these alternatives are at the root of much of political approach. In such a political model, project identification does not appear as the most neglected aspect of the project cycle, as it does in the orthodox model, but as the central issue around which the most heated debate, negotiation and exertion of influence occurs.

In general, the orthodox model does not deal with the partisan way of project identification in which many, if not most, actors operate. The political model ignores the contribution that technical analysis makes to some project decisions. It is thus possible to propose a hybrid model in which elements of both the orthodox and political models are combined. The basis of the model is an acknowledgement of the political nature of public decision-making, alongside the recognition that some actors can suppress institutional and professional biases, at least partly, and can use tools evolved from the orthodox model to influence debate on an issue and the shape of eventual decisions.

It is important to note that the proposed alternatives are not to find the one true, correct and optimal procedure for project identification but to expand the range of alternatives available to those involved in identification and provide indications of the

circumstances in which these are more or less appropriate.

This study, however, argues that the KDP/PNPM Rural is most likely to adopt the hybrid model of project cycle. The program employs orthodox approach in addition to a greater emphasis on participatory planning. The hybrid model is derived from the need for alternatives after seeing the powerlessness of the rural populace and the professional and organizational behavior (and values) of those involved in project activities. A consequence is that bureaucratic involvement in planning and management is to be bypassed wherever possible. This model assumes project identification as a social learning process that operates with technical analysis and is combined with advocacy, bargaining and agreement on a course of action. Plan and commitment coincide. Unsuccessful learning organizations will disband, but successful learning organizations will gain confidence and expertise, become more effective, increase efficiency and expand.

Among enthusiasts of the hybrid model are Esman & Uphoff (1984) who adopt a related line of argument, but their explicitly political approach leads them to focus not so much on project methodologies as on the institutions involved in development activities. They find the bureaucratic institutions lacking in technical terms and hamstrung by political influences and argue for a much greater focus on local organizations¹ (LOS) as intermediaries in rural development. Esman & Uphoff (1984) demonstrate the contribution of LOS to rural development in terms of practical achievements and also the less tangible objective of empowerment. A process approach underlies their analysis and one in which LOS, rather than bureaucratic organizations, determine actions.

¹ By LOS they mean voluntary associations of individuals with a common interest which are not part of formal state structures (e.g. local government councils), nor part of a primarily political grouping (e.g. local branches of political parties). Examples of LOS include water users' associations, co- operatives, credit unions and self-help societies.

Nevertheless, two roles are identified for national and international agencies. The first is to provide technical advice and support for LO initiatives. The second is to stimulate the creation of LOS through community organizers.

Another scholar within hybrid model, Robert Chambers (1988) argues that international donor agencies could use a process approach through the establishment of 'anti-project' divisions with 'no capital budget to be spent... no targets or schedules for physical achievement.. no preference for visibles against invisible change'. This would entail the provision of funding for good staff to spend periods in the field exploring opportunities and learning with local people. These ideas have been associated with the development of participatory rural appraisal (PRA). PRA seeks to wrest control of the identification of the problems that villagers face, and of the generation of possible solutions, from outsiders and into the hands of villagers. However, much further work also needs to be done on the pre-PRA phase (what introduction process should occur to ensure that inappropriately high expectations are not created amongst villages?) and post-PRA (what happens in the future?).

In short, the hybrid models which emphasize in the process of project identification posit that effective rural development requires multiple, small, experimental projects planned and managed through local collective action. Learning accrues to the group members and their activities are facilitated by NGOs or a reformed bureaucracy that offers advice and assistance and, perhaps, material support. Initiatives that achieve fit between beneficiaries, organization and program subsequently extend through organic growth. This model, which makes a serious attempt at beneficiary participation, is likely to be most relevant for rural and agricultural initiatives in developing countries, where uncertainty is high, knowledge is limited, and intended beneficiaries are commonly peripheral to centers of local and national decision-making power.

2.2.4 Participation, Empowerment and Facilitation

a) Participation

It is widely assumed that, for numerous reasons, increased participation improves development outcomes, benefiting citizens more than those operations that do not engage citizens. Several reasons are put forward for this. First, as local communities are the most reliable source of information about their priorities, the decisions made through participatory processes are expected to more closely address their needs. Second, participation is claimed to improve poverty targeting by tapping into local-level knowledge about who is poor, what constrains the poor most acutely, and how to design projects to reduce these constraints. Third, participation in decisions and implementation increases local ownership, which in turn improves the quality of the operation and maintenance of projects. Finally, participation in itself is seen as valuable, as it opens a space for individuals to make their voice heard (Sen, 1999) in Labbone and Chase (2008).

Cohen and Uphoff in Sutiyo (2013) identify two main contexts where concept of participation is used. The first is political context where participation mainly refers to people involvement in political activities like general election and policy formulation. The second is developmental context where participation mainly refers to those involvement in development programs.

In the context of rural development, the concept of participation proposed by Cohen and Uphoff might be the most appropriate one. Cohen and Uphoff (1980), by using the project cycle approach, define participation as involvement in every stage of the rural development program, from planning, execution, benefit gains, to evaluation. According to these two researchers, involvement in the planning stage covers activities to identify problems, generate ideas, assess options and make choices. Involvement in the execution stage covers activities of cash, labor and material contribution, and engagement in project

administration and enlistment. Involvement in benefit gains covers activities where people take advantage of the programs. Last, involvement in evaluation covers activities where people evaluate the programs and request the government to be accountable for what it has done.

It is argued that community participation in development stages is interconnected with each other, and an increase in participation in one step has the potential to increase participation in the other steps (Cohen & Uphoff, 1980; Oakley, 1991). From a political perspective, involvements in planning and evaluation are a foundation of participatory development. Direct involvement of community members, especially in the planning and evaluation stages, is better than a representation system and should be pursued as much as possible (Cohen & Uphoff, 1980; Oakley, 1991; Parker, 1995; Paul, 1987).

Literatures suggest that those aiming to analyze community participation on rural development programs are best to be aware of the circumstance and conditions where the people involved reside. Both Oakley (1991) and Cohen and Uphoff (1980) strongly suggest that those in the rural areas of many developing countries are usually poor; therefore, it should be carefully assessed whether community contribution during program execution is a voluntary or coercive action. Real participation, according to these two researchers, should be a voluntary action, and resource mobilization should not exploit the poor. Further it is described that there is linkage between empowerment and participation. Within the social policy context, empowerment is a source to provide those the opportunities to participate, whereas participation enables those empowered to exercise action which improves the quality of their lives (Ahmad and Talib, 2014).

b) Empowerment

The term ‘empowerment’ has become familiar to many development agencies. Different interpretations arise in explaining the definitions of empowerment, the targeted individuals or group to be empowered, and whether empowerment as a means or an end in itself. Uncertainty in this regard often causes problems when moving beyond rhetoric and into operational discourse.

Empowerment is the process of enhancing the individual or group capability to make choices and convert those choices into expected actions and outcomes. International development community assumes that marginalized individuals and groups often possess limited influence in the decision-making process that enable an alteration of their prosperity. As a result, development projects based on empowerment are promoted as a part of human development to provide choices for *unfreedom*² people. (Gibson and Woolcock, 2008)

In line with the above definition, Alshop *et al* (2006:16) defines empowerment as the action of enhancing an individual’s or group’s capacity to make purposive choices and to transform those choices into desired actions and outcomes. In addition, Deepa Narayan (2002:11) argues that empowerment is the expansion of asset and capabilities of the poor to participate, influence, control, negotiate, and hold accountable institutions that affect their well-being. In this case, assets mean everything dealing with material both physical and financial including land, housing, apparel, livestock, and savings that influence people’s capabilities to be involved in development. Here, capabilities refer to the inherent ability of people using their assets in different ways to escalate their well-being.

² ‘unfreedom’ characterized by absence of choice, it is both ethically disconcerting as well as functionally problematic for societies, governments, and development agencies Gibson and Woolcock (2008)

Human capabilities include good health, education, and productive skills.

According to Lord and Hutchinson (1993) empowerment is a defined process to increase the individuals' control of many aspects of their lives and participate in the community with dignity. With the aim to define the concept of empowerment clearly, Whitmore stated that there are four underlying assumptions:

- 1) Individuals are assumed to understand their own needs better than anyone else and consequently ought to have power both to define and act among them.
- 2) All people possess strength to build.
- 3) Empowerment is a lifelong effort.
- 4) To achieve effective transformation of the power, personal knowledge and experience are valid and useful.

To be empowered, individuals or groups must have self-efficacy, knowledge and skills, opportunity, and resources. They must also engage in some certain actions directed toward a desired impact and have some sort of desired impact resulting from those actions. Individuals and groups which are empowered by the development processes must perceive that they have self-efficacy, knowledge and skills, opportunity, and resources. They must also perceive that they engaged in some actions and had a desired impact resulting from those actions (Lekoko and Van Der Merwe, 2006).

According to the Deepa Narayan (2002), although there is no single institutional model for empowerment, experience shows that certain elements are most always present when empowerment efforts are successful. These elements occur consistently across social, institutional, and political perspectives. The four key elements of empowerment are: (1) access to information, (2) participation, (3) accountability, and (4) local organizational capability.

c) Facilitation

Facilitation is an essential preparation to achieve empowerment at the grassroots level. Labone and Chase argued that communities should follow a facilitated process not only as project requirements but also to involve stakeholders in local development investments and to empower communities to manage their own development initiatives. In fact, as long as the grassroots are not sufficiently empowered through suitable training programs and processes aimed at making them aware of their rights and confident enough to assert them, benefits are likely to be largely preempted by local elites acting on their behalf. Platteau (2003) added that there are risks such as technical assistance and capacity building may not be sufficient at the local level to facilitate community involvement nor have an effective way to manage their resources. Further, decision making can be carried out in a participatory manner that allows for community representation and voice rather than elite capture or further reinforcement of existing patronage systems.

In line with the above views, Susan Wong (2012) stressed the importance of providing high quality and adequate facilitation and technical assistance especially on the implementing agency side; mentioned consistently across many of the projects. Well-qualified project staff with a strong commitment is recognized as a key to making many of CDD programs successful and in addition ensures quality control. Staff may include skilled engineers to help with standard technical designs and quality supervision of construction; line department education and health staff who review the technical feasibility of the proposals and provide village level assistance to ensure improved access and utilization of services; and facilitators who can motivate communities and engage marginalized groups.

Having focus on the importance of facilitation as well as civil society organizations, Sutiyo (2012) argues that the government can strengthen the position of the poor in the

local development process as well as the implementation of poverty alleviation programs by involving civil society organizations to assist the poor during program implementation. These organizations can give assistance to the poor so that they can have an equal position compared to the non-poor and at the same time can strengthen the poor in the local development process. This step is important since without equal positioning of the poor, poverty alleviation programs will only benefit the local elites.

2.2.5 Elite Capture and Patron-Client Relationship

a) Elite Capture

One of the most significant threats to the success of community-based approaches is their vulnerability to be captured by local elites. The term elite capture refers to the process by which a few individuals dominate and are thereby in the position to corrupt community-level planning and governance. Community governance is particularly vulnerable to elite capture because participants enter the process from unequal positions of power: they have asymmetrical social positions, disparate access to economic resources, varying levels of knowledge of political protocols and procedures and different literacy rates (Dasgupta and Beard, 2007).

Elite capture can signify corruption and the misuse of project funds can occur not just at intermediate levels of government but also within the communities themselves. Most analysts define elite capture as inherently pernicious to community development outcomes and the actual siphoning off of project funds into elite hands (Fritzen, 2007). The problem of 'elite capture' is especially serious as donor agencies are enthusiastically rushing to adopt the participatory approach because they are eager to relieve poverty in the most disadvantaged countries and/or because they need rapid and visible results to persuade their constituencies or sponsors that the new strategy works well. Clearly, such

urgency runs against the requirements of an effective CDD project since the latter cannot succeed unless it is based on a genuine empowerment of the rural poor. If the required time is not spent to ensure that the poor acquire real bargaining strength and organizational skills, ‘ownership’ of the projects by the beneficiary groups is most likely to remain an elusive objective, as has been observed in the case of the Bank’s Social Investment Funds. (Platteu, 2004).

As discussed in the literature on elite capture, local decisions are often carried out by a few powerful local elites (Labbone and Chase, 2008a). Elite capture is defined as the capture of public resources by local elites holding social, economic and political power (Chowdhury and Yamauchi 2010). International development organizations often assume that local elites appropriate or ‘capture’ a disproportionate part of project revenues or opportunities, resulting in the failure of the development programs implemented by international donors together with national governments and NGOs, because of a lack of accountability and transparency of project organization (Platteau 2004). As a result, involvement of members of the local political economic elite in donor-funded development programs is often seen as problematic. The issue has stimulated a debate on the inclusion or exclusion of elites from project interventions.

Platteau’s research has in many ways set the tone for the introduction of the concept of ‘elite capture’ in terms of the misappropriation of project funds by local elites in CDD (Dutta, 2009). The formulation of the problem determines its solution. Once elite capture is understood to be the problem, namely that local elites frustrate the effectiveness of international development interventions at the expense of the targeted ‘poor communities’, this practice needs to be mitigated. (Kusumawati and Visser, 2016). Under these two authors, elite capture is defined as the capture of resource distribution, project

implementation and decision making, all of which negatively impacts non-elites, the target population and/or is deemed to be corrupt under the law. Financial capture or embezzlement is relatively easy to conceptualize and condemn. Unfortunately these incidents do take place and there should be no hesitation in identifying them as such and taking appropriate action to remedy the circumstance under which these thefts occur. This may involve a review of institutional structures that can facilitate elite capture under a process of devolution as much as it can result in a more effective delivery of benefits to the poor (Musgrave and Wong, 2016)

The most important issue on the current decentralized poverty alleviation programs may be the issue of local elite capture. The nature of CDD based programs are to give the community the discretion to manage their development funds. A study by Guggenheim (2006) and Safitri and Rafael (2002) on IDT program as well as McLaughlin et al. (2007), Sumarto and Widyanti (2008) and Safitri and Rafael (2002) on KDP program found significant cases of local elite capture. As long as the local elites are still too dominant in the planning process, the programs will just benefit the local elite more rather than the poor (Sutiyo, 2011).

One of the most consistent themes in the literature on CDD points to the problem of elite capture and who dominates project management and use projects to serve their own interests rather than those of the poor. In the case of public goods, which are non-excludable, the issue turns on the fact that elites may have interests in different public goods provision, and this may be particularly acute in more heterogeneous societies. This challenges the notion that CDD promotes better project selection, as we must ask, “Better for whom?” But the literature is not consistent on whether elite capture is necessarily a bad thing for the poorest in the community. Dasgupta and Beard (2007) found that traditional elites in Indonesia did capture the CDD process, but for the most part they

distributed the project benefits to the poor, whereas when power was more evenly distributed, the poor did not do as well. (Ensmieunger 2017).

b) Patron-Client Relationship

The patron-client relationship may be defined as a special case of dyadic (two-person) ties involving a largely instrumental friendship in which an individual of higher socioeconomic status (patron) uses his own influence and resources to provide protection or benefits, or both, for a person of lower status (client) who, for his part, reciprocates by offering general support and assistance, including personal services, to the patron. (James C. Scoot, 1972). This author added that there are three additional distinguishing features of patron-client links, implied by the definition, and merit brief elaboration here: inequality, face-to-face character, and diffuse flexibility.

First, there is an imbalance in exchange between the two partners which expresses and reflects the disparity in their relative wealth, power, and status. A client, in this sense, is someone who has entered an unequal exchange relation in which he is unable to reciprocate fully. A second distinguishing feature of the patron-client dyad is the face-to-face, personal quality of the relationship. The continuing pattern of reciprocity that establishes and solidifies a patron-client bond often creates trust and affection between the partners. When a client needs a small loan or someone to intercede for him with the authorities, he knows he can rely on his patron; the patron knows, in turn, that "his man" will assist him in his designs when needed. Furthermore, the mutual expectations of the partners are backed by community values and ritual.

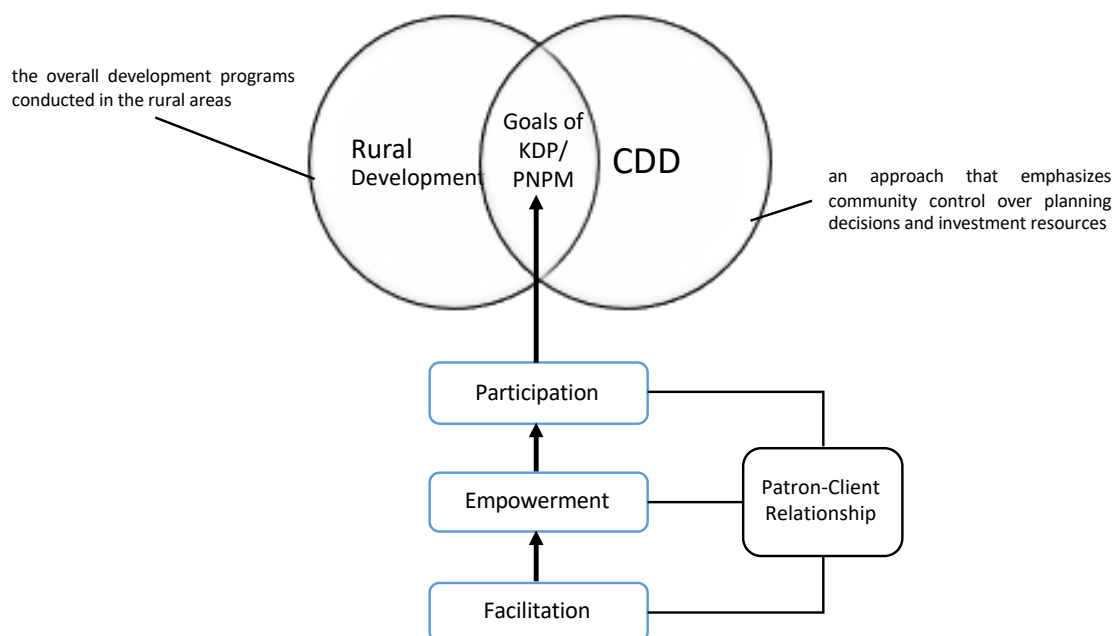
The third distinctive quality of patron-client ties, one that reflects the affection involved, is that they are diffuse, "whole-person" relationships rather than explicit, impersonal-contract bonds. The link, then, is a very flexible one in which the needs and

resources of the partners, and hence the nature of the exchange, may vary widely over time. Unlike explicit contractual relations, the very diffuseness of the patron-client linkage contributes to its survival even during rapid social change - it tends to persist so long as the two partners have something to offer one another. Just as two brothers may assist each other in a host of ways, patron-client partners have a relationship that may also be invoked for almost any purpose; the chief differences are the greater calculation of benefits and the inequality that typifies patron-client exchange.

The patron–client relationship can be characterized generally as an unequal (but theoretically nonbinding) relationship between a superior (a patron or leader) and a number of inferiors (clients, retainers or followers), based on an asymmetric exchange of services, where the de facto dependence on the patron of the clients, whose unpaid services may include economic obligations, paid or unpaid work, armed service, political support and other services, is counterbalanced by the role the patron plays as a leading figure for all the clients and by the assistance, including monetary loans and protection, he or she provides when necessary. Patron–client relationships, although clearly hierarchical, create interdependency based on ‘friendship’, kinship, and alliance; patron–client commitments are often enduring. While clients are clearly kept in debt dependencies, patrons also depend on their clients for cheap labor, resource delivery, and political support. (Kusumawati and Visser, 2016).

2.3 Summary and Theoretical Framework

Figure 2.1
Theoretical Framework



The diagram shows linkages between and among concepts discussed in this study. First it should be noted that this study is a discussion inside the range of development topic. The development itself can be generally defined as “a sustained elevation of an entire society and social system to meet basic needs, self-esteem, and freedom to choose”. The KDP/PNPM Rural is a development intervention using community-driven development approach and implemented in rural areas. Thus, the goals of this program is placed in the middle of rural development and CDD concept where the KDP/PNPM Rural operates “rural development” as its locus and “CDD” as its method or approach. To achieve the goals of the program, there are some processes exercised within the CDD approach namely participation, empowerment and facilitation. The logic here is the goals can only be achieved through proper participation, and this participation is only possible through

a process of empowerment in which it is built through an adequate facilitation.

However, in each process of participation, empowerment, and facilitation there is always a practice of transferring knowledge, skills, education, power, and resources from a superior (a patron or elite) and a number of inferiors (clients, non-elites or followers) that can be characterized as Patron-Client Relationship. By analyzing this relationship, this study expects not only to identify a network emerging in daily life interactions of elites and non-elites but also to analyze “elite capture” which reflects in the domination of elites at the community level decision which can lead to misuse and corruption of project fund.

Chapter 3

General Description of the Program and Study Area

3.1. Program Design

3.1.1 Background of KDP/PNPM Rural Program

In 2007, the Government of Indonesia launched a nation-wide poverty program named *Program Nasional Pemberdayaan Masyarakat – Mandiri* (National Program for Community Empowerment – Autonomous, PNPM Mandiri or simply known as PNPM). The goals of this program are to reduce poverty, strengthen local government and community institutions, and improve local governance. PNPM grew out of two earlier community development programs, the *Kecamatan*¹ Development Program (KDP) and the Urban Poverty Program (UPP). These programs facilitate a community planning and decision-making process leading to block grants to fund communities' self-prioritized needs.

Out of dozens of community empowerment programs under the framework of PNPM, the PNPM-Rural (or PNPM-Mandiri Pedesaan in *Bahasa Indonesia*) turned to be the largest program in terms of coverage and fund allocation. The PNPM Rural originated from the Kecamatan Development Project (KDP), a three-year project financed by a loan from the World Bank (the Bank) at the beginning of the major economic crisis of 1998. Although the design started before the crisis, adjustments were made when the crisis came.

¹ Kecamatan is Indonesia expression for the sub-district level of administration in Indonesia. There are more than 4,000 subdistricts in the country. On average, a subdistrict contains approximately 20 villages and a population of over 50,000 people. Though these units are already fairly large, the subdistrict office is still seen as being iapproachable by the community (whereas the district (kabupaten) is usually seen as too distant on the administrative scale). The administrative head of a subdistrict is called a iCamat. The Camat is appointed by government (Guggenheim et al, 2014)

At that time the main purpose was to channel financial resources expediently to villages, covering over 500 sub-districts (*kecamatan*s) in selected provinces and districts. As a program it was intended to be short—three years. Kecamatan Facilitators (FKs) were required to have at least three years of experience in facilitation. Many came from non-governmental organizations that worked at the grassroots level. Given their past experience, training focused largely on the mechanism of the program—they received relatively little training on facilitation.

The KDP turned out to be popular with many villagers. At a time when the government was centralized in Jakarta and the provincial and district governments had little autonomy, unsurprisingly proposals from villagers to address their everyday problems did not receive an adequate response. It was not unusual for villages to propose the same project for more than twenty years and never receive it. The KDP provided the funds, let villagers propose, and about a year later, the proposals were realized.

3.1.2 Objectives of the Program

The overall objective of the PNPM Rural is to reduce poverty and improve local-level governance in the rural areas of Indonesia through the provision of investment resources to support productive proposals developed by communities, using a participatory planning process. Communities are allocated *Bantuan Langsung Masyarakat* or BLM (Community Block Grants). Each *kecamatan* is allocated from 1–3 billion Rupiah per year. The program has an “open menu” setting meaning that selection of projects² and activities is open, except for items specifically excluded through the project’s negative list. Key principles of PNPM-Rural are participation and inclusion (especially among the

² This study uses the terms of program, project and activity to express different meaning. “Program” signifies the CDD programs implemented in the country such as the KDP and the PNPM Rural. “Project” refers to physical project / infrastructure built through the CDD program mechanism, while “activity” refers to non-physical project such micro-credit and training.

poor and women) through local decision-making by all villagers; transparency; open menu (except for a short negative list); competition for funds; decentralized decision-making and management, and as simple a mechanism as possible. (World Bank , 2010)

The assumption behind the project is that the selection of infrastructure will be the most effective way to promote village's economic and job creation, while the competitive and *musyawarah*³ (deliberation) mechanism will lead to sustained democratization and community empowerment.

3.1.3 Steps, Procedures, and Actors of the Program

This program is directed towards the development of rural areas by granting an amount of funds through the *kecamatan* which will be managed by the rural communities themselves based on the mechanism that has been set. In this program, the *kecamatan*s are given a community block grant (the BLM), the amount of which is dependent on the population and poverty level of each *kecamatan*. To receive the block grant, every village has to compete and submit a proposal for a project proposed to be implemented. To that end, each village chooses a village facilitator who assists with the socialization and planning processes of the proposed project. Core related villagers then hold deliberations to discuss the needs and development priorities of their village.

Based on the open menu principle, the community has to choose a development project that they need in the village through *musyawarah desa* or musdes (village deliberation) that must be attended by representatives and villagers. After all proposals are collected, there is a *Musyawarah Antar Desa* or MAD (inter-village deliberation) that is attended by village representatives who will then discuss to conclude the final decision

³ Although the expression of *musyawarah* can be translated into "meeting", the writer is inclined to think that "deliberation" has the closest meaning to *musyawarah* as this forum involves a thoughtful discussion among attendees before taking final decision through a process of prioritization. There is no leader in *musyawarah* but a facilitators to indicate that attendees have the same right to convey their voices.

on which project is to be funded. After the block grant is allocated, social and technical consultants will help with the socialization, planning, and implementation of the project. The village deliberation has to choose a few members that will become a part of the implementation team who executes the project. The technical facilitator will help the implementation team to arrange the infrastructure plan, project budget, quality verification, and supervision. A more detailed description about the flow of the PNPM Rural process can be seen in following figure.

Figure 3.1
Project Cycle of PNPM Rural

Planning Stage :

Step	Level	Participants	Main Agenda
Inter-village deliberation for Socialization	Sub-district	Representatives of all villages (6 people per village)	- Dissemination of program procedure to participants
Village deliberation for Socialization	Village	Open for all residents	- Dissemination of program procedure to hamlet residents - Selection of program implementers
Idea Generation Deliberation	Hamlet	Open for all hamlet residents, Conducted in each hamlet	- Project ideas from hamlet residents - Problem analysis in the hamlet
Special Deliberation for Woman	Village	Open for all female villagers	- Project ideas from female villagers (2 proposals; infrastructure and micro-credit) - Selection of female representatives
Village Planning Deliberation	Village	Open for all villagers	- Selection of 3 prioritized proposals
Verification of Proposals	Sub-district	Sub-district facilitator, Proposal writing team	- Proposals from villages are verified
Inter-village Deliberation for Proposal Prioritization	Sub-district	Representatives of all villages (6 people per village)	- Short list of prioritized proposals
Finalization of Design and Cost Estimation of Proposals	Sub-district	Sub-district facilitator, Proposal writing team	- Design and cost estimation of shortlisted proposals are finalized
Inter-village Deliberation for Final Funding Decision	Sub-district	Open for all villagers	Determination and agreement of funded proposals

Implementation Stage :

Step	Level	Participants	Main Agenda
Village deliberation for Result Information	Village	Open for all residents	<ul style="list-style-type: none"> - Dissemination of decision on inter-village deliberation of final funding - Determination of project time schedule
Preparation for project implementation	Village	Program implementers at village levels	<ul style="list-style-type: none"> - Supervision by Sub-district Technical Facilitator - Procurement - Construction plan
First fund disbursement	Village	TPK and UPK	<ul style="list-style-type: none"> - Transfer of 40% block grant from UPK (sub-district) account to TPK - Transfer of 100% block grant to groups of micro-credit
Construction process phase I and fund disbursement for micro-credit	Village	TPK, Micro-credit Recipients, and Monitoring Team	<ul style="list-style-type: none"> - Completion of 40% physical project - Completion of fund disbursement to credit recipients (100%)
Village deliberation for Accountability Report I	Village	Open for all residents	<ul style="list-style-type: none"> - Presenting accountability report to villagers
Second fund disbursement	Village	TPK and UPK	<ul style="list-style-type: none"> - Transfer of 40% block grant from UPK (sub-district) account to TPK
Construction process phase II	Village	TPK and Monitoring Team	<ul style="list-style-type: none"> - Completion of 80% physical project
Village deliberation for Accountability Report II	Village	Open for all residents	<ul style="list-style-type: none"> - Presenting accountability report to villagers
Third (final) fund disbursement	Village	TPK and UPK	<ul style="list-style-type: none"> - Transfer of final 20% block grant from UPK (sub-district) account to TPK
Final Construction process	Village	TPK and Monitoring Team	<ul style="list-style-type: none"> - Completion of 100% physical project
Village deliberation for Final Accountability Report and Handover	Village	Open for all residents	<ul style="list-style-type: none"> - Presenting accountability report to villagers - Hand-over of infrastructure project to village

Source: 2014 PNPM Rural Guideline

The PNPM Rural's program cycle includes information dissemination and socialization, preparation, participatory planning, implementation of activity, control, complaints and problem handling and management, evaluation, and reporting. To increase community participation in the PNPM Rural, there are several stages in a project cycle:

- 1). Information dissemination and socialization through workshops with the local government, hearings with parliament members at every level, and meetings/forums in the community carried out.
- 2). A participatory planning process is included. This stage includes deliveries at the hamlet or sub-village, village, and kecamatan levels. The community selects the *Kader Pemberdayaan Masyarakat Desa* or KPMD (village facilitator) to facilitate the socialization and planning process. KPMDs conduct deliberations with different groups in the community, including the special deliberation for women. PNPM-Rural provides two facilitators at the kecamatan level, one empowerment facilitator and a technical facilitator, to assist communities with socialization, planning, and implementation.
- 3). The project selection is undertaken at the village and kecamatan level. The village community conducts deliberations at the village level (to select proposals) and the inter-village (kecamatan) level to rank projects proposed by villages in a sub-district for funding decision. The deliberations are open for every community member.
- 4). Implementation is commenced. The village meeting attendees selects representatives to serve on the *Tim Pengelola Kegiatan* or TPK (Implementation Management Team). The kecamatan technical facilitator will help TPK in designing selected infrastructure projects, budgeting, quality verification, and supervision. Workers on infrastructure projects should be local residents of project location.
- 5). Submission of an accountability and progress report. Three times in each year, the TPK will report the progress at the village deliberation.

3.2. Implemented Projects

The KDP/PNPM Rural is based on the open menu principle and can be categorized into four groups, which are: (i) developing or improving basic infrastructure which economically benefit the poor; (ii) improving education and health services; (iii) supporting the community's economic activities; and (iv) conducting *Simpan Pinjam untuk Perempuan* or SPP (micro-credit for woman) projects. In general, PNPM Rural activities which were conducted in the earlier study areas were related to infrastructure development. Although there are four kinds of activities suggested in the KDP/PNPM-Rural, in its implementation PNPM Rural is often focused on two main projects, namely, infrastructure projects and micro-credit activities.

3.3. Organizational Structure of the Program

Administration of the PNPM Rural is conducted by the Directorate General of Community Empowerment, Ministry of Home Affairs. This department, together with the National Development Planning Agency or Bappenas (which focuses on monitoring, evaluation, and preparation of the project) and Department of Finance (which focuses on fund disbursement) form a steering committee that holds the highest level of decision-making process in PNPM-Rural policy.

At the provincial and district level, Local Development Planning Agency (*Badan Perencanaan Pembangunan Daerah* or Bappeda) and Community and Village Empowerment Agencies (*Badan Pemberdayaan Masyarakat dan Desa*, Bapermades) coordinate PNPM Rural have the authority to monitor PNPM-Rural's progress. They work with their counterparts, the consultants/facilitators⁴, in each tier of government from central to sub-district level.

⁴ Further discussed in Chapter 10: The Role of Facilitators in the Program

3.4. Characteristics of Study Area

All villages as study area are located in Batang district (*Kabupaten Batang*). Batang is a district in the northern part of Central Java Province of Indonesia. It has an area of 78,864Ha and a population of approximately 756 thousand people. It consists of 15 sub-districts, which are further divided into 248 villages. Those sub-districts are Batang (the capital sub-district), Bandar, Bawang, Blado, Reban, Tersono, Gringsing, Subah, Tulis, Wonotunggal, Warungasem, Kandeman, Pecalungan, and Banyuputih.

In general, the region divided into two plain areas, namely lowland areas and highland areas. The northern region covering six sub-districts is a low-lying area with an altitude between 0-10 meters above sea level. The rest of sub-districts occupy the southern part of Batang regency with a highland area consisting of mountainous land with an altitude between 10- 2,579 meters above sea level. This year, Batang has celebrated a birthday of the region to 52 years after historically becoming part of Pekalongan municipality.

Located right in the middle of trans-java highway network connecting Jakarta-Surabaya, Batang is about 93 km west of the province's capital city of Semarang and about 392 km from Jakarta. It takes about 5-7 hours by train, car or bus from the capital to Batang. The best way is 3-hour trip, from Jakarta to Semarang by plane and further to Batang by bus/train. Currently, a toll road connecting Batang-Semarang is being constructed and should be operational by 2020. This toll road can shorten travel time between the two cities from 2.5 hours to 1 hour. Data from the National Bureau of Statistics (BPS) shows that the Working Age Population (15-64) in Batang is about 524,079 people and occupies almost 70% of total population. It is further observed that the total workforce in Batang reached 388,307 people.

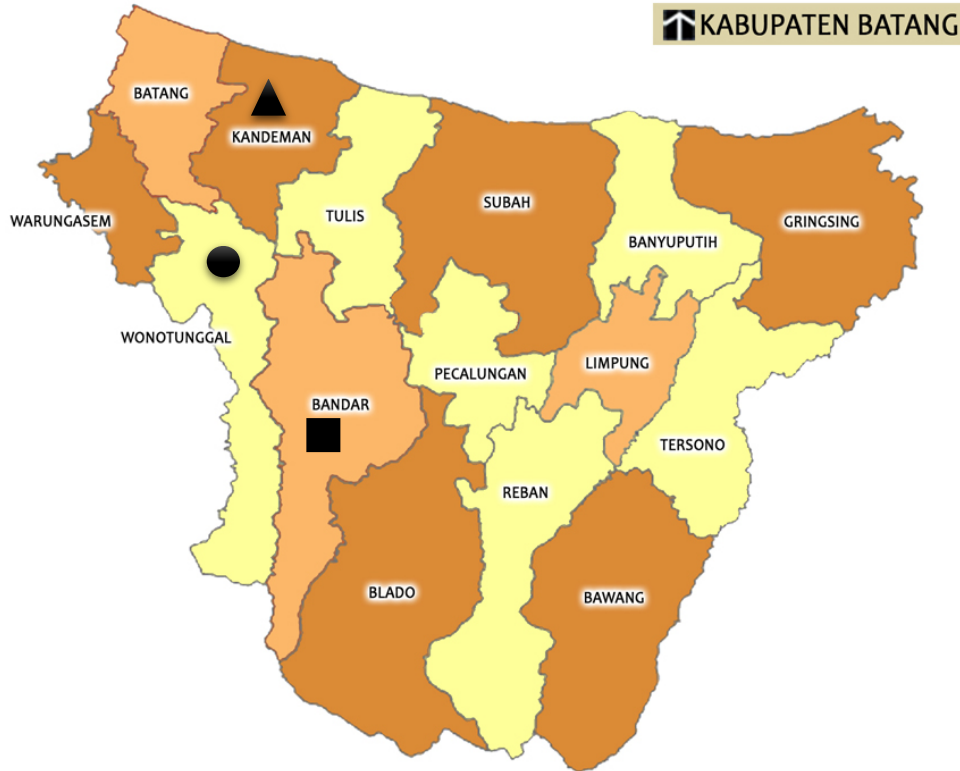
Batang regency covers an area of 22,479.12Ha wetland. Most of the wetland is allocated for paddy field with irrigation (90.86%) and rain-fed field for the remaining. The non-wet land is shared mainly for plantation, state forest and other. The main commodities of agriculture are rice, corn, and cassava. About 95,500 people work in this sector. They can produce about 197,621 tons of rice, 45,378 tons of corn and 64,437 tons of cassava yearly. It is estimated that roughly 117,217 people make a living in this sector. The main commodities are broiler, beef cattle and goat. The farmers usually own their own small stockbreeding and sell the cattle to the nearest market. Over 13 million of poultry are produced by the farmers each year, whereas about 80,000 of goat and 20,000 of beef cattle are absorbed by the market.

Map 1.1 :
Central Java Province



For the study area, administratively Sidayu is situated in Bandar sub-district (17 villages), while Juragan in Kandeman sub-district (13 villages) and Brayu in Wonotunggal sub-district (15 villages).

Map 1.2 :
Batang District



Note :
Sidayu ■ Brayo ● Juragan ▲

3.4.1 Topography and Demography

These study areas were selected over consultation with district official who responsible for the KDP/PNPM Rural implementation with regards to availability of secondary data and informants at village level. Among these villages, Sidayu has the largest geographical area followed by Juragan and Brayo. Sidayu is bacially highlands with a hilly landscape; Brayo occupies a midland area, while Juragan is located in the lowland area, close to the sea. All the villages can be categorized as poor villages in which more than half of the village residents are living below the poverty line. Juragan and Brayo village are located not too far from the city or the administrative center, while Sidayu village is situated

rather far from the city or the administrative center. However, all villages have the rural characteristic regardless of their proximity to the city center.

The village of Juragan has the largest area (87.78 km²). But it also has a large population of 7,723 residents. The smallest study area is Brayu village which is only 21.64 km² and has a relatively small population of 1,296 residents. The most densely populated area is Juragan (10,389/17.40 km²), followed by Sidayu (8,762 /55.71 km²), and Brayu (8.017/15.66 km²) as the least populated area.

The distance of the study villages from their respective kabupaten capital varies, but on average, more than 10 km. The two villages that are quite close to their kabupaten capital are Juragan and Brayu (7.5 km). Sidayu village lies around 20km from their kabupaten capital through relatively difficult terrain due to the hills or damaged roads. Administratively, the villages are divided into several *dusun*, namely around two to five *dusuns* per village.

3.4.2 Socioeconomic Conditions

All villages are agricultural-based economies, be it dominated by rice fields (irrigated or rain-fed), palawija (secondary) crops, or vegetables. Only some areas of Juragan village has coastal a type village. A small number of the people in this village engage as fishers or fish farmers. Generally, the people in the study areas are farmers, either farmland owners, tenant farmers, or farm hands. One case that is conspicuous is the description of Brayu village which is economically also supported by the non-agricultural sector; more than 50 household heads work in the manufacture sector such as textile or food processing. More than 50 percent of the land in this study is agricultural land. For example, 62 percent of the land in Desa Brayu is used for agricultural purposes and in Desa Sidayu, the agricultural land reaches 80 percent. This land area produces a variety of agricultural commodities. The villages in Java commonly produce rice, vegetables, and palawija crops.

However, as rice producing areas, the villages rely solely on rain fall, and as a consequence, can only harvest rice once a year, which is then followed by palawija crop planting. Only Desa Juragan produces saltwater fish and farmed fish.

From the market access point of view, there are no significant problems in almost all of the study areas. In almost all villages, there is a market, or at least a pasar kaget (literally, “sudden market”; similar to a Sunday market) that operates once a week for two to three hours in the morning. The village closest to a market is Juragan, which is approximately 5 km distant from the central city market. The farmers in these villages usually sell their agricultural and vegetables produce to the intermediary traders who then take the produce to the market to sale.

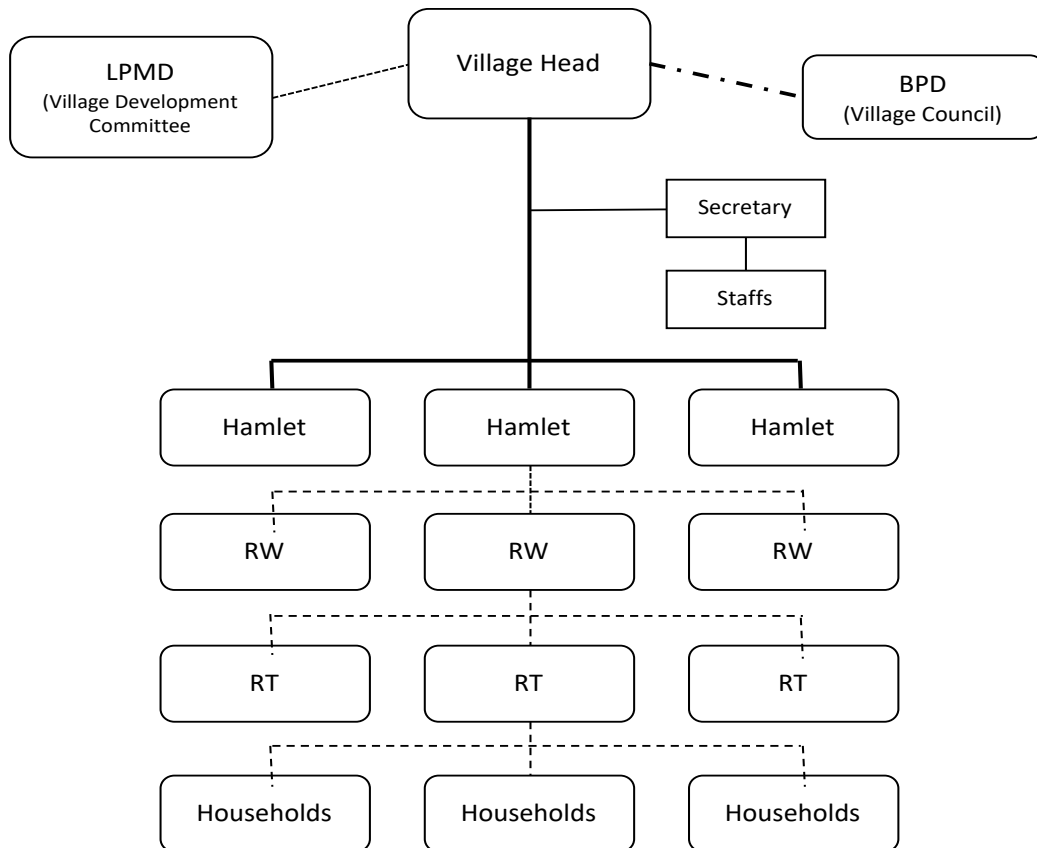
3.4.3 Structure of Village Government

In Indonesia including in these study areas, the formal structure of village government consists of a village head and his officers, which include secretary, staffs and hamlet heads. Below the village level, a system of sub-village units exists to organize the households. The village is divided into several hamlets, which is villager’s settlement bordered by natural boundary such as river, hill or field. Hamlets are a traditional structure of Javanese villages, and the head is a direct subordinate to the village head. Hamlets are then divided into several Communal Groups or Rukun Warga (RW), which is divided into several Neighborhood Groups or Rukun Tetangga (RT). RW and RT are basically groups of neighborhoods, and every household automatically becomes their member.

The heads of RW and RT are formally not the subordinate of village head, yet they in practice execute the orders from village head. Other institutions playing important roles in rural development are Village Council or *Badan Permusyawaratan Desa* (BPD/) functioning as the village parliament and the Village Development Committee or *Lembaga Pemberdayaan Masyarakat Desa* (LPMD) functioning as the organization to

execute physical projects within each village. BPD, LPMD, hamlet, RW and RT are government mandated organizations, hence they exist in all villages throughout Indonesia.

Figure 3.2 The Relationship among Village Level Organizations



- Note:
1. ————— = Command line
 2. - - - - - = Coordination line
 3. - . - . - = Controlling line

Source: adopted from Sutiyo (2014)

The different with the above institutions that can be classified as government sponsored associations is that Indonesia has also a long tradition of community-based organizations (CBOs), which are mostly informally organized (Watterberg et al, 2012). These organizations/associations/groups are found across the functional spectrum of associations (social service groups, production and occupational groups, finance and

credit groups, etc.). For example, social service groups help and services to community members in the fields of education, health, pest management, security, general neighborhood assistance and development. Among the social service groups are some of the large government organizations which have to be present in every village. Especially worth mentioning is female family welfare (*Pembinaan Kesejahteraan Keluarga*, PKK), the only formal female organizations in the village.

Chapter 4

Community Driven Development Programs in Indonesia

4.1. Introduction

This chapter presents the result of desk review on a number of studies and policy documents related to Community Driven Development (CDD) program in Indonesia with aims to provide a comprehensive analysis of the formulation of the design of the KDP/PNPM Rural. The process of program formulation is viewed from two standpoints, conceptual and historical. Conceptual standpoint (section 4.2) implies identification of key features community-driven development approach that are incorporated into CDD programs by the World Bank (the Bank) including the KDP/PNPM Rural. Historical standpoint (section 4.3) indicates an attempt to trace the design of two “people centered” programs implemented during New Order¹ era and are argued to be the basis for the KDP/PNPM Rural’s design.

Following analysis, section 4.4 elaborates the similarities and differences of characteristics of the KDP and the PNPM in order to look the innovation and continuity of the PNPM Rural. Section 4.5 provides outputs and outcomes of the KDP/PNPM Rural from the main aspect, economics and political aspect. At the end, section 4.6 draws conclusion and policy recommendation.

4.2. Adoption of Community-Driven Development Approach into CDD Program

Based on review on several literatures within community-driven development discourse,

¹ This period is called as “New Oder” era. The term coined by the second Indonesian President Suharto to characterize his regime as he came to power in [1966](#). Suharto used this term to contrast his rule with that of his predecessor, [Sukarno](#) (dubbed the "Old Order," or *Orde Lama*). The term "New Order" in more recent times has become synonymous with the Suharto years (1966–1998)

the author found that many academics, practitioners, donor agencies are likely to have the same understanding about the definition of community-driven development as proposed by the World Bank. For instance, definition of community-driven development provided in the work of Susan Wong (2012) “community-driven development is an approach that emphasizes community control over planning decisions and investment resources” is consistent with what have been provided earlier by the Bank stating that “community-driven development is an approach that gives control over planning decisions and investment resources for local development projects to community groups”.

The other academics such as Fritzen (2007), Labonne and Chase (2009), and Platteau (2003) tend to focus on what are the underlying assumptions behind community-driven development approach instead of providing clear definition of this approach. In general, they argue that basic assumption of community-driven development is “people (individuals or communities) are the best judges of how their lives and livelihoods can be improved and, if given adequate support, resources, and access to information, they can organize themselves to provide for their immediate needs”. Fritzen then stresses that the rationale for CDD projects centers on the notion that community-level participation and accountability arrangements will help ensure that the benefits of development flow to the community as a whole and more specifically to the poor.

The author agrees with the summary from the Asian Development Bank (the ADB, 2006) stated that the operative words of community-driven development are “control over planning and resources”. However, the author argues that there should be a clear distinction of who is “community”. The need for “community” distinction is also stated by Ke Fang (2006) whom he argues that “in practice, questions remain as to how to distinguish the ‘community’ within which villagers’ groups or their representatives can exercise collective control over development funds”. In addition, uncertainty about the

“community” is also somewhat posted by Susan Wong as she states that “the level of decision-making authority varies” and it is hence assumed by the author that the definition of “community” is different following the level of decision-making authority. For example, at village level, “community” can be addressed only to people (individuals and groups) living in one particular village, say village A, while people living outside village A cannot be included into this “community”. However, people in village A and other villages within the same sub-district can be defined as one “community” if the level of authority is the sub-district.

Nonetheless, the definition of the “community” in the KDP/PNPM Rural can be found in the work of Ke Fang (2006). He underlines that KDP uses the existing administrative setting to define both the community and the community groups eligible for the funds, transferring funds to each participating *Kecamatan* (sub-district). All villages (*Desa*) within the sub-district can submit one or two proposals through the village office. The successful proposal is selected by a sub-district forum consisting of representatives of all villages. It appears that a subdistrict (*Kecamatan*) is considered one ‘community’ within which each village is an eligible community group, while intra- or inter-village groups are not. This distinction of the “community” definition is then observed to also be applied in the PNPM Rural.

In addition, the author is inclined to think that the terms “control over planning and resources” in the context of the KDP/PNPM Rural should be clearly defined. The KDP/PNPM Rural offers different mechanism compared to other rural development programs in Indonesia. The program introduces a gradual collective decision through deliberations starting from hamlet level to sub-district level. Each level has different setting as stated in the program guidelines covering but not limited; output, participants, and schedule of each deliberation. Thus, “control over planning” here can be defined as

the capability of members of communities (sub-districts) and community groups (villages) attending deliberations to have domination² over decisions during planning stage of the program. The term “resources” is rendered as the BLM (*Bantuan Langsung Masyarakat*, community block grants) provided by central government to villages. So, “control over resources” most likely refers to the implementation stage of the program when selected members of the TPK (village management team) have to carry out either construction of rural infrastructure or fund disbursement for micro-credit.

Related to the goal of community-driven development approach, Platteu (2003) stresses that community-driven development approach holds much promise for reducing poverty. Further, most literature agree that this approach is generally an effort aim to improve the living conditions of poor communities through participatory means. Thus, it is important to note that the way this approach achieves its goals make community-driven development differs from the other approach. It is the needs of community-level participation and accountability arrangements. In line with the goal as well as the means of community-driven development approach, the KDP/PNPM Rural in their program guideline state clearly that the general objective of the program is to reduce poverty by improving participation and local level governance in rural Indonesia.

Aside from the clear definition and basic assumption of community-driven development approach, existing literatures appears to be lacking in providing a fixed standards or characteristics of a CDD program. The author then found uncertainty to summarize the standards of a CDD program. However, some literatures provide insights on this matter. For example, the Bank generally indicates that a CDD program should operate on the principles of transparency, participation, local empowerment, demand-

² Domination over decisions will be further discussed in Chapter VIII

responsiveness, greater downward accountability, and enhanced local capacity. In addition, the ADB stated that there are four standard project activities of CDD programs: (i) *material development* through financing of subprojects that create community assets; (ii) community *social mobilization* that usually involves awareness creation, information sharing, and forming community-based organizations and federations; (iii) *capacity enhancement* for community groups through training on aspects of project implementation, natural and financial resource management, and increased control over planning and decision making; and (iv) measures to create an *enabling environment* for local development by forging functional links between community groups and formal organizations, legal and institutional reform, and partnerships with the private sector.

In a more operational manner, Guggenheim and Wong (2018) are able to identify the characteristic of a CDD program. First, CDD programs consist of a direct financial resource transfer to administratively-defined communities that they can use for productive investments. Second, CDD projects are usually facilitated by an external agent, such as a nongovernmental organization, a specialist under contract, or an assigned government officer. Their role is to provide information and to encourage a participatory process of community decision-making.

In brief, the KDP/PNPM Rural can be classified as a CDD program. The program has adopted key features of community-driven development approach that can be identified in the program objectives, principles, and settings.

Table 4.1
Adoption of Key Features of CDD Approach to the KDP/PNPM Rural

Key Feature of CDD approach	CDD Program of the World Bank	The KDP/PNPM Rural
Goal : poverty reduction	Goal: poverty reduction and sustainable development	Goal: poverty reduction, improvement of participation and local level governance
Control over planning decisions	Participation of community groups in planning stage to increase control over planning and decision making	Open and representative participation on decision-making process from hamlet to <i>kecamatan</i> (sub-district) level
Control over resource	Provision of direct financial resources to community groups	Provision of block grant to sub-district community
Adequate support for individuals or community	<ul style="list-style-type: none"> - Facilitation by external agent - Formation of community-based organizations 	<ul style="list-style-type: none"> - Provision of facilitators from in from national to village level - Formation of project organizations as implementers
Access to information	Operate on principle of transparency and accountability	Operate on principle of transparency, accountability, democratic, equality and gender justice
Provision of local development projects	Project development that create community assets	Provision of rural infrastructure and micro-credit activity

4.3. Historical Standpoint of CDD Programs in Indonesia

This study found that the design of the KDP is relatively similar with two community-based development programs implemented between 1993-1998 during the New Order era, namely the Presidential Grants for Backward Villages (IDT) and the Village Infrastructure Program (P3DT). The IDT focused on fund provision for villagers to build business activities including micro-credit, while the P3DT aimed to provide block grants to build rural infrastructures as proposed by villagers. The design of KDP, particularly the flows of decision making and implementation process in the villages built upon these two

programs (IDT and P3DT), not to mention the objectives and principles of the program.

Thus, it is important to begin this discussion by introducing some community-based development programs implemented in early 1990s or prior to the KDP/PNPM period. It should be noted that this study contends with the fact that information is limited with regards to community-based development programs implemented prior to 1990s.

4.3.1 *Inpres Desa Tertinggal* (IDT/ Presidential Grants for Backward Villages)

The IDT was launched in 1993 and is believed to be the first community-based development program in Indonesia. This program main objectives are: to strengthen local democratic institutions and support the government's decentralization policy; to provide assistance to families below the poverty line; and to support multiple development objectives including equity, efficiency, human resources development, social and economic stability, security, environmental quality, participatory development, and cultural enrichment.

The target groups of the IDT are the poor in less-developed villages, including farm laborers, peasants, fishermen, forest dwellers, young dropouts and others. The IDT funds were being allocated to those groups in the villages that have been identified as 'lagging behind in their development pace relative to the rest of the nation' based on the 1993 survey conducted by the Central Bureau of Statistics on behalf of the National Development Planning Agency (*Bappenas*). Accordingly, 20,633 out of a total of 65,554 villages became eligible for IDT grants.

The organization of village community groups is an important factor in the IDT program. One of the explicit rationales for the program is to treat the poor not merely as objects but rather as participants in the development process. These self-organized village community groups which compose of poor households are mutual organizations. The members, facing similar socio-economic obstacles, are assumed to engage in cooperative

undertakings. Though group formation is to be initiated by the village head as well as other existing village institutions and leaders, the groups must be formed voluntarily with members electing their own officers.

The IDT operates primarily by providing the working capital and technical expertise for poor families to begin their own enterprises. Unlike microcredit programs, IDT funds do not need to be repaid to the government, the funds belong to the group. The borrowing household within the group then repays the loan to the group treasury until it is lent again to another household in the same group.

Village governments, in consultation with the village community groups, have full discretion in the use of IDT funds as long as expenditures follow some general guidelines set by Bappenas (National Development Planning Agency). The guideline allows for the following categories of eligible activities: small-scale support of self-help efforts to improve agricultural technology, to introduce new agricultural activities, or to support small urban enterprise start-ups; purchase of supplementary medicines to prevent or to treat endemic illnesses and epidemics; installation of small-scale and health-related infrastructure; and any poverty reduction needs.

4.3.2 *Pembangunan Prasarana Pendukung Desa Tertinggal* (P3DT / Village Infrastructure Program)

The P3DT is one of components of the IDT program. Different with the IDT which mainly operates in the economic space, the P3DT has aim to provide basic infrastructures. This P3DT or also known as Village Infrastructure Program (VIP) was financed mainly by the OECF (Japan) and the Bank. Both donor agencies operate in separated areas of Indonesia. The Bank operated in in Java and Bali, while OECF supported the P3DT in in islands other than Java-Bali where contractors are required to have a greater role (due to lower population densities and longer access roads needed, and thus insufficient labor for labor

intensive techniques).

The P3DT employs the “cluster approach” which gives a group of villages (five villages) a grant of RPs 600 million (US\$ 60,000) to have constructed projects of their own determination. The program also deployed 51,838 volunteer facilitators and recruited 3,961 field engineers to assist villages facilitate the construction of various projects. During this time, the concept of P3DT was innovative for the Bank and served as an entrance for the Bank to be involved in a community-based development agenda for Indonesia. Normally, on the other hand, Bank infrastructure projects in Indonesia are implemented via government agencies and in the space of constructing of numerous large and complex infrastructure projects.

In first year of implementation, villages were selected by Bappenas in order to facilitate an expedient start; from the second year the provinces and districts made the selection from a long list of eligible villages prepared by Bappenas. The program mechanism is clear that: 1) the villages selected. choose the works they want and that complied to a simple economic criterion; 2) technical assistance is provided directly to the villages; and 3) financing is provided directly through sub-district bank units and delinked from late budget releases.

Nonetheless, the IDT program ended in 1997. The reason is not perfectly clear yet even today. To date, this author cannot find any document explaining clearly the process/reason why the IDT program was not continued. One article that eluded to the reason suggested that IDT was ended because it was part of a prioritized program of the mid-term development plan (1993-1997) and subsequently was rolled into the Kecamatan Development Program (PPK) program in the next mid-term development plan (1998-2002). This suggestion can also be confirmed in that most of the KDP’s facilitators are ex IDT facilitators. In addition, the P3DT which ended in 2001 was also incorporated into KDP.

4.3.3 Kecamatan Development Program (KDP)

The KDP began as a three-year program in August 1998 through a USD 280 million Bank loan (IBRD loan number 4330-IND) to finance village-level development projects. KDP was initially divided into three phases in which each phase had its own emphasizes. KDP's first phase (KDP-1) was intended to facilitate the establishment of a bottom-up planning process, while the second phase (KDP-2) concentrated on improving the technical and managerial capacities of the participating sub-districts and villages. This increase in capacities was to be achieved through various forms of technical assistance, training, and practical exercises. The third phase (KDP-3) was designed to provide the legal and administrative framework for institutionalizing the KDP system within the national and local government planning procedures. However, due to changes of policy from GoI, the program was scaled up in 2007 into national coverage instead of ending its implementation as planned in 2008. The KDP also had been rebranded to the National Program for Community Empowerment in Rural Areas (PNPM Rural) since then.

The main objective of the KDP is to reduce the poverty rate number in rural areas. Most importantly, KDP emphasizes the principles of community participation, especially for women and poor villagers, transparency, competition for funds, and sustainability. The KDP program provides block grants to finance economically productive activities, which are identified through bottom-up and participatory development planning and using community-driven development approach.

Inception of KDP

According to Rusdha Majeed (2013), a few years before the crisis of the early 1990s, the deputy minister of Bappenas --, assembled a team to help develop new ways to address rural poverty. Gunawan Sumodiningrat, one of the agency's deputy ministers, helped launch a series of experiments with the help of Herman Haeruman, the deputy director of

regional development; Tatag Wiranto, the director of rural development; and Sujana Royat, the director of urban land and special programs, among others. The initiatives aimed to improve the livelihoods of the regional poor and reduce regional inequality, which had become an increasing source of concern in several parts of the country, an archipelago of more than 17,000 islands.

Some of the programs in poverty reduction, such as IDT and P3DT, had transferred funds from the central government to village heads, who then took charge of helping poor residents to construct rural infrastructures and buy livestock and/or other assets. However, these programs were considered ineffective as some of the resources failed to reach the intended beneficiaries. Furthermore, Guggenheim (2013), a member of social capital working group of the Bank, Indonesia, argued that IDT was unsuccessful because the mid-tiers of the government became corrupt and disorganized that funds were not reaching the intended level of needs -- the rural poor.

Out of this undesired result, KDP was established, added Guggenheim, for at least three considerations. First, Indonesia in around 1994 became part of a three-country study, together with Burkina Faso and Bolivia by the Bank to look at social capital and development more rigidly. Robert Putnam was the actual adviser on how actual social capital and development issues were working. He and his team undertook a study to determine what exactly was occurring at the local institution level throughout much of Indonesia. Second, as mentioned before, IDT was considered to be unsuccessful in that it opened the door for the financial transfer system that became KDP. Third, applied lessons learned from the situation of the water and sanitation programs then being experienced in India, namely how community-level planning and some sort of total sanitation systems would allow much greater ownership of small clean water and sanitation facilities. Those features became the KDP's planning system, a bottom-up planning system. So, the

combination of how village roles, IDT, and the water supply and sanitation in low income communities' programs, grafted together became bits and pieces of what the Bappenas team pulled together into an operational architecture which eventually became KDP.

Afterward, in early 1997, just before the financial crisis hit, the Bappenas team worked with the Bank to launch pilot CDD projects in 12 of Indonesia's roughly 4,000 kecamatan (sub-districts, or local level administrative units under a district, each of which comprised 20 or so desa, or villages). Breaking with past procedures, the new program transferred funds directly to villagers and then assisted the villagers to organize and hold each other accountable for the use of the resources. Thus, in fact KDP was designed and piloted in some Kecamatans while President Suharto (1967-1998) still held office. However, in response to the Asian financial and economic crisis of 1997, the KDP program was scaled up much more rapidly than initially planned, with coverage rising from approximately 2,000 villages to approximately 12,000 villages in slightly more than a year, even before the pilot project was finalized.

However, some challenges are identified. First, the KDP should ensure that program funds would reach the poor villages that needed the aid the most. The enemy was corruption. Corruption was in those years spread throughout a multitiered government system that flowed from the national level through provinces, regencies, cities, districts, subdistricts, and villages. In 1997, Transparency International's Corruption Perceptions Index, which measures public perception of corruption, ranked Indonesia 46 out of the 52 countries evaluated—just above Russia, Colombia, and Nigeria (#1 being the least corrupt.).

Another challenge involved lack of capacity at the local level. Some villages had a tradition of involving their residents in decision making, but others had little or no experience in the kind of group deliberations first needed to identify the projects that

would help the most and then to manage such initiatives. For the rural poor in many parts of the country to benefit, the new program would have to empower people and ensure that they knew what to do with that power. Further, because of Indonesia's extreme cultural and geographic diversities, the model would have to be simple enough and sufficiently flexible to work under a wide variety of circumstances. Finally, for the long-term success of the program, the design would have to provide a voice for women and other marginalized community members.

KDP Phase 1 (1998 – 2002)

After piloted in merely 12 subdistricts, KDP involved and rapid scaled-up covering 20 provinces and 501 sub-districts across the country in its first and second year of implementation, 60 percent outside of Java island, and all with a high incidence of poverty. In its third year, KDP almost doubled its sub-district coverage, working in 22 provinces, 984 sub-districts and over 15,000 villages, encompassing a population of some 35 million residents. The initial 3-year implementation of KDP, also known as Phase 1, operated in almost one out of every four villages in the country. The coverage of KDP1 is described in Table 4.2 below.

Table 4.2
KDP Phase 1 Coverage vs Total in Indonesia (1998 – 2002)

Coverage of	KDP Phase I	Total in Indonesia
Province	22	32
District	130	341
Sub-district	984	4,048
Village	15,481	69,168
Population	35million	210million

Related to the kinds of projects, 73 percent of KDP funds were applied towards productive infrastructure activities such as roads, bridges, irrigation and drainage, clean

water supply and other rural infrastructure. For Years One and Two, Rp. 656 billion or USD 73 million was spent on infrastructure activities across Indonesia. Poverty reduction at the village investment level have been significant. In Years One and Two, an estimated 1.4 million and 2.3 million villagers respectively earned short-term employment through the construction of KDP labor-intensive infrastructure. The majority of these workers (68 percent) represented the poorer segments of the community as identified through village participatory wealth ranking. Over 15 million workdays were generated through KDP rural infrastructure. Technical evaluations have found that the general quality of KDP infrastructure is good to very good, especially for bridges and market buildings. An August 2001 survey of 167 villages across 18 KDP provinces revealed that over 83 percent of community respondents were satisfied with their KDP infrastructure projects. Ninety-six percent of the respondents stated that the quality of the infrastructure was the same or better than infrastructure built through other government programs.

KDP INFRASTRUCTURE OUTPUTS YEARS 1-2

- Over 16,700 roads (19,000 kms) built
- 3,500 bridges
- 3,200 water supply and sanitation units
- 5,200 irrigation schemes
- 25 million workdays generated
- Majority of laborers (68%) were poorer members of the community

KDP Phase 2 (2002 – 2007)

The second phase of KDP had run for four years, from January 2002 to December 2007 with an additional USD 320.8 million loan from the Bank. The program was originally scheduled to end on December 31, 2006. The termination date was extended by one-year to December 2007 to respond to GoI request: some un-estimated challenges during its implementation from 2002 to 2005 occurred such as the Aceh and Java Earthquakes, the

Bali Bombings, the newly elected President in 2014, etc.. Those challenges affected directly or indirectly on how villages in those regions implemented and finally completed their various programs.

KDP-2 was very much consistent with the GoI's then poverty strategy at that time to empower the poor to help themselves; raise their incomes through job creation and higher productivity; and improve government basic services. In general, the objectives of KDP-2 was to accelerate poverty alleviation based upon community self-independency by improving villagers' capacity building and strengthen local formal and informal institutions, within villages and between villages and support a broad construction program of social and economic infrastructure in accordance to villagers' development needs. Specifically, KDP-2 objectives were to: (1) improve community participation throughout the project cycle; (2) improve the role of women in development decision making; (3) make efficient use of local resources and potential for development; (4) support participatory planning and development management in villages; and (5) support economic, education and/or health infrastructures based upon community self-identified needs. The second phase adhered to the same fundamental principles found to be workable and effective under KDP-1, that is, fully supporting the poor, transparency, participation, decentralization, competition and technical and social facilitation and assistance drawn from the Indonesian private sector and NGOs.

KDP-2 built upon the achievements and lessons learned from KDP-1. It focused more strongly on broad-based capacity building within villages and between villages and the local government. There was greater emphasis upon technical training and capacity building of local facilitators and villagers in the areas of development planning and management. Secondly, the village planning cycle extended to provide a broader, longer-term picture of village needs. District line agencies, NGOs and private investors joined

in collective planning discussions to evaluate the overall service provision and village priorities.

An important aspect of KDP-2 was the stronger involvement at the district level, in step with the Government's overall strategy to decentralize. Agencies at the district level participated more actively in socialization work, monitoring of activities and providing technical assistance. For example, there were joint monitoring exercises that involve district administration and district parliaments making on-site visits to KDP sites along with community leaders. KDP-2 offered a matching grant program for districts. KDP-2 provided 100 percent funding for technical assistance for districts which agree to follow KDP procedures and allocate the grant amount from their internal budgetary resources. KDP-2 provided greater opportunities for local governments to buy-in and provide cost-effective infrastructure and economic activities to millions of villagers.

KDP-2 achieved larger coverage and achievements than KDP-1. As reported by Ministry of Home Affairs and the Bank, KDP-2 was at first to be implemented in 700 sub-districts and 10,000 villages but, as with KDP-1, immediately upon effectiveness, the scope of the project was significantly increased, at the government's request, and KDP-2 had worked across 30 provinces covering 246 districts, 1000 sub-districts and 27,500 villages. In general, KDP-2 improved access to shopping markets, town centers, education and health facilities, and clean water supply. It funded some 81,464 units of infrastructure, economic and social activities across 245 districts in 30 provinces. In economic infrastructure aspect, the program created includes 12,944 kms of roads built or upgraded, 3,298 bridges built or reconstructed, 2,068 units of irrigation systems built, 4,400 clean water supply units established, and 1,760 sanitation units built. KDP-2 also became involved in social infrastructure such as the construction and renovation of 2,650 schools, 2,067 "packages" of school equipment and materials, 88,750 individual

educational scholarships, construction and renovation of 2,051 village health units and posts and special village electrification projects for 282 villages.

KDP Phase 3 or PNPM Rural (2008 – 2009)

KDP-3 was originally considered as the last phase of KDP emphasizing the exit strategy. KDP-3 attempted to handover program assistances from both paid consultants and local government to be merely facilitated by the local government employees. It also tried to embed the program cycling process into a regular bottom-up development process as regulated by Law 25/2004 on National Development Planning System. Nevertheless, in April 2006, the GoI announced its intention to establish a national antipoverty program. One component of the proposed program was the PNPM Rural. At this point, the government needed funds to implement a transition phase of the rural program.

The Bank considered GoI commitment very strong as evidenced by the adoption of KDP as a national program during the implementation of KDP-3. Therefore, in May 2007, the Bank approved additional financing to KDP-3 through the provision of credit equivalent to US\$123 million. Again, the development objectives, project components and implementation arrangements of PNPM Rural remained the same as those defined in the original KDP-3. There was some overlap during 2007, but the transition from KDP to PNPM was almost seamless³.

KDP-3 has the overall development objectives of reducing poverty and improving local level governance in rural Indonesia. Specifically, KDP-3 was intended to address two important institutional dimensions within the KDP program: (i) the establishment of a more solid legal and administrative foundation on which to base a system of village

³ Since 2007, in all policy documents of the GoI and the Bank, the name of KDP has been changed to PNPM Rural. However, the lending agreement document at the Bank's website is still use the name of KDP Phase 3 (KDP-3).

empowerment; and (ii) the provision of a rationalized management framework to facilitate the implementation of a system of community microfinance. At the end, it was intended to eventually return the program to the national planning and budgeting system.

Between 2007 and 2009, the Ministry of Home Affairs almost doubled the scope of PNPM Rural from 33,300 villages in 1,971 sub-districts to 57,266 villages in 4,371 sub-districts across rural Indonesia. KDP-3 was able to build or repair nearly 69,000 kilometers of roads, 6,500 units of irrigation system, 30,000 units of clean water system, 22,000 units of school building and 11,000 health facilities. Until 2009, PNPM Rural covered 57,266 villages out of 70,000 villages throughout Indonesia in 4,371 sub-districts.

4.4. Innovation and Continuity of the PNPM Rural

This section aims to elaborate evolution process from IDT/P3DT to KDP and from KDP to PNPM Rural by providing the similarities and differences between the programs. Specific to this section, conflicting image of each program is presented in order to raise a host of issues about innovation and continuity of the PNPM Rural as the latest variant of CDD program in Indonesia.

4.4.1 Similarities and Differences between the KDP and Two CBD Programs

This study is able to identify the similarities and differences between the KDP and the two earlier programs. Similarities between the KDP and those two community-based programs can be identified as follows: First similarity is that the KDP employed “direct financial transfer,” in which funds from central government were directly transferred to village collective accounts at the sub-district. This mechanism was intended to bypass the middle and lower tiers of government at the provincial, district, sub-district, and village levels, on the recognition that the sub-national governments were corrupt and disorganized and that funds were not reaching the intended recipients -- the rural poor.

Second, the both had their own project cycle from the decision-making process to the implementation stage separated from the existing established development planning process at the village and sub-district levels. Third, the implementation of these programs was assisted by *facilitators mobilized from central to village level* to ensure that the programs were implemented in accordance with the program guidelines.

Fourth, the KDP used a mechanism of program reporting similar to that adopted in the IDT program and was able to provide the central government regular reports of the program progress at the field level. Fifth, the same as in the previous programs, the final funding decision in the KDP was determined by village representatives at sub-district meetings after village heads within the sub-district submitted the proposals. Sixth, the central government served as the sole authority to select the sub-districts or villages to receive the block grants and to determine the allocation of the funds based on some criteria. Seventh and finally, the components of the KDP, i.e., the provision of rural infrastructure project and micro-credit activity, were the combination of program components offered by the IDT focusing on micro-credit activity and the P3DT focusing on rural infrastructure development.

Table 4.3
The Similarities of KDP and IDT&P3DT

Feature	Similarities
Direct financial transfer	Block grant
Planning stage	Separated from regular existing process
Facilitation	Sub-district facilitator
Flow of report	From village to central government
Final Decision	Sub-district meeting
Type of project	Infrastructure and micro-credit
Determination of Program Location and Allocation	Central Government

However, the differences between the KDP and the two programs are also noticeable. First difference is that the KDP formed community-based organizations as project implementers, such as the TPK, the village facilitator, the proposal writing team, the monitoring team, and the maintenance team instead of utilizing the existing formal CBOs such as the LPMD (Village Development Committee) in the IDT and the P3DT. Second, the role of village head in the KDP was diminished particularly in the selection of group beneficiaries and the authorization of fund disbursement; both the IDT and the P3DT required an agreement from the village head for a group in the village to be selected as a grant recipient and to obtain the funds from a local branch of state-owned bank. Third, the KDP introduced a set of criteria to rank the project proposals and a mechanism of decision-making processes through some meetings from sub-village level to sub-district level. This procedure and mechanism are significantly different from those used in the previous programs, in which project proposals were mainly decided by the village head and the LKMD.

Fourth, a special meeting for women was initiated by the KDP to support the principle of gender equity and to provide a space for female villagers to convey their proposals which were undervalued during the IDT and P3DT. Fifth, the KDP/PNPM Rural offers an “open menu” feature in which villagers can submit infrastructure proposals for a wide range of projects. This feature differs from the P3DT which dealt with only five types of infrastructure projects. Sixth, unlike the IDT and P3DT which were supported financially by the World Bank and the OECF (Japan), the major donor for the KDP was the World Bank, thus enabling the Bank to incorporate the CDD approach into the KDP.

Table 4.4
The Differences between KDP and IDT&P3DT

Feature	IDT and P3DT	KDP
Community Based Organizations (CBOs)	Use existing CBOs	Establish new CBOs
Role of Village Head	Central actor	Advisor
Project Prioritization	Village head discretion	Project Ranking
Woman Participation	No special arrangement	Special Meeting for Woman
Type of Infrastructure Project	Limited to 5 types	Open menu with negative list as limitation
Donor Agency	The World Bank and OECF	The World Bank as major donor

4.4.2 Similarities and Differences between KDP and PNPM Rural

It is worth highlighting that the designs of the KDP and the PNPM Rural are almost identical in many aspects such as program objectives, principles, steps and procedures. However, there have been some changes over the sixteen years of the KDP and the PNPM Rural implementation. Those changes are assumed as innovation of the PNPM Rural compared to the KDP.

First thing to note that the backgrounds of the KDP and the PNPM are different, contributing to some differences in their designs. Unlike the KDP, implemented mainly to respond to the impacts of the 1997 Asian Financial Crisis, the PNPM Rural was the expansion of the KDP that came to be considered as effective in reducing the incidence of poverty and providing basic infrastructure in rural Indonesia. The background of the PNPM Rural accounts for some differences in its design compared to that of the KDP. Second, as all rural sub-districts throughout Indonesia were covered by the PNPM Rural program, the central government decided that sub-districts and villages are eligible for the block grants. What makes difference between one sub-district to other sub-districts is the amount of the block grants with regard to the number of population, poverty ratio, or

geographical condition. Third, The PNPM Rural made an adjustment in micro-credit activities. If the KDP could finance business proposal from male villagers, due to poor evaluation on micro-credit for man groups, the PNPM Rural focused to only distribute micro-credit for woman groups (SPP).

Fourth, the PNPM Rural through some regulations demands a co-funding from local governments from 20 to 50 percent of total block grants depending on the fiscal capacity of each district government. Fifth, the PNPM Rural engaged the district inspectorate to check and evaluate the program implementation in addition to role of the National Audit Board of Indonesia (BPK) and the Nasional Internal Development Audit (BPKP). On the other hand, the access of the World Bank staff to conduct direct audit to the field had been limited in the PNPM Rural, after enjoying a relaxed authority to conduct direct and random audit to villages during the KDP. Sixth, in addition to what has been initiated by the KDP to conduct the special meeting for woman in each village, the PNPM Rural increased the number of proposals of female villagers from only one proposal (either for infrastructure or micro-credit project) to two proposals (for infrastructure and micro-credit projects) of three proposals from each village.

Table 4.5
The Differences between KDP and PNPM Rural

Feature	KDP	PNPM Rural
Background	A response to 1997 Asian Financial Crisis	An expansion of the KDP
Coverage	Poor rural sub-districts	All rural sub-districts
Micro-credit activity	For Male and Female groups	Only Female groups
Source of budget for block grant (from Government side)	Central budget	Central and local government
External auditor	National Audit Board (BPK) and National Internal Development Audit (BPKP), the World Bank	BPK, BPKP and Local Inspectorate
Proposal from female groups	One proposal (either for infrastructure project or micro-credit activity)	Two proposals (one for infrastructure project and one for micro-credit activity)

4.5. Impact Evaluation of the KDP/PNPM Rural

This section provides analysis of the impact of the KDP/PNPM both from economic and political aspects. The two aspects of analysis are espoused from Hulme's (1993) famous essay although he merely focused on model of project planning and project identification. He added that efforts to improve outcomes of "bottom-up" development initiatives require that a fuller understanding not only on the achievement of well-defined goals with roots in economic analysis but also actual process with roots in political analysis.

4.5.1 Economic Impact of the KDP/PNPM Rural

A vast evaluation study of the KDP/PNPM has been produced, much of which emphasizes on economic aspects such as impact of the program on household welfare, poverty, access to services and employment. Most of studies present relatively a uniform result concluding that the KDP/PNPM has created strong positive impacts on poverty reduction through infrastructure and micro-credit projects.

One of studies to evaluate the economic impact of the KDP/PNPM Rural is a study conducted by John Voss (2012). This study was received financial support from the Bank so that it was able to include overall 6,319 households and 26,811 households from 300 sub-districts across 17 provinces within 3 years research period (2007 – 2010). The design of this research to compare the experience of those participating in the project (treatment group) with the counterfactual, or experience without the project (control group). The treatment group consists of sub-districts beginning participation in PNPM-Rural in late 2007 while the control groups consists of sub-districts beginning participation in late 2009/early 2010. The analysis compares how the experience of areas which participated in the program differs from changes observed in the control group. The difference between the magnitude of the respective changes in the treatment and control groups for outcome indicators is the impact attributable to the program.

The main results from the study are : (1) as a result of participation in the program, real per capita consumption gains were 9.1 percentage points higher among poor households in PNPM areas compared with control households. This represents an overall monthly consumption gain of Rp 39,000 per capita per month in comparison with control areas. The results also point to PNPM being most effective at reaching poor households and households in poor sub-districts. (2) The proportion of households moving out of poverty in poor sub-districts was 2.1 percent higher in PNPM areas compared with control areas. There was no impact on PNPM in preventing households from falling into poverty. (3) Among those unemployed in 2007, individuals in PNPM areas were 1.4 percent more likely to be employed in comparison with control areas. PNPM did not have an impact on overall rates of unemployment. (4) Disadvantaged groups, other than the poor, are less likely to benefit from the program. Disadvantaged groups, such as female-headed households and households with head lacking primary education, see insignificant or lesser impacts for real per capita consumption and movement out of poverty as compared to control areas. (5) Impacts on households in less poor sub-districts are limited. In general, for both real per capita consumption and movement out of poverty, households in higher consumption quintiles or households in less poor sub-district yielded insignificant results.

In addition to above quantitative analysis, the study provides qualitative analysis with some important findings. (1) PNPM is not perceived by communities as a poverty reduction program but rather as a program for the entire community. Communities view PNPM as a program for the village and select infrastructure sub-projects on the basis of the broadest impact for the collective community rather than an opportunity to target the poor. (2) The program was effective in creating participation, transparency and accountability for processes within the PNPM program, these impacts did not spill over

into general local/village governance as the capacity of communities to impact elite control of decision-making was limited. Contributing factors include a routinized approach to program implementation on the part of the community and the quality of participation. (3) PNPM is most effective at reducing poverty and impacting poor households when the needs of the poor are aligned with those of the wider community. The qualitative study provided insight into the greater effectiveness of PNPM in poor and remote areas. In situations in which there is a gap in basic infrastructure, the needs of the poor are aligned with those of the community with respect to decision-making on sub-project infrastructure. However, when basic infrastructure is in place, communities continue to select additional infrastructure sub-projects which have less potential to reduce poverty in contrast to alternative needs expressed by the poor that center on capacity and skill development, and access to capital.

4.5.2 The KDP/PNPM Impact on Good Governance in the Village

In 2013, SMERU research institute conducted a qualitative study on the impact of the PNPM Rural in 18 villages in 9 districts in three provinces, namely East Java, West Sumatra, and Southeast Sulawesi. In general, this study compared the sample villages' recent condition with their condition prior to the program implementation, the data of which had been collected through a baseline study in 2007. The data collection was done through focus group discussions (FGDs), in-depth interviews, and monitoring of the PNPM-Rural activities.

This study is able to cover political issues in the program such as governance, participation and transparency. SMERU's researchers pay a lot attention on the planning stage of the program which involve a set of decision-making processes at village level. In general, this study shows that the villagers' involvement in the decision-making for the open menu program and the SPP was merely instrumental, only to fulfill the program's

formal requirement. The increasing number of villagers being present at the PNPM meetings did not fully alter the village elite's domination in the decision-making process. The villagers, particularly the poor, were still passive participants. The condition was due to some factors: (i) kinship, (ii) patronage system, (iii) the village elite's reluctance to live by the principles of democracy, and (iv) the elite's feeling of superiority over their fellow villagers. These factors caused inequality during the decision-making process.

In most of the sample villages, the decision-making process generally involved only the village elites—the village officials and community leaders. The village elite and most of the villagers believed the village elite already represented the whole community. Other members of the community were usually passive participants when they were present, only listening to and agreeing to what the elite decided. Some villagers, especially the poor, did not attend the meetings because they felt inferior. Other reasons for the villagers' absence in the meetings were apathy, unfavorable time of the meetings, and not getting any invitation.

The system of representation did not function properly, clearly seen from the absence of mechanisms at the hamlet (*dusun*) level to get the villagers' aspirations or to disseminate results of the village meetings. No meeting was held to absorb the villagers' aspirations because the village elite claimed to have understood the villagers' problems more than the villagers themselves. The village elite also thought that not all the decisions made, and information gathered from the village meetings should be disseminated to the community, especially if money was involved. The fact that the villagers very rarely asked their leaders about any information, decisions, and activities at the village level added to the problem. Information was usually given to the villagers during informal meetings such as religious gatherings.

The villagers were generally passive when it came to information on development.

When there were problems or unsatisfactory results, the villagers generally did not voice their complaints or dissatisfaction to the village administration. They only talked about the problems among themselves. Only a few villagers were willing and had the courage to tell the village administration. This condition was due to some factors, such as the villagers' reluctance, fear to the village officials, and apathy (because of previous unattended complaints).

All in all, the participation model set out by the PNPM did not have any significant impact on the government system (participation, transparency, and accountability) at the village level. In almost all villages, participation and transparency applied during the PNPM implementation were regarded as the program's special features that did not have to be applied on other programs. The fact that PNPM did not have any significant impact on the government system in general was caused by some factors, namely: (i) the elite's dominance and the villagers' lack of initiative, thus preserving the status quo; (ii) absence of guarantee (incentives) for the village officials and villagers that if they had applied the PNPM mechanisms on other programs, they would have been given something in return, such as a project; and (iii) the village officials' and villagers' tendency to live by the existing norms. If a program or an activity did not require participation, transparency, and accountability, they would not impose those requirements.

4.6. Conclusion and Policy Implication

By reviewing several policy documents both from the GoI and the World Bank Indonesia Office, this study found that the design of the KDP was built upon two previous community-based development programs, namely the IDT and the P3DT implemented from 1993 to 1998. While for the PNPM Rural, it can be viewed as a continuation of the KDP with some innovations.

One of the most critical modifications of the KDP/PNPM, in comparison to the IDT and P3DT, is the need for villagers to form new community-based organizations which serve as project implementers. The other significant change is the KDP/PNPM has regulated the establishment of a new mechanism of in decision-making processes segregated from the existing planning process. Both changes are expected to minimize the domination of village elites in controlling over planning and resource of the program.

However, based on previous evaluation studies on the KDP/PNPM Rural. Albeit, massive outputs from the program on the provision of rural infrastructure across Indonesia, the impact of the KDP/PNPM Rural show a mixed result. Many studies have argued that the KDP/PNPM has created significant contribution on poverty reduction in rural areas of Indonesia. In contrast, a number of studies have maintained that the program has little impact on the improvement of villagers' participation as domination of village elites over commoners is easily identified. Hence, participation is merely instrumental.

In response to previous impact evaluation studies, this study recommends program designers (both from the GoI and the Bank side) to be more aware not only to economic parameters but also political parameters. Issues such as village elite's domination on decision-making should be pushed forward in order to create better design that can minimize this disillusionment. Countless studies have argued that CDD program could have better result only if community groups have control over decisions and resources.

Chapter 5

Understanding “*Empowerment*”

In the Context of Development in Indonesia

5.1. Introduction

In Indonesia, the eminence of the concept of “empowerment” has been widely defined and assessed by development scholars as well as practitioners. This term which is rendered as “pemberdayaan” (in *Bahasa Indonesia*) is often served as the central theme of any development initiative including the KDP/PNPM Rural. The term “*pemberdayaan*” not only can be found in the title of the program, *Program Nasional Pemberdayaan Masyarakat* (PNPM), but also anywhere in the program documents. For the KDP/PNPM Rural, the term indicates either as a goal to achieve or a process to get through.

In regard to the importance of this term in Indonesian development context, this chapter reviews the meaning and nature of “empowerment” (or “pemberdayaan”) both in conceptual and practical domain of Indonesia development. The discussion will be started with a brief definition of the term both in English and *Bahasa*. At the end, it is expected that this chapter will provide an insight to implications of “empowerment” understanding to the application of CDD programs in Indonesia.

5.2. The Concept of “*Pemberdayaan*” (Empowerment) in the Development Context of Indonesia

The direct translation of the “empowerment” term in the official language of Indonesia (*Bahasa Indonesia*) is “pemberdayaan”. Similar to “empowerment” in which its root word is “power”, the base word for “pemberdayaan” is “daya” with the attached prefix “pember” and suffix “an”. “Daya” shares the exact same meaning of “power” as in the English

language. As stated in the General Dictionary of the official language of Indonesia (Kamus Besar Bahasa Indonesia¹) “*daya*” has a few definitions: (1) ability to act, (2) power (as a source of movement), and (3) effort, attempt, endeavor. If we check the definitions of “power” in English Dictionary for example from Oxford Dictionaries², the interpretation is quite similar, especially for the first definition in Bahasa. “Power” is defined as the ability or capacity to do something or act in a particular way. As the root words “power” and “*daya*” has an identical definition, the words “*pember-daya-an*” and “em-power-ment” also shares the same meaning, those word indicates process or way to gain power.

Within development context, Indonesian prominent scholar Ginandjar Kartasasmita (1997) argued that “*pemberdayaan*” (empowerment) is a holistic concept, not only an economic concept but also a political and institutional concept. The poor or people who can maximize their potentials, through empowerment, will increase not only their economic condition but also their social conditions. Empowerment can be applied to aspects of human life and cover physical, mental, social, financial, education and other aspects of life too. While in his previous work (1995), empowerment can also literally refer to the notion of making 'empowered' a society or a group of people who were initially 'helpless'.

He suggested that empowerment should not only focus on individuals within the community but also their institutions. Positive values such as hard-working, prudent, transparent, responsible are important to strengthen their institutions. Nonetheless, he underlined that although “*pemberdayaan*” is a general concept, this term has an emphasis

¹ Available online on Indonesian Ministry of Education (<https://kbbi.kemdikbud.go.id/entri/daya>)

² <https://en.oxforddictionaries.com/definition/power>

on economic domain in which it can be defined as efforts to give a power to the poor that can support their living.

Similar with above perspective, Sumodiningrat and Wulandari (2016) wrote that *pemberdayaan* (empowerment) can also be defined as efforts to give power, a power that can support their living. Empowered persons are those who have income that exceeds expenses. The surplus then can be used for fulfillment of their basic needs and savings. In the context of poverty reduction, Indonesian scholars, Mardikanto and Soebiato (2017), describe “*pemberdayaan*” as a set of activities to strengthen or to optimize the capability (to compete) of powerless groups in the community including individuals facing poverty problems. As a process, “*pemberdayaan*” refers to the capability to have opportunity to participate and access to resource and service to improve their (individuals, groups, or communities in the broader sense) welfare³. With this understanding, Mardikanto and Soebianto came up with the conclusion that “*pemberdayaan*” is a planned process to increase or upgrade the ability of those of whom are being empowered.

Loekman Soetrisno (1995), in a broader perspective, argues that *pemberdayaan* (empowerment) is originally a political concept aimed at balancing the role between people and state, the rich and the poor, which are naturally unequal. This process can be understood through restoring people’s right to utilize available resources. In other words, empowerment is the rearrangement the process of access and control to production factors in the society. In this sense, political identity of “empowerment” is becoming obvious since without any policy or political will from the government or economic ruler who control production factors then community empowerment is absurd. The questions are then who can insist or in what situation does the government need to take the people’s

³ Mardikanto and Soebianto do not mention the dimension of welfare, for example economic or social welfare.

side in its policy.

Most of Indonesian literatures suggest that “*pemberdayaan*” should focus on communities or organizations in general instead of individuals within communities. The poor as an individual cannot help himself/herself, thus the capability of individual to cooperate with other individuals is more important as the communities at all levels can develop their collective capabilities to take part in the development process which affect the wellbeing of individual within communities. For instance, Loekman Soetrisno (1995) translates “empowerment” as “*pemberdayaan masyarakat*” although the word “community” is not part of the original “empowerment” word. In addition, other authors such as Kartasasmita, Mardikanto and Subiato, as well as Soetomo explain the definition of “*pemberdayaan masyarakat*” following the description of “*pemberdayaan*”.

In line with above argument, Kartasasmita (1997) has narrowed the discussion of “empowerment” to “community empowerment” by explaining that *pemberdayaan* is the capability of individuals to cooperate with other individuals within the community to develop their collective capabilities⁴. *Daya* (power) of the community is then described as the potential element of the community to survive, or in more dynamic understanding, is the element that can be developed or improved to gain certain achievements.

In his previous work, Kartasasmita (1995) defined community empowerment as efforts to strengthen the power of the community to increase their dignity by escaping from poverty and the backwardness trap. Community empowerment also signifies attempts to enable and make the community more independent. It aims at creating and enhancing community capacity to effectively overcome various development problems faced by the community. He added that community empowerment has three main

⁴ Here Kartasasmita (1997) does not provide a detailed explanation on “collective capabilities”

activities: (1) to train the communities in identification, analysis, and decision-making process to tackle their poverty problems, (2) to create / expand small scale infrastructure and community economic productivities, and (3) to increase community capability and self-help to achieve a better standard of living.

There are several strategies to empower the community as follows: (1) creating (enabling) the situation or atmosphere which can improve the capability of community, (2) strengthening the existing potential or capability of the community, and (3) Protecting the powerless group. Empowerment in this sense can also be defined as protection. In the empowerment process, it is important to protect the weak group deteriorated. Protection does not mean to isolate or avoid interaction between the weak and strong party, rather it is efforts to prevent unequal competition or exploration from the strong to the weak. Above all, Kartasasmita stressed that community empowerment has the inherent meaning of increasing community participation in the decision-making process.

Meanwhile, Sumodiningrat and Wulandari (2016) stated that community empowerment means active participation of the community in the development. In the context of local development which emphasizes the slogan “development is from, by and to the people“, the community is thus involved from the very beginning of development process, namely from the planning stage to the implementation and maintenance stage. All members of community who are involve in those stages have the same position and are formed as a team. In addition, each party involved has the same right to voice their opinion which can create an active dialogue among participants. Sumodiningrat and Wulandari argued that the basic premises of community empowerment are favorability, enabling and protecting in order to build the empowered community. Communities who have power are those who are able to fulfill their own needs, those who can create economic production and take benefits from it. In another viewpoint, empowered

communities are communities who have a competitive ability. They can determine their own choices. They have the ability to plan, implement, take the benefits and be self-sustaining on what they produce. Community empowerment can be achieved through some means, namely: (1) financial capital, (2) improvement of capability of communities in rural areas, (3) provision of basic infrastructure, (4) institution and technology improvement, and (5) system information.

In line with above definitions, Soetomo (2013) wrote that community empowerment is the manifestation of a people-centered paradigm. In this approach, communities at all levels, including the grass-root level have access and the opportunity to take part in the development process, especially the decision-making process from identification of problems and needs, to the planning, implementation, evaluation and the benefits from development outcome. This paradigm is in reaction to the growth paradigm which stresses the increase of production factor but has less attention on human factor. The people centered paradigm argues that people themselves especially at the grass-root level can identify their needs. Hence, if they are not involved in the planning and decision-making stage then the impacts are low because of irrelevancy with their needs. The key idea of community empowerment is that access and control of collective decisions have to be given to those who will ultimately gain the impact of the decision, the community. Relevant to its name -- people centered, this approach has a greater effect on the human aspect, since the people become the actor or subject of development.

5.3. Application of “*Pemberdayaan*” (Empowerment) in Development Policy of Indonesia

Similar with conceptual discussion of “*pemberdayaan*”, putting this term into action or policy of Indonesia development, this expression is often followed by the word “*masyarakat*” (community). *Pemberdayaan masyarakat* (community empowerment) can be generally said as unseparated expression that is very common and often encountered in most of Indonesia development policy documents.

Kartasmita (1997) argued that instead of “empowerment” the term “community empowerment” is more relevant to development agenda of Indonesia. This term is widely believed to become central issue in Indonesia development policy since early 1990s or during Repelita VI⁵. In this era, there was a national rural development program that were specifically designed to empower poor people, the IDT (*Inpres Desa Tertinggal* or Presidential Instruction for Backward Villages). The core idea of IDT is the input such as funds and basic infrastructure as a stimulus to expedite social economic activities in the society. This transformation process has to be driven by the community itself. The program has five basic principles, namely acceptable, accountable, profitable, sustainable and replicable. Any backwardness or powerless in the context of this program cannot be seen as a social problem, instead it is an economic situation. Accordingly, the target is how to increase economic productivity of the society that results in sustainable improvements.

⁵ Repelita VI (Rencana Pembangunan Lima Tahunan ke 6) or The Sixth-Five Year Development Planning [sic] (1994/95-1998/99) was the national mid-term development plan document during the New Order era.

In contemporary Indonesia policy documents, it is very clear that the “CDD type⁶” programs in Indonesia are generally assumed as community empowerment (programs). Accordingly, when the KDP was scaled up in 2007, the program’s name changed to *Program Nasional Pemberdayaan Masyarakat Perdesaan* / PNPM Rural (National Program for Community Empowerment in Rural Areas). The PNPM Rural is one of programs under the PNPM Mandiri framework, an Indonesian government's flagship for all community-driven development programs in various ministries.

There is a story behind the naming of this program as told by Dr. Sujana Rojat, former Deputy Minister of National Development Planning of Indonesia:

“Although we already has [sic] the same understanding with the World Bank to continue and scale up KDP, the exact name has not been decided yet. Then to make it simple we use “Program Nasional Pemberdayaan Masyarakat / PNPM” (National Program for Community Empowerment) to indicate we want to widen [sic] the CDD program to cover national area. The draft of program were agreed among ministries. After that the concept are delivered to President SBY. He agree with the name PNPM and added *Mandiri* (autonomous) to complete the term.” (Interview in January 2017)

In the case of the KDP, despite that it does not explicitly have *pemberdayaan masyarakat* in the program’s name, we can find that community empowerment stands as one of the main principles⁷ of the program. In another document, community empowerment is stated as “the foundation of the KDP approach to community based rural development. Further, in PNPM Rural, community empowerment becomes more central as its operational and technical guideline stated that “PNPM Rural will underline the importance of community empowerment as an approach to achieve its goals. PNPM Rural

⁶ Further discussion on CDD, whether as an approach or as a program supported by the World Bank (Bank) is available earlier in Chapter 2

⁷ The other principles are community participation, transparency, sustainability, simplicity, and competition.

attempts to accomplish (the) [sic] final stage of community empowerment, which is autonomy and sustainability, after (the) [sic] learning stages has[sic] been done during the KDP”.

Pemberdayaan masyarakat also serves as a prevalent complementary nomenclature for governmental organizations (both national and sub-national) in Indonesia especially those who are responsible for implementing community-driven development (CDD) programs. For example, the Directorate General of Village and Community Empowerment (Direktorat Jenderal *Pemberdayaan Masyarakat dan Desa*, simply known as PMD⁸) is the implementing agency at the national level of the KDP/PNPM Rural. All the more, there are agencies in all provinces and districts dedicated to coordinate and implement “community empowerment” type programs and are called the *Community and Village Government Empowerment Agency (Dinas Pemberdayaan Masyarakat dan Pemerintah Desa)*. At the village level, as mandated by the Ministry of Home Affairs’ regulation, there are community-based organizations named *Lembaga Pemberdayaan Masyarakat Desa / LPMD* (Village Community Empowerment Organization⁹), which partners with the village government in formulating community-level priorities, promoting participation and planning and implementing infrastructure development programs.

⁸ Since 2014 the nomenclature has changed to Directorate General Development and Empowerment of Village Community under the newly established Ministry of Village and Underdeveloped Areas.

⁹ Although the direct translation of LPMD is Village Community Empowerment Organization, however if we regard its function, this organization can be translated as “Village Development Committee” with its main function to implement the infrastructure project in the village.

5.4. Discussion

As provided in Chapter 2, many “western” literatures argue that CDD is an approach to development that emphasizes community control over planning decisions and investment resources. In more specific review, Woldegiorgis (2018) stated that CDD is a more recent variant of CBD in which CDD stresses the provision of control of the development process, resources and decision-making authority directly to groups in the community. In addition, Dongier et al (2003) state that CBD is a generic term that refers to projects which actively include beneficiaries in their design and management while CDD is a specific term, originally coined by the World Bank, that refers to CBD projects where communities empowered and have direct control over key project decisions as well as the management of investment fund. In short, there is a “political” emphasis that makes CDD is different to CBD.

However, for Indonesians it can be generally said that the evolution of CBD to CDD is quite difficult to be understood. Many Indonesians maintain to have perception that as long as the development programs involves the target groups in its implementation then the programs are simply called as community empowerment programs. The clear example is the KDP/PNPM Rural which is by International scholars or practitioners classified as a CDD program, for Indonesians the KDP/PNPM Rural is community empowerment program. Accordingly, community empowerment is recognized as an approach to the KDP/PNPM Rural from the viewpoint of Indonesian policy makers, instead of the CDD approach as the Bank’s perception. It is important to notice that conceptually CDD and community empowerment are different approaches with distinctive emphasizes between them although they are often overlapping in some parts.

The wide Indonesian perception of CDD is a *pemberdayaan masyarakat* (community empowerment) possibly resulted from an inadequate discourse of CDD in

Indonesia. Up to now, there is no specific formal translation of CDD, for example in the website of the Bank as the major proponent of CDD in Indonesia, the author only can find that CDD program is rendered as “*program pembangunan berbasis masyarakat*” which is close to “community-based development program”. It should be noted that community-based development (CBD) has different emphasis with CDD.

The lack of definition of CDD in Indonesia results on the undervalue of the importance of community’s control over decision-making process and resource in any community *pemberdayaan masyarakat* (community empowerment) program as underlined by CDD compared to CBD. In other words, practically CDD approach is still perceived by many Indonesians as CBD although conceptually it should be defined more advance as CDD is the latest variant of CBD. The other implication to not aware to political nuance on CDD approach is that most Indonesian literatures do not provide sufficient analysis of power relations within community. The author has limitation to figure out the definition of elite and non-elite in the context of Indonesia development. Hence, the further discussion related to power relations such as “elite capture” (further discussed in Chapter 8) is also difficult to find.

5.5. Conclusion and Policy Implication

The term “*pemberdayaan*” in Bahasa and “empowerment” in English are generally matched in translating from one language to the other. They both signify the process or method to enhance power on the part of some actor. However, placing “*pemberdayaan*” in the development discourse in Indonesia, some well-known Indonesian academics and practitioners, such as Ginandjar Kartasmita and Gunawan Soemodiningrat, have argued that although “*pemberdayaan*” is a holistic concept covering economic, political and

institutional domains, this term has an emphasis on economic domain, in which it is defined as efforts to give power to the poor so that they can support their living. Furthermore, the term *pembedayaan* is closely related to poverty reduction interventions in Indonesia. As it is generally believed that the poor cannot help themselves, “*pemberdayaan masyarakat*” (community empowerment) is considered to be far more important than individual empowerment. Thus, “*pemberdayaan masyarakat*” is widely used as an “adjoined term” in development discourse in Indonesia. Almost all rural development programs use the term either as principle, objective, or approach to be adopted.

In terms of nomenclature, the “CDD type” programs in Indonesia are generally conceived as community empowerment programs. This perception of CDD as “*pemberdayaan masyarakat*” (community empowerment) possibly resulted from an inadequate discourse on CDD in Indonesia. For example, we cannot find any proper translation of “CDD” in the World Bank (Indonesia) documents. Literally “CDD” should be translated as “*pembangunan yang dikendalikan masyarakat*”, however the Bank chooses to translate “CDD” into “*program pembangunan berbasis masyarakat*” which is similar to CBD instead of CDD. For Indonesians, CDD then has lost its main idea “control” over decisions and resources. Again, CDD, different from CBB, refers to an approach where communities are empowered to have direct control over key project decisions as well as the management of investment fund.

The implication is in general Indonesian scholars and practitioners have less awareness to the importance of the political aspect of development intervention including CDD program. Consequently, economic aspect of development program such as cost and benefit analysis is way more dominant than political aspect of development program in Indonesia. Specific to CDD, many have undervalued the function of community’s control

over decision-making process and resource in the program. The issue of elite capture of CDD programs which should be essential to be discussed has also been put aside. As a recommendation, this study suggests that the GoI or the Bank had better to provide a clear translation and definition of the term CDD or otherwise they should start to convey that term *pemberdayaan masyarakat* (community empowerment) can be referred to CDD with a distinctive emphasis on political domain, the control over decision.

Chapter 6

Implementation of KDP/PNPM Rural¹

6.1. Introduction

This chapter reviews the planning and implementation phase of the KDP/PNPM Rural and how the steps at the village and sub-village levels are carried out. By depicting the governance of the program from planning stage, implementation stage, to maintenance stage, this study is expected to identify the discrepancies of the program design and the reality happened at the field.

It is important to note that in Indonesia, *desa*² (village) is the lowest level of formal government. The formal structure of village government consists of a village head and his officers, which include secretary, staffs and hamlet heads. Below the village level, a system of sub-village units exists to organize the households. Each village is divided into several hamlets (*dusun*), which are the villager's settlement bordered by a natural boundary such as river, hill or field. The head of *dusun* is a direct subordinate of the village head. Under *dusun*, there are two smaller neighborhood units, the RT and RW, that are not directly controlled by the government. The RT includes approximately 50 households in an area and the RW includes 2-5 adjoining RTs. RTs and RWs are considered as neighborhood organizations that are supported and monitored by local governments. Heads of RT or RW are elected in direct elections but are considered voluntary positions as they are not paid a salary by the government. The role of the RT

¹ As briefly explained in chapter I and further discussed in Chapter IV, the PNPM Rural is the expansion of the KDP in terms of location and budget allocation, however the two programs share relatively the same program design. Thus, there is no significant difference in the planning and implementation stages of the programs. This study then simply mentions and views the two programs as the "KDP/PNPM Rural".

² In urban areas, the lowest formal government is called *Kelurahan*

and RW heads include the serving as a communication link between the village government and the villagers, assisting in raising community contributions, and maintaining security.

Before going down to the discussion, table 6.1 is presented in order to build a better understanding of flows of planning stage (decision-making processes) in the KDP/PNPM Rural which are separated from those in regular development process.

Table 6.1
Regular Planning Stage vs KDP/PNPM Rural Planning Stage

Level	Existing Planning Stage of Regular Development Process	Planning Stage of the KDP/PNPM Rural
District	District development meeting	
Sub-District	Sub-district development meeting	Inter-village deliberation
Village	Village development meeting	Village planning deliberation, special meeting for women
Hamlet	Hamlet deliberation (known as idea generating meeting in the KDP/PNPM Rural)	
RW	RW Meeting	-
RT	RT meeting	-

The above table shows that planning stage of the KDP/PNPM Rural is segregated from the existing regular development planning. The planning stage of the KDP/PNPM Rural covers decision-making processes at hamlet, village, and sub-district level. While for regular development process, planning stage starts from RT (neighborhood) level to district level. Both ends of the planning stage indicate the final decision of project selection, district level for regular process and sub-district level for the KDP/PNPM Rural. According to the program guidelines of the KDP/PNPM Rural (as also shown in the table),

the very first step³ of the planning process is a *musyawarah*⁴ *dusun* (hamlet deliberation). However, in reality project proposals presented during hamlet deliberations of the KDP/PNPM Rural are derived from prior regular meetings⁵ held at the neighborhood level, RW and RT. Thus, prior to discuss the dynamic of decision-making process at hamlet level, this study regards of what actually happened in the RT and RW level is important as a starting point of further discussion.

6.2. Planning Stage (Decision-Making Process)

The KDP/PNPM Rural brings the basic assumption that selected development projects can meet the demand of villagers if those project proposals are the result of a series of decision-making processes at the hamlet, village and sub-district (*kecamatan*) levels. The detailed mechanism of decision making from each level as regulated by program guideline is provided as follows.

³ See “Final Report of KDP 1998-2002” by Ministry of Home Affairs (2002)

⁴ Although the expression of *musyawarah* can be translated into “meeting”, the author is inclined to think that “deliberation” has the closest meaning to *musyawarah* as this forum involves a thoughtful discussion among attendees before taking final decision through a process of prioritization. There is no leader in *musyawarah* but a facilitator to indicate that attendees have the same right to convey their voices.

⁵ In practice the terms “meeting” and “deliberation” are similar and often overlapping, however this study decides to use the expression of “deliberation” to indicate collective decision-making process within the KDP/PNPM Rural, while “meeting” is used to signify collective decision-making process within regular or existing-established decision-making process outside the KDP/PNPM Rural.

Table 6.2
Detail Mechanism of KDP/PNPMP Rural Planning Stage

Step	Level	Participants	Main Agenda
Inter-village deliberation for Socialization	Sub-district	Representatives of all villages (6 people per village)	- Dissemination of program procedure to participants
Village deliberation for Socialization	Village	Open for all residents	- Dissemination of program procedure to hamlet residents - Selection of program implementers
Idea Generation Deliberation	Hamlet	Open for all hamlet residents, Conducted in each hamlet	- Project ideas from hamlet residents - Problem analysis in the hamlet
Special Deliberation for Woman	Village	Open for all female villagers	- Project ideas from female villagers (2 proposals; infrastructure and micro-credit) - Selection of female representatives
Village Planning Deliberation	Village	Open for all villagers	- Selection of 3 prioritized proposals
Verification of Proposals	Sub-district	Sub-district facilitator, Proposal writing team	- Proposals from villages are verified
Inter-village Deliberation for Proposal Prioritization	Sub-district	Representatives of all villages (6 people per village)	- Short list of prioritized proposals
Finalization of Design and Cost Estimation of Proposals	Sub-district	Sub-district facilitator, Proposal writing team	- Design and cost estimation of shortlisted proposals are finalized
Inter-village Deliberation for Final Funding Decision	Sub-district	Open for all villagers	Determination and agreement of funded proposals

Nevertheless, this study finds several aspects of the decision-making process that affects the KDP/PNPM planning process. First, the lowest collective decision in the village is commonly taken place at RT level rather than the hamlet (*dusun*) level. Second, the character of leaders at the village and sub-village are significant in affecting the dynamics of decision-making processes. Third, only meetings at neighborhood level (RT and RW) are attended directly by villagers, while at village and hamlet meetings, attendants are representatives and invited figures.

6.2.1 Neighborhood Meeting

Since many villages were largely administrative creations, with neighborhoods frequently far from one another, the initial meetings and collective actions regarding daily affairs are usually held at the RT level. The frequency and type of meetings in RT varies among villages. In Java island, for example, generally there are two types of meetings that can be utilized by villagers to discuss their demands related to development interventions; the regular meeting and religious gathering.

It is important to note that the meeting/gathering has gender separation meanings; by which the author mean male and female residents have separated meetings/gatherings. In addition, this study does not undervalue the function of religious gatherings, especially in rural Java, as these gatherings are commonly conducted once a week while regular meetings are held once a month. Hence, any updated issue on daily matters usually will be discussed under relaxed conversations among villagers after the main activities such as Islamic learning and Quran recitation period. Village government generally recognizes this gathering as an important media to convey their agenda, on the other hand, villagers view these meetings as the first step to convey their demands on village government. For example, if there is a topic in religious gathering considered as important, some attendees

may bring this topic to be discussed in regular meeting of RT.

In RT regular meeting, some settings such as time, place and main topic of the meeting needs to be understood in advance. Usually, the time and place of the meeting are already decided during the previous meeting. It is common that the meeting is conducted during the evening, rather known as *Bada Isya*, referring to a meeting that will start after night pray (*Isya*), around 8 p.m. Concerning the meeting location, normally each RT has a pre-arranged location such as a common building i.e. nearest mosque or meeting hall or would otherwise gather at a resident's house in a revolving setting for the host. RT regular meeting is attended only by heads of households (male) reside in the RT area. Generally, the meeting starts with a welcoming speech from the head of RT, subsequently the meeting will discuss the main topic and most of the time is spent on this agenda. The main topic discussed in the forum can be proposed by attendants and/or derived from earlier discussion at a religious gathering or information obtained from the upper level (RW, *dusun* and village) that has to be discussed at the RT level. The topic is also varied depending on time, for example by August each year, the attendees will talk over how to celebrate the national holiday of Indonesia Independence Day or another time they discuss how to prepare and hold a coming local or national legislative election. Certainly, any issue related to development needs, even the small scale such as roads and drainage maintenances constantly has a place at the table for discussion.

Although RT regular meeting has a formal setting, the atmosphere itself is very calm and friendly. These meetings are often called as a means of "*silaturahmi*" a Javanese expression signifying to harness amity among residents. Participants can convey their idea(s) freely regardless of their social and economic status. Most of the time the head of RT will lead the meeting in more equal ways with the aim to establish a dynamic discussion. Hence the leader often appears as facilitators with less steering instruction.

Beyond the general belief, that the participants, especially those who are considered as “powerless”, are able and willing to state their opinion(s) as long as the matter may affect their daily lives and their family as well. For example, if there is a government program such as *Raskin* (Rice for the Poor) information will be distributed about who the rice beneficiaries will be, the person who feels that his family is deserving to receive but not included on the list can makes a protest during the meeting, thus a collective solution is needed to address such a problem. The results of the regular meeting at RT are often followed by collective action taking place within the neighborhood unless the village government requests to take up the decision to the higher level or the attendees agree that the matter is out of RT’s authority.

For RW meeting, this study found that in all three villages of study area RW meeting is no longer active. Villagers as well as village government only see RW association as administrative structure, thus project proposals/ideas from RT level is transmitted directly to hamlet level. The discussion on dynamic of RW meeting is then out of place. This study decides to strictly refer neighborhood meeting as RT meeting.

Table 6.3
Discrepancies of Neighborhood Meeting

Subject	KDP/PNPM Guideline	Actual Implementation
RW	Community meetings in the village such as RT, RW, farmer associations are, by KDP/PNPM, recognized as and included in Idea Probing Deliberation held at hamlet level	RW meeting is inactive as villagers only see RW association as administrative structure, thus project proposals/ideas from RT level is transmitted directly to hamlet level
RT		<ol style="list-style-type: none"> 1. Project identification in regular meeting. 2. Project ideas generated from villagers’ daily observation 3. Facilitated by head of RT

6.2.2 Hamlet Meeting/Deliberation⁶

The design of KDP/PNPM Rural endorses a “bottom-up” planning mechanism that encourages villagers to submit their demands to the village as a whole or at least to the upper authority. It is widely believed, on the other hand, that development intervention(s) could only bring a more significant impact at the grass root level if the project identification is relevant to public demands. Thus, the process of collecting the demands/proposals of villagers at the basic level is crucial for project implementers and beneficiaries as well.

Community meetings at sub-village level such as neighborhood, hamlet and professional⁷ associations meetings are viewed by the KDP/PNPM Rural as “idea generating deliberation⁸”. In practice, the setting⁹ of “idea generating deliberation” only exists in hamlet meeting (*musyawarah dusun*). The main purpose of idea generating meetings is to probe development “ideas” from villagers in the form of suggestions, opinions or proposals. This deliberation is facilitated by the village facilitators (KPMD¹⁰).

It is important to note that participants in idea generating / hamlet deliberation can

⁶ Starting from KDP Phase II (2003) and later PNPM Rural, the lowest level of the planning phase in the program is named “Idea Generating Deliberation” which can be held at the RTs or RWs or hamlet. Since guidelines do not firmly mention how many times or where the idea generating deliberation should take place, then these deliberations are usually carried out just like the existing hamlet deliberation (*musyawarah dusun*) in terms of time and place or other such settings. However, it is important to note that the intention of this change is possibly to stress that KDP/PNPM Rural attempts to recognize the process of decision making happening as below the hamlet level including grass root group meetings.

⁷ In the village, some professionals such as farmers and fishermen have an association which conducts regular meetings.

⁸ The name of the “idea generating meeting” started to be used commonly during KDP phase III and PNPM Rural, while it was formerly simply known as the *dusun* meeting since it is conducted at *dusun* level.

⁹ This setting includes, for instance, that the meeting is facilitated by the Village Cadre (KPMD) with the role to list project demands proposed by villagers.

¹⁰ KPMD (Kader Pemberdayaan Masyarakat Desa) is previously known, in KDP, as Village Facilitator (Fasilitator Desa/FD). Its members are two persons elected at the Village Socialization Meeting, one of which must be a woman. The KPMD receive training from Sub-District Facilitator before conducting and facilitating planning meetings in *dusun* and the village level as their main duty

list their demands or proposals not only for the KDP/PNPM Rural but also for other development programs. However, the end they have to decide which proposals go to the upper level of the KDP/PNPM Rural mechanism.

Usually idea generating deliberation is conducted in February each year or after the village socialization deliberation. KPMD members (village facilitators) plays their role from the beginning such as distributing invitations, deciding the time, preparing the meeting room and materials including taking notes until making the final report of the meeting. The report itself is an output of the meeting covering a list of development demands, data of poor households¹¹, social map¹², seasonal calendar¹³ and Venn diagram¹⁴ of group membership.

The hamlet deliberation is started with an explanation from village facilitators to the participants on the main goal(s) and activities of the meeting. Village facilitators normally arrange the position of the attendances in the shape of the “U” letter without using any table in order to get a more dynamic condition. The materials that have to be prepared in advance are data of poor households, “blank” map of the hamlet and large paper sheets with a flipchart. These materials are the important means to carry out the three main activities of mapping poor households, identifying potentials and problems and listing the development idea(s) from participants. First, KPMD will present the poverty data, then responses are expected from participations to clarify the data based on their own

¹¹ Participants try to identify the poor households living in their neighborhood. Data provided by village government (from National Bureau of Statistics) will be clarified through this meeting.

¹² The KPMD will draw up a *dusun* map and together with the participants, they will mark specific colors to indicate where the poor households are located.

¹³ The seasonal calendar (*kalender musim*) provides information on the potential and problems, if any, which may emerge during the dry and/or rainy season in the *dusun*.

¹⁴ A Venn diagram gives a visual of villager membership in some groups. Participants can further analyze which group, such RT or RW, has the strongest bond to its members thus decisions within the group are considered as adequate to represent the members' voice(s).

observation. The updated data results from this initial discussion. Not only do the participants modify and clarify the data, they also think further on what the causes of poverty in their hamlet are and possible the solutions to solve the problems. They later utilize the “blank” map to draw where actually the poor are residing. The map is also added with some logos indicating important rural infrastructure like schools, farms, health centers and irrigation systems, where existing. The newly drawn up map then becomes the most recent “Social Map” which is essential for the next activity; to discuss the potentials and problems within the hamlet.

Next, KMPD will encourage participants to express their opinions on what are actually the potentials or problems that may exist in their surroundings and list them on large sheets on the flip board. Potential outcomes here are related to any development project such as workforce, sand and gravel, wood and bamboo, or water resource. The problems within their confines that may/have emerge(d) are also notified such as damaged roads or bridges, inaccessibility to clean water and possibly malnutrition continuing or newly occurring.

Afterward, based on issues in prior discussion, KPMD will encourage the participants to state their ideas on such identified problems. The ideas or opinions that come up during the last period of the meeting are listed as development needs. The list is then deeply analyzed by participations through a process of prioritization. The ideas are reviewed with some considerations such as: (1) the urgency of the project, (2) the ability of the villagers to implement the project, (3) the degree of benefits to the poor, and (4) relevancy to the available potentials of the hamlet. The more the project meets those four considerations, the higher it is prioritized on the list of actions to be undertaken.

Finally, the forum can list the idea of development projects within the hamlet as an ordinal number. They also usually will treat separately the non-physical projects that are

suitable to be discussed further at Special Woman Village Meeting (MDKP). At the end, deliberation attendees are able to make a decision on what project(s) are needed to be submit as a village level proposal and to compete with project proposals from other hamlets.

According to the author's field observation, some significant differences between what is written in the project design program and what actually occurs in the field. **First**, the idea generating deliberation of KDP/PNPM is conducted together with regular hamlet meeting meaning that KDP/PNPM mechanism utilizes the existing meeting to carry out its agenda. **Second**, in all three villages the hamlet deliberations are not facilitated by KPMD (village facilitators) but rather member(s) of village management team (TPK¹⁵) who basically stands as project implementer. In all study areas the TPK usually becomes a "one man show" during the planning and implementation phase of KDP/PNPM Rural. Three informants (2 women and 1 man) of the former KPMD members, from three different villages, share quite similar experiences. After selected as KPMD members, these village facilitators attend training session held at sub-district level. However, that training was the last activity that can be remembered by the three informants related to KDP/PNPM Rural implementation. Two informants stated clearly that at the end of the program (around December) one TPK member came to their house to give a remuneration as KPMD member although felt like they had done nothing significantly to deserve any payment. Indeed, rather the informants had expected to be further involved in program implementation but were not.

Third, this study found that this deliberation merely becomes a "routine", especially after the second year of the program. The village facilitators mainly focus on how to list

¹⁵ The TPK is in charge of project implementation at the village level. They have an important role in organizing labor, general project management, and reporting.

the development proposals stated by participants with less regard on other topics such as poverty or social problem(s). And that is all they basically do. Strong evidence can be found on this situation as the “social map” and list of problem(s) and potential(s) at the hamlet level as attached in the final report of TPK are “just a copy-paste” or the same report contents from one year to the next.

The **fourth** difference observed in the field is although the deliberation is “open to all villagers”, this expression should be interpreted carefully since it is difficult to actually have an “open” deliberation or meeting. Firstly, it is unusual or impolite for villagers to attend such a meeting unless they are invited either by written or verbal invitation. Secondly, village facilitators, who are responsible for conducting the meeting, cannot decide by themselves on who will be invited to the meeting, usually they require a suggestion or even an instruction from the head of hamlet. This study argues that the hamlet deliberation cannot be considered in fact as an “open to all villagers” meeting since most of the attendants are figures and representatives such as the head of hamlet, RW, RT, religious figure or woman group with only few active “commoners”.

Fifth, the development proposals listed by village facilitators are conceptually generated from discussion among participants, but in reality, attendees especially representatives of RT, RW and woman group, already have proposals derived from regular meetings in their own unit or group. There are two ways to view this issue. First is that the representatives bring a moral responsibility to deliver what has been discussed during prior meeting in their unit/group. Second, the representatives cannot simply change the development proposal that they bring to the forum although maybe the hamlet discussion has a consequence so should be adjusted.

Table 6.4
Discrepancies of Idea Generating (Hamlet) Deliberation

Subject	KDP/PNPM Guideline	Actual Implementation
Place and time	Separated from regular hamlet meeting	Conducted together with regular hamlet meeting (same place, time and participant)
Facilitator	KPMD (village facilitator)	TPK (village management team)
Dynamic	Intense discussion following program guideline	Routine discussion with program guideline viewed as instrumental
Type of participation	Direct (Open to all villagers)	Representative (with verbal or written invitation)
Project identification	To generate project proposals resulted from discussion	To list project proposals obtained from neighborhood (RT) meetings

6.2.3 Woman and The Poor Involvement in Decision-Making Process

It is essential to underline that regular meetings at the RT level are “only man” forums. Woman meetings at the RT level, on the other hand, have a different setting and emphasis. First, RT regular meetings for female residents are held under the mechanism of woman organization, PKK, and carried out once a month usually in the afternoon of Saturday/Sunday. PKK¹⁶ is a woman organization established and mandated by the central government that has a national and sub-national structure down to the RT level. Second, usually female regular meetings emphasize topics which are more social or family-oriented since in Indonesia, particularly rural Java, development or infrastructure issues are most likely considered as a “gentleman” issue. However, the structure and atmosphere of the meetings are relatively the same as in “man” meetings.

The wife of the head of the RT, who automatically serves as head of PKK at RT level,

¹⁶ Further discussion on PKK is provided in Chapter VIII

leads the meeting. Of course, daily issues that may affect their family are often the main topic to be discussed, yet “saving and loan” activity is also an important agenda. The dynamics of women meetings affect the idea or proposal coming from female residents in the KDP/PNPM Rural. Female project proposals tend towards the “socio-economic” areas such as micro credit or health center improvements.

Nonetheless, the KDP/PNPM Rural mechanism only recognizes woman deliberation at village level without specific stipulation for PKK at RT or RW level (PPK at hamlet and RW level is often not exist or no longer active). The woman deliberation of the program is known as “special deliberation for woman” (*Musyawarah Desa Khusus Perempuan*, MDKP). The main purposes of this woman deliberation is to collect and select proposals from the female residents and to choose female representatives who attend inter-village deliberations at sub-district level.

Representatives of the woman groups are also invited to the hamlet deliberation and they usually come from active members of PKK. However, in this hamlet deliberation which is “gender-mixed”, woman participants appear to not be active in the discussion. Several bases are possible for this situation. First, tradition especially in Java island tends to give domination to men in making decision so may hinder the women’s voice in the forum. The condition needs not only the confidence but also the nerve to put aside the “guilty” feeling to disharmonize the norm. In the second basis, women are more comfortable to speak out during the special women’s meeting. For this reason, KDP Phase 2 has established a special women deliberation (MDKP) to give women space where they can feel confident speaking and be more involve actively. In the third basis, the program design regulates that there are to be a maximum of three village proposals forwarded to the inter-village deliberation (at sub-district) in which two of them are to include micro credit projects (SPP) derived from women’s earlier meeting. Thus, basically women have

already their own “privilege” to send their proposals regardless of the decisions taken in hamlet and village deliberations. It may bring consequence that their attendance at the hamlet deliberation is just a formality. Lastly, women are generally under the impression that the hamlet deliberation is used only for proposing infrastructure proposals. Female residents often feel that rural infrastructure is a prerogative for the men.

The involvement of the poor in the deliberations is also interesting yet a bit more intricate to be discussed. Their attendance is important as administratively the attendant list as outlined by the program guideline requires giving a mark for the poor to participate. For this consideration, the KPMD, after consultation with village head or hamlet head, invites a few poor villagers to the meeting. However, it is almost foreseeable that those who represent the poor are passive during the deliberation. For example, the poor may feel that their voices are already represented by other participants. In response to this likelihood, the program design has set a separated discussion period aside for the poor participants to be part of the discussion, but in reality, this situation is not applied during the deliberations. According to the KPMD members, it can be seen as rude to separate the poor from the discussion although the design designates this exactly. KPMD members also need to be careful when they put a mark or check on the attendant list indicating the poor as required by the program.

Table 6.5
Discrepancies of Involvement of Woman and the Poor in the Planning Stage

Subject	KDP/PNPM Guideline	Actual Implementation
Woman Involvement		
Dynamic at meeting	Equal opportunity to convey their ideas	Passive participant in hamlet meeting. More dynamic only in village special meeting for woman
Type of participation	Open for all female residents	Only female residents who are active in PKK organization
The poor involvement		
Dynamic at meeting	Encourage to convey their ideas with special setting	Passive participant in program deliberation. Active only in neighborhood meeting with issue related to their welfare
Type of participation	Open for all residents including the poor	Being inferior to attend program deliberations

6.2.4 Village Planning Deliberation

The process of determining a project proposal at the village planning deliberation brings another dynamic. As required by the program guideline, the village should send three proposals in which one or two of them are obtained from special women deliberation. From the woman deliberation one proposal must be a microcredit proposal with an additional option on health or education related such as a health center or pre-school building. While for the remaining proposal it is for basic public good such as roads, bridges, and/or irrigation systems. Other important agendas in village planning meeting are the selection of program implementers and selection of representative who will attend sub-district deliberation.

Representatives of groups, such as village figures, village head, and village assembly members, are invited to attend this deliberation. Again, although this deliberation is “open” for all villagers and announced publicly, but in reality, the attendants are those who

receive an invitation by letter or voice. The same depiction is described in a study conducted by Olken (2007) where it is stated that “though village meetings are officially open to the public, in practice Javanese villagers consider it quite rude to attend a meeting to which they have not been formally invited (usually in writing), and with the exception of a few independent-minded members of the village elite, they rarely do. The village head, who normally issues written invitations for the meetings, therefore has the potential to stack the attendance of the accountability meeting in his favor by issuing invitations only to his supporters.”

This village planning deliberation is facilitated both by the sub-district facilitators and village facilitators (KPMD), and often attended by sub-district or district officials who monitor the deliberation. However this study found a sign of domination of village head over decision both on selection of project proposal and project implementers. (further discussed in Chapter 8).

Table 6.6
Discrepancies of Village Planning Deliberation

Subject	KDP/PNPM Guideline	Actual Implementation
Decision	<ol style="list-style-type: none"> 1. Selection of 3 project proposals through prioritization (ranking activities) 2. Selection of project implementers 3. Selection of village representatives 	Domination of village head in decision making (further elaborated in chapter 8) through lobbying and negotiation behind formal setting of the deliberation can be noticed in: <ol style="list-style-type: none"> 1. selection of 3 project proposals although prioritization (ranking activities) 2. Selection of project implementers 3. Selection of village representatives
Facilitator	KPMD (village facilitator)	TPK (village management team)
Type of participation	Open for all villagers (direct)	Representative

6.2.5 Sub-District Deliberation

At the sub-district level, the circumstance is deceptively simple. Community Block Grant (*Bantuan Langsung Masyarakat/ BLM*) are allocated to the sub-districts range from RPs1-3 billion per year, depending on the population and poverty incidence in the kecamatan. BLM will be further shared with selected projects through a prioritization procedure during an inter-village deliberation at sub-district level. In this forum, village representatives determine the priority rank of project proposals. These representatives are village head, member of village council, and other respected community members. Three of the six village representatives are to be woman.

The forum reconvenes to discuss the merits of the village proposals, based on verification team findings. The system to be used in determining the rank of proposals is competition and discussion among village representatives. Participants will be separated into several groups, each group then will discuss all project proposals and determine the priority rank of proposals based on considerations, as follows: (1) the number of beneficiaries of the project; (2) the degree in which the project directly improves the welfare of the poor; (3) the urgency of the project; (4) the capability of village resources to carry out the project; and (5) the relevancy of the project with the village's vision and mission.

After that, results from panel discussion will be collected by the Inter-Village Coordination Board (BKAD) as chairman of the deliberation. The BKAD will finalize the priority rank of project proposals based on a panel result. At the end of deliberation, the BKAD, in coordination with sub-sistrict facilitators, issues a list of project proposals by priority rank. The higher the rank of the project proposal the greater chance to obtain funds from PNPB-Rural. The next step after finishing the inter-village deliberations is to prepare detailed designs and undertake cost analysis of the Projects. In this activity, the

Proposal Writing Team (TPU) and KPMD with assistance from sub-district facilitators survey the location, gauge the project dimension and calculate the cost of project. After completing the data, TPU prepares the design and cost of project. This document is needed to complete the village project proposals that had been listed in priority rank. The village representative then submits the design and cost of projects document to the Funding Inter-Village Deliberation.

The participants to the Funding Inter-Village Deliberation are the same as in the Priority Inter-Village Deliberation. This forum is held in order to decide the proposal projects that are feasible to be funded. The number of funded projects depends on the amount of BLM allocated for sub-district. Through a sequence number mechanism, inevitably project proposal that place in the top rank list will be funded by the KDP/PNPM-Rural. The remaining projects that fail to get funds from the KDP/PNPM-Rural are possibly funded by another program or proposed for the following year.

The Head of Sub-District or *Camat* then issues a decree that lists the projects funded by the KDP/PNPM-Rural. The decree will be informed to attendees at a Village Deliberation for Result Information (*Musdes Informasi*) along with information about the implementation of projects, such as schedules, sanctions, accountabilities, evaluations and the maintenance of each project. The *Musdes Informasi* is a commitment from the program in the principle of access of information. Not only does this meeting delivers information about the results of Funding Inter-Village Deliberation but selects the members of the Monitoring Team that has the responsibility to monitor and evaluate the KDP/PNPM-Rural tasks performed by the TPK (Implementation Team) in each village.

In brief, this study found no difference between program guideline and actual implementation of decision making at sub-district level.

6.3. Implementation of the Projects

During the implementation stage of the project(s) there are several steps to be completed in the village from building the infrastructure project, carrying out the micro-credit program, preparing the village meeting for accountability reporting, to the handover of the project.

Table 6.7
Detail Mechanism of KDP/PNP/PPM Rural Implementation Stage

Step	Level	Participants	Main Agenda
Village deliberation for Result Information	Village	Open for all residents	<ul style="list-style-type: none"> - Dissemination of decision on inter-village deliberation of final funding - Determination of project time schedule
Preparation for project implementation	Village	Program implementers at village levels	<ul style="list-style-type: none"> - Supervision by Sub-district Technical Facilitator - Procurement - Construction plan
First fund disbursement	Village	TPK and UPK	<ul style="list-style-type: none"> - Transfer of 40% block grant from UPK (sub-district) account to TPK - Transfer of 100% block grant to groups of micro-credit
Construction process phase I and fund disbursement for micro-credit	Village	TPK, Micro-credit Recipients, and Monitoring Team	<ul style="list-style-type: none"> - Completion of 40% physical project - Completion of fund disbursement to credit recipients (100%)
Village deliberation for Accountability Report I	Village	Open for all residents	<ul style="list-style-type: none"> - Presenting accountability report to villagers
Second fund disbursement	Village	TPK and UPK	<ul style="list-style-type: none"> - Transfer of 40% block grant from UPK (sub-district) account to TPK
Construction process phase II	Village	TPK and Monitoring Team	<ul style="list-style-type: none"> - Completion of 80% physical project
Village deliberation for Accountability Report II	Village	Open for all residents	<ul style="list-style-type: none"> - Presenting accountability report to villagers
Third (final) fund disbursement	Village	TPK and UPK	<ul style="list-style-type: none"> - Transfer of final 20% block grant from UPK (sub-district) account to TPK
Final Construction process	Village	TPK and Monitoring Team	<ul style="list-style-type: none"> - Completion of 100% physical project
Village deliberation for Final Accountability Report and Handover	Village	Open for all residents	<ul style="list-style-type: none"> - Presenting accountability report to villagers - Hand-over of infrastructure project to village

The TPK plays an important role as implementation manager. This team has the responsibility to ensure that the infrastructure projects are built and the micro-credit program is carried out. TPK has to encourage villagers to be involve in the implementation of PNPM-Rural, for instance by employing villagers as infrastructure workers. TPK is obligated to distribute micro-credit funds to poor women. A mechanism of fund disbursement is arranged in accordance with the PNPM-Rural guidelines, which states that TPK will earn funds from Sub-district Unit of Management (*Unit Pengelola Kegiatan*, UPK) in three phases. In the first phase of fund disbursement, TPK will receive 40% of the total fund allocated for the village. The same amount is also received by TPK in second phase. In the final phase, TPK will receive the remaining 20% of total fund.

In the end of each phase or after TPK utilizes the fund per phase, as mentioned above, TPK has the obligation to hold an Accountability Deliberation. This is a forum for TPK to account directly fund utilization in front of meeting attendees. Villagers who attend the Accountability Deliberation have a right to evaluate not only the fund managed by TPK but also the performance of TPK regarding infrastructure construction and carrying out the micro-credit program. On the other hand, TPK is obligated to provide accountability reports to be evaluated by all the participants. TPK is allowed to continue its activities after it is agreed by the Accountability Meeting attendees that TPK has made an account of their activities under the program.

At the end of the implementation stage, a handover deliberation is held in the village in order to consign the project results from the implementation of PNPM-Rural to the village government on behalf of all village residents. A handover meeting also becomes a symbol of transformation of program assets into village assets. As a result, starting from this meeting, assets resulted from the KDP/PNPM-Rural activities are owned by the village and the villagers has to preserve and maintain the same.

The KDP/PNPM-Rural has been implemented in the Batang Regency since 1998, the same year as the Government of Indonesia launched the program. In 2008, under the PNPM Rural, 10 sub-districts of the Batang District were chosen by the Ministry of Home Affairs to be the location of the PNPM-Rural. By 2014 PNPM-Rural was able to cover 209 of the 245 villages in Batang District (85%). The remaining 39 villages could not be included in the program since they are located in the urban sub-districts in Batang and Warungasem.

6.2.1 Construction of Infrastructure Projects

In all three villages of this research, BLM was predominantly used to build infrastructure projects. Thus, it can be confirmed that these villages lack rural infrastructure and require BLM to develop their village. The need of a village in the development of rural infrastructure was described by Mr. Eko, Head of Brayu village, as follows:

"In every meeting that is held at the RT and RW levels, the projects that are proposed by villagers are mostly related to the development of rural infrastructures. This is because they realize that the Sidayu village lacks adequate rural infrastructure to support their economic activities" (interview February 14, 2017; translated).

The data from Brayo villages which has a similar pattern with those of the other two villages confirmed the domination of infrastructure projects funded by the program.

Table 6.8
The Amount of Block Grant and Construction Projects in Brayo Village (2012-2014)

Year	Amount of BLM (RPs)	Projects	Project Purpose
2012	71,780,000	Cliff Road	Preventing landslide
	40,055,500	Dam	Increasing yields for the farmers
	10,000,000	Micro-Credit for Female Group (SPP)	Increasing the income of poor women
2013	99,486,700	Clean Water Channel	Providing clean water for the residents
2013	45,829,100	Drainage	Improving health condition of villagers
	19,000,000	Micro-Credit for Female Group	Increasing the income of poor women
2014	165,333,250	Irrigation Channel	Increasing yields for the farmers
	109,058,000	Cliff Road	Preventing landslide
Total	560,542,550		

Source: Data adapted from the Final Report of TPK Brayo

However, there are problems that emerge during the construction process of rural infrastructures in the village such as the timing of construction process and the lateness of fund disbursement from central government to program implementers in the village. As mentioned before, the project cycle of PNPM-Rural incorporates several stages of the deliberation process before determining the final decision. Starting from Inter-Village Socialization Deliberation in January, the PNPM-Rural will subsequently decide which projects to fund by July during the Funding Inter-Village Deliberation or MAD for proposal determination in July. Program implementers in the village will start the infrastructure constructions in July or August after Village Deliberation for Result Information. So that TPK has five months (August to December) to complete the project(s). The problem is that the rainy season occurs in October, and it is sometimes the

case to have another problem such as the lateness of project construction process or the unsatisfactory quality of physical projects. This matter is expressed in the remark by Mr. Pratomo Adhi, a former PNPM-Rural Technical Facilitator of Batang District, as follows:

“I think the problem of the physical project, not only in Batang but Indonesia in general, is the rainy season which is occurring during construction process. This will result in the lateness of project completion and also the low or unsatisfactory quality of the projects. Even in the worst cases, a project is destroyed by landslide due to heavy rain before the project is completed. For example, this happened last year in an irrigation project of PNPM-Rural in Kambangan Village, Blado Sub-District. The physical project built in rainy season also tends to have unsatisfactory quality than the project built in dry season, this is because the construction process is often postponed due to rain and it takes time to make the structure dry or hard because of the low of sunbeam”. (Interview of March 5, 2017; translated).

Another problem, lateness of fund disbursement, is stated by Mr. Wahyu, chief of UPK Bandar, in his remark as follows:

“Fund disbursement is actually not an easy matter. It is administratively complex. Firstly, TPK presents fund submission documents to UPK, then UPK verifies the documents from all villages of Bandar Sub-District. If there are any mistakes from a village then the other villages should wait until all are complete and correct. After that, UPK submits the fund submission document to Bapermades¹⁷. Bapermades then sends the documents to the Treasury Office of the Ministry of Finance in Pekalongan municipality. The Treasury Office will transfer the funds into each bank account of UPK, then finally UPK will disburse the fund to TPK within each village. This long process and the all likelihood of mistakes of the submitted documents whether in TPK, UPK, or Bapermas result in the lateness of fund disbursement to the program implementers in the villages”.(Interview of March 5, 2017; translated).

The above statement is affirmed by Mrs. Endang Tinuk, a former Official in Charge of PNPM-Rural at Regency Level (PJOKab), by her remark as follows:

“The lateness of fund disbursement is a problem that happens in almost all districts, not only in Batang. The main cause is mistakes in the composing the fund submission document by TPK at the village level or UPK in the Sub-District level or even in Bapermas itself. In addition, the process of check and recheck of the document also takes time because all disbursement of funds must be administered carefully. The other cause of this lateness is the changes of regulation about fund disbursement which sometimes

¹⁷ District agency of village and community empowerment

occurs , and as a result we should inform the new regulation to each UPK and make some corrections on the documents”. (interview of February 2, 2017; translated).

In case of the Sidayu village, the problem of the lateness of fund disbursement can be minimized by TPK by borrowing money from the TPK treasurer. In the case of this village, the treasurer is known as a successful businessman in the village. At times he voluntarily lends money to the TPK to assure that the construction process of infrastructure project is not postponed due to the lateness of fund disbursement from UPK to TPK. This process as admitted by the Head of Village, which brings knowable benefit to the implementation of PNPM-Rural in the Sidayu village particularly in the construction of rural infrastructure as mentioned by the Head of the Village.

“Fortunately, we have Mr. Asom, the TPK treasurer, a rich man who voluntarily lends his money when the fund from UPK is late. As a result, the construction process often s runs smoothly. As the result, the village of Sidayu is never overdue to build their projects. By December the village always finishes the PNPM projects. Of course, after TPK receives the funds, TPK repays the lean sum without any interest to the treasurer.”. (Interview of February 13, 2017; translated).

This study also found that the performance of the Monitoring Team in all three villages did not show the maximum result. They are occasionally absent in monitoring day to day rural infrastructure construction. Their responsibility is rather covered by TPK and Village Head overseeing the project workers to work according to the project planning schedule. As a result, the Monitoring Team is often unable to give recommendations to TPK that would in all likelihood improve the implementation of PNPM-Rural especially in constructing rural infrastructure projects.

According to one informant who formerly serves a member of monitoring team, he said that the monitoring team cannot perform well due to three reasons. First, there is no budget allocated for this team, so that it is difficult for team members to exercise their

function. Second, although they had been trained by sub-district facilitators, still they lack capabilities to inspect daily progress of infrastructure construction as majority of the member have no background on civil engineering. The author then assumed that the monitoring team is more or less a “formality” to the program although conceptually this team can bring better results of the program.

All in all, this study can identify some discrepancies on construction process of infrastructure between program design and actual implementation on the field. Those discrepancies are as follows.

Table 6.9
Discrepancies of KDP/PNPM Rural Implementation
on Infrastructure Construction

Subject	KDP/PNPM Guideline	Actual Implementation
Schedule	Construction is completed by end of December	Managing to complete in time due to rainy season during construction
Fund disbursement	Transfer after completion of accountability report	Delayed transfer due to complex administration and regulation changes
Team Performance	TPK is supervised by monitoring team	Monitoring team has weak performance

6.2.2 Fund Disbursement of Micro-Credit Activities

Related with the implementation of micro credit for female group (SPP), the program has been running well and is considered effective by the utilizers. SPP is able to give contribution to developing villager’s existing business and, in some cases, it can stimulate some villagers to create new businesses. A local observer mentioned, “Like me now, with the fund (capital) I got from PNPM, I build this food stall and it has become my main livelihood to fulfill my children’s needs.” (Mrs. Siti Mujiati, food stall owner, interview

of March 20, 2017; translated). Another respondent Mrs. Miati, an owner of beauty salon, said that “After I got money from PNPM, I bought some new equipment for my salon. Now, it’s developing” (interview of March 25, 2017). In line with those respondents, Mrs. Nur Khuriroh, a merchant, stated that “after getting the SPP fund, I can develop my shop by buying more complete selling goods, as a result my income is also increasing now” (interview of March 23, 2017; translated).

Moreover, SPP can also improve the household financial capacity. Although, according to the understanding of SPP recipients, the funds are supposedly used to open a new business or strengthen their existing one, there is also some part of the fund that is used to pay for household needs.

“Sometimes I use SPP fund not only for my business but also for important needs, such as, to buy medicine when my children get sick.” (Mrs. Anisah, farmer, interview of March 23, 2017; translated).

“The problem is that the people who received SPP use the money for education, to pay school tuition, because it was urgent. So, it’s not used for business” (Bejo Purwanto, secretary of TPK, interview of March 14, 2017; translated).

Due to the small budget allocation for the SPP fund in Sidayu Village, there are poor women who have not yet obtained the SPP fund. Two respondents expressed their disappointment for not getting SPP fund. Mr. Supandi, a carpenter, stated that “actually my wife wanted to receive the SPP fund, since we need that money for my children, but my wife has no information or announcement about SPP fund from the village government or TPK” (interview of March 23, 2017). In addition, Mrs. Sarwiyah, a farmer, said that “I guess people who get SPP fund are those who are chosen by TPK members, although maybe we are poorer than the other people, the decision is on TPK members” (interview of March 23, 2017; translated).

In fact, besides the small allocation budget for SPP, there is a problem related to the implementation of SPP. The poor had difficulty in accessing SPP because PNPM implementers require that every resident who wanted to apply for credit should have a business of their own. This is to ensure that recipients are able to repay the money as scheduled. Therefore, not all recipients are from the poor, some are from a better economic condition. Yet, this situation also creates positive effects for the implementation of SPP when people with a better economic condition in the SPP groups have the additional duty to lend their money if one of SPP members could not repay the fund. Below are a few remarks from local observers about the implementation of SPP:

“The SPP is supposedly for the poor, but if you are really poor, you will not become a recipient. The poor who have not yet had a business are also not allowed to borrow money because they are considered unable to repay” (Mr. Wahyu, Chief of UPK Bandar, interview of February 22, 2017; translated).

“Poor women do not dare to borrow money from SPP, because they do not have collateral. They also realize that the risk of not being able to repay the fund is substantial as not only will they feel guilty and embarrassed with the other members but also the village as a whole can be sanctioned” (Mrs. Sutomo, Chief of TPK Juragan, interview of February 14, 2017; translated).

“I do not want to borrow money from SPP because I need the money not for business but for daily needs, even if I get money from SPP I am afraid that I cannot repay” (Mrs. Sarwiyah, farmer, interview of March 25, 2017; translated).

Despite the positive comments on the implementation of SPP from poor respondents, in 2014 the Sidayu village did not receive any SPP fund because the projects it proposed were of a lower rank than the other proposed physical projects which they were in competition with during the village planning deliberation stage. The main reason behind the low rank of SPP in 2014 is because the majority of participants in the village meeting said that there are many rural infrastructures that need to be constructed in the village, besides the physical projects will have more beneficiaries than do the SPP. This is also

expressed in the remark by Mr. Khoirul Anam, Head of Sidayu Village, as he mentioned as follows:

“During the planning village deliberation, each participant has the same right to express their ideas about projects or activities that need to be implemented based on their individual viewpoint or based on represented ideas of their neighborhood. In 2014, although I already said in the forum that SPP is giving benefit for the poor women, but in fact the majority of participants choose rural infrastructure projects rather than SPP. As a result, SPP if I am not mistaken places sixth in rank of ten activities discussed in the forum” (Interview of February 13, 2017; translated).

KPMD member, Mr. Nurul Anam, has an additional answer why participants choose physical projects rather than SPP, as expressed in his remark:

“In my opinion, this is because participants realize that if the village gets SPP fund, TPK should guarantee that the SPP is not delayed to repay and there is no fund abuse from the recipients. And this is difficult since the recipients are the poor who always have unintentionally conditions which lead to being unable repay SPP. If delayed payment or fund abuse happen in SPP, then the next year Sidayu village will not get PNPM-Rural at all as a sanction. Therefore, in this case participants want to prevent the worst situation that could possibly happen” (Interview of February 14, 2017; translated).

Table 6.10
Discrepancies of KDP/PNPM Rural Implementation
on Micro-Credit Activity

Subject	KDP/PNPM Guideline	Actual Implementation
Purpose	For improving business activity	Some borrowers use money for other urgent needs such pay school fee
Target	Poor women	Poor and non-poor women

6.4. Project Maintenance

The maintenance stage is started from the Handover Deliberation to indicate that the implementation of PNPM-Rural in building infrastructures and distributing micro-credits funds are completed and the results becomes village assets. Participants in the Handover

Deliberation will select the Maintenance Team members. The Maintenance Team has a task to coordinate and engage community members to participate and maintain the results and assets of PNPM-Rural. Maintenance activities is arranged by the Maintenance Team and expected to educate the villagers with the importance of the continuity of CDD programs.

For the case of the Sidayu village which is relatively similar with the other villages, there are 4 Maintenance Teams, each team led by the Heads of RW. The members of Maintenance Team are derived from the respective residents and villagers of each RW. They are responsible for maintaining the rural infrastructures that had been built through PNPM-Rural funds. Unfortunately, in carrying out their duty, members of the Maintenance Team were unable to perform maximally. This can be described through remark by Mr. Khoirul Anam, Village Head, as follows:

"So far in maintaining the rural infrastructure projects constructed by PNPM-Rural, the Maintenance Team worked less than the ideal standard, since the members are no longer able to arrange infrastructure maintenance activity monthly; only hold maintenance and cleaning activity twice a year, namely, a few days before Independence Day of August 17 and before Idul Fitri. As a result, the recent condition of the projects looks untidy though still working" (Interview of February 13, 2017; translated).

Nonetheless, members of the Maintenance Team have the same reason for their mediocre performance, which is the limitation of funds allocated for running their operational activities. As a result, the condition of rural infrastructure projects is generally untreated though still working well. The same as monitoring team, PNPM-Rural does not allocate the budget to support Maintenance Team activities. Fund resource depends on the contribution of the villagers. Due to the economic condition of villagers, teams barely expect any sufficient fund contribution from villagers.

On the other hand, this situation does not occur in other projects implemented by

such organizations as KPMD, TPK and TPU. Those teams obtain funds from PNPMP-Rural, so that they can optimally perform their task and duty. For instance, TPK is allocated 2% from the total budget to manage projects allocated for the village. The budget is used by the TPK to finance the operational activities including the honorarium or salary of the TPK. There are many reasons why the villagers are requested to provide funds for maintenance works, but at the lowest end of the ecumenic spectrum, feeding the family or “feeding” the maintenance project, be it a bridge, road or otherwise, the choice is simple – family first.

Table 6.11
Discrepancies of KDP/PNPM Rural on Project Maintenance

Subject	KDP/PNPM Guideline	Actual Implementation
Schedule	Regular maintenance	No regular maintenance
Budget	Self-financing from villagers	No budget available
Organizer	Maintenance team	Maintenance team is not active

6.5. Conclusion and Policy Implication

There are several discrepancies between the KDP/PNPM Rural guidelines and its implementation on the field. In the planning stage consisting of a series of decision-making processes from the hamlet to the sub-district levels, some important differences are observed. First, the program guidelines stipulate that the initial meeting to probe project proposals from villagers be the hamlet (*dusun*) meeting. In reality, project proposals presented during hamlet meetings of the KDP/PNPM Rural are derived from

prior regular meetings held at the neighborhood level, the RWs and the RTs. Second, while the program guidelines regulate that meetings at the village and hamlet levels are “open to all villagers,” in reality these meetings are attended only by representatives and invited attendees. Third, this study has found out domination by the village head in the village meeting in the selection of project proposals and project implementers.

In the implementation stage covering the processes of infrastructure construction and micro-credit disbursement, this study has identified a number of deficiencies. First, in all three villages, the block grants (BLM) were predominantly used to finance infrastructure projects with only small portions allocated to micro-credit. Second, the timing of construction activities during the rainy season (August to December) creates a heavy challenge for the TPK (project implementers) to accomplish projects in time. Third, complexities of administration of fund disbursement as well as instability of regulations resulted in the tardiness of fund transfer from the central government to project implementers on the field. The study also found a substantial discrepancy regarding the role of monitoring team. Due to the unavailability of funds from the program, the team is unable to perform well in conducting their role.

In maintenance stage, the study found that there is no regular maintenance for infrastructure projects built by the program in all three villages. The main reason is that no available fund for maintenance activity. The lack of incentive is also the reason why maintenance team has a weak performance in this stage.

Based on the findings, this study has some recommendations. First, the KDP/PNPM rural have to introduce the mechanism of CDD approach to the neighborhood level, RWs and RTs, as the first collective decision-making process in the village. Second, the program should improve the capacity of village project actors especially KPMD, monitoring team, and maintenance team. This improvement has to include better skill

through a more advanced training and provision significant incentive. Third, the program regulations especially related to fund disbursement should be simplified and fixed in order to avoid the lateness of block grant transfer. Fourth, the program should consider relaxing the regulation for poor woman to access micro-credit as many of them still face difficulties to meet the requirements to become borrower.

Chapter 7

Villagers' Understanding of KDP/PNPM Rural

7.1. Introduction

Community Driven Development (CDD) often underlines that the impact of the program can bring benefits to community members only after they participate actively in both the planning and implementation stage of the program. Over the years, it has been observed that participation is possible when the villagers are well informed and aware for their rights in the program. Thus, it is necessary to examine the degree of knowledge villagers have about the KDP/PNPM Rural. This study distributed a questionnaire to 90 people in three villages located in Batang district (Central Java province) during a three-months field study from January to March 2018. All respondents, male or female, were over 18 years of age and selected on voluntary basis (non-probabilistic sampling¹). Thus, the author does not suggest that the answers from respondents can represent general understanding of all villagers in the three villages. The questionnaire itself is a simple list of questions with the majorly as 'yes or no' and a few as multiple-choice types of questions. There are three main areas of questions: (1) knowledge about the program, (2) type of involvement, and (3) expectation of the program.

The questionnaire is expected to provide an actual perception of the villagers, elites or non-elites, of the KDP/PNPM Rural. Based on data of each village, most commoners in the village have a low educational background. This condition may cause difficulties

¹ Due to limitation of time, the author decided to use quota sampling. This method is a non-probability sampling technique wherein the assembled sample has the same proportions of individuals as the entire population. The author determined a sample of 30 respondents from each village with the age of over 18 years old regardless their gender.

for villagers to answer parts of the questionnaire, so that the author decided to assist the respondents in filling out the survey. It is also important to note that during the process, the author was accompanied by a village government's staff that may or may not affect the independency of informants to choose the answer. As the responders are expected to reflect the voice of his/her family, the population data used here is the number of households in the villages. The percentage of respondent compared to project actors and population of the villages is provided below.

Table 7.1 Sample Comparison

Village	Project Actor to Household (%)	Respondent to Household (%)
Brayo	3.76	9.40
Sidayu	1.86	4.66
Juragan	1.52	3.81
Total	2.06	5.14

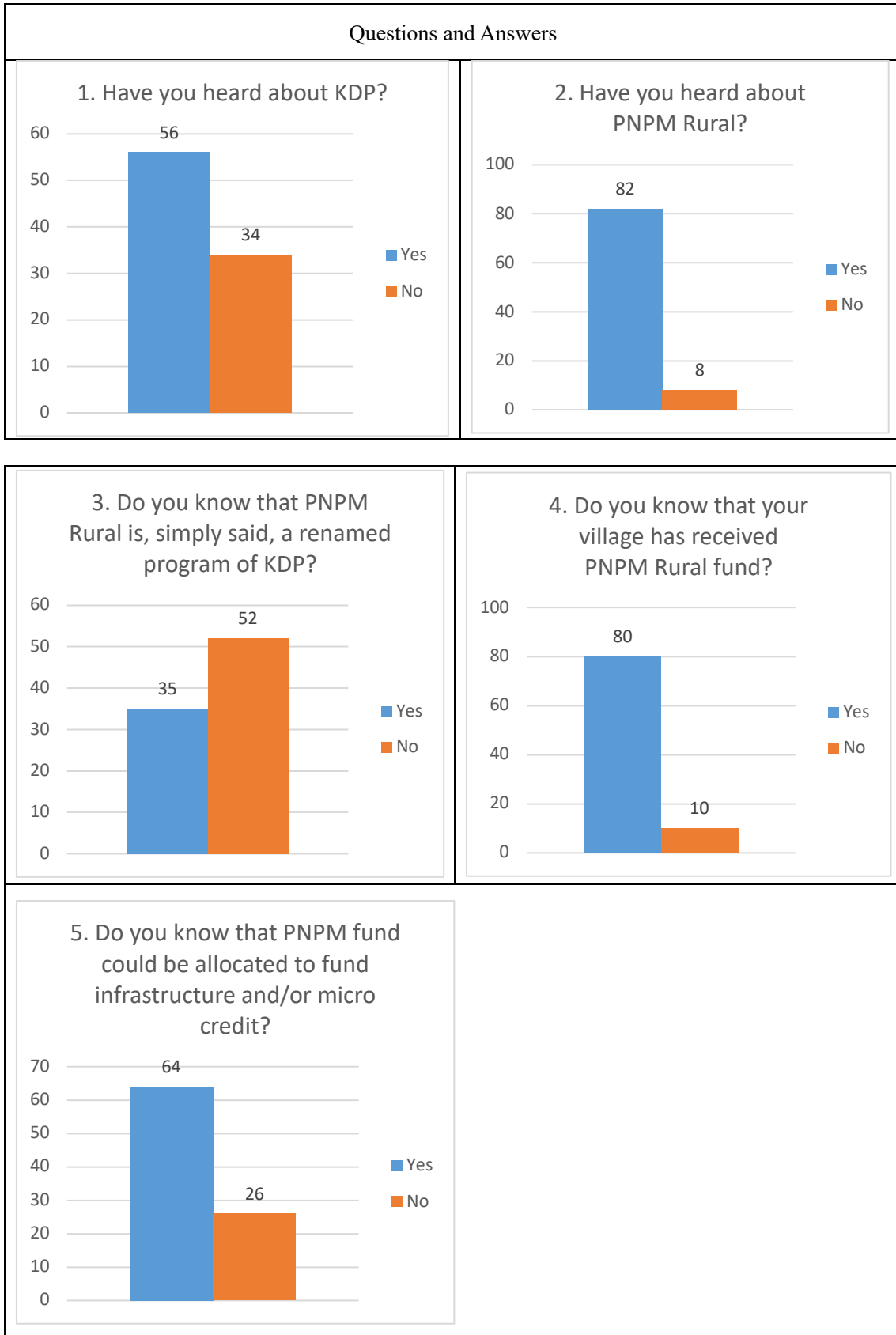
The above table shows that this study involves a 5.14% respondent ratio of the total households in the three villages or 90 residents from 1,750 households. Since Brayu village has a smaller number of households (319) and the number of response is 30 per village, it has the highest percentage of the sample (9.40%). Sidayu village has the second highest percentage with 4.66% as it has 644 households, followed by Juragan village with 784 households that constitute 3.81% of the sample. The same trend occurs when a comparison of project actor to population is made, as the number of villagers who become members of project actors is about 12 people in each village. They were engaged in such area disciplines as members of TPK, KPMD, TPU, Maintenance Team, and Monitoring Team. From the three villages, 36 people are recognized as projects implementers that make up 2.06% of total number of households. In general, the number

of samples of this study is higher than the number of project actors, 90 compared to 36 people, and is expected to reflect the opinion of 'non-elites'.

7.2. Information/Knowledge about the Program

For this study the author aims to gain a better understanding of how deep the information is about KDP/PNPM Rural by villagers. The author presumed that the basic information about the program as listed on question no. 1 to no. 5 will be easily answered 'yes' since KDP/PNPM Rural had been implemented in the villages for about 10 years. However, in general the response depended on the degree the questioner engaged in the program. For those that involved in the program whether as project actors or in their role as representative of village/sub-village associations, they answer a straight 'yes' for the first five questions. In contrast, the answers from the commoners or non-elites were varied, for example only a few able to identify that PNPM Rural is simply a continuation of KDP (question no. 3). Two other questions (no. 6 and 7) were added to the survey to learn the source of information of the program for the villagers.

Table 7.2 Response on Information/Knowledge about the Program



The above five Figures (on table 7.2) provide us with the knowledge of how deep the basic understanding of villagers is regarding the program. As shown in Figure 1, 56 of 90 respondents (62.2%) said they had heard about the KDP. The number is much higher when they were asked about the PNPM Rural as 82 respondents (91.1%) were able to recognize the latest CDD program in their village as shown in Figure 2. The sharp difference between Figure 1 and Figure 2 is possibly because PNPM Rural is relatively new although the program ended three years (2014) ago prior to this field study, compared to KDP which ended in 2007 or ten year earlier than this study. However, it is interesting to notice that out of 82 respondents who had heard about PNPM Rural, only about half (38 respondents) knew that the PNPM Rural is the continuation or renamed program of the KDP (Figure 3). Based on further identification, respondents who know about both KDP and PNPM Rural are typically former project implementers or representatives of neighborhood associations such as Rukun Warga (RW) and/or Rukun Tetangga (RT). This information can indicate that although most of respondents know about PNPM Rural, only half, or even a smaller set of ‘non-elites’ are familiar of the evolution of KDP to PNPM Rural. In addition, information about the PNPM Rural budget as shown in Figure 4 depicts that 80 of 90 respondents (88.8%) knew that their village received PNPM Rural funds in the past and most of them (80%) also know that PNPM Rural has an ‘open menu’ mechanism in which the fund can be allocated to either infrastructure or micro-credit project depending on villager’s prioritization. This data signifies that most of villagers have an understanding on the core design of the program in which they have discretion to select the type of the project to be implemented in their village.

Table 7.3 Response on Source of Information

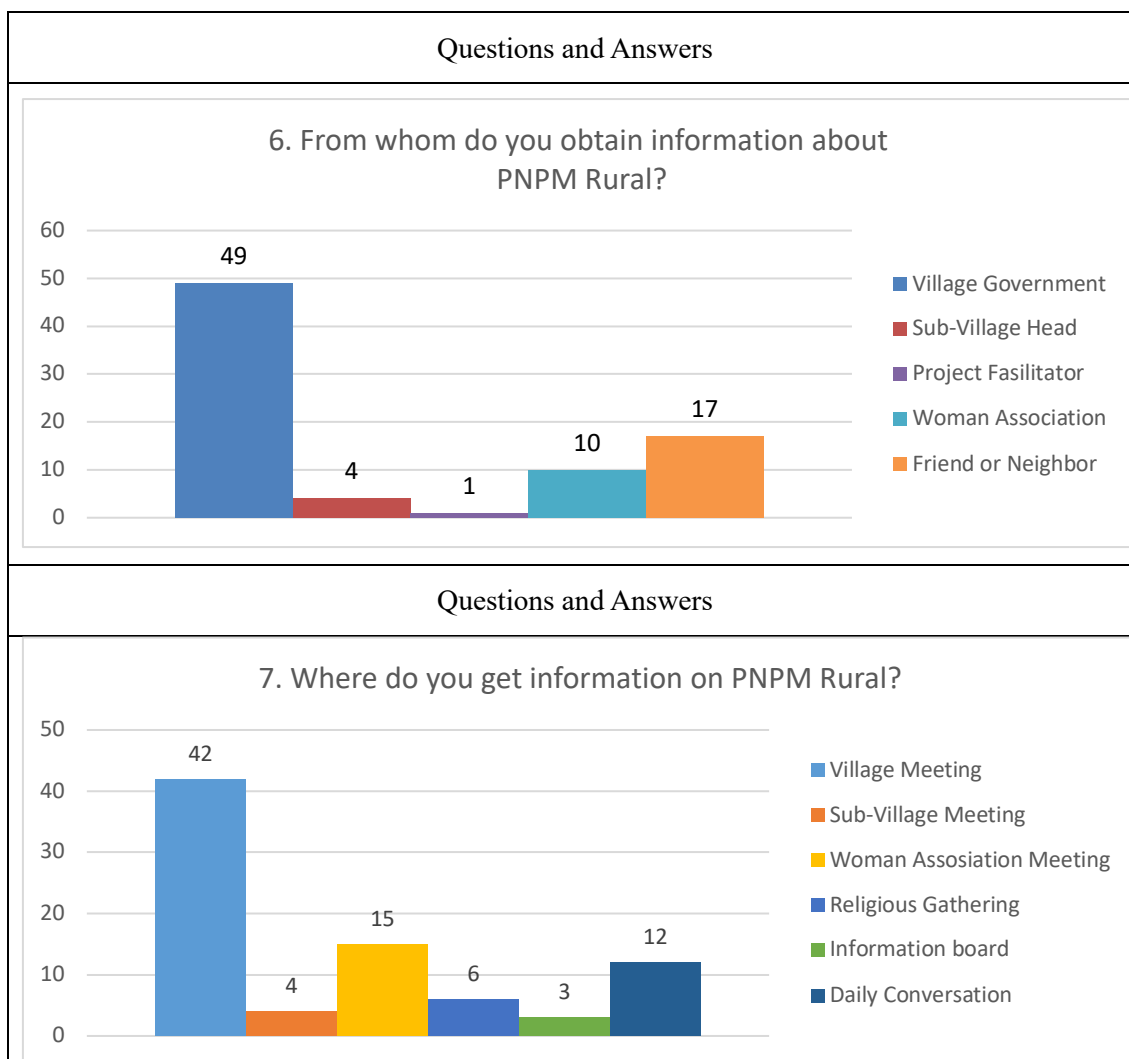


Figure 6 and 7 (on Table 7.3) show how villagers obtained information about KDP/PNPM Rural. The most common sources of information were village government, which includes head of village, village officials and staffs. Almost 55% of respondents (49 respondents) said that they knew about PNPM Rural from village government officials or often stated as the “*Pak Lurah* (Village Head)” that although not literally meaning the village head instead his staff or village official including head of hamlet (*dusun*). The second common source of information is more informal as the respondents get the information from their friends or neighbors. The other less common sources were

woman associations, head of neighborhood association (RT or RW) and project facilitators.

Based on program design, information flows from the village level to the sub-village level and to other associations within the village through some formal meetings held at the village, *dusun*, RW and RT. However, the data shows that the most common sources of information is the village government (officials). This study observed two possibilities to explain this finding. The first is that there is a weak transfer of information from village government to head of hamlet and head of RT/RW. The second is that the respondents may make over generalization of their answer whereas information obtained from the hamlet or neighborhood meeting is simply stated as information from the village government.

A bit different with Figure 6, which identifies the source of information, Figure 7 depicts the spot or place for villagers to obtain information about KDP/PNPM Rural. Most villagers found that village meeting is the most common place to obtain information about programs. Other less common places are woman association meetings, daily conversations, sub-village meetings, and the information board. This finding is relatively consistent with Figure 6 in which the village level is the most common source of information. The next to obtain information is daily conversations with neighbors or friends including informal discussions after regular religious gatherings. The woman association meetings and sub-village meetings are also considered by 19 respondents to be the place for getting information about the programs. However, only three respondents took information from the bulletin boards and project planks. The last finding indicates that the information board is less effective to deliver information to the villagers although the program design often imposes the importance of this kind of information source. Based on the two above charts, the author tends to believe that direct communication,

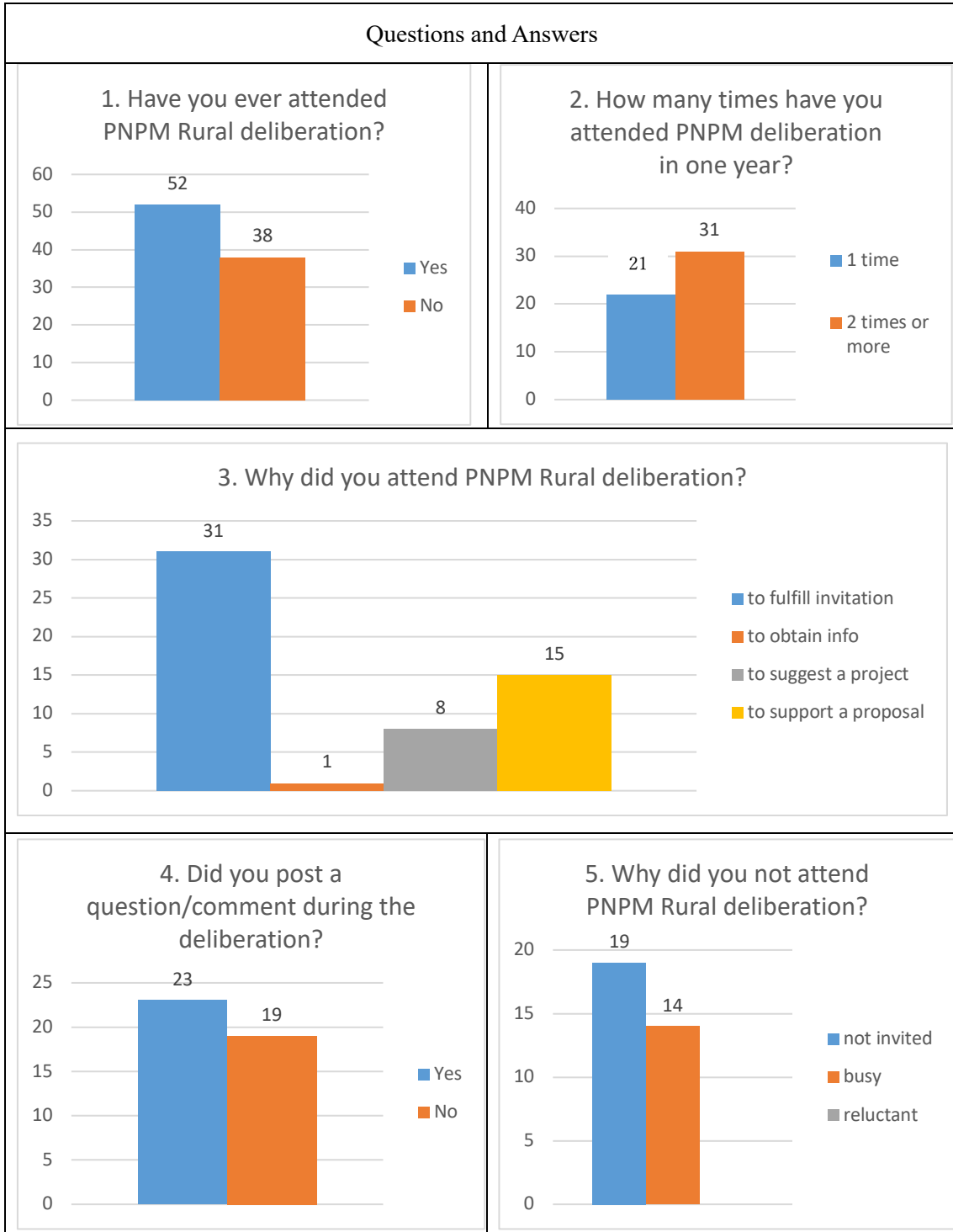
both formal and informal, through meetings or daily conversation is more effective than written information.

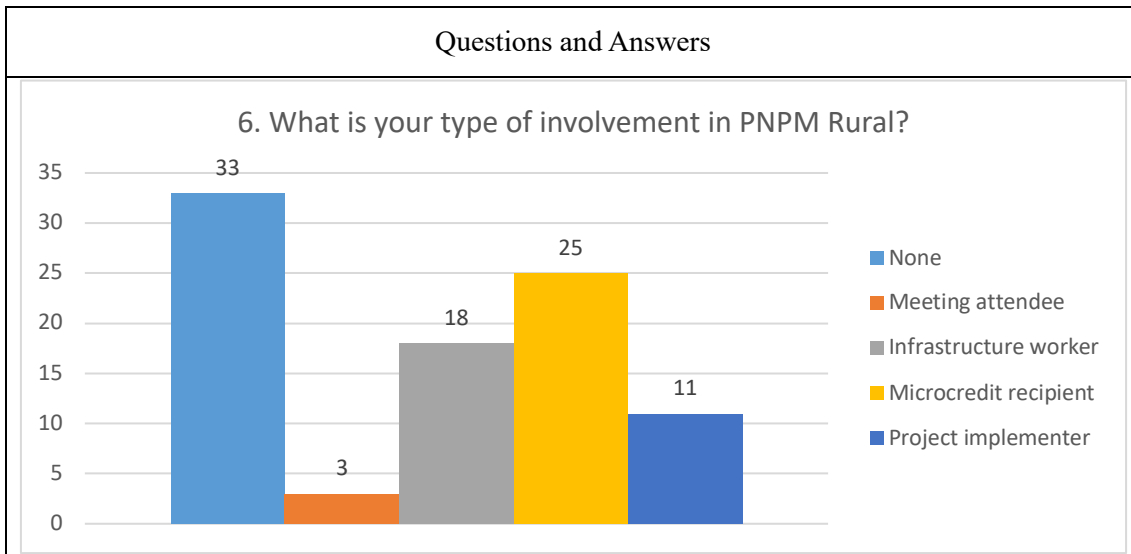
In brief, in this first area of questionnaire, the depth of information perceived by respondents is very much depended on the degree of their involvement in the program. The more they engage in the program, either as program implementers or beneficiaries, the more they know information about the program. This finding can be viewed from two angles. On the one hand, this confirms that community members can obtain the benefits of the program only after they participate in the program. On the other hand, it uncovers the weakness of the program to engage commoners especially poor people in the villages who are often excluded from development interventions.

In addition to above finding, the author also observes that, related to source of information, most of respondents claim that the village government officials including the villages heads and his staffs are the most common source of information of the program. Further, most respondents add that the village meetings and daily conversations with neighbors are the two most common place to obtain information about the program. These additional findings in the first area indicate that the program may have a problem in delivering information to the grassroot level as most respondents see the village governments as well as the village meetings are the most common actor and place to obtain information about the program. Hamlet and neighborhood levels (RWs and RTs) which have regular meetings are closer to where most villagers reside, thus it is quite surprising for the author that villagers obtain information about KDP/PNPM Rural from village level instead of sub-village (neighborhood) level.

7.3. Participation of Villagers in the Program

Table 7.4 Response on Type of Participation





This section attempts to examine the depth of villagers' involvement in the program both in planning and implementation stage as well. Figure 1 (on table 7.4) shows that among the 90 villagers, those who had attended KDP/PNPM Rural deliberation were quite high, almost 60% of the respondents (52 respondents) said that they had attended KDP/PNPM Rural deliberation either held at village or sub-village level. As shown in Figure 2 (on table 7.4), 31 of 52 villagers added that they had attended such deliberations at least twice² a year. It is further observed that those respondents who attended deliberations twice or more in a year were representatives of neighborhood associations, project actors, village government officials/staffs or village figures. The respondents who attended the deliberation only once per year were those who can be considered as commoners. A few respondents stated that they attended deliberations because they were invited and wanted to know what actually PNPM Rural is, but they cannot clearly state the reason behind their absence to the advanced meetings.

² There are six program deliberations at the village level with an additional idea probing deliberations held at each dusun level (3-5 dusun per village)

Figure 3 (on table 7.4) shows that 31 of 55 respondents (about 60%) had attended the deliberation with no specific purpose but to fulfill the invitation. It indicates that although the program often stresses that the deliberations have ‘open’ type of participation, in reality invitation, especially written invitation, is still becoming an important media of information to ‘impose’ villagers to attend any meeting/deliberation. Other reasons for attending such program deliberations are often revealed by the respondents who support a proposal and/or to suggest a proposal at the forum. These reasons were usually posted by village figures or representatives of neighborhood associations. Finally, only one respondent replied that he attended the deliberation to obtain information about the program.

As shown in Figure 4 (on table 7.4), the deliberations of KDP/PNPM Rural can be considered as ‘dynamic’; almost half of the respondents (23 of 42) said that they posted a comment or suggestion during discussion. However, it is important to note that the ‘active’ attendees are still the ‘elites’, most of ‘non-elite’ respondents who passively participate in the deliberations informed that there were no sign of facilitation or special arrangement from sub-district facilitators or KMPD to state their opinions in the forum. On the other hand, they often emphasized that their voices were already represented by other participants so that they felt irrelevant for them to be active.

Figure 5 (on table 7.4) is more or less a confirmation of the feedback that had been stated in Figure 3 (on table 7.4), particularly about the invitation. If Figure 3 shows how an invitation is becoming the main reason to attend deliberations, then Figure 5 shows a relatively similar point but in a contrast sense. ‘No invitation’ was becoming the main consideration for villagers to not attend deliberations; not common or impolite for many villagers, especially Javanese, to attend meetings/deliberations or other such events without having an invitation. The less stated reason is being busy with their jobs.

Regarding the fact that program deliberations were usually held in the evening to meet the vacant time of most villagers; this reason is then questionable. The author tends to believe that some respondents would not attend deliberations because they are not interested on the program so that they chose the term 'busy' as the 'safe' answer. In line with Figure 3, Figure 5 again underlines the importance of a written invitation for villagers to decide whether to attend or not any meeting/deliberation.

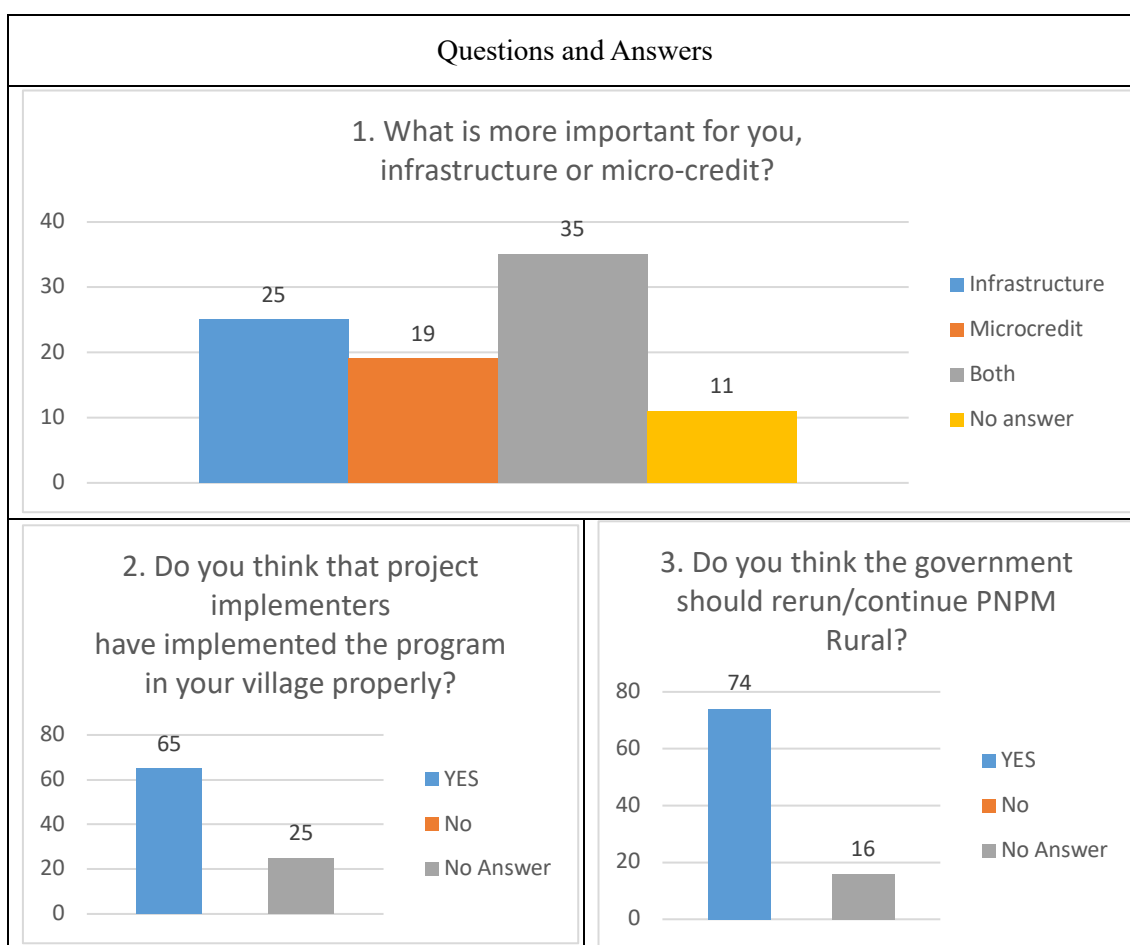
The types of involvement of respondents in the program are depicted in Figure 6 (on table 7.4). Most of respondents (33 respondents) said that they not involved in the program but heard about KDP/PNPM Rural. The second and third most respondents (25 and 18 respondents) informed that they became project beneficiaries either as project workers or micro-credit recipients. However, if these types of respondents' involvement are combined, their number is actually bigger than those who responded to have no involvement in the program at all. The other respondents (10 people), were project actors who take part in the program as members of TPK, KPMD, and so forth. The last chosen answer is the meeting/deliberation attendee in which only three respondents selected this answer. This number is significantly different with respondents who said that they had attended the deliberation as shown in Figure 1 (52 respondents). This can be explained in that these respondents understand that their involvement is not merely as meeting/deliberation attendees, but more significantly, as program beneficiaries or actors.

All in all, in the second area of questionnaire, the types of involvement, most of respondents stated that they were involved in the program either as infrastructure project workers or micro-credit borrowers. The second majority of the respondents (mostly the poor), quite surprising, argued that they only heard the name of KDP/PNPM Rural without any further involvement although the fact this program has been implemented in

all three villagers for more than ten years. This finding confirms studies³ on the impact evaluation of the KDP/PNPM Rural which conclude that the program plays insignificant role in improving the participation of the poor and marginalized groups.

7.4. Villagers' Opinion about the Program

Table 7.5 Response on Opinion about the Program



³ See the works of SMERU (2013) and AKATIGA (2010).

The questions in the last area of this questionnaire are addressed to all respondents regardless of their knowledge about the program. Here the respondents were asked to evaluate, or to speculate by the less informed respondents, the performance of program actors, the importance of the program and their expectation of the program. As indicated in Figure 1 (on table 7.5), about 37% of respondents (35 respondents) argued that both public works and micro-credit provided by the program should bring positive impacts to villagers. As many as 25 respondents (about 27%) tended to believe that public works are more important than micro-credit. These latter respondents added that unlike the micro-credit, public works are 'fairer' as all villagers can utilize the benefits of public works. In contrast, 19 respondents (roughly 21%) argued that micro-credit could bring direct impact to household finance as they can use the profit to improve the family business as well as their income. Lastly, 11 respondents (about 12%) showed uncertainty as they chose to answer that they have no idea whether public works or micro-credits are better or equal for the community. This last group of respondents are relatively the same as those who answered that they have never heard about KDP/PNPM Rural, Figure 1 and 2 (area 1 on table 7.2).

Project actors including the head of village and TPK members were assumed by most of the respondents (65 people/about 72%) to have work properly, as shown in Figure 2 (on Table 7.5). However, some respondents at first showed their uncertainty about the answer but finally decided to agree that the project actors show a good performance in implementing programs. This speculation is actually more or less bias as the respondents may not have a strong argument for their answer, but it is interesting to notice that most villagers still have a good image of 'the elites'. How they keep a good image of their 'elites' is another matter. As mentioned earlier, the author was accompanied by village government staff/official during the distribution of questionnaires. This setting may or

may not affect their subjectivity to answer this question as they realize that their answer will be read not only by author but also by the village government official. Thus, it is not surprising that no one responds with a 'not proper' to this question. The remaining respondent (25 respondents/about 27%), however, had no opinion about the performance of project actors. These respondents stressed that because they have no information about their performance it is wiser to honestly state 'I do not know' on this question.

The 1a Figure shows that almost 80% (72 no.) of respondents suggested that the (central) government should not end the KDP/PNPM Rural program even through there is already a 'Village Fund' program. Their reason is simple, the more programs implemented in the village, the more options for the village and villagers to obtain funds to improve their condition. Nonetheless, 16 respondents chose to not answer this question as they were uncertain of the benefits of the program, but no respondent disagreed to the program as no one answered 'no'.

In the last area of questionnaire, this study found that most of respondents consider that infrastructure projects are more important than micro-credit activities. They stress that infrastructures can be utilized by everyone in the villages compared to targeted borrowers in the micro-credit. In an attempt to examine villagers' opinion about the performance of project implementers, many less informed respondents speculate that the project implementers have implemented the program properly. Above all, the majority of respondents expect that the central government should rerun the KDP/PNPM Rural simply as another option to add funds obtained by the villages to improve their wellbeing.

7.5. Conclusion and Policy Implication

The responses to the questionnaires in the three villages generally depict the degrees of villagers' understanding of the KDP/PNPM Rural in three areas: namely, (1) knowledge about the program, (2) types of involvement, and (3) expectation of the program. In the first area, the depth of information possessed by the respondents very much depended on the degree of their involvement in the program. The more they are engaged in the program, either as program implementers or beneficiaries, the more information about the program they possess.

In the second area of questionnaire, regarding the types of involvement, most respondents stated that they were involved merely as program beneficiaries either as infrastructure project workers or micro-credit borrowers. A sizable percentage of the respondents (mostly the poor) stated that they only heard the name of the KDP/PNPM Rural without any further involvement in spite of the fact that this program had been implemented in all three villages for more than ten years.

In the third area of questionnaire, this study found that most respondents considered that infrastructure projects were more important than micro-credit activities. They emphasized that infrastructures could be utilized by everyone in the villages compared with the targeted borrowers in the micro-credit.

Based on analysis of the above findings, this study recommends that the CDD programs in Indonesia should be devolve of CDD principles⁴ and settings to decision-making processes at the grass-root level especially RT which are relatively untouched. Such an attempt is expected to engage more poor and marginalized groups as well as to

⁴ CDD programs operate on the principle of transparency, participation, accountability, and enhanced local capacity

bring larger benefits to them. However, the program should also recognize the role of village governments especially the village head who has the essential position as the main source of information in the village. On the other hand, this circumstance may lead to the domination of the elite over decisions and resources in the village as discussed in the next chapter.

Chapter 8

Contexts and Forms of Elite Capture in the Program

8.1. Introduction

One of the most significant threats to the success of community-driven approaches is their vulnerability to be captured by local elites. Ensminger (2017) argued that the most important issue on current decentralized poverty alleviation programs may be the issue of local elite capture. The nature of CDD programs are to give the community discretion to manage the development fund. However, a number of CDD research found significant cases on local elite capture because the local elites are still too dominant in the planning process, the programs will just benefit the local elite more rather than the poor. The term elite capture which refers to the process by which a few individuals dominate and are thereby in the position to corrupt the benefits of development can occur in the different forms and context.

Dasgupta and Beard (2007) stated that elite capture in the planning stage is indicated in the form of the domination of elite in community-level planning and governance. Community governance is particularly vulnerable to elite capture because participants enter the process from unequal positions of power: they have asymmetrical social positions, disparate access to economic resources, varying levels of knowledge of political protocols and procedures and different literacy rates.

On the other form, Fritzen (2007) maintained that elite capture can signify corruption and misuse of project funds within the context of implementation stage of the program and occurs not just at intermediate levels of government but also within the communities themselves. Most analysts define elite capture as inherently pernicious to community development outcomes and the actual siphoning off of project funds into elite hands.

Thus, it is appropriate for this study to reflect further on the contexts and forms of elite capture in the KDPN/PNPM Rural both in the planning and implementation stage of the program, not to mention how elite capture occurs in both stages. This chapter has three sections: the first section critically examines two different, yet related, concepts which inform our understanding of power relations in the village; patron-client relationships and elite capture. The following section explains steps, procedures, and actors involved in the project cycle¹ of the KDP/PNPM Rural including the key features of the program to mitigate elite capture. The final section discusses the findings of case studies, while the conclusion draws out broader implications of PNPM Rural experience for understanding the nature of elite capture and prospects of improvements for community-driven development in Indonesia and beyond.

8.2. Power Relations at Village Level.

This study takes the existence of power network of local elites as a social fact of fundamental importance and the starting point for the discussion of elite capture in the governance of the program. This perspective is also applied to the analysis of findings from field study conducted in research sites.

The needs to examine critically the separate but related concepts of power relations, patron-client relationships and elite capture, are derived from findings of some previous studies conducted in the field of CDD approach discussion. McCarthy et al. (2014) in their attempt to assess various aspects of PNPM Rural through an in-depth study of 15 villages (*desa*) in nine provinces encountered some cases of elite capture in which village patrons had taken advantage of the program opportunity for their own benefit by

¹ Detail mechanism of planning and implementation stage of KDP/PNPM is also available in Chapter 6 (Table 6.2 and Table 6.7)

established interest. They underline that efforts to democratize access to benefits, particularly in areas where the poor are embedded in patronage networks that work against governance approaches attempting to build in vertical accountability, have proved intractable to date. In addition, Sam Wong (2010) stated that based on some studies on community-driven development approach, CDD programs has been criticized for their inadequate understanding of the power relationships at the local level, which thus leaves room for elite capture. In other study, Platteau and Gaspart (2003) underlined that in lineage-based societies, local chiefs and elders from dominant lineages are ideally positioned to thus “capture” the benefits of decentralized development programs or projects. The erstwhile elites often become transformed into greedy individuals who show even less restraint in enriching themselves at the expense of their community as they are actually legitimated by outside actors.

This study, however, argues that the detail identification of power relations between elites and non-elites in the village are best described in the interface of ‘patron-client’ relationship as reviewed hereunder.

8.2.1 Elite and Non-Elite

Definitions of elites used here are drawn heavily from literatures provided in studies conducted by Wong (2010) and Musgrave and Wong (2016). The elites are: ‘individuals who can exert disproportionate influence over a collective action process’. They have a domination, from the subjective perspective, because the elites claim to own ‘moral superiority’ over the others although their superiority is dependent on non-elites. The elites themselves are seldom homogeneous, thus making a distinction between different elites serves a useful purpose in identifying the role of each elite within an institution.

There are three categories of elites defined in this study as follows:

1. Social Elite

In this group, individuals who are considered as ‘respected’ but not holding political or leadership roles are included. These individuals can be the educated, religious figures or other respected persons. In most of rural Java, including in the research sites, the majority of people graduated from senior high school. Some of them especially the younger generation will pursue on to secondary education like college and university in major cities, but usually the “educated” are attributed to those who graduated from a university with a minimum of a bachelor’s degree. Teachers at any level of formal education regardless of their education achievement level are also commonly classified as the educated.

Religious figures are usually referred to as individuals who are viewed by others as practitioners of the Islam faith. They usually become “*Imam*” or leaders in the mosque and lead regular prays or religious meetings in the neighborhood. Employees or retirees from the government, police or military institution also enjoy an enhanced status in the rural communities because of their experience outside rural village life. Those who are deemed to be members of a social elite may have higher levels of material wealth than the non-elite, but this is not necessarily always the case and is not a criterion for membership to the social elite. In many traditional societies social status may arise from factors other than material wealth. For example, this study found that most of heads of neighborhood associations (RT and RW) are selected from this group as they are generally assumed as *pinter* (smart), *bener* (follows the rule correctly), and *kober* (willing to volunteer their time for village life) with less regard to their possible wealth.

2. Economic Elite

Those considered as economic elite include the wealthier individuals in the village, often with land holdings and/or business interests. The economic elite may have strong links with the political and social elite and wield power in their society by virtue of their ability to provide local employment to both the non-elite and the social elite who may be poor. It is through their ability to exercise power using money directly (through the provision of loans or credit), business dealings, employment (or denial of employment) and the award of sub-contracts and tenders that the economic elite are most clearly identified. In the three villages of this research where the majority of resident's work in the agriculture sector, individuals classified as economic elites are those who own agriculture land especially paddy fields. Some traders or businessmen who own big groceries shops in the village are also included in this category of elite.

3. Political Elite

Political elite is to describe individuals in the village who have power through the decisions they make about expenditures of the village institutions. They may also demonstrate their perceived legitimacy as elected authority through their access to a higher level of government (sub-district and district) or other stakeholders to receive funds for their local community. Conceptually, there are two administrative bodies that share the same responsibility to determine the highest legal decisions in the village; the village head and the village council (BPD). They both serve as an executive and legislative body within the model of a shared power of a state. The village head is typically individual acknowledged by the other villagers as social or economic elite who are elected by the village residents through direct election. Although 'popularity' as village figure is one of the important aspects for a village

head candidate to be elected, it is widely believed that the ‘generosity’ of the candidate to give money to prospective voters could change the dynamic of village head election.

Among the three categories of elites, this study focuses only on the political elite with the main consideration that they hold the power to drive the direction of village governance and at the same time, they have a space to capture the benefits of development outputs. Based on observation in the field, the role of the village head is obviously dominant in decision-making process at village level, so that the study further restricts the definition of “elite” as the village head.

As this study also attempts to examine elite capture in implementation stage of the program which also covers micro-credit activity for woman, the author decides to include the wife of village head as the ‘elite’. According to the regulation, the wife of village head automatically becomes the head of Family Welfare Movement (*Pembinaan Kesejahteraan Keluarga*, PKK) the only female formal organization in the village. She is observed to have strong influence in collective decisions related to female issues in the village.

Above emphasis is also relevant with two earlier studies. First, McCharty (2014) stated that BPD (village council) has the weak political position in the village as the national laws on regional autonomy are clearly aimed at restoring executive over legislative authority at the village level. The revived constraints on the authority of village councils in this legislation and the fact that PNPM processes ignore them, has to be considered one of the serious structural problems that must be addressed in order to overcome deficiencies in achieving the program’s objectives. Second, Woodhouse (2002) argued that apart from the village head, there are a few other officials—mainly the hamlet chiefs—and a couple of village councils, which are deliberative fora for villagers to

communicate their views on village issues and priorities. For the most part, though, power rests with the village head. The councils have little decision-making power and the village head (and his officers) tend to predominate in them.

The above restriction on the definition of “elite” also signifies that all village residents, the commoners, are then classified as the “non-elite²”. This also includes social elite, economic elite, and “informal leaders” such as the head of neighborhood associations at grass-root level who has no formal power of village politics. It should be noted that although elites may refer to the social and economic elites, this study excludes those elites as they pose no political positions in village institutions. This definition also expands to the project implementers as the program design requires only “non-elite” villagers being acceptable. Implementers are the TPK, the KPMD (village facilitators), the monitoring team, the proposal writing team, and the maintenance team.

8.2.2 Patron-Client Relationships

The discussion on power relation between elites and non-elites can help us understand how the informal patron-client relationship networks and how that undermines the formal structure of authority in the village or particularly within any given development program.

Borrowing the term from James C. Scott (1972), a patron is a power figure who is in a

² The non-elites are further defined as those who benefit from development projects and who as a majority live in the area(s) where development projects are underway.

² The author adds a cautionary note that non-elite are frequently conceptualized as the majority and are homogenous or treated as such in theoretical accounts of power and elites. In the meeting to achieve collective decision, the non-elite(s) have power through voting, suggestions or support a proposal, or merely as attendees. The degree of power will vary according to the extent which these tenets of good governance are implemented, but it would be incorrect to assign no power at all to the non-elite who, at the very lowest level, always possess the power of greater numbers and the threat that this implies to the elites who are in more discernible positions of power.

position to give security, inducements, or both, and his personal followers who, in return for such benefits, contribute their loyalty and personal assistance to the patron's designs. On the other hand, a client who in this sense is someone who has entered an unequal exchange relation has a lower status and for his part reciprocates by offering general support and assistance, including personal services, to the patron.

Patron here can be attributed to the village head, who is described earlier to hold the most central political position. His wife who serves as the head of the woman association in the village is also considered as patron in which this identification is meaningful in discussion of power relation in the micro-credit activities of the program. Clients who indicate a person or a group of individuals with lower status are represented by project implementers and micro-credit recipients.

The basic pattern is an informal cluster consisting of a power figure, the patron and his personal followers, the clients. Such vertical patterns of patron-client linkages represent an important structural principle of village politics which also reflects in the relationship among project actors as observed by this study.

The patron–client relationship can be characterized generally as an unequal (but theoretically nonbinding) relationship between a superior (a patron or leader) and a number of inferiors (clients, retainers or followers), based on an asymmetric exchange of services, where the de facto dependence on the patron of the clients, whose unpaid services may include economic obligations, paid or unpaid work, armed service, political support and other services, is counterbalanced by the role the patron plays as a leading figure for all the clients and by the assistance, including monetary loans and protection, he or she provides when necessary. Patron–client relationships, although clearly hierarchical, create interdependency based on ‘friendship’, kinship, and alliance; patron–client commitments that are often enduring. While clients are clearly kept in debt

dependencies, patrons also depend on their clients for cheap labor, resource delivery, and political support (Kusumawati and Visser, 2016).

The following figures (figure 8.1 and 8.2) depict the patron-client relationships among project actors of the KDP/PNPM Rural in the village. The relationships are observed by the author to occur both in infrastructure projects and micro-credit activities.

Figure 8.1 Patron Cluster in Infrastructure Projects

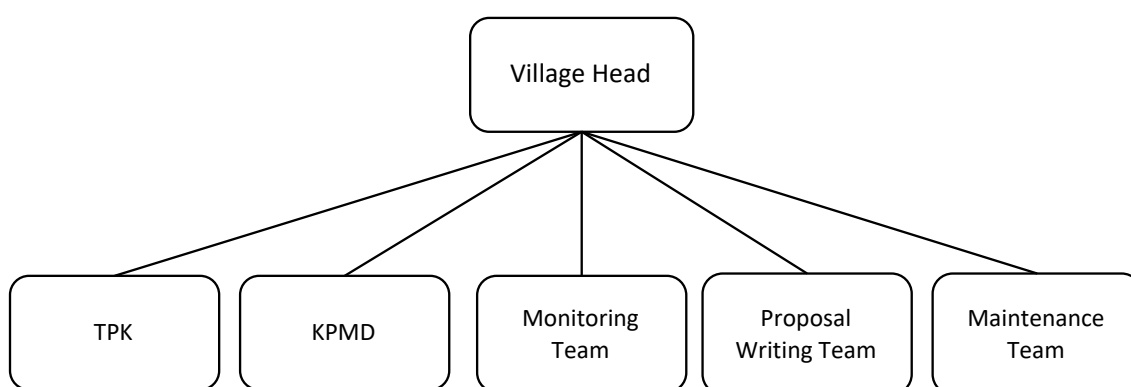


Figure 8.2 Patron Cluster in Micro-credit Activities

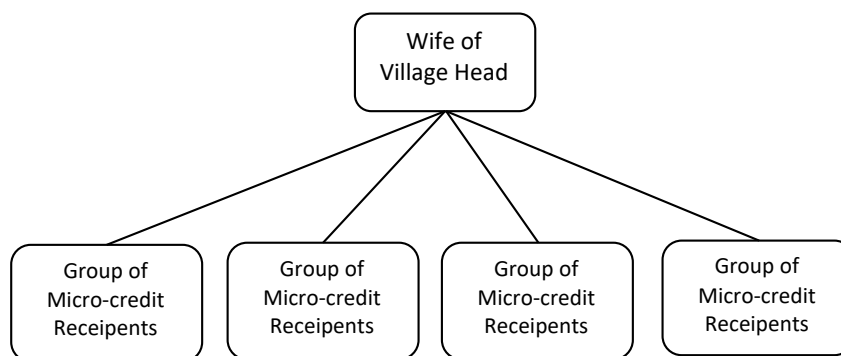


Figure 8.1 shows that in infrastructure projects, village head serves as the patron while groups of project implementers serve as the clients. On the other hand, figure 8.2 depicts the case of micro-credit activities where the patron is attributed to the wife of village head, while members of recipient groups (borrowers) serve as the clients. This study, however, has centered the discussion on the nature of the single link between patron

and client. The vertical ties indicate the power relations between patron and each client particularly in the implementation of the program. This link comes to existence after those clients are elected by deliberation attendees during the planning stage of the KDP/PNPM Rural as project actors for infrastructure projects or borrowers for micro-credit activities.

As explained in the beginning of this chapter, conceptually candidates to fill positions of project implementers or woman groups to receive micro-credit funds are independently proposed and selected by villagers. In reality, however, the village head controls the decision by showing his individual criteria to the attendees such as they have to be able to build good relationship with the village head or they have experience dealing with development activities of the village. Although the village head does not clearly mention the names of candidates, but his agreement is undeniable important to the final decision. In the case of micro-credit funds, the wife of village head is able to choose the intended groups based on her personal examination. However, in both cases, it is also observed that the link between village head (or his wife) with project implementers (or members of woman groups) is built even before the program. This relation is however maintained after the program.

8.3. Mitigating Elite Capture in the KDP/PNPM Rural

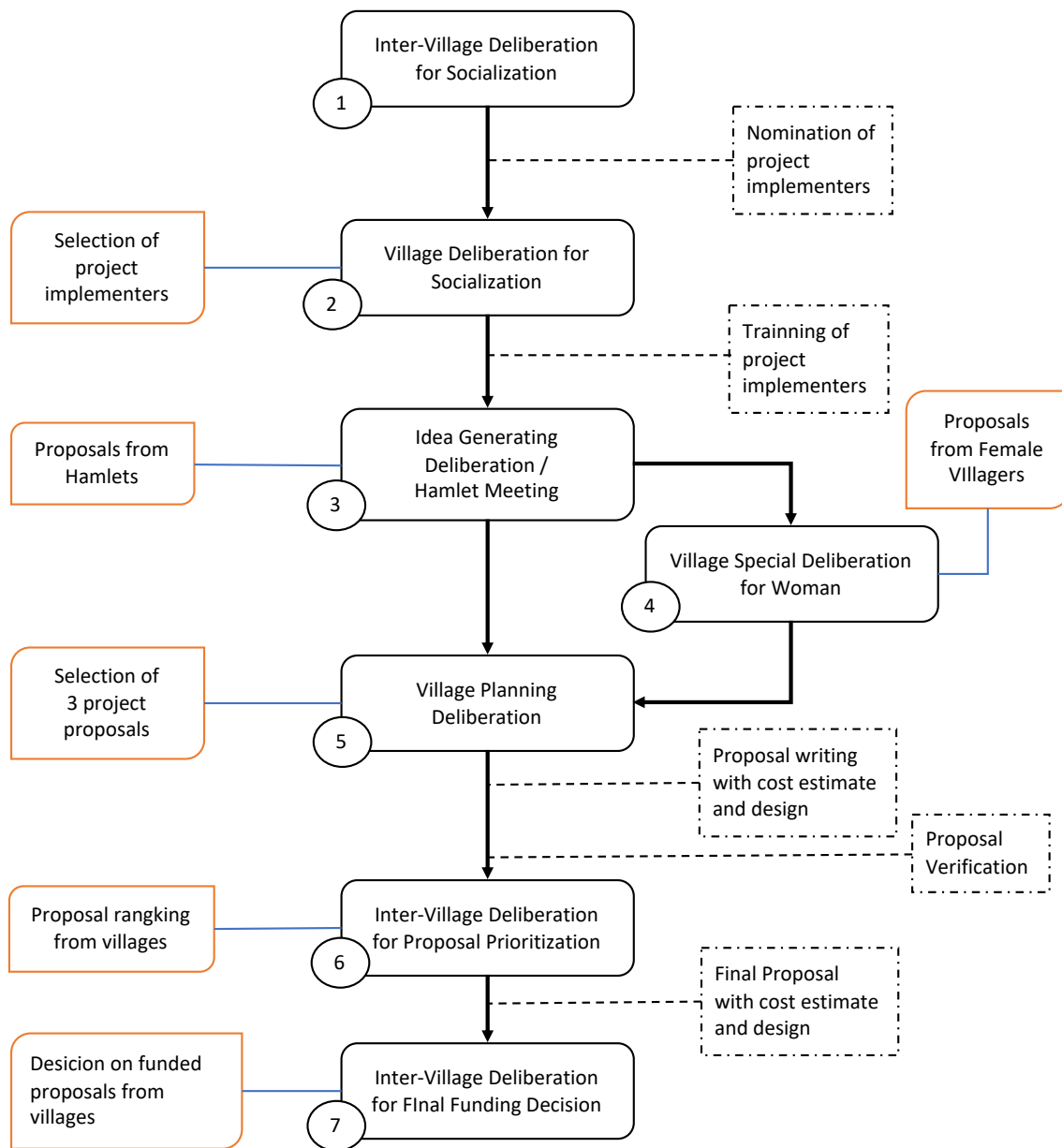
8.3.1 Project Cycle of the KDP/PNPM Rural

This program is directed towards the development of rural areas by granting an amount of funds through sub-district (*kecamatan*) which will be managed by the rural communities themselves based on the mechanism that has been set. In this program, the *kecamatan* is given a block grant the amount of which is dependent on the population and poverty level of each *kecamatan*. To get the block grant, every village has to compete by submitting a proposal for a project to be implemented. For that, the village people have

to choose village facilitators (KPMD) who is going to assist with the socialization and planning processes. These people then hold deliberations to discuss the needs and development priorities of their village.

Based on the open menu principle, the community has to choose a development project that they need in a village deliberation (*musyawarah desa*, musdes) that can be attended by representatives of organizations/associations and villagers in general. After all proposals are collected, there is an inter-village deliberation (*musyawarah antar desa*, MAD) at sub-district level that is attended by village representatives who will then discuss to make the final decision on which project is to be funded. After the block grant is allocated, sub-district facilitators will help with the socialization, planning, and implementation. The village deliberation has to choose some people that will become a part of the implementation team who will execute the project, the TPK. A more detailed description about the project cycle of KDP/PNPM can be seen in following figure.

Figure 8.3
Planning Stage of PNPM Rural



Source : Adopted from McCarthy et al (2014)

In general, the governance of PNPM-Rural includes two main stages: the decision-making and implementation stage. The decision-making stage takes place from hamlet (dusun) level to village and sub-district level. This stage consists of some steps from Inter-Village Deliberation Socialization (indicated as no. 1 in the above figure) to Inter-Village

Deliberation Final Funding (no. 7). However, it should be noted that this study merely focuses on the contexts and forms of elite capture happened at village level indicated as no. 2, 3, 4 and 5 in the picture.

Information about the project is first disseminated through workshops at the provincial, district, and sub-district levels to encourage villagers to apply for project support. The district and sub-district facilitators disseminate information and hold deliberations to discuss PNPM Rural procedures and project ideas. Each village could suggest up to three projects, in which three of the project had to be a women's proposals.

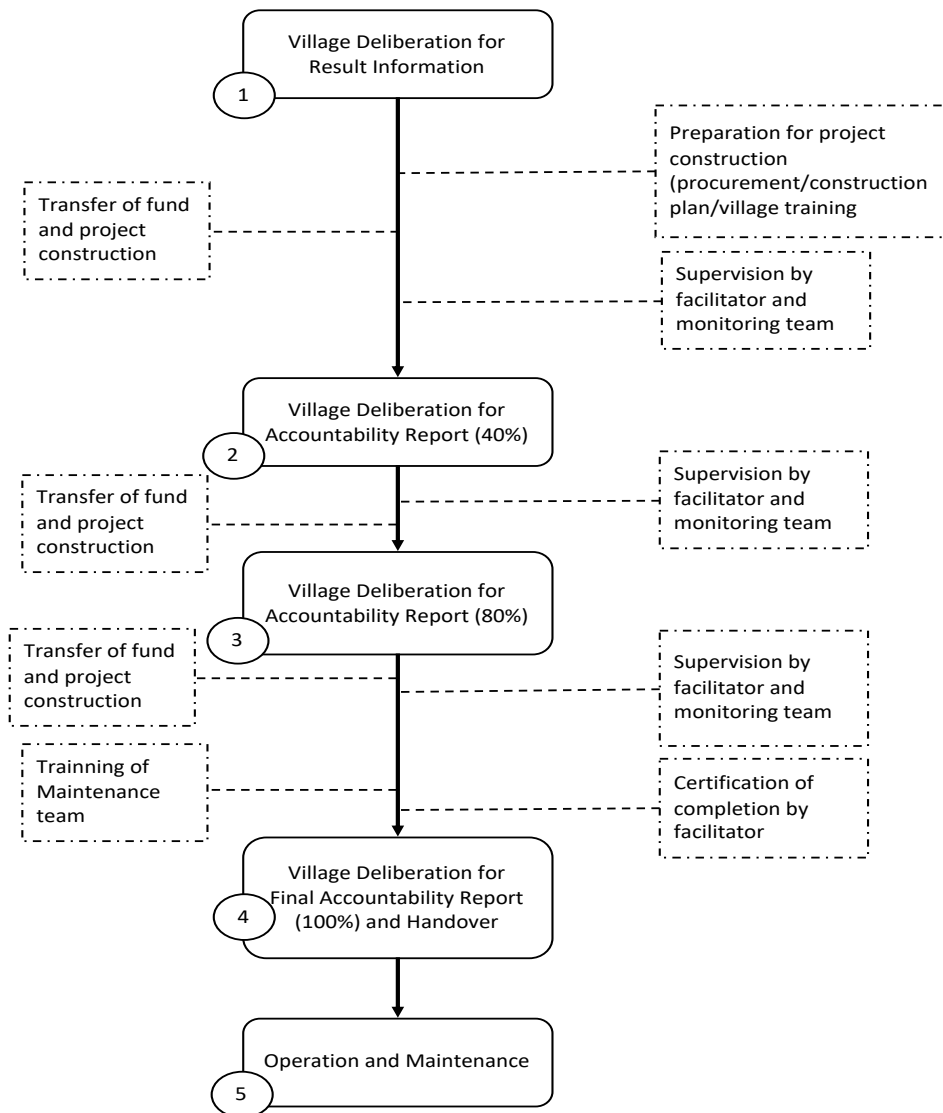
Under the guidance of the facilitators, communities meet to discuss their priorities. In village deliberations they settled upon a project and wrote a proposal. The project proposal is then submitted to the sub-district forum, together with all the competing proposals from other villages in the sub-district. There was no set mandatory contribution from the village toward labor, materials, or capital, but something was expected, and it was assumed that such contributions would make a project proposal more competitive.

The voting members of this forum consisted of members from each village; many non-voting community leaders and three additional villagers joined them. After a review, including the input of the sub-district technical facilitator, the voting members of the forum selected the best projects that could be funded from the available funds that year.

The implementation stage (see Figure 8.4) starts from village deliberation on result information to village deliberation for accountability report and handover. Money is paid out in tranches: 40% in advance, 40% after a village deliberation half way through, and 20% at completion and following the sub-district facilitators sign-off. Once a village's project is selected for funding, the village elected three people as members of the Program Implementation Team (*Tim Pengelola Kegiatan*, TPK), to organize the administrative and day to day activities of project activities. The village facilitator helps to organize village

deliberations to keep the village informed of progress halfway through and at the end of the project, when final village accounts are presented. Project budgets and updates are supposed to be posted on a public board in the community.

Figure 8.4
Implementation Stage of PNPM Rural



Source : Adopted from McCharthy et al (2014)

8.3.2 Key Features of the Program to Mitigate Elite Capture

The author presents the key features of the program which are expected to prevent the occurrence of elite capture during the planning and implementation stage of the program from the viewpoint of program design. In this matter, this study draws heavily on the previous works³ of Scott Guggenheim (2004), the World Bank (the Bank) Indonesia's social development specialist who often called as "the pioneer of KDP" and the other researcher, Andrea Woodhouse (2002).

The KDP/PNPM Rural relies heavily on the practice of some principles such as transparency, accountability and competition to avoid elite capture. The first consists of the internal rules and procedures that promote transparency and accountability. The program's requirement to post all financial information on signboards that are displayed in public places is a sharp departure from practices of the past. The other main mechanism used to promote transparency in KDP/PNPM Rural is simply to increase the number of non-governmental actors involved in the project. Rather than invent entirely new "stakeholder forums" or the like, the program uses the existing administrative institutions of the government but requires that communities elect additional representatives at each village whose job it is to monitor transactions and report to the community at large their findings.

In addition to the above efforts, KDP built a mechanism of accountability whereby those involved in running the project have to account downward to the villager's level for all funds spent. The primary vehicle for this is the Village Accountability Deliberation (*Musbangdes Pertanggungjawaban*), a village meeting to account for funds. Funds for KDP/PNPM Rural cannot be released in a single tranche to the collective village

³ See: 1) Understanding the Origins of a Community Development Project in Indonesia (Guggenheim, 2004) and 2) Indonesia's KDP: A Large-Scale Use of Community Development to Reduce Poverty (Guggenheim et al, 2004)

accounts; instead, they are released in a staggered, three-stage process. If villagers feel that sums are being misused, the next stage of disbursement can be blocked until the problem is resolved. This creates pressure on project implementers not to misuse money and increases exponentially the chance that if they do their actions will become known.

Furthermore, KDP/PNPM Rural hands the control of the project from local government to the selected villagers and, by making the project simple, enables villagers in general to involve. First, funds are transferred directly from the central bank to a *kecamatan*-level bank account, with no local government control over funds. It also dispenses with all the bureaucratic procedures usually associated with development projects, such as intermediary forms and approvals. This represents a radical break from past rural development programs. By eliminating the red tape and engaged in direct government management, minimizes in one step many of the former opportunities to skim funds from projects. Second, villagers control project budgets, and financial formats are simplified so villagers can understand them. In this way, villagers have an incentive to prevent corruption in KDP/PNPM Rural and, because financial formats are simple, they can see clearly when money seems to have gone missing.

Another important point is that the provision of goods and services in KDP/PNPM Rural is privatized. Supplies for building infrastructure are procured not centrally but through each individual village implementation team (the TPK). Each team is free to buy materials from whichever supplier they want, as long as they get three price quotations first and read the quotations out at a village deliberation. There is thus no monopoly over the provision of supplies in KDP/PNPM Rural. This keeps costs down and also limits supply-side corruption and price inflation.

The final element of the program that works well to limit corruption is monitoring and follow-up. KDP/PNPM Rural has a comprehensive monitoring system that is both

internal and external. Internally, the project is monitored by the villagers themselves, field consultants and facilitators, national-level KDP/PNPM Rural staff, local government officials, and the government's Finance and Development Supervisory Agency (BPKP), and the Bank staff during supervision trips. The project is also regularly scrutinized by independent external monitors, consisting of local NGOs and AJI, the Association of Independent Journalists. All complaints are made public.

Nonetheless, the intervention that contributes most to the overall success of KDP/PNPM Rural's anti-corruption efforts is widely believed that sanctions are enforced. The most effective tool that the KDP/PNPM Rural has for doing so is that it can drop specific villages and/or sub-district from the program if widespread corruption is found and no serious attempt is made by the local government to stop it. KDP/PNPM Rural funds commonly represent a significant stream of local revenue and, because projects can be heavily 'socialized' and its funds are mostly used for highly visible infrastructure works such as small roads and bridges, KDP/PNPM Rural is highly visible at the local level. The threat of dropping funds from a particular area thus carries some weight.

8.4. Contexts and Forms of Elite Capture in the KDP/PNPM Rural

As mentioned above, this study strictly means the village head and his wife as "the elite" in order to provide a more focus analysis on the issue of elite capture in KDP/PNPM Rural. This section identifies elite capture by providing a clear understanding on the process of project selection from the *dusun* (hamlet) to *kecamatan* (sub-district) level, both prone to this frailty. The elite capture, generally, viewed as the domination of the elites in the decision-making process can be observed in the selection of development proposals and project implementers at the village level. While the misuse of project funds, another form of elite capture, can be found at the village level and often occurs during the

implementation phase.

8.4.1 Elite Domination in the Decision-Making Processes

The *dusun* (hamlet) deliberation is the initial decision-making process of planning stage under the KDP/PNPM framework. As an “open” type meeting, all *dusun* residents can attend the meeting although in reality participants are usually representatives of those who have been invited earlier by the KPMD, the meeting organizer. At this stage it is expected to be able to collect development ideas as proposed by the deliberation attendees. Program design provides a clear mechanism for participants to express their “new” ideas based on poverty or resource consideration.

However, participants usually take the position as a messenger for their community groups which already have their own proposals. These proposals are normally derived from previous discussions at regular meetings under the *dusun* level such as the neighborhood groups of RW and RT. Hence, it may cause a problem for representatives to change the proposals without prior discussion or notification with their members. The listed development proposals at this stage is not necessarily exclusive of the KDP/PNPM program, but participants have to decide at least two proposals⁴ which should be forwarded to the special woman deliberation (*musdes khusus perempuan*) for the micro-credit and village planning deliberation for the infrastructure projects.

This study found that at hamlet deliberation, there is no sign of elite capture for some reasons. First, the KPMD members (village facilitators) are able to exercise their role in this forum as meeting organizer effectively. Second, there is no domination in the discussion from “powerful” persons such as the heads of RT or RW. Third, the participants

⁴ Proposals for the woman has a different treatment as they need to be discussed at the special woman meeting before one proposal results from the discussion and is sent to the village meeting. However, the woman proposal automatically turns to be one of three proposals agreed by the village meeting.

have the confidence to speak in the forum although it is still limited to those who are also usually active in any meeting in the *dusun* or RT and RW level.

The second decision-making process of planning stage of the program is village deliberations. There are two events that lean toward “elite capture”. The first is during the socialization deliberation when the participants have to select a number of program implementers such as TPK and KPMD members who have a central role in project implementation. The second is during the proposal prioritization in the village planning deliberation which is intended, by the program design, to determine three project proposals forwarded to the inter-village deliberation in the sub-district.

During the selection process of project implementers, the domination of the village head can be observed, however the reasons behind his/her domination is another important thing to discuss. According to program design, a village requires at least 10 people as project implementers in various positions from the members of TPK to the maintenance team. Because the village government staffs are restricted to be project implementers, the choice becomes narrow as only a few villagers have such experience dealing with government programs.

As the program design does not mention specific qualification to be a project implementer, the forum has to determine their own preferences. On the other side, it is not common for a participant to self-nominate so instead he/she will point out another participant as project implementer. In this kind of situation, the village head’s role is to take an action to address the problem. On the first attempt, the village head will start with stating some criteria without mentioning the names and as a response some names will come from participants during discussion. On another attempt, the village head will state some names and leave the decisions to the participants. Although in both ways the domination of the village head seems insignificant, but it is clear that “agreement” from

the village head is crucial.

Based on interviews with project implementers in the village, most of informants (who serve as project implementers) inform that they are selected by the meeting's participants and concurred by the village head and few of them emphasize that they are chosen by the village head. However, the domination by the village head over the selection of project actors is acceptable to some extent. Firstly, solid coordination, especially related to administrative matters⁵, between the village government and project actors is essential in project implementation. Secondly, if there is a problem during the implementation of the program, the village head administratively becomes the most responsible person to solve the problem, so the village head needs a person he can work with.

Another form of elite capture in the planning stage occurs in during project proposal selection at the village planning deliberation. As required by program guideline, the village should send three proposals in which one or two of them are obtained from special women deliberation. From the woman group, one proposal must be a micro-credit proposal with an additional option of a health or education related proposal such as a health center building or pre-school building. While for the other proposal, it is for basic public works such as roads, bridges, and irrigation systems. Group representatives, village figures, village head, and village assembly members are invited to attend this planning deliberation.

The forum is facilitated both by the sub-district facilitator and the KPMD, and often attended by sub-district or district officials who monitor the deliberation. By design it is difficult for the village elites to dominate the decisions. All development proposals

⁵ Some document such as the village head decree on project funding and project actors are listed as requirements in the program guideline

discussed in the deliberation are derived from the dusun and woman special meetings. The criteria to rank the proposal has been set by program design and the deliberation is monitored and facilitated by external parties.

However, this study has found that prior to the meeting, there is informal discussion involving lobbying and negotiation among village figures that affect the decisions taken in the meeting. A village head in this study argued that this informal discussion is important because if there is no agreement among village figures before the meeting then the discussion will take time and may end up to deadlock. However, in this issue the author argued that this informal lobbying and negotiation among village figures is an activity that leads to elite capture on selection of proposals and program implementers.

In the village meeting, the role of village head is central. For example, village heads can push a suggestion that the location (referred to hamlet) of the project proposal should consider “equality” regardless the program mechanism. By which the author mean, if say “dusun A” last year is the location of KDP/PNPM project then this year an opportunity for proposal for “dusun B” should be given and vice versa. This “rotating” setting is relatively common in the villages since this practice is not against the program guideline. Basically, the selection of activities is open except for items specifically excluded through the project’s negative list⁶.

Planning stage at the sub-district level involves three inter-village deliberations as a decision-making process, the socialization, prioritization, and final funding deliberation. As the community block grants (BLM) are allocated to the sub-district, the grants will be further shared to selected projects through the prioritization procedure. The sub-district

⁶ KDP funds cannot be used for: military or paramilitary purposes; civil works for government administration or religious purposes; manufacture or use of environmentally hazardous goods, arms, or illegal drugs; or financing of government salaries. Land acquisition is also restricted.

facilitators convene forums with representatives from the villages that consist of the village heads, village council members, and other respected community members. Three of the six village representatives are to be woman. The forum reconvenes to discuss the merits of the village proposals, based on the sub-district verification team findings. The forum ranks village proposals based on feasibility, impact, how well villages had maintained previous projects, contributions from villagers, and other factors.

After the inter-village prioritization meeting is completed, the sub-district technical facilitators help the villages whose proposals have received high marks to prepare detailed design plans and cost estimates. The sub-district facilitators evaluate proposals and a district engineer consultant will review the designs. Later, the forum gathers again during the inter-village final funding deliberation and selects the winning proposals, on a consensus basis.

In both inter-village deliberations observed by the researcher, the prioritization and final funding deliberations, elite capture did not seem to occur. The main reason is possibly because all participants at the inter-village meetings are village representatives who can be considered as “figures” in their villages. Having the same voting right for each attendant, the meeting can be said to be classless. Besides, the strict rule of the program design as well as a tight supervision from the sub-district and district officials results in fair competition among villages.

All in all, during the planning stage of the KDP/PNPM Rural, elite capture is likely to appear merely at the village level with two different forms. The first form is when the elite, particularly the village head, try to activate his “prerogative” to choose or agree on the members of project implementers. The second case is when the village head pushed his intention to favor a certain project proposal based on his personal view as long as, on his perspective, this action does not against the program guideline. Nonetheless, during

the hamlet or sub-district deliberations, the signs of elite capture is difficult to identify for some reason, such as none of benefits are plausible for the sub-village figures (heads of hamlet, RW, or RT) as the project will be implemented by other actors. While for the sub-district level, the strict implementation of the program's rule and the equal status of participants contributes in lessening the potential of elite capture.

Table 8.1
Form and Context of Elite Capture during Planning Stage

Level	Type of Participation	Participants	Organizer	Setting	Expected Decision	Form of Elite Capture
Sub-district	Representative	Village representative	Sub-district Facilitator	Formal	Funded Projects	None
Village	Representative (although conceptually open for all villagers)	Representatives of sub-village organizations and community-based organizations in the village	Village facilitator (KPMD)	Formal	Prioritized Project Proposals and Selection of Project Implementers	Domination of Village Head in Project Prioritization and Selection of Project Implementers and
Hamlet	Open for all hamlet residents	Representatives of RT and RW, and hamlet residents	Village facilitator (KPMD)	Formal	Project Ideas	None

8.4.2 Misuse of Funds in Implementation Stage

This section uses village deliberation on result information as a starting point of implementation stage following the planning stage which is ended after project selection at inter-village deliberation final funding decision (see Figure 8.4).

Facts as observed during field study are presented by describing the actual role of each project actor and how some imperfections that lead to elite capture happened during this stage. Further, the author decides to divide the discussion of infrastructure and microcredit projects to make more mechanistic understanding of elite capture in the

program since those projects have different settings especially the way those projects are managed and implemented at village level.

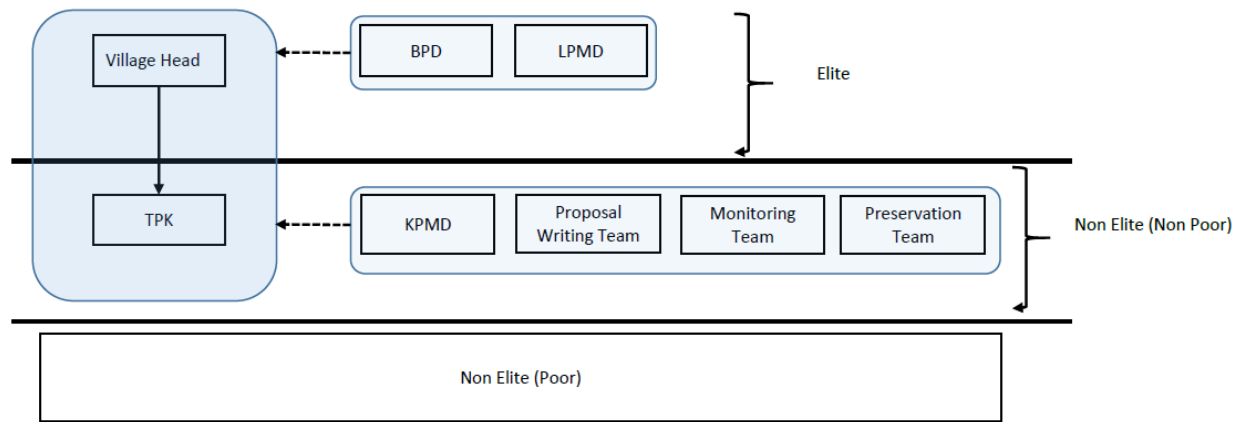
A) Construction of Infrastructure Project

The common form of elite capture in the implementation stage of this program is the misuse of fund by village head and TPK members for their own benefits. This resource misappropriation usually occurs in this following chronology. After the block grants are disbursed from the sub-district management unit (UPK) to the bank account of the TPK, the TPK can start to buy materials needed for the construction. The village head will ask the TPK members to give him financial record of the “real” cost paid by them. The “gap⁷” between the actual and the reported cost becomes the benefits for the village head and members of the TPK. To make the village accountability runs smoothly, the village head will arrange the villagers to be invited as participants in the meeting.

This study argues that elite capture in the infrastructure projects persists to happen because of patron-client linkages built by the village head and TPK members. The figure below depicts the real actors during the construction process of infrastructure project, that are different from what conceptually need to occur.

⁷ Different term is used by Olken, he uses ‘missing expenditure’ to depict the difference in logs between what the village claimed it spent on the project and an independent estimate of what it actually spent.

Figure 8.5
The “real” actors in the infrastructure project



The above diagram shows that the “real” project actors are the village head and the TPK. The village head acts like a supervisor for the TPK who implements the project under his direction. Other actors such as BPD and LPMD from the political elites and the KPMD, the Proposal Writing Team, the Monitoring and Maintenance Team from the non-elites are positioned like a “standby” advisor or helper. They become involved in the program if the village head or the TPK ask them for the favor. The poor residents of non-elites are still merely viewed as project beneficiaries for two reasons. First, from the viewpoint of the elites, the poor have no capability or experience to manage a program so that it is too risky for the poor themselves to undertake on their own and for the program too if they are pushed to do so. Second the poor themselves feel inferior and thus do not wish to be involved in the program as they are indeed “somewhat weak” in terms of education, economic situation and/or social status.

However, to find the indication of this case in the three research sites are quite challenging as the construction process is finished and the physical infrastructures are built. This study then drawn an argument based on interviews with some actors in sub-district and district level to compare and contrast answers gained from the field.

Based on statements from an informant at district level, there are three possibilities of misuse of funds in this stage, first is how the project actors in the village intentionally take benefits from material specifications which are downgraded from what should be done, for example the quality of liquid asphalt used for road construction is downgraded from premium to lower quality. The second is the project actors deceive the quantity or volume of the construction, for instance the length of the irrigation construction is shorter than what it should be. The last case, the village head tried to manipulate investigators by claiming a project as PNPM Rural project although in reality this project is financed by other program from ministry of public work for example. The three mentioned types of embezzlement are usually found by external (of the program) investigators such from district inspectorate or the national audit board (*Badan Pemeriksa Keuangan/BPK*) who conduct random check to villages on the request of the program's implementing agency, the Directorate General of Village Community Empowerment (*Dirjen Pemberdayaan Masyarakat dan Desa, PMD*) of Ministry of Home Affairs.

B) Fund Disbursement of Micro-credit Activity

To understand the form and context of elite capture in micro-credit activities in the program, this study will review particularly the planning stage in which elite capture deems to operate and affect the implementation of its activity. It is worth highlighting that this type of activity merely targets members of woman groups who are categorized as poor. Accordingly, the program design regulates that the micro-credit has to be proposed only by woman groups based on their own identification.

There are two kinds of micro-credit activities, to be detail, the first is micro-credit during program implementation that the proposal is selected through "regular" competition during inter-village meetings for proposal prioritization and targets -- "the new groups" of recipients. The second is post program micro-credit which targets "the

experienced groups” that have finished making their repayment and who are expected to receive another revolving fund. These recipients are decided by the UPK (financial management unit) based on its own examination on groups’ record. The below discussion, however, will assume that those two kinds of micro-credit are the same as practically in the village level both are basically similar in terms of proposal selection and the individuals involved in the decision-making process.

Aforementioned, female villagers have separate deliberations in the program both in hamlet and village level from the men’s deliberations. They can suggest proposal they want firstly to the hamlet forum before being forwarded to the special woman village deliberation and go higher to the village and sub-district level. Among those deliberations, special attention is attributed to the hamlet deliberation and special woman village deliberation as in these forums, the operation of elite capture is likely to appear.

Less focus on the other meetings, such as village planning and inter-village deliberations are undertaken, are acceptable due to two reasons. First, during village planning deliberation, the participants has to automatically forward the micro-credit proposal, derived from special woman deliberation, to the sub-district level without any further discussion. Simply said that there is a no room for elite capture of decisions of woman proposals at this stage. Second, during the inter-village deliberation, the micro-credit proposal also receives a different arrangement, as stated in the program manuals, namely, a certain proportion for micro-credit is allocated from the total BLM of kecamatan. For example, the program manual from 2009 to 2014 regulates a maximum of 25 % of total kecamatan BLM to be allocated for micro-credit. Although there is room for discretion of the elite at sub-district level to determine the exact proportion allocated to micro-credit, for instance to allocate all the BLM for public works instead of any for micro-credit, usually the number of micro-credit proposals from villages exceeds the 25%

proportion so that the forum decides to limit the proposal referring to program manuals.

In another case, as stated by a sub-district facilitator, there is an agreement among the participants at the sub-district meetings to not allocate funds to the micro-credit proposals because of the high rate of non-performing repayment so that it is “too risky” to add some additional funds to the revolving funds of the woman groups. However, this study does not focus on the micro-credit discussion at the sub-district stage as this stage, as in general this has already been discussed within the context of the planning stage of the previous passages and had shown an insignificant elite capture at this stage.

Related to actors involved in woman meetings at the hamlet and village level, it is important to note that the PKK is the only female formal organization in the village which has a structure of board and membership from village to RT level and legally considered by village government as a partner. The management and activities of the PKK look like a mirror of the KDP/PNPM Rural. This suggests that members of the PKK who are “active” in this organization are usually involved in the program, and normally KDP/PNPM Rural uses the PPK meetings to obtain development ideas or proposals from the woman group. This link also is pertinent in defining who the woman elite is in the program. This study is consistent to strictly mean that the wife of a village head who serves as the head of the PKK-village level is the (woman) elite. Although there are other “powerful” women such as board members of PKK either in village or sub-village level, religious woman figures, and wealthy women, it is observed that the role of the village head’s wife is very central in decision-making process of female issues in village level.

The domination of woman elite in determining female proposals especially micro-credit are easy to discern. For the sake of program “sustainability⁸”, village head’s wife

⁸ The program regulates that the village which has a high rate of non-performing repayments will be sanctioned to not obtain the BLM in future year until the groups (in the village) complete the repayment.

with some female activists screen the female groups that deserves the micro-credit based on their own criteria, for example past performance of the group in managing the micro-credit from program other than the KDP/PNPM Rural. The “chosen” group then has to follow the setting of the KDP/PNPM proposal. Accordingly, the proposal from this “chosen” group is most likely to be selected as the agreed proposal at the special woman meeting.

However, this practice becomes common and understandable for several considerations as stated by some informants both at the sub-district and village level. They said that it is too risky to give the revolving fund to “the non-experience” group as the program sanction is clear that village will bear the consequences. Another consideration is that the program manual is too difficult to implement. For instance, the program requires that all members of groups have to be classified as “poor” and have at least one ongoing economic activity for a minimum of one year. Those qualified groups are hard to find in the village since poor women are usually a housewife or peasant who does not have a collective business. Thus, to access this micro-credit, the elite have a discretion to choose the existing group or even to order a number of women who have same occupation, like a tailor or a merchant, to form a new group so that they can meet the program qualification.

Furthermore, as some actors including sub-district facilitators realize that it is difficult to find qualified woman groups that meets program requirement, the elite and woman activities are likely to have stronger justification to capture this micro-credit activities. Consequently, not only do they choose a targeted group, they can, in the worst case, misuse the revolving fund by manipulating the data of recipients. Many studies and local government investigation reports revealed this type of case.

The impact of elite capture in the woman group for micro-credit is clear that benefits

of the program to the poor woman is less than expected. The researchers found that some female villagers expressed their dissatisfaction with micro-credit activities. In general, they said that this activity is exclusive to the wife of village head and her close friends. The elites including programs actors are assumed by some woman as inept to share the information about micro-credit to the grassroots as some of them argued that there is no information about it. On the other hand, the elite often stressed that information about the micro-credit is already informed during the PKK meeting from village to RT level so that women who do not obtain the information are most possibly those women who are not in involve the PKK activities and meetings.

Another case of disappointment on micro-credit is that some women are aware of the activities and stated their intention to obtain micro credit but their request were tuned down by one of the board members of the PPK. These women then speculate that perhaps their unfortunate situation is equal to the assumed inability to make repayment although they indeed needed it. At the end, the opportunity of poor women to access the revolving fund is low as they are considered as being a “risky group” by the elite. Amid strong evidence of the effectiveness of micro-credit activities to reach the poor villagers, there are still some poor women that have less information and access to this activity mainly due to their passiveness and inability to carry out productive activities as required by program design.

All in all the form of elite capture in the implementation stage either in infrastructure project or micro-credit is columned in the following table.

Table 8.2
Form and Context of Elite Capture during Implementation Stage

Type of Project	Actor	Form of Elite capture
Infrastructure project	Village Head and TPK	Misappropriation of fund
Micro-credit activity	Wife of village head and woman activists	Misappropriation of revolving fund

8.5. Discussion

This study, especially the topic of elite capture in infrastructure projects, shares a relatively similar analysis with Olken (2007) as he argued that the corruption is possibly committed by the implementation teams, potentially working with the village head and may collude with suppliers. Suppliers can inflate either the prices or the quantities listed on the official receipts to generate sums for a kickback to village and project officials. Second, members of the implementation team may manipulate wage payments. Villagers in Indonesia typically contribute unpaid or reduced-wage labor to public works projects. In such cases, corrupt officials can bill the project for the voluntary labor anyway and pocket the difference. In other cases, those running the project can simply inflate the number of workers paid by the project.

Another study by Olken (2009) was able to identify the level of corruption in the PNPM rural particularly in road construction projects. He managed to examine the “missing expenditure” of the project although he did not clearly point out the elite who is responsible for the loss. He conducted a randomized field experiment on over 600 KDP/PNPM Rural road projects in the provinces of East and Central Java in 2003-04. To measure the level of corruption, Olken deployed engineers to determine the quantities of

materials actually used in the roads, a worker survey to estimate wages paid by the project, and a supplier survey to determine the prices of materials. These quantities and prices were compared to those reported by the village implementation team in their final financial report, which also included donated labor from the village. In addition to measuring the total length and width of the road, the engineers dug 10 core samples on each road to estimate the quantities of materials used. Olken then calculated the “missing expenditures” figure for sand, rocks, gravel, and unskilled labor for each road. He concluded that an upper bound for losses was about 30% of expenditures, though he cautions that the data are noisy and dependent upon assumptions about loss ratios from materials. Furthermore, almost all of the unaccounted expenditure occurred in differences between reported versus actual quantities, rather than prices, which Olken attributes to the fact that village monitors can more easily verify price than quantity. This gives us an approximate measure of the level of corruption for this type of project in Java, where road construction made up 77% of all projects at that time.

8.6. Conclusion and Policy Implication

The findings on the contexts and forms of elite capture in the KDP/PNPM Rural program showed a relatively uniform picture in all three villages. Elite capture persists to occur both in decision-making and implementation stages of the program. During the planning phase, elite capture was likely to appear at the village level in two different forms. The first is when the elite, particularly the village head, directly or indirectly selected the members of project implementers. The second is when the village head used his power to influence decisions on the selection of projects.

During the implementation stage of infrastructure construction projects, the forms of elite capture generally operates with the central actor being the village head. First to note

is how the villages heads with the TPK intentionally take benefits from material specifications which are downgraded from the original design specification. The second is these actors mis-inform the quantity or volume of the construction materials. Third, the elites tried to manipulate investigators by claiming the project as a KDP/PNPM project although in reality the project had been financed by other programs. In micro-credit activities, woman elites will screen out woman groups that deserved to receive the revolving fund based on their own criteria which are different from program guidelines. In the worst case, misallocation or even misuse of the revolving fund by manipulating the data of recipient easily happen.

This study suggests that the grassroots have to be sufficiently empowered through suitable training programs and processes aimed at making them aware of their rights and confident enough to actively participate both in decision making and during implementation stages. As the capacity of commoners develop, benefits are likely to be largely taken by non-elites, reflecting their demands. In addition, the program should also consider strengthening the role of the villages' councils (BPD) to supervise the village head as well as to create a better balance of political power in the village. Within the program, the role of village facilitators (KPMD) should be improved both by a more advanced training and attractive remuneration. Above all, to reduce the risk of resource misappropriation, the involvement of external actors such as the local inspectorate, relevant district and sub-district officials, NGOs remains crucial. They should continuously monitor the influence of the elites over the development processes.

Chapter 9

Role of Facilitators in the Program

9.1. Introduction

Community Driven Development (CDD) program designs usually involve communities undertaking a village level participatory planning process with the help of project facilitators or local government officials. Therefore, the provision of high quality and adequate facilitation and technical assistance is seen as a key to making many of these programs successful and ensuring quality control. They are expected to assist communities to identify their priority needs. The plans or proposals are then sent to an inter-village meetings of village representatives or higher-level forums at sub-district or district levels for decision making. Those facilitators normally include skilled engineers to help with standard technical designs and quality supervision of construction; review the technical feasibility of proposals and provide village level assistance to ensure improved access and utilization of services. At the same time, it is also important to have facilitators who can motivate communities and engage marginalized groups (Wong, 2012).

According to the PNPM Rural operational guideline, the main task of the facilitators is to assist the process of freedom¹ and sovereignty² of the community within development. Facilitation involves various stakeholders and can be carried out through the processes of awareness, learning, capacity building³ and community institutions.

¹ Freedom here can be used to express freedom to choose among available options

² Sovereignty here means that the management of the development program/project is carried out by, from, and for the community through a process of participation and democracy. Translated from *Kedaulatan* in *Bahasa Indonesia*, although in this context the word “autonomous” is more appropriate to the context.

³ Although capacity building is also mentioned as one of PNPM Rural missions, the definition is not discussed in this Operational Guideline. However, activities related to capacity building are pointed out such as the establishment of PNPM implementers at the sub-district and village level, training/workshops for those program implementers and business improvement for revolving fund lenders.

Specifically, professional consultants are hired and posted in each sub-district. They are expected to be able to assist communities and local government officials in implementing the program in accordance with its principles, policies, objectives, and mechanisms.

This chapter aims to present findings on the role of “facilitators⁴” from central to sub-district and village level by describing the assigned tasks as stated in the program guideline and the problems faced by them in the grassroot level. To begin with, section 9.2 presents the organizational structure of facilitators to present a depiction of the flow of coordination among program facilitators as well as to understand the purpose of the provision of these professional consultants to the program by the World Bank (the Bank). Section 9.3 provides information on the different duties of the facilitators at the national, regional and district level. It should be note that this chapter limits the discussion only on professional facilitators (consultants) hired by the program through private consulting firms. While for discussion of village facilitators (the KPMD) is generally available in Chapter 6 together with the discussion of other project actors at village level.

9.2. Organizational Structure of Facilitators in the Program

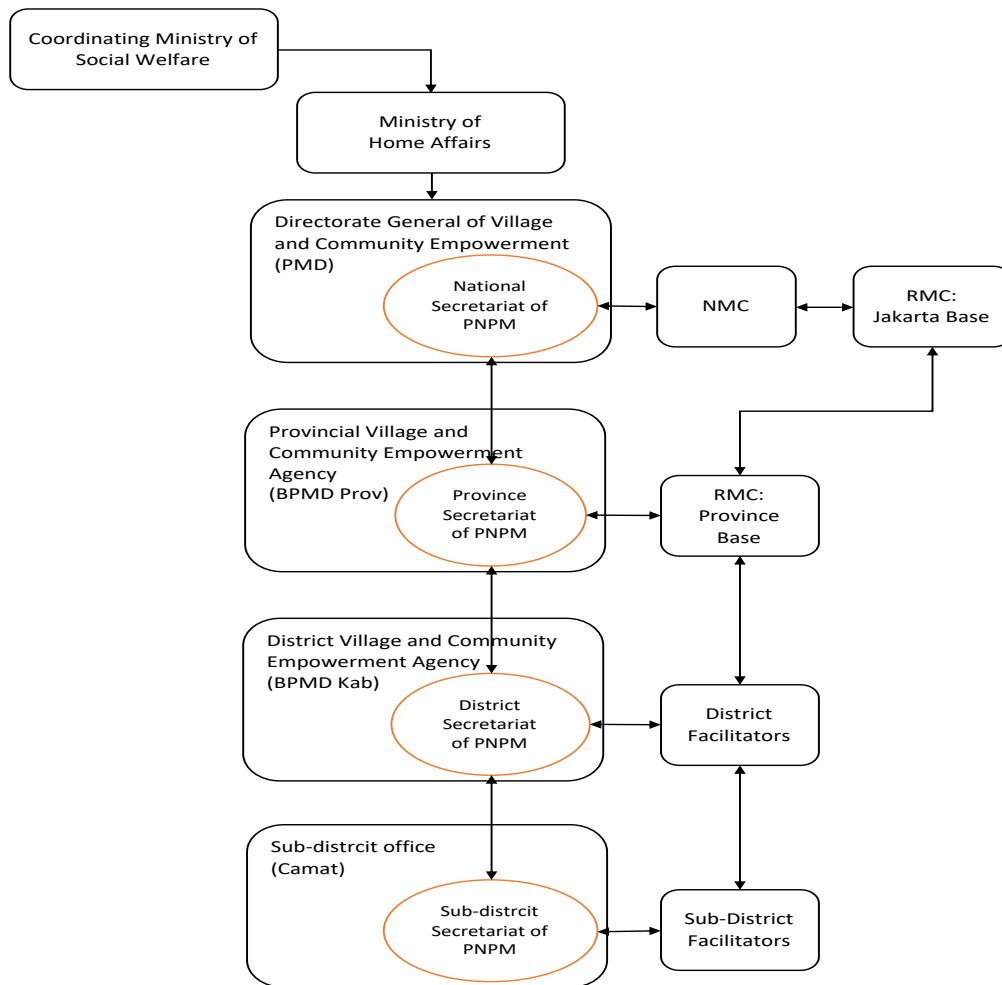
In a broader picture, on the national level The Coordinating Minister of Social Welfare serves as Chair of the PNPM Oversight Body, which includes Bappenas, the Ministry of Finance, and the other line agencies that implement CDD type programs. For the KDP/PNPM Rural, the PMD (Directorate General of Village and Community Empowerment) within the Ministry of Home Affairs (MoHA) oversees program

⁴ The KDP/PNPM Rural uses different terms for “facilitators” corresponding to various roles in they played in the program: consultants, specialists, and facilitators. Consultants have administrative functions ranging from planning to evaluation, including conducting workshops, recruitment, and coordination. Specialists are like “think tanks” for the program working to deal with specific issues in the program ranging from decentralization, participation, legal aids, to IT. “Facilitators” are responsible for providing assistance in the daily activities of the program serving at the district and sub-district levels.

implementation, and functions as the executing agency.

Within the PMD, a designed secretariat under the directorate general, the National Working Unit (*Satker Nasional*), is established to conduct day to day activities dealing with the program. This *Satker Nasional* has the authority, as stipulated by the Bank, to hire consulting companies to help the government operate the cycle of the program from planning, implementation to evaluation. The chosen consulting companies serve as either the National Management Consultant (NMC) based in Jakarta or the Regional Management Consultants (RMC) based in some provinces. The RMC has branch offices in each province, district and sub-district coordinate. Each branch office of the RMC should harmonize and coordinate their activities with each layer of government unit that is specifically designed to manage the program named the PNPM Rural Work Unit (*Satker*). If the central government has the *Satker Nasional*, the provincial government has the Provincial Work Unit (*Satker* Province). This type of functional organization and coordination is also applied at the district and sub-district level as depicted in following figure.

Figure 9.1 Organizational Structure of PNPM Rural



Source: Adopted from Problem Handling Guideline of PNPM Mandiri (2007)

It is also important to draw attention to how the organizational structure works in the consulting companies, the NMC and RMC, in order to clearly explain the difference between a consultant and a specialist/expert. While for facilitators who are placed at the district or sub-district level, their role is quite apparent as they work in the field and are responsible for aiding the regular activities of the program.

Figure 9.2 Organizational Chart of NMC

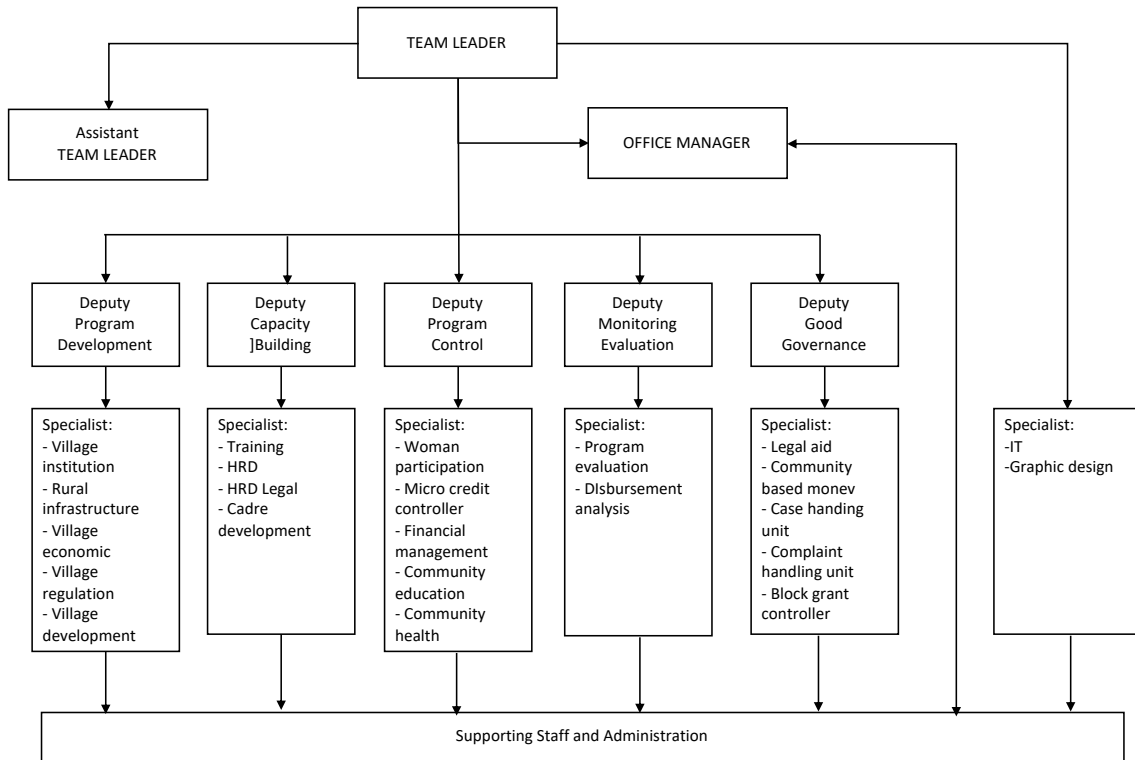
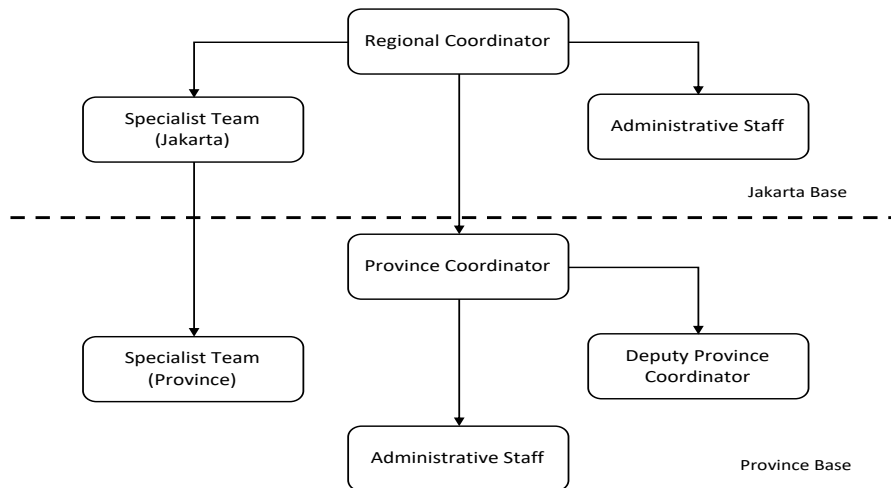


Figure 9.3 Organizational Chart of RMC



9.3. Duties of the Consultants at the National, Regional and District Level

The consulting companies which are selected through a bidding process have to provide a number of consultants, specialists or experts, and facilitators who are mobilized to carry out specific duties and at various locations. The consultants are professional who can be based in either Jakarta, the province or local district with their main duties as, although not specifically mentioned, administrative actions such as reporting or conducting workshops. The specialists/experts who are based in Jakarta and the provinces mostly engage in the planning and evaluation of the program, for example they will organize a study to evaluate the program together with an external research institute such as an NGO. The facilitators are mobilized at the district and sub-district level throughout Indonesia. They are responsible to assist in the daily activities of the program at the field level. All professional consultants (consultants, specialists/experts, and facilitators) report their performance to either the NMC or RMC.

As an organization, the main responsibility of NMC is to ensure a comprehensive, efficient, and timely implementation of the PNPM Rural in accordance with government expectations. To be specific, the NMC will support the *Satker Nasional* (MOHA) in all the technical and managerial aspects of the program including program development, human resource development and training, program control, monitoring and evaluation, good governance, and organizing special events at the national level. The NMC also has the responsibility to prepare monthly, quarterly and annual reports covering recapitulation of the number of villages, total budget, funds disbursed and other data such as complaints, number of problems that need to be addressed, and the identification of problems at each sub-district level. In addition to the above reports, the consultants also provide monitoring and supervisory reports, audit reports, and early warning system reports as well as other documentation related to PNPM Rural activities.

On the other hand, the duties of RMC are more operational, and it provides links between the field activities and the NMC. It has six regional areas covering all 34 provinces of Indonesia and each regional office coordinates 5 or 6 Provincial Management Consultants. The RMC will monitor and supervise socialization, planning, implementation, and management activities from the provincial to the village level. It produces periodic and incidental reports for the provincial coordination team and submits the same to *Satker Nasional*. The RMC also monitors and coordinates the performance of the district and sub-district facilitators. In a more detail description, this consulting company conducts such activities as: (1) Carrying out the financial management and administration management including salaries, travel, operation cost and socialization program's fund; (2) Carrying out the management of complaints through monitoring and controlling such activities as incorrect transfer of funds, as well as delays in the remittance of funds; (3) Carrying out reporting procedures both regularly and incidentally related to the financial and administration management of a program including finding the method to handle any problem that arises, and (4) Preparing project manuals and detailed project implementation activities.

At the district level, there are two facilitators namely district facilitator (Faskab) and the district technical facilitator (Fastekab). This structure is also applied to each sub-district (*kecamatan*). Thus, the number of facilitators in each district is very much depended on the number of sub-districts. For example, the Batang district which has 15 sub-districts has 32 facilitators; 2 facilitators are posted to the district while the other 30 facilitators are mobilized in 15 sub-districts. The district and sub-district position of the facilitator also indicates the level of professionalism meaning that those individuals who serve as a district facilitator had usually begin his/her carrier as a sub-district facilitator before promoted to the upper level position.

Facilitators at district and sub-district level share more or less similar duties whom are the first check-point to ensure that each step of the program is in accordance with the program guideline (*Petunjuk Teknis Operasional*, PTO). They also have the same authority to conduct field observations in villages. However, unlike district facilitators who are more focus on coordinating and evaluating the performance of sub-district facilitators, the sub-districts facilitators pay much more attention to the day to day activities conducted in villages within their scope. In Batang, 2 sub-district facilitators are responsible for the implementation of the program for 10 to 20 villages.

Two facilitators at the sub-district level have different main duties, the sub-district facilitator (*Fasilitator Kecamatan*, FK) deals with program management in general, while the sub-district technical facilitator (*Fasilitator Teknik*, FT) is responsible for the technical duty related construction works. Duties of FK can include to: (1) Disseminate and socialize information about PNPM Rural to the community and village / sub-district apparatus; (2) Facilitate and ensure that the Village Facilitator (KPMD) collects data as an input for village development planning, (3) Prepare a Work Plan Schedule of community activities in PNPM Rural from planning to the maintenance phase; (4) Provide trainings and guidance to communities and PNPM Rural actors in villages and sub-districts, (5) Facilitate and ensure the establishment and development of Inter-Village Cooperation Board (BKAD), (6) Supervise and verify PNPM Rural fund disbursement processes, (7) Facilitate and assist the field surveys of PNPM's revolving loan fund and other business related proposals, (8) Encourage community control of the program, (9) Report the progress of the Work Plan Schedule (RKTL), including problems and on-going solutions, to the District facilitator, and (10) Ensure fund management of the Project Management Unit (UPK) in accordance with the procedures and regulations, and periodically conduct checks on cash and account management.

On the other hand, FT has some duties such as: (1) Assisting and providing technical guidance to both the Village Facilitator (KPMD) and Village Technical Facilitator (*Kader Teknis*); (2) Prepare a Work Plan Schedule (RKTL) which is relevant to village schedule; (3) Facilitate and assist in the survey activities of the village infrastructure proposals, (4) Assist and provide technical guidance on the preparation of detailed construction designs, cost estimations on material / equipment requirements, project schedules and environmental impacts; (5) Provide simple technical training to the village technical facilitator and project workers with regards to the construction process, (6) Review Work Plan Schedule (RKTL) and assist village implementers in handling any problem(s) related to the construction process; (7) Assist District Technical Facilitator in checking construction progress; (8) Issuing progress certifications on construction materials and equipment, and (9) Facilitate the establishment of the Maintenance Team at the village level.

9.4. Problems of Facilitation

Some studies have revealed problems of facilitation for the KDP/PNPM Rural. AKATIGA (2013), a research institute based in Jakarta, stated that the sub-district facilitators (FKs) are loaded with administrative work and focus more on project procedures than facilitating and enabling different groups, particularly marginalized groups. With village facilitators (KPMDs) being trained by FKs, the focus on facilitation is further reduced. Given their workload and capacity, FKs are unable to assist and supervise adequately the 10-20 KPMDs who work under them. Facilitation requires building personal relationships and developing trust, which needs time to deepen or advance gradually over time. Most facilitators do not have the skills (or the awareness) to undertake this kind of facilitation (AKATIGA, 2010).

In line with the above study, Voss (2012) argued that the quality of facilitation at the KDP/PNPM Rural level is considered a contributing factor to the lack of effectiveness in social and community capacity building by the KDP/PNPM Rural in influencing non-PNPM affairs. This organization is impacted by its administrative burden, lack of sufficient training and lack of quality candidates. Facilitators frequently either have too many administrative tasks to devote enough time to community empowerment and/or do not have the skills or training to be effective.

On the other hand, SMERU (2013) stressed that there are quite a number of facilitators that have no experience and some of them are even fresh university graduates. In fact, facilitating which is mostly related to the efforts to invite, persuade, and motivate requires special skills that mostly is developed from years of experience. In addition, there is also an issue that in one province, some facilitators are originally from the same kabupaten as the local government officer. This means a high degree of nepotism exist in the recruitment of facilitators. Under such a condition, it is understandable if the quality of the facilitators is limited.

Another problem is that the facilitators' activities are mostly occupied by technical and administrative matters, that is, facilitating various community meetings as well as making numerous reports about the implementation of PNPM in the field. The more villages they have under their responsibility, the more time is used for technical and administrative matters. Besides the problem of quality and the heavy load of technical/administrative work, there is another problem. The frequent rotation of facilitators from one region to another is decremental to a successful facilitator. Contrarily, the rotation policy probably has advantages. To anticipate the community's dependence on the facilitator and to provide a new atmosphere and experience to the facilitator, should not be undervalued. However, it is observed, this policy becomes a problem because the

facilitation efficacy is also affected by how deep he/she understands the area where assigned to.

In a more systematic manner, Anggun Susilo (2013) attempted to classify the two main problems of the facilitators in PNPM Rural --; manner and time management. *By manner*, Susilo means the way to facilitate the PNPM process. Noteworthy, facilitators are not always local residents. In each sub-district, facilitators often come from other districts that have various backgrounds and expertise. These facilitators interact closely with villagers, which occasionally have different perspectives. Here, personal capacity and trainings are useful to accommodate this condition. Otherwise, it might end with negative tension between the facilitator and the villager he/she is assigned. In relation to this, the database of the District Facilitator shows that the majority of the facilitators in the Malang regency (site study area) have an engineering background and know significantly less about social problems. *Time management* refers to time allocation used by the facilitator in the field. Most of their time, ideally, should be spent in the community. In fact, they are overwhelmed with administrative tasks (writing reports) than with presenting and facilitating projects in the community they are assigned. This imbalance of time management causes negative consequences to PNPM Rural.

In addition to above findings, based on interview with some former facilitators, this study found that they said that it is quite often they experience late payment of salaries which affects their focus on working.

9.5. Conclusion and Policy Implication

The KDP/PNPM Rural used different terms for “facilitators” corresponding to various roles in they played in the program: consultants, specialists, and facilitators. Consultants had administrative functions ranging from planning to evaluation, including conducting workshops, recruitment, and coordination. Specialists were like “think tanks” for the program working to deal with specific issues in the program ranging from decentralization, participation, legal aids, to IT. “Facilitators” were responsible for providing assistance in the daily activities of the program serving at the district and sub-district levels. There were also village facilitators, who were not professionals but selected villagers. The facilitators were expected to ensure that the program be implemented in the field in accordance with the program guidelines.

This study confirmed some problems faced by the facilitators in executing their duties, as identified in previous studies. First, facilitators were loaded with administrative works and focused more on project procedures than promoting and enabling community groups, particularly marginalized groups. Second, there were many facilitators who lacked experience, some being fresh university graduates. Third, the program had a policy to rotate facilitators to different districts or sub-districts, which had been considered detrimental to successful facilitation in the existing literature; on this last point, this study contends that this policy serves to forestall community’s dependence on one facilitator and provide opportunities to expose communities to diverse styles and experiences of facilitators. Finally, based on interview with former facilitators, the author became aware of late payment of salaries and resultant loss of motivation.

Based on the above findings, this study recommends that the administrative procedures of the program be simplified. In this way it will create more time for the facilitators to focus on issues relevant to the program principles, such as participation of

the poor and female villagers. In addition, the program ought to provide the facilitators with a better awareness of village politics which may affect the implementation of the program. This issue is very relevant with the analysis of Hulme (1995) who argued that training of professional consultant responsible for project planning and identification is almost entirely in terms of “conventional” model which underlines merely on cost-effective achievement. Lastly, a larger incentive for the facilitators has to be provided by the program with aims at strengthening their role in the program.

Chapter 10

Unique Contributions of the Study

10.1. Introduction

Consistent with the research design provided in Chapter 1 (figure 1.1), the findings of this study are contrasted and compared to other existing studies that focus on implementation of Kecamatan Development Project (KDP) / National Program for Community Empowerment (PNPM) Rural in particular and also Community Driven Development (CDD) programs in general as listed in Chapter 2. The differences between this study and earlier studies serve as the unique contributions of this study. These contributions is expected to deepen the substantive understanding of the scope and method of community driven development within the academic field or to share valuable information to the Government of Indonesia to improve the design and implementation of the CDD programs in rural areas as a policy making activities. However, it is to be noted that the “different” results by which the author mean are not necessarily to only indicate the dissimilarity results of the findings with other studies but also to signify further analysis provided by this study to add what has been syphered out by other existing studies.

10.2. Comparison of the Findings with other Existing KDP/PNPM Rural Studies

In 2006, Ke Fang conducted a desk review and field work of two CDD programs implemented in Indonesia, the KDP (Kecamatan Development Program) and Urban Poverty Program (UPP). The study entitled “Designing and Implementing a Community-Driven Development (CDD) Program in Indonesia” was able to define “community” groups in KDP who collectively control the project fund and decide on its use. In addition, his study provided reasoning on how community groups make collective decisions and

how they use the project funds.

The findings of the Ke Fang study indicate that KDP uses the existing administrative setting to define both the community and the community groups eligible for funds, transferring funds to each participating *Kecamatan* or sub-district. All villages (*Desa*) within the *Kecamatan* are allowed to submit one or two proposals through the village office. The successful proposal is selected by a *Kecamatan* Forum (UDKP) consisting of representatives of all villages. It appears that a *Kecamatan* or sub-district is considered one ‘community’ within which each village is an eligible community group, while intra- or inter-village groups are not.

Moreover, Ke Fang’s study explained that KDP provides a block grant to each participating sub-district, the amount of which ranges from US\$40,000 to US\$120,000, depending on location and population. Each village can submit one or two proposals to the *Kecamatan* Forum, one¹ of which must come from women’s groups. Villagers propose and discuss their ideas at a village deliberation (women have a separate deliberation to discuss their own proposals), and then the village prepares the proposals to be submitted to the forum, which finally selects through consensus which proposals shall be funded. Funds are held within KDP to be used by community groups for small-scale social and physical infrastructures (grants) and economic activities (micro-credit).

Compared to Ke Fang’s findings, the author’s research has differences in some topics. First, regarding ‘design’ of the program, the author’s study discusses the component within the program design while Ke Fang focused on the ‘community’ term, that is traced to the historical root of the program adopted by KDP/PNPM Rural. Furthermore, this study attempts to trace the historical process of the original design of CDD adopted by

¹ Starting from 2009, two of three proposals of villages have to come from woman group, as a further commitment of program to encourage participation of female villagers

the KDP/PNPM Rural. It is observed that KDP/PNPM Rural was built on the platform of two previous community-based development programs implemented in the early 1990s, the Backward Villages (IDT) and the Village Infrastructure Program (P3DT) (discussed in Chapter 4). Second, this study offers a deeper analysis of the decision-making processes that takes place at neighborhood, hamlet, village and sub-district level which is different with Ke Fang's findings which focused merely on village and sub-district level. Third, Ke Fang identified the use of KDP funds in the village, this study provides further analysis on how villagers maintain the program outputs, physical infrastructure (grants) and economic activities (micro-credit) as discussed in Chapter 6.

Another study conducted by SMERU research institute (2013) entitled 'A Qualitative Study on the Impact of the PNPM-Rural in East Java, West Sumatra, and Southeast Sulawesi' focuses on the impact of PNPM Rural especially on poverty reduction, community participation, and accountability, transparency, and responsiveness of the government at the village level. The SMERU study was carried out in 18 villages in three provinces. In general, this study determined that PNPM-Rural had been implemented properly. For the open menu program, almost all the villages used it for infrastructure development. However, only a small part of the micro-credit program was actually accessed by the poor. In relation to poverty, there has been a decrease to varying degrees in almost all the research areas. It is only on the issues of participation, transparency, and accountability that the study finds a big difference between what happened inside and outside the program. Participation, transparency, and accountability worked very well in the implementation of PNPM Rural. However, outside PNPM Rural, namely at the village administration level or in the implementation of programs other than the PNPM Rural, participation, transparency, and accountability remained low. Furthermore, there was almost no PNPM project in the study areas that corresponded to the primary needs of the

poor. This may indicate that the PNPM program had not been successful in terms of reaching the poor.

The author's study holds a different perspective when reading SMERU's general conclusion -- 'PNPM-Rural has been implemented properly'. Based on the author's fieldwork, in terms of procedure and schedule of program implementation in the village, it is agreed the program has been implemented properly. But it should be noted that how the village can fulfill the procedure and schedule is yet another important factor to be analyzed. For example, as discussed in Chapter 8, the domination of the village elites both in decision making and during the implementation stages still exist. Thus, to say the program has been implemented properly is too strong a statement as the program is ineffective to address elite capture, which conceptually is the main reason for the defect of CDD program design. Next, the author identifies the types of participation of villagers in the program, discussed in Chapter 7. Respondents of the distributed questionnaire indicates that most indicated that they did not become involve in the program but had only heard about KDP/PNPM Rural. A fewer respondents indicated that they became project beneficiaries either as project workers or micro-credit recipients. Thus, the author's study does not conclude that participation in the program worked well, which is different from SMERU's conclusion. Next, because this study was unable to compare the KDP/PNPM Rural with other development programs implemented in the villages, the SMERU's other conclusion that the PNPM program had not been successful in terms of empowering the poor is acceptable.

Another study conducted by AKATIGA (2010), a research institute based in Bandung, Indonesia, concerned the marginalized segments of society that were being left out of the development planning process under the PNPM Rural program. In general, the author's study shares a relatively similar finding, namely, first, marginalized groups, or

non-elites in the author's term, have limited participation in the decision-making process at PNPM-Rural level when compared to other groups in the village. However, the author's study found that the dynamic of the decision-making process at the neighborhood level is very calm and friendly thereby allowing equal position of each attendee to voice his opinion regardless of social or economic status. Secondly, of the elite, village officials have the most influence over decision making in the PNPM Rural program. They work together with the activists, who participate actively during the village meetings and in program implementation. The author's study provides a depth identification stating that village officials here means the Village Head and the activists here means members of the TPK (the implementation unit in the village). Third, the special meetings for women where "women's proposals" are agreed to, including savings and loans activities, increase women's involvement in the overall process but decisions are still limited to the elite and activists. Fourth, the PNPM-Rural process has become routine and does not inspire participation. This is in line with the author's findings as elaborated in Chapter 7 on the topic of villagers' involvement in the program. Fifth, facilitation, which is expected to circumvent the elite dominance, is weak. As discussed in Chapter 9, sub-district and village facilitators faced some difficulties to exercise their role in the field mainly due to administrative burden and field rotation to other areas of the country.

However, this study does identify a different stand against AKATIGA as they wrote that despite limited participation, marginalized groups enjoy the benefits of the PNPM-Rural, albeit not as much as the other groups. However, this fieldwork found that many poor women expressed their disappointment to the program implementers, especially in micro-credit activities, such as that they were being excluded to be credit recipients because women elites argued that the poor women have a high risk to not repay the revolving funds.

10.3. Comparison of the Findings with other Existing CDD Studies

In 2007, a Harvard university scholar, Benjamin A. Olken, conducted a randomized field experiment on corruption in the CDD program in over 600 Indonesia villages. He found that external audit by government auditors can reduce the potential corruption or missing expenditures in the program. By contrast, increasing grassroots participation in monitoring had little average impact, reducing missing expenditures only in situations with limited free-rider problems and limited elite capture. Overall, the results suggest that traditional top-down monitoring can play an important role in reducing corruption, even in a highly corrupt environment.

His conclusion also indicates that participatory and transparent settings of CDD could not guarantee the accountability of program governance. This is in line with the author's findings as presented in Chapter 8. This study adds further analysis of the three possibilities of 'corruption' that happens in the CDD program, namely, 1) how the project actors intentionally take benefits from material specifications that are downgraded from the specifications, for example the quality of liquid asphalt used for road construction is downgraded from premium to lower quality; 2) the project actors deceive the quantity or volume of the construction, for instance the length of the irrigation construction is shorter than specified in the contract, and 3); elites try to manipulate investigators by claiming a project as a PNPM Rural project although in reality the project is financed by other programs from ministry of public work, for example. The above-mentioned types of embezzlement are usually identified by external investigators such district inspectorate or the national audit board (Badan Pemeriksa Keuangan/BPK) who conduct random checks at villages on the request of the program's implementing agency, the Directorate General of Village Community Empowerment (PMD) of Ministry of Home Affairs.

In the same year, a study entitled 'Community Driven Development, Collective Action and Elite Capture in Indonesia' was conducted by Dasgupta and Beard who attempted to examine the vulnerability of the CDD approach to elite capture. In general, they could not find the expected relationships among a community's capacity for collective action, elite control over project decisions and elite capture of project benefits. They argued that in cases where the project was controlled by elites, benefits continued to be delivered to the poor, and where power was the most evenly distributed, resource allocation to the poor was restricted. Communities where both non-elites and elites participated in democratic self-governance, however, did demonstrate an ability to redress elite capture.

The author's research has a mixed response when compare with the findings of Dasgupta and Beard (2007). First, here it is agreed that there is elite domination (elite capture) in the village and democratic self-governance to express varying degrees of how elites take for themselves the benefits targeted for the villagers. However, the field study undertake for this research found that elite control in the decision-making process can lead to resource misappropriation either in infrastructure or micro-credit projects which is different with their argument stated that 'where the project was controlled by elites, benefits continued to be delivered to the poor'. In addition, this study also found limited evidence that such a democratic self-governance could address elite capture as in the village meeting, the village head is still the central actor dominating the meeting.

Scot A. Fritzen in 2007 conducted a case analysis and surveys of Urban Poverty Program implementation, a CDD program, fielded in 250 Indonesian sub-districts. The results indicate that first, the program design is insufficient to propel non-elites into control of the decision-making stage. Second, the program design parameters, such as how the elites of the program are selected and their preparatory training can help the 'pro-

poor' effort from the elites. Third, elite domination is clearly not associated with poorer outcomes. In general, all Fritzen's findings are in line with this study findings, however here the author provide a qualitative analysis of how the elite capture happens in the village including the presence of patron-client relationships in the program.

In short, the unique contributions of this study resulted from comparison with previous studies are columned on following table.

Table 10
The Differences of This Study and Previous Studies

Topic	Previous Study	This Study
Program Design	<ul style="list-style-type: none"> - Define the term “community” with focus on decision making at village and sub-district level (Ke Fang, 2006) - Identification of key features of KDP that contribute to program implementation (Edstrom, 2002) - Describe monitoring and evaluation system developed in KDP (Susan Wong, 2004) 	<ul style="list-style-type: none"> - Deeper analysis of the decision-making processes that takes place at neighborhood, hamlet, village and sub-district level - Identification of innovation and continuity of KDP/PNPM Rural compared to community-based program (IDT&P3DT) implemented during New Order era. - Identification of similarities and differences between KDP and PNPM Rural - Understanding of “community empowerment” in Indonesia context and its implication to KDP/PNPM Rural design.
Implementation	<ul style="list-style-type: none"> - In general, PNPM Rural has been implemented properly. Participation, transparency, and accountability worked very well in the implementation of PNPM Rural. In relation to poverty, there has been a decrease to varying degrees in almost all the research areas (SMERU, 2013) - The marginalized segments of society that were being left out of the development planning process under the PNPM Rural program. - Despite limited participation, marginalized groups enjoy the benefits of the PNPM-Rural, albeit not as much as the other groups. (AKATIGA, 2013) - The program design is insufficient to propel non-elites into control of the decision-making stage. 	<ul style="list-style-type: none"> - The domination of the village elites both in decision making and during the implementation stages still exist. - Respondents especially the poor have limited participation in the program either in decision-making and program implementation. - This study found that the dynamic of regular decision-making process at the neighborhood level is very calm and friendly thereby allowing equal position of each attendee to voice his opinion regardless of social or economic status. - Many poor women expressed their disappointment to the program for being excluded to be credit borrower - Provide a qualitative analysis of how the elite capture happens in the village including the presence of

Topic	Previous Study	This Study
		patron-client relationships in the program
Elite capture	<ul style="list-style-type: none"> - Even the project was controlled by elites, benefits continued to be delivered to the poor Dasgupta and Beard (2007) - Identification of the level of corruption by presenting “missing expenditure” in the PNPM rural particularly in road construction projects (Olken, 2009) - The corruption is possibly committed by the implementation teams, potentially working with the village head and may collude with suppliers (Olken, 2007). 	<ul style="list-style-type: none"> - Elite control in the decision-making process can lead to resource misappropriation either in infrastructure or micro-credit projects - Elite capture appears in selection of project implementers and proposals - Adds further analysis of the three kinds of ‘corruption’ committed by program implementers

10.4. Conclusion

The unique contributions provided in this chapter are derived from the comparison of findings of this study with earlier studies within the issue of CDD. These contributions are not necessarily to only indicate the dissimilarity results of the findings but also to signify further analysis provided by this study to add what has been syphered out by other existing studies. This is illustrated as below.

In terms of program design, this study offers several different approaches compared with the work of Ke Fang (2006). If his study provides analysis of the use of term “community” in the KDP/PNPM Rural, this study attempts to trace the chronological process of the original design of CDD adopted by the KDP/PNPM Rural. This study also offers further analysis of the decision-making processes at the sub-village level, adding analysis of those process at the sub-district and village level provided by Ke Fang and other researchers.

In general, with regards to the conclusion of program implementation, the author’s study holds a different perspective when reading SMERU’s (2013) general conclusion -- ‘PNPM-Rural has been implemented properly’. Based on the author’s fieldwork, in terms

of procedure and schedule of program implementation in the village, this study tends to conform that programs have generally been implemented properly. But it should be noted that the dynamics in the village to reach those procedures and schedules are important factors to be analyzed. For example, as discussed in Chapter 8, the domination of the village elites both in decision making and the implementation stages is persistent. Thus, to say the program has been implemented properly is a strong statement as the program is ineffective to address elite capture, which conceptually is one of main defects of the CDD approach. Next, the author identified the types of participation of the villagers in the program, as discussed in Chapter 7. A significant number of respondents stated that they did not become involve in the program and had only heard of KDP/PNPM Rural and had no real knowledge of what exactly the program does. Thus, the author's study does not conclude that participation in the program worked well, which is different from SMERU's conclusion.

Related to elite capture, the author's research has a mixed response when compare with the findings of Dasgupta and Beard (2007). The field study undertaken for this research found that elite control in the decision-making process can lead to resource misappropriation either in infrastructure or micro-credit projects which is different with the arguments of Dasgupta and Beard that stated that 'where the project was controlled by elites, benefits continued to be delivered to the poor'. In addition, this study also found limited evidence that such a democratic self-governance, as stressed by those researchers, could address elite capture in the village meeting, the village head is still the central actor dominating the meeting this study concluded conclusively.

Chapter 11

Conclusion and Policy Recommendation

11.1. Conclusion

In response to well documented limitations of top-down approaches that have dominated development agenda, practitioners and academics increasingly promote more community-based approaches. The World Bank proposes the community-driven development (CDD) programs that increase a community's control over the development process. The KDP/PNPM Rural, the largest CDD program in the world, has a reputation for being one of the most successful, which is why this study may particularly benefit from comparing its program design to its application in Indonesia.

This study has attempted to analyze community-driven development approach as formulated by the Bank both in conceptual and practical domains by examining its application in Indonesia. The study has been conducted in two ways; desk review and field study. By conducting a desk review on existing research and policy documents of CDD, the author is able to identify the extent to which KDP/PNPM Rural has adopted key ideas of CDD approach into its program design. By conducting a field research in three villages of Central Java, the author has identified discrepancies between program guideline of KDP/PNPM and actual implementation of the program. Analysis on factors that have generated the discrepancies is also provided.

As provided in Chapter 4, result of desk review indicates that the design of the KDP was built upon two previous community-based development programs, namely the IDT and the P3DT implemented from 1993 to 1998. While for the PNPM Rural, it can be viewed as a continuation of the KDP with some innovations. One of the most critical modifications of the KDP/PNPM, in comparison to the IDT and P3DT, is the need for

villagers to form new community-based organizations which serve as project implementers. The other significant change is the KDP/PNPM has regulated the establishment of a new mechanism of in decision-making processes segregated from the existing planning process.

Chapter 5 provides discussion related to the conception of CDD within the context of development in Indonesia. This study argues that “CDD type” programs in Indonesia are generally conceived as community empowerment (*pemberdayaan masyarakat*) programs with strong emphasis on economic achievements. The implication is Indonesian CDD programs including KDP/PNPM Rural have less awareness to the importance of the political aspect. Consequently, the design of CDD programs has undervalued the function of community’s control over decision-making process and resource in the program, which is conceptually the core of CDD itself.

From field research, the author found several discrepancies between KDP/PNPM Rural guidelines and its implementation on the field, see Chapter 6. In the planning stage, there are two major findings; first, project proposals presented during hamlet meeting (idea generating deliberation) of KDP/PNPM Rural are derived from prior regular meetings held at the neighborhood level, RW and the RT. This is different with program guideline that stipulates project proposals should be resulted from discussion among participants in hamlet meeting. Second, although all deliberations are “open to all villagers”, in reality these meetings are attended only by representatives and invited attendees. Thus, the program has limited access for the villagers especially woman and the poor to actively participate in decision-making.

During implementation stage, the finding shows that the timing of construction activities during the rainy season (August to December) creates a heavy challenge for the TPK (project implementers) to accomplish projects in time. Next, complexities of

administration of fund disbursement as well as instability of regulations resulted in the tardiness of fund transfer from the central government to project implementers on the field. Another finding is due to the unavailability of funds from the program, the monitoring team is unable to perform well in conducting their role.

In the maintenance stage, the study found that there is no regular maintenance for infrastructure projects built by the program in all three villages. The main reason is that no available fund for maintenance activity. The lack of incentive is also the reason why maintenance team has a weak performance in this stage.

The limited access of the program for commoners is more or less depicted from respondents' answers of distributed questionnaires, elaborated in Chapter 7. The responses generally conclude that; first, the depth of information possessed by the respondents very much depended on the degree of their involvement in the program. Second, regarding the types of involvement, most respondents stated that they were involved merely as program beneficiaries either as infrastructure project workers or micro-credit borrowers. Third, this study found that most respondents considered that infrastructure projects were more important than micro-credit activities. A bit surprising, a sizable percentage of the respondents (mostly the poor) stated that they only heard the name of the KDP/PNPM Rural without any further involvement in spite of the fact that this program had been implemented in all three villagers for more than ten years.

Findings from all three villages also indicate that the two major factors that affect the program governance; elite capture and lack of facilitation. In the contexts and forms of elite capture in the KDP/PNPM Rural program, provided in Chapter 8. This study finds that elite capture persists to happen in both decision-making and implementation stages of the program. During planning phase elite capture is likely to appear in village level with two different forms. The first is when the elite, particularly village head, directly or

indirectly selected the members of project implementers. The second is when the village head used his power, on behalf of villagers, to influence meeting attendees to choose a certain project that is considered as the best solution.

During implementation stage, in the context of infrastructure construction, the form of elite capture varies. It generally operates with the central actor is the village head. First is how the project actors intentionally take benefits from material specifications which are downgraded from what should be done. The second is the project actors deceive the quantity or volume of the construction. Third, the elites tried to manipulate investigators by claiming a project as KDP/PNPM project although in reality this project is financed by other program. In the context of micro-credit activities, woman elites choose borrower groups based on their own preferences with less regard to program requirements. In the worst case, misallocation or even misuse of revolving fund by manipulating the data of recipient are easy to happen.

Related to role of facilitators in the program, provided in Chapter 9. This study confirmed two main problems, as identified in previous studies, faced by sub-district facilitators that result on inadequate facilitation on the village and sub-village level. First, facilitators were loaded with administrative works and focused more on project procedures than promoting and enabling community groups, particularly marginalized groups. Second, there were many facilitators who lacked experience, some being fresh university graduates. In addition to those problems, based on interview with some former facilitators, the author became aware that occasionally payment of facilitators salaries is late and resultant loss of motivation.

The unique contributions of this study are derived from the comparison of findings of this study with earlier studies within the issue of CDD, presented in Chapter 10. This study offers an attempt to trace the chronological process of the original design of CDD

adopted by the KDP/PNPM Rural. Next, further analysis of the decision-making processes at the sub-village level is provided by the author to add analysis of those processes at the sub-district and village level provided by other researchers. In addition, this study maintains that the program has not been implemented properly since the domination of elite capture, one of main defects of the CDD approach, both in decision making and the implementation stages is persistent.

11.2. Policy Recommendation

Within the conceptual domain, to improve the design of CDD program in Indonesia, this study recommends the Government of Indonesia to be more aware not only to economic achievements of the program but also political parameters. An initial attempt can be taken through provision a clear translation and definition of the term CDD in *Bahasa Indonesia* that indicates a development initiative with a distinctive emphasis on political domain, the control over decisions and resources.

In a more practical way and specific to KDP/PNPM Rural, this study has some recommendations for improvement of the program. First, the KDP/PNPM rural have to introduce the mechanism of CDD approach to the neighborhood level, RTs, as the first collective decision-making process in the village. Second, the program should improve the capacity of village project actors especially KPMD (village facilitators), monitoring team, and maintenance team. This improvement has to include better skill through a more advanced training and provision significant incentive. Third, the program regulations especially related to fund disbursement should be simplified and fixed in order to avoid the lateness of block grant transfer. Fourth, the program should consider relaxing the regulation for poor woman to access micro-credit as many of them still face difficulties to meet the requirements to become borrower.

Related to elite capture, the GoI and the Bank ought to take the existence of power network of village elites as a social fact of fundamental importance and the starting point for considering the role of village elites in the program. This study conclude that the domination of village head can be minimized by strengthening the commoners (non-elites). The villagers have to be empowered through suitable training programs and processes aimed at making them aware of their rights and confident enough to actively participate both in decision making and implementation stages. As the capacity of commoners developed, benefits are likely to be largely taken by non-elites and reflect their demands. Technically, this effort should include the upgraded capacity of monitoring team in the program. Next, the program should also consider strengthening the role of the villages council (BPD) to supervise the village head as well as to create balance of political power in the village. In addition, to reduce the risk of resource misappropriation, the involvement of external actors such as local inspectorate, relevant district and sub-district officials, NGOs to conduct regular audit is crucial.

In order to improve facilitation in the program, this study recommends that the administrative procedures of the program be simplified. In this way it will create more time for the facilitators to focus on issues relevant to the program principles, such as participation of the poor and female villagers. In addition, the program ought to provide the facilitators with a better awareness of village politics which may affect the implementation of the program. This issue is very relevant with the analysis of Hulme (1995) who argued that training of professional consultant responsible for project planning and identification is almost entirely in terms of “conventional” model which underlines merely on cost-effective achievement. Lastly, a larger incentive for the facilitators has to be provided by the program with aims at strengthening their role in the program.

To make a better design of CDD program, the author argues that a new modified design of KDP/PNPM Rural should be proposed. The following table shows some adjustments are made in planning stage of the program.

Table 11
Proposed Design of Planning Stage of KDP/PNPM

Step	Level	Participants	Main Agenda
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Village deliberation for Socialization</div>	Village	Open for all villagers	- Dissemination of program procedure to villagers
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Hamlet deliberation for Socialization</div>	Hamlet	Open for all hamlet residents	- Dissemination of program procedure to hamlet residents - Selection of program implementers
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Idea Generation Deliberation</div>	RT	Open for all RT residents, Conducted in each RT	- Project ideas from RT residents - Problem analysis in the RT
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Special Deliberation for Woman</div>	RT	Open for all RT female residents, Conducted in each RT	- Project ideas from female RT residents (2 proposals; infrastructure and micro-credit) - Female problem analysis in the RT
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Hamlet Proposal Prioritization Deliberation</div>	Hamlet	Open for all hamlet residents, Conducted in each RT	- Project proposal prioritization (3 proposal)
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Verification and Finalization of Design and Cost of Proposals</div>	Village	Village facilitator, Proposal writing team	- Proposals from villages are verified
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Village Funding Decision Deliberation</div>	Village	Open for all villagers	Determination and agreement of funded proposals

The basic consideration of the proposed design is how to dissolve CDD approach as close as to where most non-elites especially the poor exercise proper collective decision making. This research indicate that the domination of villages elites only appears at village level, thus it is suggested that the mechanism of CDD should be introduced to the

neighborhood level, the RT. The other consideration is the paradoxes of integrating and segregating project cycle of CDD program in existing regular development process. This study suggests that the integration of project cycle of CDD program can be applied at hamlet and RT level, while segregation is still necessary at village level.

From the above table we can see that project identification take place at RT level either for male or female villagers. It is different with the current KDP/PNPM Rural whereas project identification occurs in hamlet deliberation. For project prioritization with main objective to ranking the project proposals, this activity is taken place in hamlet deliberation instead of village deliberation as in the current KDP. This CDD mechanism had better to be integrated into existing regular planning as findings from this study show that there is no sign of elite domination in these levels.

For the final funding deliberation, if the existing KDP/PNPM Rural use sub-district forum to conduct this activity, this study proposes that final funding deliberation should be taken place in each village. Although, the author is aware to the domination of village head over collective decisions in the village, at the same time this village level deliberation is still important as a venue to exercise the dynamic of power relations between village elite (village head) and commoners. However, it should be noted that the village final funding deliberation has to be segregated from existing development planning in order to fully adopt the setting and mechanism of final funding decision in the current KDP/PNPM. As explained in Chapter 8, elite capture did not seem to occur in the final funding decision because of the strict rule of the program design, fair competition and tight supervision from the sub-district and district officials.

REFERENCES

- . (2000). Kecamatan Development Program, Second Annual Report (1999-2000). Jakarta, Indonesia. (English and Indonesian versions)
- . (2002). Kecamatan Development Program Phase One: Final Report. Jakarta, Indonesia. (English and Indonesian versions)
- . (2011). World Development Report 2011: Conflict, Security and Development. Washington, DC: World Bank.
- Akatiga (2010) 'Marginalized groups in PNPM-Rural', Akatiga, Bandung.
- Alsop, R., M. F. Bertelsen, et al. (2006). *Empowerment in Practice: From Analysis to Implementation*. Washington D.C : World Bank Publication.
- Antlöv, H. (1996). Village Leaders and the New Order. In H. Antlöv & S. Cederroth (Eds.), *Leadership in Java: Gentle Hints, Authoritarian Rule* (pp. 73-96). Great Britain: Curzon Press.
- Antlöv, H. (2003). Village Government and Rural Development in Indonesia: The New Democratic Framework. *Bulletin of Indonesian Economic Studies*, 39(2), 193-214.
- Antlöv, H. and S. Eko (2012) 'Village and sub-district functions in decentralized Indonesia', paper prepared for a Decentralization Support Facility (DSF) Workshop on Alternative Visions for Decentralization in Indonesia, Jakarta, 12–13 March.
- Bapermades Kabupaten Batang. (2014). Laporan Akhir PNPM Mandiri Perdesaan Kabupaten Batang Tahun 2014 (2014 Annual Report of PNPM Mandiri in Rural Areas of Batang Regency).Batang : Batang Local Government
- Bappeda Kabupaten Batang. (2007). Rencana Pembangunan Jangka Menengah Daerah (2012-2016) Kabupaten Batang (Batang Medium Term Development Plan of 2012-2016). Batang : Batang Local Government
- Bebbington, A. (1999). Capitals and Capabilities: A Framework for Analyzing Peasant Viability, Rural Livelihoods and Poverty. *World Development*, 27(12), 2021-2044.
- Bebbington, A., Dharmawan, L., Fahmi, E., & Guggenheim, S. (2006). Local Capacity, Village Governance, and the Political Economy of Rural Development in Indonesia. *World Development*, 34(11), 1958-1976.

- Bebbington, A., S. Guggenheim, E. Olson and M. Woolcock (2004) 'Exploring social capital debates at the World Bank', *Journal of Development Studies*, 40(5): 33–64.
- Benjamin A. Olken, Junko Onishi, and Susan Wong. (2013, March). Should Aid Reward Performance? Evidence from a Field Experiment on Health and Education in Indonesia. Accessed June 19, 2017 <http://economics.mit.edu/files/6923>.
- Benno F. Galjart. (1986). *The Journal of Developing Areas*, 20(4), 537-539. Retrieved from <http://www.jstor.org/stable/4191495>
- Binswanger-Mkhize, Hans P.; de Regt, Jacomina P.; Spector, Stephen. (2009). *Scaling up Local and Community Driven Development : A Real World Guide to Its Theory and Practice*. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/28252> License: CC BY 3.0 IGO
- BPS Kabupaten Batang. (2017). *Batang Dalam Angka 2017 (Batang in Figures 2017)*. Batang : Batang Local Government
- BPS Kabupaten Batang.(2011). *Batang Dalam Angka 2010 (Batang in Figures 2010)*. Batang : Batang Local Government
- BPS. (2017). Hasil Sensus Penduduk 2017 (Result of 2017 census). Retrieved on January 16, 2018 from <http://www.bps.go.id/hasilSP2017>
- BPS.(2010). Hasil Sensus Penduduk 2010 (Result of 2010 census). Retrieved on January 16, 2018 from <http://www.bps.go.id/hasilSP2010>
- Brodjonegoro, B., & Shinji, A. (2000). Regional Autonomy and Fiscal Decentralization in Democratic Indonesia. *Hitotsubashi Journal of Economics*, 41(2), 111-122.
- Carroll, Toby. (2009). Social Development as Neoliberal Trojan Horse: The World Bank and the Kecamatan Development Program in Indonesia. *Development and Change*, 40(3), 447–466
- Cederroth (Eds.), *Leadership in Java: Gentle Hints, Authoritarian Rule* (pp. 57-72). Great Britain: Curzon Press.
- Chamber, R. (1993). *Challenging the Professions: Frontiers for Rural Development*. IT Publications, London.
- Chambers, R. (1978). Project selection for poverty-focused rural development: simple is optimal. *World Development*, 6(2), 209-19.

- Chambers, R. (1988). Normal professionalism and the early project process: problem and solutions. In Smith (1988b), 98-111.
- Chambers, Robert. (2006). What is Poverty? Who asks? Who answers?. In Terry McKinley et al (eds), What is Poverty? Concepts and Measures (pp.3-4). Brazil : National Poverty Centre of UNDP
- Cheema, G. S., & Rondinelli, D. A. (2007). From Government Decentralization to Decentralized Government. In G. S. Cheema & D. A. Rondinelli (Eds.), Decentralizing Governance: Emerging Concepts and Practices (pp. 1-20). Washington, D.C.: Brookings Institution Press.
- Chowdhury, Shyamal and Yamauchi, Futoshi. (2010). Has Decentralization in Indonesia Led to Elite Capture or Reflection of Majority Preference?. JICA Working Paper. Retrieved at https://www.jica.go.jp/jica-ri/publication/workingpaper/jrft3q00000022x1-att/JICA-RI_WP_No.14_2010.pdf
- Cohen, J. M., & Uphoff, N. T. (1980). Participation's Place in Rural Development: Seeking Clarity through Specificity. *World Development*, 8, 213-235.
- Cooke, B. and U. Kothari (2001) *Participation: The New Tyranny?* Zed Books, London and New York.
- Daly, A., & Fane, G. (2002). Anti-Poverty Programs in Indonesia. *Bulletin of Indonesian Economic Studies*, 38(3), 309-329.
- Dasgupta, A., & Beard, V. A. (2007). Community Driven Development, Collective Action and Elite Capture in Indonesia. *Development and Change*, 38(2), 229–249. <http://dx.doi.org/10.1111/j.1467-7660.2007.00410.x>
- Decentralization Support Facility. (2007). *Gender Review and PNPM Strategy Formula*. Jakarta: Decentralization Support Facility.
- Directorate General of Community and Village Empowerment (2008) *Petunjuk Teknis Operasional PNPM Mandiri-Perdesaan [Technical Guidance for the Operation of PNPM Mandiri-Rural]*. Jakarta: Directorate General of Community and Village Empowerment, Ministry of Home Affairs.
- Dongier, Philip, Julie Van Domelen, Elinor Ostrom, Andrea Ryan, Wendy Wakeman, Anthony Bebbington, Sabina Alkire, Talib Esmail, and Margatet Polski. (2003). "Community Driven Development," Chapter 9 in *PRSP Sourcebook, Volume 1*, The World Bank.
- Dutta, D. (2009). *Elite Capture and Corruption: Concepts and Definitions. Bibliography, with an overview of the suggested literature.* NCAER.

- Edstrom, Judith. (2002). 'Indonesia's Kecamatan Development Project: Is it Replicable? Design Considerations in Community Driven Development', Social Development papers. Environmentally and Socially Sustainable Development; no. 39 (March 2002). Washington, DC: World Bank.
- Ellis, F., & Biggs, S. (2001). Evolving Themes in Rural Development 1950s-2000s. *Development Policy Review*, 19(4), 437-448.
- Ensmeinger, Jens. (2017). Corruption in community driven development: A Kenyan case study with insights from Indonesia. Retrieved at <https://ostromworkshop.indiana.edu/pdf/seriespapers/2017spr-colloq/ensminger-paper.pdf>
- Esman, M. & Uphoff, N. (1984). *Local Organisations: Intermediaries in Rural Development*. Cornell University Press, Ithaca.
- Evers, P. J. (2000). *Resourceful Villagers, Powerless Communities (Rural Village Government in Indonesia)*. Jakarta: The World Bank Indonesia.
- Evers, Pieter. 2001. "Legal Assistance Program for KDP Communities: A First Assessment of the Legal Assistance Pilot Project in Central Java and North Sumatra, August – October 2001." Jakarta, Indonesia.
- Fang, Ke. (2006). Designing and Implementing a Community-Driven Development Programme in Indonesia. *Development in Practice*, 16(1), 74-79
- Fernando, N. A. (2008). *Rural Development Outcomes and Drivers: An Overview and Some Lesson*. Philippines: Asian Development Bank.
- Fine, B. (2001) *Social Capital versus Social Theory: Political Economy and Social Science at the Turn of the Millennium*, Routledge, London and New York.
- Fritzen, S. A. (2007). 'Can the design of community-driven development reduce the risk of elite capture? Evidence from Indonesia', *World Development* 35: 1359–1375.
- Fukuyama, F. (1999). *Social Capital and Civil Society*. Paper presented at the Conference on Second Generation Reforms, IMF Headquarters, Washington, D.C.
- Gibson, C., & Woolcock, M. (2005, September). *Empowerment and Local Level Conflict Mediation in Indonesia: A Comparative Analysis of Concepts, Measures, and Project Efficacy*. World Bank Policy Research Working Paper 3713
- Gibson, C., and M. Woolcock. (2005). "Empowerment and Local Level Conflict Mediation in the Kecamatan Development Project in Indonesia: Concepts, Measures and Project Efficacy." Policy Research Working Paper 3292, World Bank, Washington, DC.

- Gibson, Christopher and Woolcock, Michael. (2008). Empowerment, Deliberative Development, and Local-Level Politics in Indonesia : Participatory Projects as a Source of Countervailing Power. *Study Comparison of International Development*, 43, 151-180
- Grootaert, C. (1999). *Social Capital, Household Welfare and Poverty in Indonesia*. Washington D. C. : World Bank.
- Hadiz, V. R. (2004). Decentralization and Democracy in Indonesia: A Critique of Neo-Institutionalist Perspectives. *Development and Change*, 35(4), 697-718.
- Hadiz, V. R. (2010). *Localising Power in Post-Authoritarian Indonesia: A South East Asia Perspective*. Stanford, California: Stanford University Press.
- Haq, Mahbub ul. (1992). Human Development in a Changing World, retrieved on January 15, 2011 from http://hdr.undp.org/en/reports/global/hdr1992/papers/mahbub_ul_haq.pdf
- Haughton, J., & Khandker, S. R. (2009). *Handbook on Poverty and Inequality*. Washington D. C.: World Bank.
- Hickey, S. and G. Mohan (2004) *Participation: From Tyranny to Transformation? Exploring New Approaches to Participation in Development*, ZED Books, London and New York.
- Hoggart, K. (1990). Let's Do Away with Rural. *Journal of Rural Studies*, 6(3), 245-257.
- Hudayana, Bambang. (2017). *Community Empowerment from Anthropology Perspective*. Yogyakarta: Pustaka Pelajar
- Hulme, D. (1995). Projects, politics and professionals: Alternative approaches for project identification and project planning. *Agricultural Systems*, 47(2), 211–233.doi:10.1016/0308-521x(94)p4412-u
- Hulme, David. (1995). Projects, politics and professionals: Alternative approaches for project identification and project planning. *Agricultural Systems*. 47. 211-233. 10.1016/0308-521X(94)P4412-U.
- Hutomo M. Y. (2000, March). *Community Empowerment in Economy Field: Theoretical Study and Implementation*. Paper presented at one day seminar of community empowerment held by Bappenas, Jakarta
- IFAD. (2009). *Community Driven Development Decision Tools for Rural Development*. Retrieved at <https://www.ifad.org/documents/38714170/39150184/Community-driven+development+decision+tools+for+rural+development+programmes.pdf/93df0cc9-e122-49f3-b7d6-9111c01e7f3f>

- Indrajit, Wisnu and Soimin. (2014). Community Empowerment and Development. Malang: Intrans Publishing
- JICA. (2004). Capacity Development: Handbook for JICA Staff. Tokyo: JICA.
- Kakwani, Nanak. (2006). Poverty and Wellbeing. In Terry McKinley et al (eds), What is Poverty? Concepts and Measures (pp.20-21). Brazil : National Poverty Centre of UNDP
- Kartasasmita, Ginandjar, (1996). *Pembangunan Untuk Rakyat - Memadukan Pertumbuhan dan Pemerataan* (Development for People – Synchronizing Growth and Equity). Jakarta: PT. Pustaka CIDESINDO
- Kartasasmita, Ginandjar. (1997). *Pemberdayaan masyarakat : Konsep pembangunan yang berakar pada masyarakat* (Community Empowerment; Development Concept that Roots on People). Access at <http://www.ginandjar.com>
- Kusumawati, R and Visser, L. (2016). Capturing the Elite in Marine Conservation in Northeast Kalimantan. *Hum Ecol* 44, 301-310. <http://dx.doi.org/10.1007/s10745-016-9830-0>
- Labonne, Julien and Chase, Robert S. (2008a). Do Community-Driven Development Projects Enhance Social Capital? Evidence from the Philippines. Policy Research Working Paper No. 4678. Washington: World Bank
- Labonne, Julien and Chase, Robert S. (2008b). A Road to Trust. Policy Research Working Paper No. 4706. Washington: World Bank
- Leftwich, Adrian. (2000). States and Development: On the Primacy of Politics. Cambridge: Polity
- Lekoko, Rebecca Nthogo and Van Der Merwe, Marietjie. (2006). Beyond The Rhetoric of Empowerment : Speak The Language, Live The Experience of The Rural Poor. *Review of Education*, 52, 323-332
- Lord, John and Hutchinson, Peggy. 1993. The Process of Empowerment: Implications for Theory and Practice. Retrived at http://www.johnlord.net/web_documents/process_of_empowerment.pdf
- Lucas, Anton. (2016). Elite Capture and Corruption in two Villages in Bengkulu Province, Sumatra. *Hum Ecol* 44, 287-300. <http://dx.doi.org/10.1007/s10745-016-9837-6>
- Majeed, Rushda. (2013). Expanding and Diversifying Indonesia's Community Empowerment Program 2007-2012. Retrieved at https://successfultsocieties.princeton.edu/sites/successfultsocieties/files/Policy_Note_ID239.pdf

- Manning, C. (1988). Rural Employment Creation in Java: Lessons from the Green Revolution and Oil Boom. *Population and Development Review*, 14(1), 47-80.
- Mardikanto, Totok and Soebianto, Poerwoko. (2017). *Community Empowerment from Public Policy Perspective*. Bandung: Alfabeta
- McCalla, Alex F. and Ayres, Wendy S (1997), *Rural Development : from vision to action*, Washington : World Bank Publications
- McCarthy, John F. et al. (2014). Dilemmas of participation: the National Community Empowerment Program. Retrieved at: <https://www.researchgate.net/publication/283366142>
- McLaughlin, K., A. Satu and M. Hoppe (2007) 'Kecamatan Development Program qualitative impact evaluation', World Bank, Jakarta.
- McLaughlin, K., Satu, A., & Hoppe, M. (2007). *Kecamatan Development Program Qualitative Impact Evaluation* . Jakarta: The World Bank.
- McNabb, David E. (2002). *Research Method in Public Administration and Nonprofit Management, Quantitative and Qualitative Approaches*. New York : M.E Sharpe
- Miles, Matthew B, Huberman, A Michael. (1994). *Qualitative Data Analysis : an expanded sourcebook 2nd Edition*, CA : SAGE Publications
- Ministry of Home Affairs (2010), 2009 PNPM-Rural Annual Report retrieved on January 17, 2011, from <http://www.pnpm-perdesaan.or.id/downloads/Annual%20Report%202009%20Eng.pdf>
- Ministry of Home Affairs Republik of Indonesia. (2009) . Annual Report PNPM Mandiri Perdesaan: 2009. Accessed June 19, 2017 <http://www.pnpm-perdesaan.or.id/downloads/Annual%20Report%202009%20Eng.pdf>.
- Ministry of Home Affairs, Community Development Agency, KDP Central Coordination Team. (2000). *Kecamatan Development Program: Technical Operations Manual for 1999/2000*. Jakarta, Indonesia. (Indonesian)
- Ministry of Home Affairs, Community Development Agency, KDP National Secretariat and National Management Consultants. 1999. *Kecamatan Development Program, First Annual Report (1998-1999)*. Jakarta, Indonesia.
- Mosse, D. (2010) 'A relational approach to durable poverty, inequality and power', *Journal of Development Studies*, 46: 1,156–78.
- Muhammad Shakil, Ahmad & Talib, Noraini. (2014). Analysis of Community Empowerment on Projects Sustainability: Moderating Role of Sense of Community. *Social Indicators Research*. 129. 1-18. 10.1007/s11205-014-0781-9.

- Mulder, N. (1996). The Ideology of Javanese-Indonesian Leadership. In H. Antlöv & S.
- Musgrave, M. K. and Wong, S. (2016). Towards a More Nuanced Theory of Elite Capture in Development Projects. The Importance of Context and Theories of Power. *Journal of Sustainable Development*, 9 (3), 87-103. <http://dx.doi.org/10.5539/jsd.v9n3p87>
- Nakagawa, Y. and R. Shaw (2004) 'Social capital: a missing link to disaster recovery', *Journal of Mass Emergencies and Disasters*, 22: 5–34.
- Narayan, D., Pritchett, L., & Kapoor, S. (2007). *Moving Out of Poverty, Success from the Bottom Up (Vol. 2)*. Washington D.C.: Palgrave and World Bank.
- Narayan, Deepa (2002), "Empowerment and Poverty Reduction: A Source Book", Washington : World Bank Publisher
- Oakley, P. (1991). The Concept of Participation in Development. *Landscape and Urban Planning*, 20, 115-112.
- Olken, Benjamin A. (2007). Monitoring Corruption: Evidence from a Field Experiment in Indonesia. *Journal of Political Economy*, 115 (2), 200-249.
- Olken, Benjamin A. (2008). Direct Democracy and Local Public Goods: Evidence from a Field Experiment in Indonesia. NBER Working paper No. 14123
- Olken, Benjamin A. (2009). Corruption perceptions vs. corruption reality. *Journal of Public Economics*, Elsevier, 93(7-8), 950-964
- Parker, A. N. (1995). *Decentralization: The Way Forward for Rural Development?* Washington, D.C.: World Bank.
- Pasha, Hafiz A. (2002). Pro-Poor Policy for Development. in Rondinelli, Dennis A and Cheema, Shabbir G (ed), *Reinventing Government for The Twenty First Century* (pp. 83-96). Connecticut : Kumarian Press
- Paul, S. (1987). *Community Participation in Development Project: The World Bank Experience*. Washington D. C.: The World Bank.
- Perdana, A. and J. Maxwell (2011) 'The evolution of poverty alleviation policies: ideas, issues and actors', Arndt-Corden Department of Economics, Australian National University, Canberra.
- Platteau, J. P. (2004). Monitoring Elite Capture in Community-Driven Development. *Development and Change*, 35(2), 223–246. [http://dx.doi.org/10.1016/S0305-750X\(03\)00138-4](http://dx.doi.org/10.1016/S0305-750X(03)00138-4)

- Platteau, J. P. (2009). Information Distortion, Elite Capture and Task Complexity in Decentralised Development. In Ahmed, E., & Brosio, G. (Eds.), *Does Decentralization Enhance Service Delivery and Poverty Reduction* (pp. 23–72). Northampton, MA: Edward Elgar.
<http://dx.doi.org/10.4337/9781849801850.00008>
- Platteau, J. P. and Gaspart, F. (2003). The Risk of Resource Misappropriation in Community Driven Development. *World Development*, 31 (10), 1687–1703.
<http://dx.doi.org/10.1111/j.1467-7660.2004.00350.x>
- PNPM Mandiri Perdesaan (2010). Cara Kerja PPK/PNPM-Perdesaan . Accessed June 19, 2017, from PPK Website :
<http://www.ppk.or.id/content.asp?pid=1&mid=116>
- PNPM Support Facility (PSF). (2012) . PNPM Rural Impact Evaluation Report 2012. Accessed June 19, 2017
<http://psflibrary.org/web/?q=catalog&recid=6299>.
- PNPM Support Facility (PSF). (2012) . PSF Progress Report 2011. Accessed June 19, 2017 <http://psflibrary.org/web/?q=catalog&recid=5929>.
- Putnam, R. (1993). *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton: Princeton University Press.
- Rao, V. and A.M. Ibanez (2003) ‘The social impact of social funds in Jamaica: a mixed-methods analysis of participation, targeting, and collective action in community-driven development’, Policy Research Working Paper No. 2970, World Bank, Washington DC, February.
- Rao, V. and A.M. Ibanez (2003) ‘The social impact of social funds in Jamaica: a mixed-methods analysis of participation, targeting, and collective action in community-driven development’, Policy Research Working Paper No. 2970, World Bank, Washington DC, February.
- Rasyid, M. R. (2002). Regional Autonomy: Background and Prospect. In S. Harris (Ed.), *Decentralization, Democratization and Accountability of Local Government* (pp.13-30). Jakarta: LIPI.
- Rietbergen McCracken, J., & Narayan, D. (1998). *Participation and social assessment: tools and technique*. Washington D.C: The World Bank
- Rondinelli, D., A., & Cheema, G., S. (2007). From Government Decentralization to Decentralized Governance. In D. A. Rondinelli & G. S. Cheema (Eds.), *Decentralizing Governance, Emerging Concepts and Practices* (pp. 1-20.). Washington DC: Brookings Institution Press.
- Safitri, M. A. and Rafael, E.B. (2002). *Indigenous People/Ethnic Minorities and Poverty Reduction in Indonesia*. Philippines: Asian Development Bank

- Scoones, I. (1998). *Sustainable Rural Livelihoods: A Framework for Analysis*. Brighton: Institute of Development Studies.
- Scott, James C. (1972). Patron-Client Politics and Political Change in Southeast Asia. *The American Political Science Review*, 66 (1), 99-113. Retrieved at <http://www.jstor.org/stable/1959280>
- Sen, Amartya. (1999). *Development as Freedom*. Oxford: Oxford University Press
- Sigh, Katar. (2009). *Rural Development: Principles, Policies and Management*. New Delhi: Sage Publications
- Singh, K. (1999). *Rural Development: Principles, Policies and Management* (2 ed.). New Delhi: Sage Publication.
- Soetrisno, Loekman. (1995). *Menuju Masyarakat Partisipatif (Towards Participatory Community)*. Yogyakarta : Kanisius.
- Soetomo. (2015). *Community Empowerment: Possible Alternative*. Yogyakarta: Pustaka Pelajar
- Steering Committee of PNPM Mandiri (2007) *Pedoman Umum Program Nasional Pemberdayaan Masyarakat Mandiri [General Guidelines for the National Program for Community Empowerment Mandiri]*. Jakarta: Steering Committee of PNPM Mandiri.
- Sumarto, S. and Widyanti, W. (2008). *Multidimensional Poverty in Indonesia: Trends, Interventions, and Lesson Learned*. Paper presented at the 1st International Symposium “Asian Cooperation, Integration and Human Resources” for Waseda University COE Program : Global Institute for Asia Regional Institute (GIARI) held in Tokyo, 17-18 January 2008.
- Sumodiningrat, Gunawan. (1999). *Pemberdayaan Masyarakat dan Jaring Pengaman Sosial (Community Empowerment and Social Safety Net)*. Jakarta: Gramedia.
- Sumodiningrat, Gunawan and Wulandari, Ari. (2016). *Building Indonesia from Village*. Yogyakarta: Media Pressindo
- Suryahadi, Asep et al. (October 2010). *Research Report on Review of Government’s Poverty Reduction Strategies, Policies and Programs in Indonesia*. Jakarta : SMERU Research Institute
- Susilo, Anggun. (2013). *Program Nasional Pemberdayaan Masyarakat in Indonesia: the Challenge of Governance*. Retrieved at <http://transformasiglobal.ub.ac.id/index.php/trans/article/download/26/40>

- Sutiyo, & Maharjan, K. L. (2012a). Capacity of Rural Institutions in Implementing Decentralized Development In Indonesia: Case of Three Villages in Purbalingga District, Central Java. *Journal of International Development and Cooperation*, 19(4), 51-68.
- Sutiyo, & Maharjan, K. L. (2012b). Decentralized System and Budget Allocation for Rural Development in Indonesia: A Case Study of Purbalingga District, Central Java Province. *Journal of Rural Economics Special Issue 2012*, 403-409
- Sutiyo, Sutiyo & Maharjan, Keshav. (2017). Historical Background of Decentralization in Indonesia. 10.1007/978-981-10-3208-0_1.
- Sutiyo, Sutiyo. (2011). Rural poverty alleviation in Indonesia: programs and the implementation gap. *Journal of International Development and Cooperation*. 18. 13-22.
- Sutiyo. (2013). A Study on Implementation of Decentralized Rural Development in Indonesia: Case of Three Villages in Purbalingga District, Central Java Province, Doctoral Theses. Hiroshima: Hiroshima University
- Syukri, Muhammad et al. (June 2011). Research Report on A Qualitative Study on the Impact of the 2010 PNPM-Rural in East Java, West Sumatra, and Southeast Sulawesi. Jakarta : SMERU Research Institute
- Takeshi, I. (2006). The Dynamics of Local Governance Reform in Decentralizing Indonesia: Participatory Planning and Village Empowerment in Bandung, West Java. *Asian and African Area Studies*, 5(2), 137-183.
- The Oversight Team of PNPM. (n.a). National Community Empowerment Program. Accessed June 19, 2017, from <http://www.pnpm-mandiri.org/elibrary/files/disk1/1/pnpm-pnpmmandir-25-2-informat-n.pdf>
- Thomas, D. W., Esman, M. J., & Uphoff, N. T. (1985). Local Organizations--Intermediaries in Rural Development. *American Journal of Agricultural Economics*, 67(3), 699. doi:10.2307/1241105
- Todaro, M.P. and Smith, S.C. (2006) *Economic Development*. 8th Edition. Reading: Addison-Wesley
- Todaro, Michael P. and & Stephen C. Smith. (2006). *Economic Development* 9th ed. New Jersey: Pearson Education
- Torrens, Anthony. (2005, January). Economic Impact Analysis of Kecamatan Development Program Infrastructure Projects. Accessed June 19, 2017 <http://web.worldbank.org/archive/website01404/WEB/IMAGES/ECONOMIC.PDF>
- Torrens, Anthony. (2005). *Economic Impact Analysis of Kecamatan Development Program Infrastructure Projects*, Jakarta: The World Bank.

- Townsend, Peter. (2006). What is Poverty? An Historical Perspective. In Terry McKinley et al (eds), What is Poverty? Concepts and Measures (pp.5-6). Brazil : National Poverty Centre of UNDP
- Tripathy, S.N. (2000). Rural Development. Delhi : Discovery Publishing House
- UNDP. (2002). Capacity for Development, New Solution to Old Problems. New York: Earthscan Publications Ltd.
- UNDP. (2002). Capacity for Development, New Solution to Old Problems. New York: Earthscan Publications Ltd.
- UNDP. (2010). Human Development Report 2010 : The Real Wealth of Nation ;Pathways to Human Development.retrieved on January 16, 2017 from http://hdr.undp.org/en/media/HDR_2010_EN_Complete_reprint.pdf
- Uphoff, N. (1985). Local Institutions and Decentralisation for Development. In H. A. Hye (Ed.), Decentralisation, Local Government Institutions and Resource Mobilisation (pp. 43-78). Bangladesh: Bangladesh Academy for Rural Development.
- Uphoff, N. (1986). Local Institutional Development: An Analytical Sourcebook with Cases. West Hartford: Kumarian Press.
- Uphoff, N. (2004). Local Communities and Institutions: Realizing Their Potential for Integrated Rural Development. In C. M. Wijayaratra (Ed.), Role of Local Communities and Institutions in Integrated Rural Development (pp. 63-84). New Zealand: Asian Productivity Organization.
- Uphoff, N., Esmar, M. J., & Krishna, A. (1998). Reasons for Success: Learning From Instructive Experiences in Rural Development. New Delhi: Vistaar Publications.
- Uphoff, Norman. (1993). Grassroots organizations and NGOs in rural development: Opportunities with diminishing states and expanding markets. World Development Vol. 21 (4), 607-622. doi:10.1016/0305-750X(93)90113-N
- Usman, Sunyoto. (2010). Development and Community Empowerment. Yogyakarta: Pustaka Pelajar
- Voss, J. (2008a) 'Impact evaluation of the second phase of the Kecamatan Development Program in Indonesia', World Bank, Jakarta.
- Voss, J. (2008b) 'PNPM-Rural baseline report', World Bank, Washington DC.
- Voss, J. (2012) 'PNPM Rural impact evaluation', PNPM Support Facility, Jakarta, April.

- Warren, C. and J.F. McCarthy (eds) (2009) *Community, Environment and Local Governance in Indonesia: Locating the Commonweal*, Routledge, London and New York.
- Widianingsih, I. (2005). *Local Governance, Decentralization, and Participatory Planning in Indonesia: Seeking a New Path to a Harmonious Society*. In R. Ahmad (Ed.), *The Role of Public Administration in Building a Harmonious Society* (pp. 69-89). Philippines: ADB.
- Wiggins, S., & Proctor, S. (2001). How Special Are Rural Areas? The Economic Implication of Location for Rural Development. *Development Policy Review*, 19(4), 427-436.
- Willis, Kate. (2005). *Theories and Practices of Development*. New York: Routledge
- Woldegiorgis, Tessema B. (2018). *Community-Driven Development vs Community-Based Development for Practitioners and Development Actors*. Retrieved at <http://www.edaethiopia.org/images/DR%20Blog/Community%20Driven%20Development%20Vs%20Community%20Based%20Development%201%20Final.pdf>
- Wong, Sam. (2010). *Elite Capture or Capture Elites? Lessons from the 'Counterelite' and 'Co-opt-elite' Approaches in Bangladesh and Ghana*. UNU/Wider Working Paper 82. Retrieved at: https://www.wider.unu.edu/publication/elite-capture-orcapture-elites-_lessons-counter-elite-and-co-opt-elite-approaches
- Wong, Song. 2003. *Indonesia Kecamatan Development Program: Building a Monitoring and Evaluation System for a Large-Scale Community-Driven Development Program*.
- Wong, Susan. (2004). *Indonesia Kecamatan Development Program; Building a Monitoring and Evaluation System For a Large-Scale Community-Driven Development Program*. The World Bank: EASES
- Wong, Susan. (2012). "What Have Been the Impacts of World Bank Community Driven Development Programs? CDD Impact Evaluation Review and Operational and Research Implications." *Social Development Department Report*. Washington, DC: World Bank.
- Wong, Susan and Guggenheim, Scott. (May 2018). *Community-Driven Development; Myths and Realities*. Policy Research Working Paper 8435. Washington, DC : World Bank Group. Retrived at <https://collaboration.worldbank.org/content/usergenerated/asi/cloud/attachments/sites/collaboration-for-development/en/groups/community-driven-development-global-solutions-group/documents/jcr:content/content/primary/blog/community-drivendev-haJ4/Wong%20Guggenheim%20Paper.pdf>

- Woodhouse, Andrea. 2012. Governance review of PNPM Rural : community level analysis - final report (English). Washington, DC : World Bank Group. <http://documents.worldbank.org/curated/en/568881468049162685/Governance-review-of-PNPM-Rural-community-level-analysis-final-report>
- Woolcock, M. (2010) 'The rise and routinization of social capital, 1988–2008', Annual Review of Political Science, 13: 469–87.
- Woolcock, M. (2010) 'The rise and routinization of social capital, 1988–2008'. Annual Review of Political Science, 13: 469–87.
- World Bank . (2010, April). Indonesia: local Community Participation is the Primary element to Alleviating Poverty in Rural Areas. Accessed June 19, 2010, from World Bank Website : <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/INDONESIAEXTN/0,,contentMDK:22039058~pagePK:1497618~piPK:217854~theSitePK:226309,00.html>
- World Bank . (n.a.). Spirit of Harmonization in PNPM Mandiri RESPEK . Accessed June 19, 2017, from World Bank website: <http://go.worldbank.org/CM0EE1QL60>
- World Bank (2011) 'Project appraisal document on a proposed loan in the amount of US\$531.19 million to the Republic of Indonesia for the fourth National Program for Community Empowerment in Rural Areas', World Bank, Jakarta.
- World Bank (2011) 'Project appraisal document on a proposed loan in the amount of US\$531.19 million to the Republic of Indonesia for the fourth National Program for Community Empowerment in Rural Areas', World Bank, Jakarta.
- World Bank. (1975). Rural Development, Sector Policy Paper. Washington: World Bank.
- World Bank. (2004). World Development Report 2004: Making Services Work for Poor People. Washington, DC: World Bank.
- World Bank. (2005). CDD and Social Capital Impact Designing a Baseline Survey in the Philippines. Washington, D.C.: The International Bank for Reconstruction and Development, The World Bank.
- World Bank. (2008). Poverty Data: A Supplement to World Development Indicators 2008. Washington: The World Bank