Program Nasional Pemberdayaan Masyarakat (PNPM) in Indonesia: The Challenge of Governance

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Abstract

Poverty is an issue that has been discussed seriously in international development. Donors, bilateral and multilateral now are pushing forward series of efforts to address this issue. Among others, governance is one of the prominent efforts to tackle poverty. Notably, governance is a complex system, which requires components to support. Democracy, decentralization, rule of law and active people participation are few. In fact, there are limited resources academically and empirically on how these components interacting. Taken from current research on Community-Driven Development (CDD) program in Indonesia named Program Nasional Pemberdayaan Masyarakat (PNPM) or National Program for Community Empowerment- a project that initially promoted by the World Bank, this paper argues that such components in governance are conflicting one and another. More, rather than reducing poverty, promoting governance in CDD leads to the path of uncertainty which ends with two major consequences namely creation of potential conflict and sustainability of elite capture. Disorganized mechanism between decentralization and local democracy brings to the former consequences while uncoordinated system between PNPM and regular Indonesian development planning causes the latter. The first consequence is found in sub-district level, whereas the second is taken from local/village level. The research applies qualitative methodology in which semi ethnographic approach; close observation and in-depth interviews are the central techniques. To add, this paper will be structured into three parts. Literature review on governance, decentralization and participation is presented in the first section followed by implementation of PNPM in the second. Third section will discuss findings and ends with a conclusion.

Keywords; Governance, PNPM, and decentralization

Introduction

In the last decades, poverty has been one of the most discussed issues in the development course. Considered as complex and multidimensional, poverty- and its related problems- is discussed and researched aiming for finding the
solution. Not only in developing countries, is the effort to solve this problem also enhanced by developed countries. Among others, governance is then believed by either academia or development practitioners as ‘panacea’ to face against poverty. In doing so, several anti-poverty programs encouraged by donors have named governance as a precondition for poverty reduction strategy. Though, the definition of and setting for governance varies, there is a growing consensus to apply governance globally.

Likewise, Indonesia- the fifth biggest population on earth-has been facing poverty. When the Asian crisis was striking this country in late 1990s and following by the collapse of long-standing authoritarian regime in May 1998, poverty was in a critical situation. Foreign interventions then came into practices. International Monetary Fund and World Bank were the primary players saving the country from deeper crisis. One fit for all approach named Structural Adjustment Strategy (SAP) enforced by the IMF, which, in contrast, placed Indonesia into more severe situation. To name, mass unemployment, riots and deep poverty were examples of such consequences. Like its sister, the World Bank was also introducing its method for poverty alleviation. Developed in 1997, the Kecamatan Development Project (KDP) was then used as the main vehicle to reach the Bank’s goal.\(^3\)

Apart from its radical approach, the World Bank in Southeast Asia claimed KDP as the most successful poverty reduction project. It was a pilot project that covered 28 Kecamatan across Indonesia. Being a successful project, KDP was implemented in all over the country. This project was then fully adopted by the national government in 2007 and renamed as Program Nasional Pemberdayaan Masyarakat (PNPM) or National Program for Community Empowerment. This program formally endorsed by President Susilo Bambang Yudhoyono (SBY)\(^4\). To date, PNPM was the umbrella of all poverty reduction programs, which were also

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\(^3\) In English, *Kecamatan* means sub district.

\(^4\) There are many types of PNPM. This paper refers to PNPM-MandiriPerdesaan/ PNPM-MPd (PNPM Rural)
enforced by Indonesian ministries. Its wide-cover area (more than 70,000 villages involved in) brought this program into massive implementation.

In practice, PNPM is no different from its predecessor KDP. Using its own bureaucratic system separated from Indonesian regular development planning and supported by a strong emphasis on governance, PNPM becomes a project that relatively ‘clean’ from corruption. More, the Bank highlights that the practices of PNPM in development have both increased local economy and empowered society. Though, the relation between PNPM and improved economy is sometimes unclear, its fundamental approach for poverty reduction strategy has been implementing by Indonesian government for years. One thing that must be considered on the implementation of PNPM is about trade-offs between PNPM and the agenda of governance like decentralization and local democracy. Therefore, this research is going to explore.

The following paragraphs below will systematically explain on how the process of PNPM is applied in the field and how surrounded environment reacts to this. In order, literature review on governance, decentralization and participation are presented in the first section then followed by the implementation of PNPM in the second. Findings and discussions will be in the third section equipped with some conclusions.

**Governance, Decentralization and Participation**

In effort to reduce poverty, new concepts have been applied in developing countries. Called ‘new buzzword’, these concepts are strongly promoted by the World Bank. Many developing countries, to date, implement these concepts with various results. Some of them are promising, but still many of them are, in fact, disappointing. This section will explore these concepts and explain its recent implementations.

*Governance*

The definition of governance ranges from multilateral donors to academia and NGOs. This section is not intended to name all of those, however. Thing that
worth to mention, in this section, is that how governance becomes problematic both in the ways it is defined and its practices. In most cases, governance is defined as a unique tool to deal with market imperfections. This definition is mostly used by donor-the World Bank in this case- as both reflection and recommendation from over emphasizing on economic development experiences back to 1970s. It was the Bank’s first publication in 1992 entitled Governance and Development continued by its assessment in 1994 that simultaneously followed by other donors in their works on governance (Stevens and Gnanaselvam, 1995). In this regard, the central argument for applying governance was the need to acquire non-economic factors for poverty reduction. Thus, the dynamics of domestic social and politics within the country were started to taken seriously.

Departed from such optimism on defining governance, however; the practices of this concept are quite problematic. From the state point of view, Pierre and Peters (2000:2-5) argue that within governance, there is a need to repositioning the state. In the same volume, they also mention that conventional state should be transformed into what they called new model of government, which requires a changing role of state in the state-society relations. This new concept of relation, as they believed, is the essence of governance. Since the state-society relation is reconstructed, governance in this sense ranges from reformed public institution to policy-making process and improved service delivery to citizen (Grindle, 2004). This range, in fact, becomes the most substantial issue within the governance because it is hard both to gain and to maintain.

In relation to poverty reduction, as noted above, the role of governance is vital. The link between these two is clearly identified in which World Bank as a leading donor, prescribed that governance will result on decreased poverty. In doing so, the Bank’s approach on governance agenda requires national commitment by developing countries on accountability and rule of law instead of setting political regime in favor to supporting the agenda (Goetz and O’Brien, 1995). This commitment now becomes central departure of the relationship between donors-in this case World Bank and IMF- and recipients. Poverty Reduction Strategy (PRS) is currently the form of this commitment by which poor
countries could access financially to the Bank and IMF in the basis of concession and debt relief (Barbone and Sharkey, 2006). In fact, within PRS, one of the significant complaints is that PRS contains many components of the development plan without any priorities. And, as external reviewers noted on PRS, it may collide with social and political system in the countries (Ibid.)

Decentralization

Decentralization was in place just a year after the collapse of Soeharto in May 1998 and formally endorsed per January 2001. Named as ‘Big Bang’ by many Indonesian observers, this transformation from authoritarian-centralized type of government into democratic-decentralization forced the country into its ‘new face’. In fact, this ‘new face’ did not consequently result in a better country. Several facts and arguments follow this. First, the Indonesian re-formation of bureaucracy which was echoed by reformists in the aftermath of Soeharto in the late 1998 identifies itself into more acute- predatory system by which new alliances of nepotic-clientism of the old regime has re-emerged in the form of decentralization (Robison & Hadiz, 2004:52). To underline, unpredictable and chaotic context of Indonesia in the post Soeharto and current decentralization system confirms to what Robison named as ‘strange bedfellows’ (Robison, 2009:16). This pessimistic perspective is taken from the facts that decentralization by broader definition is about transfer of power from central to local government. And, in most cases, the power has been abused.

The second point is about corruption. In many cases, corruption is a general example of abused power. In Indonesia, from the period of 2004-2012, at least 277 of governors, mayors and Bupatis were accused because of corruption (Tempo, 29 August 2012). More, cases of corruption are not only occur in government but also emerge in KDP and PNPM. There are examples of corruption cases in North Maluku and Southeast Sulawesi province and the Government of Indonesia (GoI) has suspended the fund for these two provinces for a year. Dealing with this case, the GoI is planning to train about 5.000 prosecutors to monitor the PNPM implementation (Jakarta Post, 2011). In this regard, monitoring is vital for development program like PNPM. As the World Bank
acknowledged that the program has been used as a source of funding by local elites. The Jakarta Post reported that in Lampung province, some district heads are accused of skimming 7.5% off every PNPM loan that has been disbursed to sub districts within their jurisdiction. Districts of Central Lampung, North Lampung, Tulangbawang, and Tanggamus regencies along with Way Kanan regency are examples (Jakarta Post, 2010). The overall description earlier on corruption cases calls for urgent responses by Jakarta in particular to overcome.

Unfortunately, corruption is not only an acute issue in decentralization. Overlapping regulation and redistributing, among others, are also need to be assessed. Revision on law and regulation, therefore, is seen as ‘self-assessment’. This is very common in the shade of decentralization of which Indonesia has also experiencing in improving rule of law. Many times, law and regulations in Indonesia have revised. Law no 32/2004 on regional autonomy, for example, was the product of revised version on the same subjects by Law no 22/1999. There are many examples of revisions similar to Law 32/2004 that are not only ‘modernizing’ decentralization but to some extent also redistributing power. Government regulation (Peraturan Pemerintah/PP) 19/2008 Kecamatan is a product of power redistribution. Kecamatan, according to previous Law (UU 5/1979) had authority and power to rule and maintain their territory. In fact, the recent PP 19/ 2008 has placed Kecamatan as only a unit in district bureaucracy.

Participation

Community-Driven Development (CDD) is one of the best examples of participation model in development. Both KDP and PNPM adopt this model on its daily practices. In KDP, the World Bank provided financial support in block grant scheme. This grant varied from U.S $ 60.000 up to U.S. $ 110.000 to each sub district on competition basis. As noted by Tania Li-a Canadian researcher- the unique of KDP was in its delivery system. Further, she noted, “The block grant funds were sent directly to a bank account in the sub district, cutting out the many layers of bureaucracy through which “leakage” normally occurred” (Li, 2007: 249). This is one of the reasons why KDP by many researchers was called ‘radical’.
Beyond its controversy, KDP was claimed by the Bank as one of a significant success in development and therefore, it needed to scale up into wider project. Then, in 2007, president Susilo Bambang Yudhoyono (SBY) formally announced to continue KDP and fully adopted it into a national-scale program named *Program Nasional Pemberdayaan Masyarakat* (National Program for Community Empowerment) (Depdagri, 2012). PNPM adopts CDD approach. CDD is a response to top-down system’s failure on delivering development process.

Different to the approach, it encompasses community-based approach that will foster better outcomes of development especially in tackling poverty (Dasgupta and Beard, 2007). As consequence, CDD allows villagers to be involved in development process and raise their interest through participative model. It also allows communities to take control and decisions to use the resources (Fang, 2006). As community-based approach, now the villagers are in the driver’s seat of their own development. Participatory Rural Appraisal that was introduced by Robert Chambers inspires this mechanism of ‘bottom-up’ approach. As Robert Chambers explained, participation has its root on community development of people from developing countries in the period of 1970s and 1980s mainly in Africa and Latin America. Based on Freirean methods, participation was developed into other types such as Participatory Rural Appraisal (PRA), Appreciative Inquiry (AI) and Participatory Learning and Action (PLA) (Chambers, 2005:101). Some practical methods were generated in PRA/PLA like in ground or paper participatory visual, social mapping, seasonal diagram and matrix scoring. These sorts of methods had been used by scholars and/ or activist who were dealing with community development.

The process of CDD in PNPM follows series of steps. In one cycle, a PNPM program at least has four stages. It starts with information and dissemination and followed by planning. These two stages normally take 4-6 months. In addition, during these two stages, the roles of facilitators are very crucial. They help on disseminating information as well as guiding villagers to write a project proposal. The proposal preparation and verification is the next step
of PNPM. Here, one village may submit up to three proposals that one of them should be proposed by women (or a group of women). All submitted proposals would be discussed in inter-village forum on competitive based. The next stage is project selection. At this level, proposals from villages are compared and selected in 2nd inter-village forum. Each of the successful proposals will be required to add detail on cost estimation. Again, the role of facilitator is important in this stage. At the end of the process, PNPM management and technical assistance will study the overall design of project and select it for approval (Guggenheim et al, 2004). Throughout these stages, transparency and accountability are the main points of each stage. The overall processes usually take 12-14 months from the first stage to the end.

On financial management, head of sub district financial unit, sub district facilitator and a village representative share a legally registered bank account. Then, local government project officer endorses a finalized sub project agreement and send the copy of the agreement to government treasury office. Afterwards, the treasury will transfer the money to the bank account. The first installment of the budget will cover 40% of total budget and another 40% for the second phase of implementation. The last 20% will be given to the villagers with approval by district engineer (Guggenheim: Ibid.). Noteworthy, the current fund of PNPM is a mix of different sources. The fund is shared by APBN, APBD and grant or loan provided by multi donors (Bappenas, ibid). This scheme is different from KDP, which only relied on the fund provided by the World Bank.

As a national program, PNPM is currently intended to integrate as well as to minimize over-lapping programs of other community-based programs, which reside in 19 technical ministries (Bappenas, 2008). To operationalize, Depdagri was appointed as pivotal agency with support from Bappenas and the World Bank as coordinator of trust funds (PSF, 2009). The shift from KDP to PNPM to some extent indicates the level of ownership and commitment by the national government towards global development agenda. Also, PNPM has been supported financially from a number of donors including Australia, Denmark, The Netherlands, The United Kingdom and Canada (PSF, 2011). In addition, the main
components of PNPM are community development, community block grant, multi stakeholders and local government empowerment and program management support (Bappenas, ibid.). These components are meant to achieve the overall goals of PNPM that are:

a) Increasing participation of communities in open planning process;
b) Giving a direct transfer of funds to villagers with transparent process to alleviate poverty and;
c) To increase capacity of central and local governments dealing with community in order to achieve better quality of public services (World Bank, 2010b).

Findings

Taken from 10 months field research in two villages namely Pelem and Jeruk, where both are located in Malang Regency, the findings can are classified into two themes. First, it relates to the issues of institution (capacity and authority) and the second corresponds to the problem of implementation (technocratic delivery)

Problems of institution

In both village, Pelem and Jeruk, there is a critical issue of institutional capacity where the legislative body is dysfunction. In Pelem, the role of Badan Permusyawaratan Desa (BPD) is ‘weekend’ by the Village Head whereas in Jeruk, BPD is inactive due to their ignorance and lack of understanding towards the role of this institution. The dysfunction of BPD in both villages leads to the lack of control situation. These two cases show that consultative works between

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5 Names of the villages are fictitious
6 BPD stand for Badan Permusyawaratan Desa (a legislative body in village government)
7 There is a tension between BPD members and Village Head of Pelem and this is caused by personal conflict between one of the BPD members who strongly opposed Village Head. This BPD member is a military retiree who runs for village election but finally defeated by the current Village Head. According to Government Law (Peraturan Pemerintah) 72/2005, a BPD member who runs for local election has to resign from its membership in BPD. He was an active member in BPD who regularly criticizes Village Head for his policies and arbitrariness. Unfortunately, other BPD members usually follow him and now because of his resignation, Village Head is relatively free from control by BPD. Ideally, Village Head has to report this absence of BPD member to Kabupaten for replacement but he did not.
BPD and Village Head are not in place as it is idealized. Problem of institutions also emerge in the upper-level. In *Kecamatan*, where PNPM meetings are held, there is a problem of ‘ignorance’. This is caused by restructuring power in decentralization.

In the past, the role of *Kecamatan* was very important, as this institution was the most reachable unit of bureaucracy in the district level where villagers might complain or require information about government projects. In contrast, the role of *Kecamatan* currently is limited to only deal with administrative stuffs.\(^8\) Under the Government Law 19/2008, *Kecamatan*, is now considered as *Satuan Kerja Perangkat Daerah* (SKPD/ District Working Units) and has no authority to rule Village as compared to previous National Law 5/1974. Because of this, *Camat* (Head of *Kecamatan*) hesitates to involve deeply in PNPM.\(^9\) The relation between *Camat* and Village Head has also changed because of Government Law 19/2008. This law permits Village Head to have a direct connection to *Bupati* and by passing *Camat*. Therefore, *Camat* is now less respected by Village Head.\(^10\)

Different to *Kecamatan*, *Kabupaten*, in current time, has a bigger authority. Therefore, *Bupati*, to some extent, heavily influences to any development projects either provided by the national government or multilateral donors. It is also the case in PNPM. According to information from Public Relation department of Malang Regency, *Bupati* has prioritized village development in his administration. In fact, with the limited budget (APBD 2013 is only IDR 609 Billion for 27 *Kecamatans*)\(^11\), it is crucial to having support from

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\(^8\) Examples of administrative stuff at *Kecamatan* are recommendation for business licenses, proceeding *Kartu Tanda Penduduk* (KTP) or Indonesian ID.

\(^9\) Though *Kecamatan* loses its authority, in reality villagers still come to *Kecamatan* for assistance. And, in particular, PNPM itself has placed *Kecamatan* as central actors who should interact regularly with other actors of PNPM. Also, *Kecamatan* is the place for conducting *Musyawarah Antar Desa* (Inter Village Meetings) as one of important processes in PNPM.

\(^10\) It was only one Village Head who attended a late MAD in *Kecamatan Kromengan* while the other six were absent. When this information was crosschecked to Village Head of *Pelem*, he mentioned that *Camat* is no longer in power and do not have legacy to force Village Head for meetings.

\(^11\) APBD stands for *Anggaran Pendapatan dan Belanja Daerah* (Regional Budget of Revenue and Expenditure)
PNPM. *Bupati* has also emphasized that the aim of PNPM is linear with the *Kabupaten’s* mission to eradicate extreme poverty. To follow this, *Bupati* encourages people who participate in PNPM to propose projects, which are in-line with *Kabupaten’s*. This mission from *Kabupaten* is well informed in *Musrenbang*. When PNPM MAD meeting and *Musrenbang* is merged, the influence from *Kabupaten* is very obvious.

**Technocratic problems**

Technocratic normally means management, personal capacities of problem solving, and use of skillful resources. Linear with this, PNPM uses facilitator in the implementation of its projects. They are skillful graduate university people (mainly in engineering) equipped with trainings. This people are responsible in daily practices of PNPM. They, therefore, deeply involved in the process of village meetings, project design, and up to the implementation. During this process, they have to be in place for consultancy. Thus, their role in PNPM is vital. In fact, during the process, many issues occur in relation to the role of facilitator. Some of them are identified as socialization, manner and time management. Details of these issues are listed in the following paragraphs.

**Socialization**

Taken from two surveys, there are still many people who know less about PNPM. For these people, PNPM is no different to other government projects. In addition, some of them complain that PNPM is wasting their time due to its long process of meetings and competition. Therefore, it is urgent to socialize PNPM over and over not only to village bureaucrats but also to the poor. For those who do not know about PNPM, they said that they were not invited to join meetings.

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12 Musrenbang stands for *MusyawarahPerencanaan Pembangunan*, which is part of National Development Planning process. *Musrenbang* is held from village level up to national level.

13 Staffs from *Kabupaten* may easily enter to MAD forums and enforce the mission from *Kabupaten*.

14 Two surveys were held in each village. First was elite survey and the second was public (villagers) survey. The first survey was done through series of interviews and observations toward local elites to ask on their perspectives about PNPM whereas the second survey was conducted with the same techniques but different target. Here, villagers were randomly selected from the various jobs and economic level (from poor to middle income people). In total, there are 50 respondents for each village.
And for those who know little about PNPM, they mentioned that information about PNPM was partly given by Kepala Dusun (Hamlet Head).

**Manner**

By manner, it means the way of facilitating PNPM process. Noteworthy, facilitators are not always local resident. In each Kecamatan, facilitators often come from various places who also have various background and trainings. They interact closely with villagers, which occasionally have different perspectives. Here, personal capacity and trainings are useful to accommodate this situation. Otherwise, it might end with tension between facilitators and villagers. In relation to this, the database of Fasilitator Kabupaten shows that the majorities of facilitators in Malang regency has an engineering background and know less about social problems.¹⁵

**Time Management**

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 busy of making administrative jobs (writing reports) than presenting and facilitating projects in the community. This imbalance of time management causes severe consequences to PNPM.¹⁶ Despite time management problem, organizational issue also emerges in PNPM. In this regard, Pelem can be used as an example. This village had no facilitators at least for 5 months.¹⁷ The former facilitator moved to Kalimantan for promotion while the new facilitator was not in place until August 2012. During this ‘vacuum’ situation, local conflict became intense and not yet resolved.¹⁸

**Technocratic problems**

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¹⁵ Senior PNPM officer in Jakarta explains that the current facilitators have lack of trainings on Participatory Rural Appraisal (PRA), which is very important to face social issues.

¹⁶ Facilitator in Pelem explains that the job of facilitators is not only presence in the field but they are also demanded to write regular reports to higher officer in Kabupaten and Province. Many times, this administrative work undermines the real work of facilitator in the field.

¹⁷ Pelem had no facilitators from April 2012-August 2012.

¹⁸ When the field research ended in August 2013, the tension between BPD, TPK and Village Head became worse.
This section starts with the discussion over good governance, its practices and development from time to time. The importance of governance was firstly acknowledged in the World Bank report on Africa. This report stated that the ineffectiveness of aid delivering in the region was substantially caused by incapability state to overcome problems such as corruption and elite conflict. On this report, the Bank mainly addressed that such problems can be entirely solved by initiating governance. By this, it means that the Bank would emphasize efforts to lift up state capacity and its bureaucracy. Contrary, African scholars expected a broader definition of governance which incorporated restructuring of state-society relation rather than merely technocratic approach proposed by the Bank (Mkandawire 2007). Within neo-liberal camp where governance has been resided in, the practices of this new buzzword in development mostly attributed to the implementation of technocratic model in which managerial and administrative features are the central components (Leftwich 1993). By doing this, governance is used by the Bank to insulating neo-liberal economic approach from social and political factors, which is seen as significant obstacles.

It is traditionally known that the World Bank intervention in developing countries should be apolitical in nature. Hence, technocratic approach is in line with apolitical approach designed earlier. By definition, technocracy means regime of rule and governance, which heavily relies on skills and problem-solving expertise (Teik 2010). To get it done, technocracy should be free from any fear and vested interests by politicians and other unnecessary factor like conflict. In fact, applying technocratic approach is problematic as there is no way out to completely separate system of technocracy from state structure where power and interest are interlinked.

The World Bank’s publication named World Development Report 1997 states that technocratic approach of governance is in the form of decentralization. Further, it mentions that ‘The clearest and most important principle is that public good and services should be provided by the lowest level of government that can fully capture the cost and benefits’. Still in the same volume, it is stated that ‘…decentralization…should be a practical endeavour to find the right balance
between the roles of different levels of government, to ensure that high-quality services are provided in a timely manner’ (World Bank 1997:121-124 in (Bryld 2000). In the Bank’s perspective, decentralization is dealing with practical features separated from politics.

While the above paragraphs present the nature and tool for governance, the next parts will link good governance with other features like democracy, technocratic approach, decentralization and power relation. In relation to democracy, Leftwich (1993) argues that democracy is an essential component for liberating individual in economic and politic to achieve a good life. More, in democracy, free and fair election will result in less corrupt political leaders. Because of this end, development assistances strongly encourage on implementing both democracy and governance (Abdellatif 2003).

Whereas the link between governance and democracy is pictured in the relatively ideal form, the next section will explain the practice of such link and in particular its connection to PNPM. Beforehand, it will be necessary to refer the World Bank strategy in Indonesia. In the current Country Partnership Strategy (CPS) of the World Bank in Indonesia, PNPM is clearly supported (World Bank CPS 2012, 31). In more particular, and its relation to World Bank agenda on governance, the strategy mentions:

PNPM’s overall objective is to improve governance and reduce poverty by promoting community decision making in development planning and management. Its core idea is that given adequate information and some technical assistance to improve designs, communities will negotiate a range of cost-effective, economically useful investments that will raise local productivity and benefit the poor. To translate this idea into an operational project, PNPM funds are used to support: (a) building community capacity for the formation and institutionalization of elected representative organizations that are accountable to communities; (b) provision of grants to communities directly and transparently to finance an open menu of poverty alleviation activities; and (c) enhancing the capacity of central government and local governments to partner with community organizations

The strategy is not only mentioning governance as the core idea but is also explaining how to apply it. Rest of paragraphs in the document is about ‘technocratic’ feature on implementing governance. Technocratic model as
promoted in the strategy can be traced in PNPM document named *Petunjuk Teknis Operasional* (PTO) or Manual Guidelines, which informs the principles of PNPM (PTO PNPM 2009). This guideline is used by PNPM facilitator in daily basis. It contains policies; actors; allure and steps of PNPM in which facilitators must apply this guideline in the practice of PNPM. Facilitator in PNPM is a hired person who has technical expertise. They are posted in *Kecamatan*. In each *Kecamatan*, two facilitators are responsible for daily practices of PNPM. One is responsible as well as facilitate projects in *Kecamatan* in the stages of socialization, planning, implementing and sustaining whereas another facilitator is responsible on technical duty like making roads or bridges design (PTO PNPM 2009: 13).

In day-to-day basis, this technocratic approach is problematic and complex in particular when PNPM clash with local issues such as democracy and rule of law. As mentioned earlier in the findings section, the tension between local legislative (BPD) and executive (Village Head) is very intense. This local issue normally can be avoided if PNPM team allocates sufficient time to explore sufficiently on socio-political context of the village. However, in many cases, facilitators as the main actor in the field, spend much of their time for doing administrative tasks. 19 Worse, in the case of *Pelem*, the absence of facilitator and deficit of local democracy contribute to the intensifying conflict among actors in PNPM (see Barron et al. 2006: xii). There was insufficient initiative to both accommodate and facilitate different interests between Village Head, BPD and TPK, which finally led *Pelem* into deeper problem. As a consequence, there was long delay of project implementation.

Noteworthy, deficit of local democracy stated earlier has serious impacts on PNPM project. Revolving fund, one of initiatives in the project, is used by Village Head as ‘political tool’ to both maintain his constituents and to prospect potential voters for the next election. With the ‘absence’ of control by BPD as a legislative body in the village, this pattern of hijacking becomes more intense. This phenomenon is commonly found in many government projects in Indonesia.

19 As required, facilitators have to document all activities of PNPM. This task, for them, is mainly time consuming and practically, they tend to neglect other important aspects for instance local conflict.
It becomes worse in the case of PNPM where there is no such rule of law on the village governance. More so, there is also lack of control by superior institution above Village. Regarding this issue, in the past, Kecamatan had the power to control Village Head and therefore Village Head must obey on what instructions commanded by Camat.

The presented issue of local powers in PNPM directs this discussion into decentralization in which it is designed as a tool to achieve governance. By definition, decentralization refers to power re-allocation in the forms of deconcentration, delegation and devolution. An expert like Rondinelli notes that international donors such as the World Bank and the IMF have prescribe decentralization in developing countries as part of structural adjustment, which is required for market restoration, strengthening democracy and promoting governance (Rondinelli in Huque and Zafarullah 2006:394). However, this new installed system in the countries lures various reactions from people especially for those who are heavily impacted. Often, the new system inserts new regulations which probably changes not only the existing allocation of using resources but also alternate the relations of people (Stretton 1976: 3)(Bebbington et al. 2004) These relations might end in a clash among them.

As an illuminating example, the changing relation between Village Head and Camat noted earlier indicates that decentralization of power and authority in Indonesia has, in some ways, entered a new era of chaos-at least in the section of power relation. More so, this power relation of Village Head and Camat has recalled to numerous studies conducted by Indonesian scholars like Hadiz and Robison. Most of their works urge to explaining on neo-liberal reforms and its variations (in the case of Indonesia) and at the same time exposing on how domestic politics and local actors deal with it (Hadiz and Robison 2005, Robison in Hout 2009: 20-36). This fact and preposition have, in contrast, challenged the

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20 Government of Indonesia and in-partner with DPR are now in the process of finalizing draft of Village Law which regulate the relation and power sharing between BPK and Village Head. The existing Government Law (PP) 72/2005 is considered insufficient to manage the relation.
21 National Law 5/ 1979 is no longer used.
22 Bebbington et al emphasizes the political issue in village level.
fundamental argument proposed by neo-liberal proponents (and also the World Bank) stating that decentralization is free from political or social context.

The last discussion on this section will elucidate the issue of elite capture. Initiator of KDP, Scott Guggenheim, was well informed on this issue (Guggenheim et al. 2004). Elite capture, on its broader definition, has occasionally occurred in any development projects either provided by the national government or multilateral donors. In elite capture, detouring development projects into private interest are the most common form (Edstrom 2002, Olken 2005, and Chavis 2010). While this issue remains puzzled in PNPM, decentralization process with the lack of acknowledging problems like local conflict and new structure of power relation tends to worsen the situation. In the case of Pelem, revolving fund has been used to further Village Head’s interest for local election. With the lack of control and conflict among actors in PNPM, it remains difficult to block his actions.

Concluding remarks

This section is not intended to conclude such discussion on governance but, at some point, creates new endeavor to rethinking the application of governance as new panacea in developing countries. More so, experience from the case of PNPM in Indonesia has embraced the dialogue among actors in development projects like multilateral donors, Western countries and international non-government organization (INGO) who are continually echoing governance agenda. This paper then underlines that there is a continuing trade-off inside governance, which is mostly neglected and lack of attention. Instead of strengthening governance, intensive conflict within its operationalization has been diverting governance into more problematic concept, which is full of uncertainty. Summary of this paper contains an examination of governance on its daily practices in PNPM.

The most important finding in PNPM based on field research is that technocratic approach as part of governance (in the logic of donor like World Bank) contradicts with other features such as democracy, decentralization and
elite capture. Village institutions with inadequate capacity to perform check and balance in local democracy have created possibilities of power abuse. This situation can ideally be minimized if PNPM facilitator has sufficient trainings on social and political mapping, which is, unfortunately not. Still in village level, the existence of elite capture is deliberately caused by power contestation in both vertical and horizontal lines. The later line refers to village politics, which remains unsolved (in the case of Pelem), whereas power re-structuring in the shade of decentralization has contributed significantly to the former line.

Finally, it is important to re-emphasizing that traditional approach of donor like World Bank to exclude social and political factors in governance is in fact, operationalized just in the opposite direction. Insulating PNPM from corrupted bureaucracy using a separated line and at the same time employing thousands of facilitators is seen very political. This is a contradiction to what normally the World Bank does. In fact, this insulation scheme ends with a degree of reluctant especially from people who are bypassed by PNPM. For example, the position of Camat in PNPM, is ambiguous since it is part of PNPM, at one side, but has no power to involve in at the other side.

REFERENCES


