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# Marginalized Groups in PNPM-Rural

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# Table of Contents

<b>Acknowledgements</b>	<b>iv</b>
<b>List of Acronyms/Abbreviations</b>	<b>v</b>
<b>List of Indonesian Terms</b>	<b>vi</b>
<b>Executive Summary</b>	<b>1</b>
About the report	1
Objective of the study	2
Methodology	2
Main findings	3
Recommendations	4
<b>Chapter 1 Introduction</b>	<b>9</b>
1.1 A Brief History of PNPM-Rural	9
1.1.1 Objectives of PNPM-Rural	10
1.1.2 Institutional Structure of PNPM-Rural	11
1.1.3 Activities of PNPM-Rural	11
1.1.4 Participation: Review of Previous Studies	12
1.2 Objectives of Study	12
1.3 Methodology	13
1.3.1 Study Framework	13
1.3.2 Data collection	13
1.3.3 Research Locations	14
1.4 Report Structure	15
<b>Chapter 2 Symbolic Participation: Marginalized Groups in PNPM-Rural</b>	<b>17</b>
2.1 Socio-economic Structure and Village Decision Making	17
2.1.1 Village Elite	18
2.1.2 Village Activists	19
2.1.3 Majority Group	19
2.1.4 Marginalized Groups	19
2.2 Participation in PNPM-Rural	21
2.3 Women's Participation	25
2.4 Marginalized Groups and the Benefits of PNPM-Rural	26
<b>Chapter 3 Barriers to Participation: What Matters?</b>	<b>27</b>
3.1 Structural Barriers	27
3.2 Technical Limitations of the PNPM-Rural Project Design & Support Systems	34
<b>Chapter 4 Beyond Symbolic Participation: Suggested Future Direction</b>	<b>37</b>
4.1 Selecting a Single Focus	39
4.2 Tending Marginalized Groups	40
4.3 Facilitating More Sustainable Savings and Loans	41
4.4 Institutional and Technical Improvements	41
<b>References</b>	<b>44</b>



**List of Tables**

Table 1.1	Research Locations	15
Table 2.1	Summary: Community Involvement in Village Decision-Making	20
Table 2.2	The Role of Officials and Activists	22
Table 3.1	Declining Participation	29

**List of Boxes**

Box 2.1	Relationship of the Poor and the Wealthy, West Sumatra	18
Box 2.2	Mobilizing Support for Proposals from the ‘Top’, West Java	21
Box 2.3	Good Facilitation for Participation of Marginalized Groups	24
Box 2.4	Setting Up a Savings-and-Loan Group	26
Box 3.1	Persistent Dependency of Marginalized Group on Activists	32
Box 3.2	Administrative Burden and FK Capacity	35

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## List of Acronyms/Abbreviations

BAPPEDA	District Planning Agency ( <i>Badan Perencanaan Pembangunan Daerah</i> )
BAPPENAS	National Planning Agency ( <i>Badan Perencanaan Pembangunan Nasional</i> )
BKAD	Inter-village Cooperation Unit ( <i>Badan Kerjasama Antar Desa</i> )
BLM	Community Block Grant ( <i>Bantuan Langsung Masyarakat</i> )
BPD	Village Representative Body ( <i>Badan Perwakilan Desa</i> )
FGD	Focus Group Discussion
FK	Subdistrict Facilitator ( <i>Fasilitator Kecamatan</i> )
FKab	Regency/Municipality Facilitator ( <i>Fasilitator Kabupaten</i> )
FT	Technical Facilitator ( <i>Fasilitator Teknis</i> )
KDP	Kecamatan Development Program ( <i>Program Pengembangan Kecamatan – PPK</i> )
KPMD	Village Community Empowerment Cadre ( <i>Kader Pemberdayaan Masyarakat Desa</i> )
LPM	Community Council ( <i>Lembaga Pertahanan Masyarakat</i> )
MAD	Inter-Village Meeting ( <i>Musyawarah Antar Desa</i> )
MDP	Village Planning Meeting ( <i>Musyawarah Desa Perencanaan</i> )
MKP	Special Meeting for Women ( <i>Musyawarah Khusus Perempuan</i> )
Musdus	Hamlet Meeting ( <i>Musyawarah Dusun</i> )
Musrenbang	Development Planning Meeting ( <i>Musyawarah Perencanaan Pembangunan</i> )
Musrenbangdes	Village Development Planning Meeting ( <i>Musyawarah Perencanaan Pembangunan Desa</i> )
PjOK	Local Project Manager ( <i>Penanggung Jawab Operasional Kegiatan</i> )
PKK	Family Prosperity Program (village women's group) ( <i>Program Kesejahteraan Keluarga</i> )
PMD	Ministry of Home Affairs, Community Empowerment Office ( <i>Pemberdayaan Masyarakat Desa</i> )
PNPM	National Program for Community Empowerment ( <i>Program Nasional Pemberdayaan Masyarakat</i> )
RESPEK	Village Development Strategic Plan ( <i>Rencana Strategis Pengembangan Kampung</i> )
SADI	Smallholders Agriculture Development Initiatives
SPP	Women's Saving and Loan ( <i>Simpan Pinjam Perempuan</i> )
UPK	Project Management Units ( <i>Unit Pengelolaan Kegiatan</i> )
UPP	Urban Poverty Project

## List of Indonesian Terms

Adat	Local norm or custom
Arisan	Savings group
Bagi rata	Practice of dividing money or materials equally among villagers or villages
Banjar	Hamlet/sub-village in a Hindu community
Bantuan	Assistance
Camat	Administrative head of a kecamatan (sub-district)
Dusun	Hamlet (sub-village)
Kampung	Hamlet (sub-village) In Papua, it means village
Kepala	Head, leader
Kepala Adat	Customary leader
Ketua	Chairman, elder, leader
Madrasah	Islamic school
Musyawaharah	Meeting, group discussion
Ninik mamak	Customary leader in West Sumatra
Ojeg	Motorcycle taxi
Pamong	Village government officials
Pemekaran	Separation of one administrative area
Pengajian	Religious meeting/Al Quran Recital meeting
Penggalian gagasan	PNPM-Rural idea generating meeting
Pesantren	Islamic boarding school
Swadaya	Voluntary contributions, literally self-supporting
Swakelola	Self-managed
Taoke/Toke	Village middlemen
Tokoh	An elder, respected person, or community leader
Tuan Guru Haji	Religious leader in Lombok Muslim community, West Nusa Tenggara
Ulama	Muslim clerics
Warung	Stall





Photo by Akatiga

# Executive Summary

## Marginalized Groups in PNPM-Rural

### About the report

The Marginalized and Vulnerable Groups Study grew out of a concern that the marginalized segments of society were being left out of the development planning process in the National Program for Community Empowerment<sup>1</sup> in Rural Areas (PNPM-Rural)—a nation-wide community driven development project in Indonesia. Previous studies on the Kecamatan Development Project (KDP), the predecessor of PNPM-Rural, as well as the baseline survey for PNPM-Rural indicated that decision-making within the project favored the majority and better-off as opposed to poorer villagers and those living in outlying areas. (See McLaughlin, et. al., 2007; Voss, 2008) Poorer groups, which include female heads-of-households and heads-of-household with no primary education, have limited participation in the KDP/PNPM-Rural decision making process, as about 75 percent of the poor attending the meetings were passive participants (Gibson and Woolcock, 2005; Voss, 2008). Other studies have shown that despite the passive nature of participation, when compared to similar projects, KDP/PNPM-Rural was better in getting the poor involved (Agung

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1 *Program Nasional Pemberdayaan Masyarakat Mandiri-Pedesaan*



Photo by Juliana Wilson

and Hull, 2002). This study was undertaken to better understand the dynamics of participation, defined as “a process through which stakeholders influence and share control over development initiatives, decisions and resources which affect them.”<sup>2</sup>

## Objective of the study

This study attempts to answer the following questions:

- Who participates in PNPM-Rural and who does not?
- Why do these groups not participate? What are the obstacles to participation?
- What can be improved in poverty programs, such as PNPM-Rural or other targeted programs, to reach these groups?

We examine the socio-economic and political reasons why some groups participate in the development process and others are marginalized.

## Methodology

This study used qualitative methodology to answer the research questions. Apart from a review of related documents, data was collected mostly through key informant interviews and focus group discussions. Cross interviews, especially with (but not limited to) informants of different positions, socio-economic background, and (presumed) interests were used to verify answers.

Fieldwork was done in 24 villages in 12 sub-districts (*kecamatan*) in six provinces (West Sumatra, West Java, West Kalimantan, West Nusa Tenggara, South Sulawesi and Papua) from October to December 2009. Within each sub-district, research sites were selected as follows: one randomly selected village and the village considered poorest.

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2 Agung, I., & Hull, T. (2002). *Study on the Economic Loan Scheme*. Accessed September 7, 2009, from <http://www.ppk.or.id/downloads/Study%20on%20the%20Economic%20Loan%20Scheme.pdf>



## Main findings

### 1. On Participation and Socio-Economic Structure

**Corroborating previous studies, 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.** Dissecting the socio-economic structure reveals some insight to the dynamics of participation in decision-making within PNPM-Rural.

**Community groupings are not neatly confined within economic status** as the term “marginalized” implies (although marginalized people are mostly poor/very poor). They can cross or overlap economic groups. In relation to PNPM-Rural participation (or non-participation), generally there are four major groups: the elite, the activists, the majority, and marginalized groups. The *elite* are the wealthy, village government leaders, religious and customary leaders, while *the activists* are villagers who possess knowledge of government projects and use this knowledge to get involved. These activists, such as those in farmers’ groups and PKK (government-led women’s group), have a close relationship with government leaders. The *majority* of the village population are people with few assets or small income levels, such as small landowners, *ojeg* drivers (motorcycle taxi drivers), small industry workers and mobile vendors. The *marginalized groups* can be characterized as having no (valuable) assets, living in outlying areas with limited basic infrastructure, having limited income with a large number of dependents, and originating from an ethnic/religious minority.

**Of the elite, the village officials have most influence over the decision making in PNPM-Rural. They work together with the activists, who participate actively in village meetings and in Program implementation.** They can manipulate or intervene in PNPM-Rural processes when it suits their interests. Contrary to common perception, the wealthy are not interested in becoming involved in development programs, unless there are specific projects that would benefit them. Customary leaders are not that involved either, except the *ninik mamak* in West Sumatra and the clan leaders in Papua. Religious leaders were not interested in being involved, except in West Java. The majority is more informed about PNPM-Rural than the marginalized group, but they are not actively involved in village discussions, and hence have little influence on decisions, unless they have close relations with the village leaders or customary leaders. The marginalized group is the least involved, except as construction laborers, and has little information on the Program. Their voice may be heard if they happen to have a personal relationship with the activists and officials.

**Special meetings for women to agree on “women’s proposals”, including savings and loans, increase women’s participation but decisions are still limited to the elite and activists.** The participants are usually the prospective borrowers for the savings and loans component of PNPM-Rural. These are women who have regular income (e.g., teachers, traders) and are thought to be able to repay their loans. Very few women from marginalized groups are invited to participate.

**Despite limited participation, marginalized groups enjoy the benefits of the PNPM-Rural, albeit not as much as the other groups.** In the case of PNPM-Rural infrastructure projects, the majority of the population benefits although the project might not be their preference. Many members of marginalized groups also work as construction laborers on these sub-projects.

## 2. On Obstacles to Participation

**Facilitation, which is expected to circumvent the elite dominance, is weak.** *Kecamatan* 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 (KPMs) 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 KPMs 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.

**The PNPM-Rural process has become routine and does not inspire participation.** Facilitation for empowerment is not a quick fix that can be done by a repeated, mechanistic process year in/year out—it bores many villagers who get involved. The long process and “laddering up” discussions (from hamlet to inter-village) lead to decreasing levels of participation. Low skill-levels of all facilitators, high turnover of FKs in some locations, and elite intervention all contribute to decreased levels of enthusiasm and low expectations.

**Project design and institutions did not keep pace with the PNPM-Rural scale-up.** PNPM-Rural has scaled up from 26 villages in the pilot project (1997) to 61,000 villages (2010), with a sharp increase in locations coming in 2009 when the project scaled-up from 2,629 to 4,290 *kecamatan*. PNPM-Rural’s design and implementing institutions did not adjust adequately. To keep up with the scale-up, implementation became increasingly focused on administration. The PNPM-Rural process has become mechanical, leaving behind the kind of facilitation that empowers communities. Monitoring and evaluation followed suit; PNPM-Rural is not able to monitor the quality of participation, beyond quantitative assessment. Project monitoring is spread across too many areas; a better policy would be to focus on certain issues deemed important to the Program (i.e. quality of participation).

**Delays in disbursement are also attributable to institutional capacity.** When delays in disbursement occur in a nation-wide project, the impact is substantial. It appears that the institutional capacity is not present to support PNPM-Rural. In almost every village visited for this study the delays in disbursement, especially the operational funds that come from the local government, lead to short cuts in the process. This creates frustration among project actors and villagers. In some cases, when money does not come on time (e.g., loans for planting), the funds are used for purposes other than those for which they were originally intended.

## Recommendations

Community empowerment does not usually operate on a large scale due to the intensive facilitation required. A large-scale project requires a specific focus and practical objectives, and therefore tends to be mechanical.<sup>3</sup> We recommend that PNPM-Rural be redesigned to focus on a single area to be

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3 PNPM-Rural covers 61,000 villages in Indonesia in more than 4,000 sub-districts. More than 10,000 *Kecamatan* Facilitators (FKs) had to be recruited (half of them are engineers). They train and supervise 10-20 village facilitators in each sub-district.



more effective. Within PNPM-Rural there are a number of pilot programs, for example PNPM Generasi Sehat dan Cerdas, PNPM Green—these pilots could provide the means to refocus the Program.<sup>4</sup> Given marginalized groups’ poor levels of participation, the question of increasing the number of activities moving through PNPM-Rural Inti should be carefully considered. PNPM-Rural Inti has worked most effectively with infrastructure. Increased numbers of dedicated facilitators are needed to more effectively facilitate marginalized groups and on savings and loans or they should be developed gradually through pilot activities of PNPM-Rural. The followings will discuss the proposed solutions for PNPM-Rural in more details.

## 1. Selecting a single focus

**Capitalize on PNPM-Rural’s strength by focusing *only* on community infrastructure, which is what PNPM-Rural has done best.** Although infrastructure does not yet proportionally benefit marginalized groups (and probably never will), the study found that PNPM-Rural has been able to provide the needed public goods that benefit marginalized groups. In some villages, especially the isolated areas, PNPM-Rural has been the only program that responded to the villagers’ requests. Involvement (in a broader sense) of marginalized groups is also relatively higher than in the savings and loan activities, at least as laborers in the construction work. Quality of infrastructure has been known to be generally good and relatively cheaper than those being built by regular contractors, as previous studies of KDP have shown. Providing better access through infrastructure is a “trademark” of PNPM-Rural and it is by all means not less important than providing small loans. **Hence, the study recommends that the main PNPM-Rural (or PNPM-Rural Inti) only focus on providing infrastructure. The single focus would help ease the burden of facilitation and still bring significant benefits.** Other activities should be done selectively as PNPM-Rural *Penguatan* (see 4.2 and 4.3 below).

<sup>4</sup> Literally PNPM-Rural *Inti* means “main” PNPM-Rural while PNPM-Rural *Penguatan* means “strengthening” PNPM-Rural. PNPM-Rural *Penguatan* is a “refined off spring” of PNPM-Rural that has been developed to focus on a specific group or issue that needs additional inputs, including special grant money. These PNPM-Rural *Penguatan* are Green KDP (working on environmental issues), PEKKA (working with female household heads), PNPM-Rural *Generasi* (working on health and education), and SADI (on agriculture). PEKKA, in particular, has shown that strong facilitation has enabled female heads-of-households as a “marginalized group” to improve their position in the community and, for many, improve their livelihood.

**Simplify the PNPM-Rural mechanism without compromising public participation through plebiscites.** *Kecamatan* and village facilitators are not well prepared for the kind of intensive and skilled facilitation that would enable marginalized groups to participate in a more substantial manner, i.e. in decision-making. In fact, finding or producing thousands of good facilitators is an enormous challenge.<sup>5</sup> In addition, many villagers confess to being exhausted by the numerous meetings. Also, laddering the discussions from the hamlets up to the sub-districts did not provide more opportunities for participation. By the time the discussion reaches the sub-district, very often the voice of the people in the hamlets may have evaporated. The Program requires a much simpler mechanism. **The study recommends that selection of village proposals are made through a plebiscite instead of deliberations.** This mechanism was tried out in PNPM-Rural villages several years back. This experiment shows that selection of proposals is similar to those being selected by deliberations, with women's proposals are more likely to be selected. Satisfaction is also rated higher when proposals are selected through direct votes.<sup>6</sup>

**To offset the bias of hamlets with large populations, proposals should be weighted.** A simple scoring system can be made using two criteria: population size of hamlet and distance of the proposed project site to village center. Proposals from hamlets with small population weigh more and so do project sites that are further away from the village center.

## 2. Tending marginalized groups

**Facilitation of marginalized groups should organize them and enable them to voice their needs.** By definition marginalized groups lack resources, access to information, and confidence—hence, they are the groups that need special support through PNPM-Rural to ensure that their voice is properly heard and not merely represented by elites. However, unlike the other PNPM-Rural programs, **we recommend that there is no special grant awarded to these groups.** These groups are not intended to be exclusive nor should they become a “special” group with its own funds that might alienate them from the rest of the villagers. **The main objective of the special facilitation is to strengthen the groups and enable them to participate more actively in decision making in village activities, including PNPM-Rural and its SPP.** Specifically, for “leveling the playing field”, the facilitation should aim to develop the marginalized groups’ organizing capacity, negotiation skills, networking, and access to information to enable them to voice their needs and demand some response. This kind of empowerment would need at least two-three years to develop. Members of the groups should be targeted to the bottom 10 percent of the village population. For the first phase, pilot activities can be done in a few districts that have shown some degree of organizing capacity.

5 After the completion of fieldwork we understand that PNPM-Rural management is undertaking substantial changes, in particular in reducing the workload of facilitators to let them have more time for facilitation. Facilitators need only to provide reports to the Kabupaten. They do not have to train the village facilitators—professional trainers will do the work. Village proposals that have been verified but not funded will be automatically funded in the following year. Other changes include training methods for facilitators that allow more reflection and groups’ discussions. Results of these changes are not yet observed. (Interview with Bapak Bito Wikantosa of PNPM-Rural Secretariat, April 29, 2010).

6 See Olken, Ben (2008). “Direct Democracy and Local Public Goods: Evidence from a Field Experiment in Indonesia.” NBER Working Paper No. 14123.



### 3. Facilitating more sustainable savings and loans

**Focus only where savings and loans work and provide specific facilitation.** There is generally no lack of demand for loans in the study sites, but only in a few cases groups are able to improve their livelihood through the loans. Findings of the study show that in most places SPP does not work as expected. Groups are recently formed and specifically for the purpose of getting the PNPM-Rural loans. Many members, particularly the poor who are included to meet PNPM-Rural requirements, do not have a clear idea what kind of income-generating activities they will undertake with the loan. Their businesses are often not viable. Even if they have good business plan, there are rarely any supporting activities or trainings that strengthen the group—as a borrower—and help it deal with problems the members face, e.g., in marketing and getting materials in bulk for lower prices. In a few cases, SPP does help marginalized groups improve their livelihoods, such as in a hamlet in South Sulawesi where the group leader is very committed in helping poor women. In general, however, the current model appears to put SPP as an “appendix” to PNPM-Rural; there is relatively little focus on supporting the groups other than book checking. Furthermore, it is not sustainable as repayment rates remain low (see Chapter 2). Clearly small credit groups under PNPM-Rural need specific facilitation, too, since their needs are different from the general facilitation PNPM-Rural provides so far. Facilitation is needed to strengthen the SPP groups and examine the problems the group faces, including in running their business(es). Treatment would be different when groups consist of members with individual business than those with group business. Obviously, such intensive assistance cannot be provided on a large scale. **We recommend that SPP is turned into PNPM-Rural *Penguatan*, too, and given only to selected areas that have demonstrated success (i.e., good repayment rates).**

### 4. Institutional and technical improvements

The scaled-up PNPM-Rural now requires different handling, institutionally and technically. Below are some recommendations to improve the operations of PNPM-Rural, bearing in mind that the technical improvements will not significantly encourage participation of the marginalized group.



- **Facilitation school for facilitators.** One of the most consistent findings in the study is that FKs and KPMDs lack the awareness and facilitation skills to work with marginalized groups. KPMDs' low quality of facilitation skills is an output of weak FKs, who train the village facilitators. The new training school that PNPM-Rural currently developing is the right step to increase and improve the pool of qualified facilitators. At a later point it will be necessary to evaluate whether the school actually increases the competency of the facilitators.
- **Training and operational costs for KPMD from UPK.** The FK must be well qualified, including being capable of training the KPMD. The recent idea to release the FK from training the KPMD and delegate the work to professional trainers is positive.<sup>7</sup> However, good training by itself is not enough. In the case of KPMD, the operational costs have become a major stumbling block to enable KPMD to visit all hamlets, especially isolated areas that usually are the farthest from the village center. Even if the work of the KPMD is intended to be partially voluntary (the wages they receive are small), it is hardly viable for most KPMD to pay for the gas (and a few of them have motorcycles) or other transportation. These operational costs can be paid by the proceeds of the UPK.
- **Focus on key participation issues to monitor and provide feedback.** For a program as large as PNPM-Rural it is hardly possible to monitor everything in detail. Hence, PNPM needs to identify priority areas and see that these areas are reported in sufficient detail to enable PNPM-Rural to receive useful feedback that can inform the evaluation of program design and implementation. To understand participation, for example, it is not enough to report how many people—men and women, poor and non-poor—attend a meeting, but also who speaks and influences the decision made. The FK should be responsible for ensuring that the KPMD's work is up to standard, including reporting. Most importantly, the Kabupaten Facilitators should make periodic spot checks of what has been reported (e.g., the attendance list) and report the results. Finally, reports from the field must receive responses: this sends the message that the reports matter.
- **Use independent monitoring groups.** Regular monitoring by the Government, World Bank and others should be complemented by an independent monitoring group, particularly to provide a more ongoing, qualitative evaluation of the PNPM-Rural process. PNPM-Rural has been using provincial non-government organizations to do this work for quite a few years, but the quality varies. PNPM-Rural should review the work and select one or two of the best groups to work with a few others to improve the quality of the monitoring.
- **Reduce delays in disbursements to the field.** Delays in disbursements indicate issues with institutional preparedness that extends well beyond the PNPM-Rural program. The delays also indicate that PNPM-Rural has always been viewed as a project rather than a program by the implementing agency; hence the implementing agency has never adapted to provide consistent, long-term support. As delays have affected the quality of PNPM-Rural implementation significantly, serious efforts have to be made to minimize these problems.

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7 Interview with Bito Wikantosa of PNPM-Rural Secretariat, April 29, 2010.





Photo by Akatiga

## Chapter 1

# Introduction

### 1.1 A Brief History of PNPM-Rural

In 2007, the Government of Indonesia launched a nation-wide poverty program called *Program Nasional Pemberdayaan Masyarakat-Mandiri* (National Program for Community Empowerment or 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 Development Program and the Urban Poverty Program. These programs facilitate a community planning and decision-making process leading to block grants to fund communities' self-prioritized needs.

PNPM-Rural, or PNPM-Mandiri Pedesaan, originated from the Kecamatan Development Project (KDP), a three-year project financed by a loan from the World 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. At that time the main purpose was to channel money quickly to villages, covering over 500 sub-districts (*kecamatan*) in selected provinces and districts. As a project 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 Project—they received relatively little training on facilitation.

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. KDP provided the money, let villagers propose, and about a year later, the proposals were realized. In conflict areas like South Maluku and Aceh, a conflict resolution element was added in KDP.

There are two elements of PNPM: the Core PNPM (PNPM *Inti*) and Supporting PNPM (PNPM *Penguatan*). The Core PNPM is regionally based community empowerment activities, consists of PNPM-Rural, PNPM-Urban, PNPM for Disadvantaged Areas (SPADA), PNPM for Rural Infrastructure, and PNPM for Regional Socio-Economic Infrastructures. The Supporting PNPM are “...sector-based, region-based, and special economic empowerment” programs designed to support poverty reduction related to the achievement of specific goals PNPM: A Healthy and Bright Generation (PNPM *Generasi Sehat dan Cerdas/ PNPM Generasi*), Green PNPM (PNPM *Hijau*), and PNPM Smallholder Agribusiness Development Initiative (SADI)” (The Oversight Team of PNPM-Rural, n.a).

Specifically in Papua, PNPM has collaborated with the RESPEK program since 2008, forming PNPM RESPEK. RESPEK (*Rencana Strategis Pembangunan Kampung*) is a village development program initiated by the provincial governments of Papua and West Papua in 2007 in order to spur village development in the five priority areas: (i) nutrition; (ii) basic education; (iii) primary healthcare; (iv) village infrastructure; and (v) community livelihoods. The program channels block grants of 100 million Rupiah to each village in the two provinces, drawn from each province’s Special Autonomy funds. PNPM RESPEK is unique in that the disbursement of community block grant in Papua is not limited to one fiscal year (World Bank) because the community participatory planning process is slower than other provinces in Indonesia (due to geographical reasons).

### 1.1.1 Objectives of PNPM-Rural

The overall objective of PNPM-Rural is to reduce poverty and improve local-level governance in rural areas of Indonesia through the provision of investment resources to support productive proposals developed by communities, using a participatory planning process. The community is allocated Community Block Grants (BLM or *Bantuan Langsung Masyarakat*). Each *kecamatan* is allocated from 1–3 billion Rupiah per year. The project is “open menu” meaning that the selection of 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 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* mechanism will lead to sustained democratization and community empowerment.



### 1.1.2 Institutional Structure of PNPM-Rural

Administration of PNPM-Rural is conducted by the Directorate General of Community Empowerment in the Department 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 Kabupaten level, Regional Development Planning Agencies (Bappeda) and local governments coordinate PNPM-Rural at provincial and regional level, whose function is to monitor PNPM-Rural's progress. There are consultants at the national, provincial, and Kabupaten levels.

The BLM fund is transferred to the community, and will be used to fund proposals based on community identified needs and desired assistance.

### 1.1.3 Activities of PNPM-Rural

The PNPM-Rural project 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 PNPM-Rural, there are several stages in a project cycle:

1. **Information dissemination and socialization** through workshops with local government, hearings with parliament members in every level, and meetings/forums in the community
2. **Participatory planning process.** This stage includes meetings at the hamlet or sub-village, village, and *kecamatan* levels. The community selects *Kader Pemberdayaan Masyarakat Desa* (KPMMD—village facilitator) to facilitate the socialization and planning process.



KPMDs conduct meetings with different groups in the community, including the special meeting for women. PNPM-Rural provides two facilitators at the *kecamatan* level, one empowerment facilitator and technical facilitator, to assist communities with socialization, planning, and implementation.

3. **Project selection** at the village and kecamatan level. The village community conducts meetings (*musyawarah*) at the village level (to select proposals) and inter-village (kecamatan) level to rank projects for funding. The meetings are open for every community member.
4. **Implementation.** The community selects representatives to serve on the Implementation Management Committee (*Tim Pengelola Kegiatan* or TPK). The kecamatan technical facilitator will provide assistance to TPK in designing selected infrastructure project, budgeting, quality verification, and supervision. Workers on infrastructure projects come from the local community.
5. **Accountability and Progress Report.** Twice in every year, the TPK will report the progress to a community meeting. (PNPM-Mandiri Perdesaan, 2010)

#### 1.1.4 Participation: Review of Previous Studies

Previous studies on KDP have shown that decision-making processes in PNPM-Rural provides benefits to the community, but there are groups that are not involved in the process. These groups include poor groups and those who live in isolated area in a village. Decision-making process often benefits the wealthy or majority. Voss (2008), Gibson and Woolcock (2005) emphasize the low quality of participation in PNPM-Rural meetings, especially for poor groups. Levels of passive participation (meaning attending meetings, but not speaking) is 75 percent (Voss 2008), although earlier studies found that participation of poor group and women are better in KDP than in other similar programs. (Agung & Hull, 2002)

## 1.2 Objectives of Study

Considering the low levels of participation and the quality of participation, this study was designed to understand better the participation dynamics in PNPM-Rural, especially those who do not yet participate in the Program. This study answers the following research questions:

- a. Who participates in PNPM-Rural and who does not?
- b. Why do these groups not participate? What are the obstacles to participation?
- c. What can be improved in poverty programs such as PNPM-Rural or other targeted programs to reach these groups?

This research will examine the socio-economic and political reasons why some groups do participate in the development process and others are marginalized.



## 1.3 Methodology

### 1.3.1 Study Framework

Participation in this study is defined as “...a process through which stakeholders influence and share control over development initiatives, decisions and resources which affect them...” (The World Bank, 1994, in Rietbergen, McCracken, & Narayan, 1998, pp 4). In the PNPM-Rural project cycle, project selection is determined by a participatory planning cycle, although community is expected to also get involved in implementation and monitoring of the project. With the definition above, this study focuses on the participation of marginalized groups in the planning process, from the hamlet planning meeting (Musdus) to the inter-village meeting (MAD).

This study hypothesizes that elite groups and “activists group” dominate village decision-making processes. Marginalized groups are often not included in the decision-making process. This study examines two factors that hinder participation of marginalized groups:

- *Socio-economic structure of the village community.* The socio-economic structure of the village can form a barrier to marginalized groups’ participation. Elite groups dominate decision-making processes, although the elite’s role varies within the process. This study finds, however, that within those variations elites dominate the decision-making process; in general marginalized groups do not participate in the planning process. This study also looks at how the project benefits certain groups in the village.
- *Technical Barriers.* Although one of PNPM-Rural’s key components is participatory planning, this study finds that there are limitations and weaknesses in the program design that can limit the PNPM-Rural’s capacity to promote marginalized groups. One notable component of PNPM-Rural’s design that affects the quality of participation includes the capacity of facilitators to increase marginalized groups’ participation.

### 1.3.2 Data collection

To answer the research questions, this study employed qualitative methods. Data was collected through in-depth interviews with informants, focus group discussions, participant observation, and secondary data collection. Specifically for each research question, data was collected as follows:

- *To identify who participates in PNPM-Rural and who does not,* researchers examined the socio-economic structure of the community through the poverty map of the village, or, if not available, through poverty mapping conducted by researchers. Subsequently, researchers identified who participates and who does not by examining documentation of PNPM-Rural meetings. Identification of those playing an important role in the decision-making process was examined through observation at PNPM-Rural meetings and in-depth interviews with different groups within the community (*pamong*, elites, the community at large, and marginalized households). In each village, researchers interviewed *pamong* (Village Heads, BPD), PNPM-Rural teams (KPMD and TPK), members of savings and loan groups (SPP), at least ten poor households, and at least five informants from the majority group.

- *To examine barriers to participation for certain groups*, researchers conducted in-depth interviews with various groups in the community. The researchers also analyzed the PNPM-Rural project design and conducted interviews with PNPM-Rural actors from the village to national level.
- *To look on how the project can be improved*, researchers conducted analysis on the design of PNPM-Rural programs and interviewed PNPM-Rural actors, including in the World Bank and the Office of Community Empowerment at the Ministry of Home Affairs (PMD). Researchers also drew on experience from similar programs that focus on increasing the participation of marginalized groups, such as PEKKA, and the experience of a local NGO in Kebumen with facilitating village development planning.

Data collection was conducted from October to December 2009. There were six teams covering six provinces. Each team consisted of one coordinator and two members. Research teams spent 14–15 days in each village. During fieldwork, the teams conducted discussions regularly to compare their data. Supervision from AKATIGA and from the World Bank was conducted to ensure the quality of data. In each village, research teams presented their findings to the community. At the end of fieldwork, a workshop was held at AKATIGA to discuss the main findings.

### 1.3.3 Research Locations

This study covers 24 villages in 12 *kecamatan* selected across 6 provinces. The provinces chosen for this study were: Papua, West Kalimantan, South Sulawesi, West Sumatra, West Java, and NTB. These provinces were chosen based upon the following factors: (i) already included in the PNPM Governance Study (in order to get more in-depth information on different aspects of PNPM performance in certain areas); (ii) provinces have not yet been studied intensively in KDP's nine year history; and (iii) geographical diversity representing island groups.

In these six provinces, a total of 24 rural villages in 12 *kecamatan*s of 11 *Kabupaten* were selected. Sampling of the villages followed these criteria:

- Purposeful selection of *kecamatan* by poverty ranking in two categories: one poor and one medium/wealthy.
- Within each *kecamatan*, one rural village was selected randomly, and the second was the village considered poorest, based upon discussions with the local governments and *Kabupaten* facilitator.

Of the 24 villages, there are 10 villages that had been involved with KDP since the project's inception: all the villages in West Nusa Tenggara, two villages in West Java, two villages in South Sulawesi, and two villages in Papua.

**Table 1.1 Research Locations**

Province	Kabupaten
West Sumatra	- Pesisir Selatan - Agam
West Java	- Karawang - Cianjur
West Kalimantan	- Pontianak
West Nusa Tenggara	- Dompu - West Lombok
South Sulawesi	- Takalar - Wajo
Papua	- Paniai - Biak

For the purposes of confidentiality, this report does not list the full name of the villages and *kecamatan* selected. This report also changes the name of the villages and *kecamatan*s in presenting a case or an example.

## 1.4 Report Structure

Chapter 1 provides a brief explanation of PNPM-Rural and background of the study. Chapter 2 describes the socio-economic structure of the village community, who participates in PNPM-Rural, and the forms of intervention by certain groups in the village community. Chapter 3 elaborates on factors that limit marginalized groups' participation in PNPM-Rural. Chapter 4 provides recommendations.







Photo by Akatiga





Photo by Juliana Wilson

## Chapter 2

# Symbolic Participation: Marginalized Groups in PNPM-Rural

Corroborating previous studies, this study finds that marginalized groups have limited participation in the decision making processes of PNPM-Rural in comparison to other groups in the village. We hypothesized that the level of participation of marginalized groups is determined by the socio-economic structure of the village and the ability of PNPM-Rural's design and facilitation to overcome these barriers to participation. In this chapter, we will analyze this interaction to see who participates and who does not, and their level of participation.

## 2.1 Socio-economic Structure and Village Decision Making

Groupings in the community are not neatly confined within economic strata as the term "marginalized" implies. They can cross or overlap economic groups. The relationship between the 'poor' and the 'wealthy' is also less dependent. Land ownership does not always determine the categorization of 'poor' and 'wealthy', as found in West Sumatra and South Sulawesi. Agricultural

workers are not dependent on land owners for income and help during hard times (see **Box 2.1**). However, the opposite holds in one of the districts in West Java where a large supply of agricultural workers (compared to the demand) makes the competition to find work fiercer and thus it is important that the workers maintain their relations with the land owners.

### **Box 2.1<sup>8</sup> Relationship of the Poor and the Wealthy, West Sumatra**

Agriculture and fishery are the dominant sources of income for villagers in Khi, West Sumatra. Approximately 90 percent of the population in two of its hamlets work as agricultural laborers, while in the other two hamlets, 75 percent of the population are farmers—they own or control land.

Villagers take the view that having a piece of land, however large it is, does not necessarily make one wealthy, given that crops can fail, as they did just prior to our fieldwork. Agricultural workers, however, are always considered poor but they have more ‘flexibility’ to find other work in case of crop failure. They can work individually or in a group. The members of the group often change. They do not always work for the same land owners, either. Often a farmer would ask one worker to find a group of workers to help him on his land. To meet their needs, agricultural workers prefer to borrow from the *warung* (a small store), instead of borrowing cash from landowners.

In the fishermen’s hamlet, when they need cash, the fishermen’s workers and small boat owners will go to the *toke* (middlemen) for help. They pay the *toke* back with their catch. However, their debt to the *toke* is never large.

Based on discussions with villagers in the study sites, generally there are four major groups in village community: the elite, the activists, the majority and the marginalized group/s. Each has its own characteristics and influence over village affairs.

#### **2.1.1 Village Elite**

Patron-client relationships, such as those between wealthy landowners and their workers, are viewed as a barrier to the participation of the poor. However, this study finds that in general the economic and social elites, except village officials, do not participate in the village decision-making processes.

The elite include the wealthy, the leaders of village government, as well as religious and customary leaders (*ninik mamak* in West Sumatra, clan leaders in Papua, or *banjar* leaders of Hindu community in West Nusa Tenggara).

The wealthy own most assets in the village—they own land, rice fields, and rice mills. Usually their economic activities extend beyond the village’s boundaries—they supply basic goods from cities to villages or they act as middlemen for the village’s main products. Except when a particular project or activity will benefit them (e.g. irrigation canals) they are generally not interested in the decision-making processes at the village level, although they are invited to and are informed about village activities and development programs. Generally they view the funds the village manages are too small to warrant their attention.

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8 Unless otherwise noted, information/data was collected from the field.



*Pamong* or village officials, including the Village Head, naturally have a substantial influence on village decision-making. They are not necessarily the wealthiest in the village, but their status as government officials gives them influence. They are most dominant when there is little competition for influence from the other elites. As government officials, they gain information on development projects earlier than the rest of the community.

Religious leaders (*ulama*, *Tuan Guru Haji* in the Muslim community in West Nusa Tenggara) tend to have little influence in the village decision-making process, except in West Java. Religious leaders still play an important role in family and community events (such as deaths, births, or marriages) and in religious holidays/ceremonies, but they are rarely involved in village meetings. Clan and ethnic leaders, however, still have a strong influence in village decision-making processes, notably in West Sumatra and Papua. The *ninik mamak* in West Sumatra are clan leaders and are respected by their clan members. The clan leaders in Papua are often civil servants and church leaders, hence doubling their power and influence.

### 2.1.2 Village Activists

Village activists are those who possess knowledge of government projects and use that knowledge to become involved in these projects. They are generally not in the government structure, but have close relations with the elite, particularly with the village officials. These relations come from their activities in village organizations, such as farmers' groups, *Posyandu* (village health center for mothers and children), PKK (government-led women's group), or *pengajian* (Koran recital groups), and in political parties. Like officials, most activists are not wealthy.

### 2.1.3 Majority Group

People in the "majority group" are those who have small assets or have regular income, such as small land-owners, *ojek* drivers (motorcycle taxi drivers), small industry workers, or mobile vendors. They are the majority of the village's population. In general, this group's involvement is very limited in the village decision-making process.

### 2.1.4 Marginalized Groups

Marginalized groups are almost always excluded from village meetings and development activities, unless, as in a few cases, they happen to be related to government officials. People in this group have the following characteristics:

1. **Own low-value assets or no assets at all.** In West Java, West Nusa Tenggara, and West Sumatra they are the agricultural workers or they control a small piece of land, usually rain-fed. Between harvesting seasons, or when there are crop failures, they go to town to find menial jobs, or they supplement their income by collecting wood or honey, fishing, or hunting. In West Kalimantan marginalized groups often work as plantation workers, small fishermen, and fishing boat workers. The marginalized in South Sulawesi are similar: they are often agricultural workers and small fishermen (they do not own their own boats). In Biak (Papua), marginalized groups may own a small parcel of land (140 m<sup>2</sup>); a few of them have larger plots of land but they are largely uncultivated and have only a few beetle nut trees.

2. **Live in outlying areas and have limited access to economic and social infrastructure.** Each village has at least one isolated kampung/dusun (hamlet) with little access to the village center and basic services. Some of them can only be reached on foot or by boat. They may have fertile land or other natural resources, but their isolation leads to poverty and negatively impacts educational attainment levels as well as access to and use of health services.
3. **Have low income and a large number of dependents.** Many female-headed households, elderly, and diffables fall into this category, their dependents may include many school-age children and elderly family members.
4. **Are from an ethnic or religious minority.** In West Kalimantan, poor Chinese Indonesians constitute a minority (they are usually a religious minority as well), they are invited rarely to participate in village or even hamlet meetings. Only a few of them receive government's assistance, such as the cash transfers. In Papua, people from different clans (considered inferior by the majority) are also excluded from decision-making processes. Unlike marginalized groups having the other three characteristics, ethnic/religious minorities tend to be overlooked by facilitators and village leaders. Table 2.1 below provides a summary the groups' involvement in village decision-making.

**Table 2.1 Summary: Community Involvement in Village Decision-Making**

Groups	Involvement in Village Decision-Making
The Wealthy	Most of time, the wealthy are well informed about development programs and are invited to attend village meetings, but they choose not to get involved, unless they can see that the program will directly benefit their business (e.g, building irrigation canals).
<i>Pamong</i> or village leaders	Village leaders are well informed about development programs and are actively involved in village meetings.
Customary leaders	Customary leaders are well informed about development programs and are actively involved in village meetings
Religious leaders	Religious leaders are well informed about development programs, but less active in the village meetings, thus have less influence in the decision-making process.
Activists	Activists are well informed and actively participated in the village meetings. They are also involved in the implementation of development programs.
Majority group	The majority group is not active in village meetings and thus have no influence in the decision-making process, but, in general, people in this category are more informed about development programs than the marginalized. The majority will be involved in development programs if they have close relationship with village officials or customary leaders.
Marginalized groups	The marginalized are not well informed about development program in the village, and therefore are not active in village meetings. They may become involved in the implementation of or be the target groups/beneficiaries of a program, particularly when they have close relationship with village officials or activists.

## 2.2 Participation in PNPM-Rural

Despite the presence of facilitators, participation in PNPM-Rural—particularly in decision making—is dominated by the elite (especially the village heads/officials) and activists. In many cases, village facilitators fail to facilitate. This section will discuss how and in which areas the officials and activists participate. Some examples of best practice do occur.

**Officials’ involvement in PNPM-Rural is generally intended to ensure that their agenda or programs are funded.** These agenda are not necessarily self-centered, as seen with the village head in Desa Cng, West Java, and his support for proposals from the poor. Village officials may conceive the idea themselves and openly or covertly influence or lead others to support the idea. When there is no other competing elite group, officials can even make the decision outside the formal mechanism of PNPM-Rural, as seen in several villages in West Java, West Kalimantan, and West Nusa Tenggara (**Box 2.2** provides an example in West Java).

### Box 2.2 Mobilizing Support for Proposals from the ‘Top’, West Java

Cng is located in Kabupaten Cianjur, West Java. PNPM-Rural started in this village in 2008. From the first year, the village head actively shaped the village’s proposals. Before the *musyawarah desa* (village meeting) he gathered all the hamlet heads, the chair of BPD (village legislative body), and the LPM (community council) and asked them to support the proposal to renovate the village market. The proposal originally came from the *Musrenbangdes* (village development planning meeting) process. The market renovation was expected to increase the village’s revenue from market fees and stall rental. In return, the village head promised to repair drainage canals and provide an incentive in the form of 20 bags of cement using the ADD (village grants from the district). Next, the village head asked the neighborhood head (RT) from the market area to mobilize his villagers to attend the *musyawarah desa* to support the proposal. In return, this RT would manage market parking and the neighborhood youth group would manage the toilets, each one receiving any revenue generated. Then, the village head selectively shared the information on the PNPM-Rural meetings only to his circle of supporters. His maneuver won him the proposal for the market renovation for Rp228 million.

*“Come on, my village is the center of the sub-district—it would be embarrassing if we still have dirt roads. The village grant is too small. So I used PNPM-Rural instead.”*  
(Village Head in West Kalimantan)

**Elite steering of PNPM-Rural money influences participation levels.** Village officials work both inside and outside PNPM-Rural procedures to ensure that certain proposals will be approved. For example, outside the formal procedures, officials from different villages or hamlets negotiate or agree among themselves which proposals they would support at the next stage. Some village heads decided upfront to rotate PNPM-Rural funds (e.g., in Jok and Jbu, West Sumatra, and Jat, West Kalimantan). They select both the hamlets and the projects each hamlet will receive, based on their own agenda (such as paving the main road in every hamlet in West Kalimantan). Village officials may see this rotation as fair because it ensures every village/hamlet gets a turn, but this strategy undermines the spirit of PNPM-Rural. The hamlets that will not be receiving funds had no incentive or interest in participating in planning discussions and other related activities; they just wait for their turn.

**Table 2.2 The Role of Officials and Activists**

Stage of PNPM-Rural Process	Form of “intervention”	Note
Information dissemination	Deciding who to invite to meetings, even when there is no intention to get votes for a particular proposal	<ul style="list-style-type: none"> <li>• KPMD and TPK ask hamlet leaders to invite the villagers for hamlet meetings</li> </ul>
Hamlet Meetings	Initiating specific proposals	<ul style="list-style-type: none"> <li>• Customary or religious leaders propose activities that are related to their specific interests, e.g., religious leaders propose renovation of a madrasah.</li> </ul>
	Facilitating proposals from marginalized groups	<ul style="list-style-type: none"> <li>• Activists, usually from non-governmental organizations, facilitate meetings with marginalized groups prior to hamlet meetings and bring the results to the hamlet meetings. In Biak, activists include civil servants who were the rivals of the <i>pamong</i>.</li> </ul>
	Conditioning or steering participants to accept a particular proposal	<ul style="list-style-type: none"> <li>• Hamlet leaders tell the audience what is considered to be an important project for their hamlet.</li> <li>• Activists provide arguments to support proposals coming from the group they represent or from themselves.</li> <li>• Village Head attends hamlet meetings to argue for a particular project.</li> </ul>
Village Meetings	Directing participants to prioritize a particular proposal	<ul style="list-style-type: none"> <li>• Village Head directs the discussion to prioritize a particular proposal at the village meetings.</li> <li>• TPK directs the discussion to prioritize proposals from certain hamlets (for instance, hamlets that have not won before).</li> </ul>
	Mobilization to vote for or against a particular proposal	<ul style="list-style-type: none"> <li>• Hamlet leaders mobilize their people to attend village meetings to vote for proposals from their hamlets, or lobby other hamlet leaders to vote for their proposal.</li> <li>• Activists mobilize people from a hamlet to vote for or against a particular proposal at village meetings.</li> </ul>
MAD	Lobby and negotiation between villages to win certain proposals	<ul style="list-style-type: none"> <li>• Village heads and TPK conduct meetings with other village heads and TPK to negotiate and coordinate support for their proposal at the Inter-village meeting (MAD). They agree on which village’s proposal will win in what year.</li> <li>• This study also finds cases where village leaders bring their own proposals to MAD. In West Java, the Village Head brought a different proposal that originated from the village’s mid-term plan.</li> </ul>



The other highly involved group in most villages is the activist group. Some of them participate directly as PNPM-Rural main actors, such as KPMD or join the TPK (the implementing team). In most cases these activists *cum* PNPM-Rural actors, particularly the KPMD, are unable to circumvent the domination of the officials or other elites; often they go along with them. The KPMD's role can be critical because they usually decide whom to invite to the different meetings. Hence, they help shape the level and quality of participation in the village, for better or for worse. Table 2.2 provides a summary of the “interventions” by village officials and activists in the PNPM-Rural process.

KPMD with low capacity do not always receive the support they need from the FK or the Faskab (*Kabupaten* Facilitator), who are over-loaded with administrative work in addition to facilitating communities across a wide geographic area. Even if an FK makes himself available, he may not have the capacity to adequately support local staff/volunteers. (To be further discussed in Chapter 3).

When PNPM-Rural actors—KPMD coupled with supporting FK—are good, PNPM-Rural is at its best. Examples found during this research of PNPM Rural at its best come from a village in West Java that shows high capacity in organizing villagers (see Box 2.3) and in a village in West Nusa Tenggara where the *banjar* system in the Hindu-Balinese community is still strong. Every household, as a member of the *banjar*, is required to attend meetings to discuss *banjar*-related affairs, including PNPM-Rural.



### Box 2.3 Good Facilitation for Participation of Marginalized Groups

Cng is located in Kabupaten Cianjur, West Java. This village is well known among the Cianjur PNPM-Rural team because it received PNPM-Rural grants consecutively in 2008 and 2009, which is unusual. The village received two projects in 2008 alone; renovation for a suspension bridge in Pasir Sireum and eight public baths in Bencoy. Both were poor hamlets. Participation of the marginalized populations is much higher here: 50 percent of the participants in village meetings came from marginalized groups. Hamlet meetings were attended by anywhere from 52-258 participants. Meetings are held in hamlets and continue to the village, where marginalized groups constituted over 50 percent of participants.

Several factors determined the participation rates of marginalized groups in Cng. First, the facilitators (KPMd and TPK) used effective methods of socialization. KPMds approached different groups within the community to explain the PNPM-Rural program and to stress the importance of attending meetings so their proposal would win. They also asked the Village Head to invite hamlet leaders. This strategy worked to increase the number of people coming to hamlet meetings.

Secondly, these facilitators have a long track record working with the community. They came from a local *pesantren* and local NGO with a long history of community programs, including providing economic assistance for poor groups in Cng. The facilitators have developed their network and information on which village institutions they can use to socialize PNPM-Rural. In addition, members of TPK and the KPMd have good interpersonal skills, high mobility, and strong personal financial resources.

Good facilitation in Cng is also supported by the existence of institutions working for community empowerment and creation of program cadre.

#### A glance at the local institutions

The two local institutions where the KPMd and TPK come from are, respectively, a *pesantren* and an NGO that organizes a women's credit group. The *pesantren* not only provides religious education to its students, but also actively provides training on small business activities, such as catfish breeding, for the community. Their activities, including their Koran recitation group and pre-school, serve as a place for villagers to get information on government's programs, such as rice for the poor, birth certificates, ID cards, and, of course, PNPM-Rural.

Beyond providing micro-credit for women, the NGO also helps ensure that the women have savings to pay for their children's education and health care. The NGO and the *pesantren* consistently voice the needs of the poor in Cng.

*"I attended the meeting even though I didn't say anything, because Pak Kadus invited me."  
(Villager in West Kalimantan)*

Cases like the ones in West Java and West Nusa Tenggara are exceptions. By and large participation in the decision-making process by the majority and marginalized groups is very limited. Of the two groups, the majority is usually more informed about PNPM-Rural and more of them attend PNPM-Rural meetings. However, when members of the majority propose their ideas, they do not receive support. Marginalized groups fair far worse. Most people in marginalized groups do not know about the PNPM-Rural program and are not invited to hamlet meetings, let alone village meetings. When they are invited and come, they are passive participants—only listening or just saying "aye" to the ideas they like. It is more likely their interests are picked up or discussed in the meetings when they have close relationships with officials or activists, or when they are of interest





Photo by Akatiga

to the other groups, such as in Kia Village, West Sumatra. In Kia, many villagers own land and are related to the villagers in the isolated hamlet. Hence, the community-at-large supported building a road to improve access from and to the isolated hamlet. Marginalized groups are most involved as construction workers in PNPM-Rural projects (rather than as participants in planning and development as defined in this study).

## 2.3 Women's Participation

PNPM-Rural specifically targets women as program beneficiaries. They have special meetings to discuss their own proposals (MKP) and they provide loans only for women (SPP). This study confirms previous studies that PNPM-Rural increases participation from women due to this specific targeting (Decentralization Support Facility, 2007). However, getting women to participate more does not mean that marginalized groups participate. This study identified three characteristics of the “women’s component”. First, many of the women who attend MKP are usually prospective borrowers for SPP (see Box 2.4). The rest of the attendees are activists or related to *pamong*. Secondly, women’s proposals focus on health and education issues, such as setting up a pre-school, community health services, public toilets, or building village health centers (*posyandu*). With few exceptions, proposals related to pre-schools (and other health and education initiatives) usually fail at the Intervillage Meeting (MAD) because they rank lower in terms of the number of beneficiaries compared to other projects.<sup>9</sup> Thirdly, women’s meetings are sometimes used by other groups to propose a particular project, knowing the women’s proposals stand a bigger chance of winning (cases found in South Sulawesi and West Java). Women should not always be considered a marginalized group. The special mechanism does increase women’s participation but it is not necessarily an effective means for realizing their ideas.

<sup>9</sup> According to the Operations Manual, proposals are to be evaluated based on the number of poor reached. This study found that in practice communities often use the total number of beneficiaries, rather than total number of poor beneficiaries, as one of their selection criteria.

### Box 2.4<sup>10</sup> Setting Up a Savings-and-Loan Group

L is the wife of TPK's treasurer in Cin, Kabupaten Karawang, West Java. Her husband told her about PNPM-Rural and its SPP component, and encouraged her to form a group to access the loan.

L shared this information with her neighbors, and some of them agreed to form a group. They appointed L as the leader because of her higher level of education and her knowledge on SPP. She is also wealthier compared to her neighbors, so the UPK feels comfortable and expects that when the group members cannot pay their installments on time, she can pay for them. When the proposal came, the UPK did not bother to check the details.

L, of course, did not want to take the risk that her members might default on their payments. She selected her members carefully and only approved those who already ran a business, such as mobile phone voucher vendors or those operating a small store (*warung*). L herself owned a small stall in front of her house.

While L's selection criteria guaranteed good repayment rates, it definitely excluded the marginalized women from accessing the credit. In this case, SPP benefited women from the majority group and the activists.

## 2.4 Marginalized Groups and the Benefits of PNPM-Rural

Despite the limited participation of most marginalized groups, they do benefit from PNPM-Rural projects, particularly public goods, such as roads, bridges, and public baths/toilets. As shown in the previous sections, PNPM-Rural is often the only project that reaches isolated areas. PNPM-Rural improves their access to basic services, and provides work to the poor as construction laborers. In fact, working as construction laborers is probably the part of PNPM-Rural where marginalized groups “participate” in the most.

If using the definition of participation stated at the beginning of this report, it can be said that marginalized groups have low levels of participation in PNPM-Rural. They may share some of the benefits, they may be invited to discussions and be passive participants. One or two of them may be sneaked into SPP groups for the sake looking inclusive, but there is no place for their voice. Call it symbolic participation.

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10 Unless otherwise noted, information/data are collected from the field.

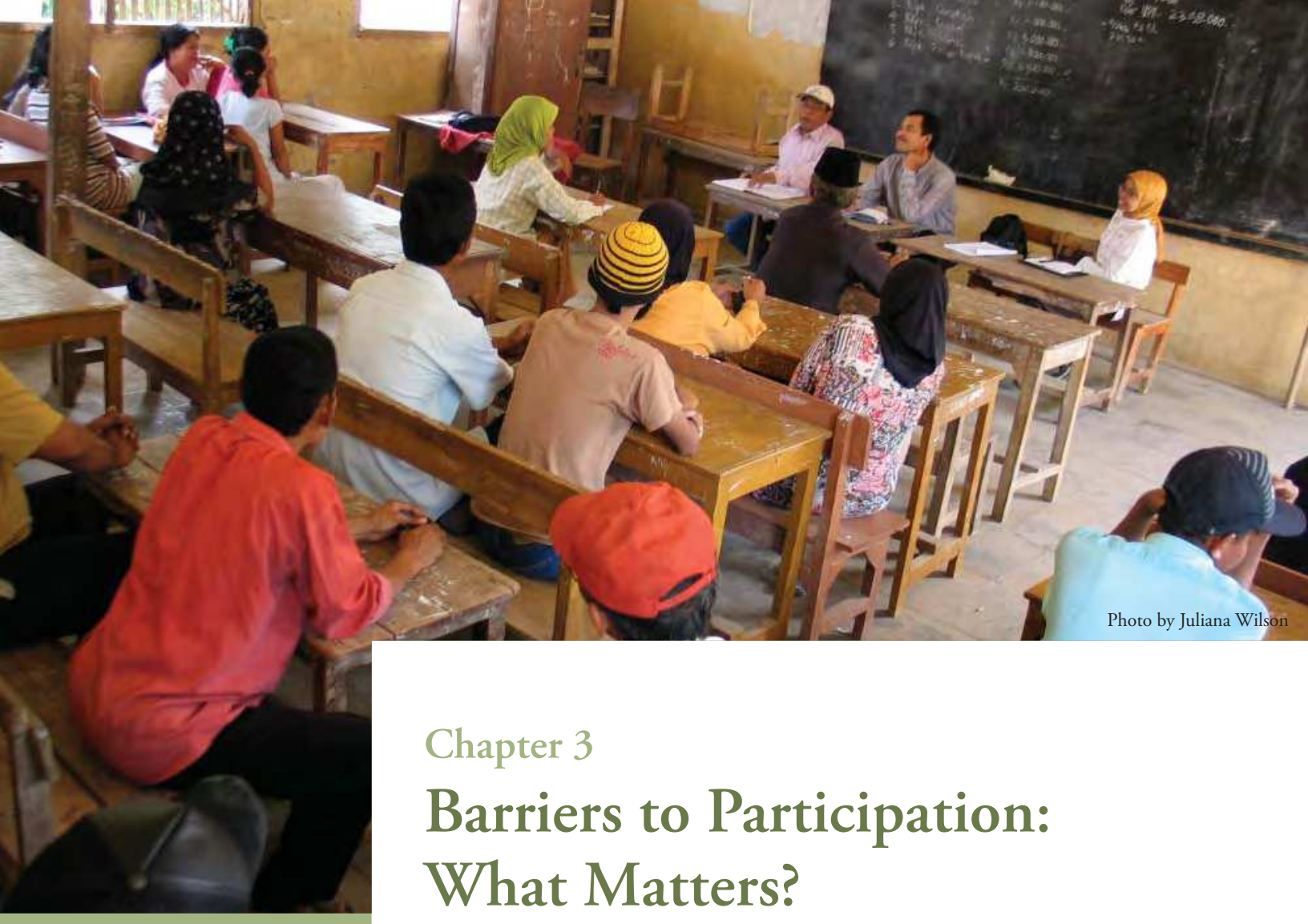


Photo by Juliana Wilson

## Chapter 3

# Barriers to Participation: What Matters?

Chapter 2 shows that participation in the PNPM-Rural decision-making process is limited to the elite, particularly village officials, and activist groups. The majority group is involved in the Musdus, but their participation is not found at subsequent stages of the process. Marginalized groups are even less involved; most of them do not know what PNPM-Rural is. However, this study also finds that the benefits of PNPM-Rural, especially infrastructure projects, are enjoyed by the community at large. While most isolated communities benefited less from infrastructure projects, there are cases where the project reaches them. When that happens, PNPM-Rural is usually the only project to reach the isolated area. This chapter explores the barriers to marginalized group's participation.

### 3.1 Structural Barriers

Structural barriers and limitations in the PNPM-Rural design contribute to the low participation rates of marginalized groups. Structural barriers refer to the socio-economic structure of the village that provides legitimacy and opportunity to the *pamong* and activist groups that allows them to



dominate the PNPM-Rural decision-making process. Limitations to the PNPM-Rural design refer to the project's lack of capacity to overcome these structural barriers that ultimately limit the participation of marginalized groups.

**As mentioned above, the wealthy are not involved in PNPM-Rural.** Among the elites, the *pamong* are the only group who are actively involved in PNPM-Rural. The wealthiest in the community are generally not interested in being involved because: 1) the benefits of PNPM-Rural, especially the PNPM-Rural SPP program, are too small to add meaningfully to their income; 2) benefits of most infrastructure projects will accrue to them without them having to participate in the process. The wealthiest only become involved in PNPM-Rural when the benefits of an infrastructure project are significant to their business. The wealthy may become involved if they are close to the *pamong* or village leaders, such as in Biak (Papua). In Biak, the wealthiest in the community make decisions on land use and are among the *pamong*'s close circle due to their position as landowners and clan leaders.

In PNPM-Rural, the role of customary and religious leaders is limited. For instance, in Lombok Barat, *Tuan Guru Haji* can ask for the labor fees to be donated to his *pesantren*, but his suggestion to propose *pesantren* renovation was rejected in the meeting. Religious leaders are still important in family/individual events (such as birth, death, or marriage) and in religious ceremonies. They are still invited to the meetings on development projects, but they are less influential in the decision-making process. The exception is in West Java where *ulama* are still actively involved in the decision-making process as an activist group.

Participation of the majority is limited to attendance at the sub-village or hamlet meetings. As discussed in Chapter 2, when majority group members do attend meetings, they are usually unprepared and will create unfeasible proposals or proposals that do not take budget limitations into account. Their attendance at the higher stages of PNPM-Rural, such as in MDP and MAD, is limited to being mobilized to vote for certain projects. *Pamong* and activists select representatives from hamlets to participate in the next stages of PNPM-Rural. In several cases, *pamong* (especially hamlets leaders) purposely selected attendants for hamlet meetings.

*"I am afraid to speak up in front of the audience, I am afraid I would say something wrong. I am a small person (orang kecil) and I don't know anything about development. I didn't ask either, I would not receive help anyway."*  
(One women from marginalized group in West Sumatra)

Participation of marginalized groups decreases as the PNPM-Rural cycle goes on. Representatives attending the next stages after MusDes are usually selected from the activist group because they are considered to be more articulate in defending the proposals. Table 3.1 shows the declining level of the majority and marginalized group's participation.

**Table 3.1 Declining Participation**

Process	Conditions in Research Areas
<b>Dissemination and Invitations:</b>	<p><b>West Sumatra:</b> Information is easy to access and the majority group is invited to participate in meetings. In one village, village facilitators distributed invitations to marginalized groups, including those in isolated areas.</p> <p><b>West Java:</b> Dissemination of information is very limited to the elites and activists, except in Cng.</p> <p><b>West Kalimantan:</b> In West Kalimantan the village population is dispersed over a large area. Information is limited to the elites and population at the center of the village.</p> <p><b>South Sulawesi:</b> Information is generally well distributed; the majority is informed about PNPM-Rural and the schedule of meetings.</p> <p><b>West Nusa Tenggara:</b> Information is not well distributed except in few cases (such in the Hindu-Muslim village Bip). The <i>banjar</i> system in the Hindu community helps to distribute information to even the most marginalized in the community.</p> <p><b>Papua:</b> In villages where power between clans is relatively equal, information is well distributed. In villages where there is domination by a certain clan, information is only distributed within the dominant clan.</p>
<b>Attendance at hamlet meetings</b>	<p><b>West Sumatra:</b> Hamlet meetings are widely attended, but attendance is lower in the hamlet that knows they will not win that year. Interest in attending meetings mainly comes from potential members of SPP.</p> <p><b>West Java:</b> Attendance of the majority and marginalized groups is better in some hamlets than others.</p> <p><b>West Kalimantan:</b> Attendance of majority and marginalized groups is better in some hamlets than others.</p> <p><b>South Sulawesi:</b> Sub-village meetings are widely attended.</p> <p><b>West Nusa Tenggara:</b> Hamlet meetings are widely attended, but attendance is lower in the hamlet that knows they would not win in that year.</p> <p><b>Papua:</b> In villages where power distribution is relatively equal, attendance is high. But in the villages where power is dominated by a clan, only the elite of that clan attends.</p>
<b>Attendance at the following stages</b>	<p><b>In all areas:</b> Meetings at the higher stages (MD, MAD) are only attended by representatives from hamlets and villages.</p>



Photo by Akatiga

*“PNPM-Rural gives us a real result, while Musrenbang is no more than a dream”  
(Villager in West Nusa Tenggara)*

Initially, PNPM-Rural was seen as a fresh approach and villagers responded positively. In time, it returned to the ‘business as usual’ process of decision-making. In early 2003, the village of Seo, West Nusa Tenggara responded positively to PNPM-Rural (KDP at that time). Prior to KDP, Seo had never received any development funding. The process of *musyawarah* and clear amount of grant provided by KDP drew the community to participate, and resulted in the development of bridges and road that opened access to and from the village. However, from 2005-2008, their proposals consistently lost in the MAD. Responding to this loss, the *pamong* and activist groups developed strategies to win in the MAD again the following year. Together with the *pamong* and activists from other villages, they made an agreement to rotate the PNPM-Rural funds—thus proposals are not selected based on the priority or ranked (as stipulated in the Operations Manual), but based on the agreement. Money is also used to create agreement; activists/*pamong* from each village expect compensation (in the form of money) for their vote.

This finding illustrates how PNPM-Rural turns into a political game between *pamong* and activists, not only within the same village but also between villages, to ensure that villages will have some funds in a particular year for development. Marginalized and majority groups do not have the knowledge, capacity, or time to follow the PNPM-Rural process to the MAD stage. They also do not see the immediate benefit of the process, which further reduces their interest in participating. An example of this can be seen in West Sumatra where attendance of meetings is high when there is a guarantee that the participants will be included in the SPP.

**Shallow democratization process benefits *pamong*.** *Pamong* and activists have more knowledge on the whole process and are more able to ‘modify’ or ‘manipulate’ the process for their interest (or, at least, for their village’s interest). For the whole village community, *pamong* and activists are



at the forefront of information on development programs, both from government and others. They are seen as capable of talking to and dealing with program administrators, understanding the program's mechanism and the requirements to win a proposal. For program administrators, *pamong* and activists are the legitimate community representatives who can translate the language of development into village activities and community languages. *Pamong* and activists also have resources (funds, capacity, and time—resources that many members of marginalized groups lack) to follow all the stages of a program's cycle. They also have the capacity to mediate between conflicting interests and find a compromise, though the compromise may not be the most effective solution for the village. The *pamong* also benefit most from PNPM-Rural, though it is not necessarily through corruption or manipulation. By leading the process, a *pamong* gains political and social recognition, which eventually will increase their income. In one village in West Sumatra, for instance, a village activist was simultaneously involved in village *pemekaran* (division of villages) and working hard to ensure that his village's proposal would win in the Intervillage Meeting (MAD). The village community saw him as a hero. He gradually was seen as a customary leader, and when the village won another round of PNPM-Rural, he became one of the village facilitators. In one village in Papua, the community agreed that the facilitator's house should receive first priority for bathroom and toilet improvement.

***Pamong* and activists are seen as effective representatives and develop legitimacy to run the project as the process of decision-making becomes routine.** PNPM-Rural is designed to increase participation, yet its long, multi-tiered decision-making process and the competition process at the *kecamatan* level discourage participation of the majority and marginalized, who do not believe they can effectively represent themselves in the MAD. For them, it is safer if *pamong* and activists represent them in that meeting because these actors have more knowledge and skill with development projects, including negotiation and advocacy skills. In one village in West Nusa Tenggara, for instance, participation was high in the first and second year, but decreased in the third year as decision-making became routine. The community considers that any infrastructure project will benefit the community, thus they tend to let the *pamong* and activists decide which infrastructure project will be proposed.

*“How can I participate when my bowl of rice is still empty?”  
(A villager in West Sumatra)*

**Marginalized groups have greater barriers to participation compared to majority groups.** The structural barriers and limitations of the PNPM-Rural design discussed above are exacerbated by conditions specific to certain marginalized groups. For instance, in West Kalimantan marginalized groups tend to live in outlying areas and have limited access to the village office. The transportation costs required to get to the meeting often exceeds their income. In West Java, the marginalized groups encountered during research work at menial jobs and their time is consumed in meeting their basic needs; they do not have time to get involved in the PNPM-Rural process. In some areas, marginalized groups also depend on the *pamong* for access to free government services (such as *Kartu Miskin* for health service access). Also, they may depend on the wealthy and/or activists group to get a job (see Box 3.1 for an example). With these strong barriers, special effort needs to be taken to ensure marginalized groups' participation.

### Box 3.1 Persistent Dependency of Marginalized Group on Activists

J is a widow with four children who lives in Jat, West Kalimantan. Her husband passed away 7 years ago and left them in poverty. J's family gets their food from the garden and field around her house. Occasionally, when J has some money, they will buy food from the local food stall (*warung*). J was invited to join SPP by S, the administrator of SPP in Jat. S herself is not wealthy, but one of her relatives, Su, owns a copra production and a rice mill.

J never speaks much in the SPP meetings, and she only took a small amount of credit. Her interest and needs are channelled through S. Su and S often give her small jobs to supplement her income.

Theoretically, PNPM-Rural should be able to reduce the gap between people like J and Su, but this has not happened. Very poor people, such as J, depend heavily on their relationships with people like Su. People like J will follow Su's and S' guidance and suggestions on most matters. They will not speak their mind due to the risk of damaging their relationship with people like S and Su. They need an institution that can help them to reduce their vulnerability and create more jobs, thus reducing their dependency to people like S and Su.

**Marginalized group's participation can be improved when there is special facilitation support that focuses on this group and when pro-poor village institutions are available.** PEKKA (the Female-Headed Household Empowerment Program) provides an illustration on how the intervention of *pamong* and activists can be limited. This program targets poor women heads-of-household. Four elements of empowerment within PEKKA include: 1) building critical awareness on women's rights as citizens, women, and human beings; 2) capacity building; 3) organization and network development; and 4) advocacy. Currently PEKKA covers eight provinces in Indonesia (PEKKA, 2010). This project defines clearly that the target group is only poor female heads-of-households. If PNPM established a very clear target group, the *pamong* and activists could not claim to be poor or receive any benefits from the program.<sup>11</sup>

**A strong, pro-poor village institution helps improve the participation of marginalized groups.** In Cng, West Java, a *pesantren* and women's saving group has been the means of facilitating marginalized groups' participation in the community. As we can see from Chapter 2, the proposal from the marginalized group won in the MAD, and there was substantial attendance from the marginalized even at the MAD level. In Bip, West Nusa Tenggara, the *banjar* system in Hindu community ensures participation of all *banjar* members, including marginalized groups.

**Good facilitation can reduce elite intervention,** as seen in cases from Cng (West Java) and Bip (West Nusa Tenggara). Facilitators in Cng have good interpersonal and communication skills, and understand the social-economic groups in Cng. With their skills and knowledge, they can persuade village leaders during PNPM-Rural meetings. Through personal outreach, KPMDs in Cng are able to get marginalized groups to attend the Musdus and MDP.

There are also cases outside this study that show how elite's interest can be developed to facilitate the poor. In Kebumen, for instance, a local NGO was able to encourage several village heads to include marginalized groups in their development plans. Good village heads that promote the interests of marginalized groups have been held up as examples of best practice. They have become

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11 Interview with Ela Hasanah, October 2009



Photo by Akatiga

resource persons for other villages and other poverty reduction programs, and are invited to attend meetings with Kebumen's top officials including the Bupati. The NGO reports corrupt village heads to the police.<sup>12</sup>

**In the long term, PNPM-Rural's relevance to the poor depends on its ability to provide more economic benefits to the target group.** Marginalized groups will see that PNPM-Rural is relevant to them once the program can increase their income or provide infrastructure that truly benefits them. There is a gap between the present economic condition of the marginalized and the kind of steps and strategies necessary to raise significantly their daily income and increase village economic activity by 15 percent, as expected in the PNPM-Rural design.

This study finds there is a difference between providing aid and supplying good assistance. A good example of this is seen in West Nusa Tenggara. Villagers used funds from the PNPM-Rural pilot project SADI (Smallholder Agribusiness Development Initiative) in Bip, West Nusa Tenggara, to buy a machine to process corn into corn chips, but without a proper feasibility study on the type of corn planted in the village. After the purchase, villagers discovered that the press machine was not strong enough to press the corn, and at the same time, the machine's maintenance cost was beyond the poor's capacity to pay and the investment return was too low for the middle and wealthy to get involved. Eventually the machine was left untouched in one of the community member's homes.

But in West Nusa Tenggara and South Sulawesi, there are examples of best practice wherein private sector investment introduced new technology into local seaweed production. Along with the technology, the community also learned how to recognize which varieties of seaweed are appropriate

<sup>12</sup> Interview with Yusuf Murtiono from Formasi, a civil society forum in Kebumen working on village participatory planning, May 2010



for specific environments, how to manage their cash flow, and make investments. They also learned how to conduct quality control that leads to purchase guarantees from buyers. (Sulistyo, 2004)

Participation can also be improved when institutional processes truly change social dynamics. As the experience from PEKKA in West Lombok shows, deepening participation in the sub-village and village meetings, as well as the MAD, results in more substantial outcomes. In West Lombok, there is a new system for electing village heads. The community first lists several persons they consider to be trustworthy and helpful. Then, from this list they identify those who are willing to be selected. In East Nusa Tenggara, women and people from the lower customary level are now able to hold the position of Village Head. All these approaches have increased participation because the community can see that their choice is truly meaningful.

## 3.2 Technical Limitations of the PNPM-Rural Project Design & Support Systems

While socio-economic conditions can limit the participation of marginalized groups in PNPM-Rural, there are also technical limitations in the PNPM-Rural project design and support systems that limit participation.

This study found that delays in fund disbursement, both operational funds and block grants, forces modifications in the field that shorten the participatory planning process. Under these circumstances, there is neither capacity nor time for the KPMD and FK to deepen the participation process. In one village in West Sumatra, two meetings (*musyawarah dusun* and *desa*) were collapsed into one to make up for the delay. No separate meeting for women was held. Instead, in the same meeting the men were told to be quiet while the women proposed their ideas. This “shortcut” was repeated in the following year when the funds were delayed again.

The project has sufficient capacity to run the activities, but does not have enough capacity to control the quality. There is also lack of input to improve the design to consistently focus on marginalized groups and to increase the value of the project in the village.

The scaling-up of PNPM did not include improving the capacity of facilitators. To be just, facilitators in PNPM-Rural (from KPMDs to TPK) are good administrators. PNPM-Rural has improved some community members’ capacity with project administration. However, in general there is limited capacity to promote or advocate for the interests of marginalized groups. KPMDs in general recognize who the poor and marginalized are in their village, but this recognition is not followed by efforts to bring this group into the PNPM-Rural process.

There is lack of qualified candidates for FK and KPMDs. Many good FKs from PNPM-Rural’s predecessor, KDP, have moved on in their careers, often under donor projects, including PNPM. Good FKs usually have previous experience with community engagement, and in earlier stages of KDP, facilitators often came from NGOs or were campus activists. With the scaling up of PNPM-Rural, demand for large numbers of facilitators drove quality down; it is hard to find candidates with the same qualifications as seen in the early days of KDP. Many FKs in study areas were fresh graduates with no experience in community engagement. They are unable to work as effectively with communities in comparison to village *pamong*s and activists.

The administrative burden in PNPM-Rural also reduces the ability for facilitators to adequately assist marginalized groups. Project capacity to monitor and ensure the quality facilitation is limited. Monitoring and Evaluation systems ensure that every stage of PNPM-Rural is conducted, but does not evaluate the quality of implementation. Monitoring is done by vertically within PNPM, while the coverage of the project is very wide.

**Monitoring & Evaluation focuses solely on administrative procedures.** Monitoring for FKs and KPMDs is conducted by Kabupaten consultants, and is only focused on administration (i.e., whether all stages of PNPM-Rural have been executed). There is no monitoring to examine the quality of participation of marginalized groups or to see if the PNPM-Rural intention to empower marginalized groups is being consistently applied during all stages of the project. There is also consideration on how to address specific aspects of marginalization or how the next round of PNPM-Rural could deepen the participation process. Thus there is no expert capacity to address these issues built from this kind of substantive monitoring. There is no pool of knowledge or a network that could be used by the village to support the project with continuous feedback. There is also no clear mechanism on how to incorporate feedback into the project system.

**The project design does not accommodate the new challenges.** With the expansion of the PNPM-Rural, there is a need to modify the design so that it would be able to focus more directly on helping the poor. The project should have a critical path and should focus on incorporating poor and marginalized groups more effectively into the system. While capacity building for PNPM-Rural facilitators is also an important issue, the design has to be modified so that it can: 1) increase project value to the community and 2) change the *pamong's* attitudes and help them consider the interests of marginalized groups.

**Reporting system is complicated and absorbs most of facilitators' time.** All levels of facilitators are required to write up and compile all information on all program activities while they are also expected provide facilitation in villages. Our interviews with FKs, KPMDs, and Faskab show general agreement that reporting takes a significant amount of their time and decreases their time for facilitation to the whole community, let alone working with marginalized groups in the community. The report formatting should be simplified and only focus on the most strategic aspects of implementation. This format should be evaluated regularly and the feedback should be incorporated into improving the project design. Unless feedback impacts project design, reporting becomes just another administrative exercise.

### Box 3.2 Administrative Burden and FK Capacity

In Cianjur, West Java, a *kecamatan* with 18 villages is managed by 2 *kecamatan* facilitators: the empowerment facilitator (FK) and technical facilitator (FT). Each village holds 6-9 meetings, so the total for the *kecamatan* can reach 108 meetings. Each village has two KPMD (there are 36 KPMDs and 18 TPKs), but the FK and FT must to train and monitor them. With the number of reports they have to write, lack of experience, delay of funds disbursement, it is unsurprising that the FK and FT engagement facilitating marginalized groups is very limited. For junior facilitators, the concept and practice of participation is also new to them. Only 5-6 FKs in Kabupaten Cianjur had previous experience in community engagement.









RUMAH TANGGA MISHIN

Photo by Juliana Wilson

## Chapter 4

# Beyond Symbolic Participation: Suggested Future Direction

As discussed in Chapter 2, participation of marginalized groups is still limited. Generally they do not participate if we use the definition in this study (see Chapter 1). Their greatest role in the program is as paid laborers for the construction of public works. PNPM-Rural has done well in creating job opportunities in construction work for the rural poor; however, villagers, including the poor, provide a fraction of their labor for free as their in-kind contribution to project—willingly or unknowingly—hence reducing their net benefits.

Marginalized groups play little role in decision making beyond their neighborhood or hamlet. They may come to their neighborhood or hamlet meetings, but they are passive participants. They have little information to enable them to engage in the discussions, and little facilitation to prepare them to participate. As meetings move from hamlet, to village, to *kecamatan* (where major decisions are made), their participation decreases. In many cases, when they are included in the SPP groups, they do not even realize they will be receiving loans from the PNPM-Rural until just before the proposals are being verified. Their inclusion is but a token one.



Chapter 3 identifies the main reasons for the limited participation. There are certain obvious reasons: 1) being too poor to have (or afford) spare time for PNPM-Rural meetings and the traveling time; 2) inferiority of the marginalized groups—related to the dominance of the elite or better-off groups; and 3) simple exclusion (no information provided to them). There are also problems related to social structure that the project design has not adequately dealt with, in addition to institutional and technical problems.

As a program that aims to empower communities, dominance by the elite groups is a major issue to anticipate. PNPM-Rural design includes facilitation by both external and internal agents (the FK and KPMD). This facilitation is expected to circumvent local elites. The design also assumes that the facilitated “democratic” processes will lead to the best decisions for the community. However, facilitation for empowerment is not a quick fix nor can it be achieved through a repetitive, mechanistic process year in and year out. Empowerment needs time to deepen or advance gradually over time. Most FKs do not have the skills for (nor the awareness of) this kind of facilitation.

Meanwhile, on the technical side of the problem, there is a high turnover of FKs in some *kecamatan* that clearly disrupts the work. They also more geared toward administrative work and delegate the facilitation to the KPMD, who lacks sufficient training effectively facilitate. Both FK and KPMD are very fluent in explaining all the steps of PNPM-Rural process but facilitating different groups and encouraging marginalized groups to voice their needs is not their strength.

Weak facilitation is exacerbated by institutional problems, notably disbursement delays that occur frequently. Adjustments have to be made, often at the cost of the process. The institutional capacity does not seem to have followed the exponential expansion of the project, from working in 26 villages in the pilot project (1997) to 61,000 villages (2010). Such a large-scale project needs a different kind of management and monitoring to be effective.



Considering the capacity of the facilitators and the already long project process, adding one or two more meetings especially for marginalized groups would not be effective. Producing thousands of competent facilitators will take time and might not be feasible. It is also important to note that usually community empowerment does not operate on a large scale because of the intensive facilitation required. A large-scale project must have a specific focus and practical objectives, and therefore tends to be mechanical. Therefore, we opt for redesigning the large-scale PNPM-Rural to focus on a single area to be more effective. In this case the division of PNPM into PNPM *Inti* and PNPM *Penguatan* (see Chapter 1) would provide the means to refocus the program. PNPM *Inti* should focus only on infrastructure, which is the strength of the program, while facilitation of marginalized groups and on savings and loans should be developed gradually through pilot activities of PNPM *Penguatan*. PNPM *Penguatan* is not a new concept. It is the “refined offspring” of PNPM that have been developed for some time, albeit quietly, to focus on a specific group or issue that requires additional input. In particular one of the offspring, PEKKA, has shown that strong facilitation has empowered female-headed households (as a marginalized group) and improved their position in the community. The following sections will discuss the proposed solutions for PNPM-Rural in more details.

## 4.1 Selecting a Single Focus

**Capitalize on PNPM-Rural’s strength by focusing *only* on community infrastructure, which is what PNPM-Rural has done best.** Although infrastructure does not yet proportionally benefit marginalized groups, and probably never will, the study found that PNPM-Rural has been able to provide needed public goods that marginalized groups can enjoy. In some villages, especially in isolated areas, PNPM-Rural has been the only program that responded to the villagers’ requests. Villagers’ need for small-scale infrastructure has gone unfulfilled by other projects and from the government’s annual development mechanism (*musrenbang*) despite the need for such infrastructure remaining high, even in Java, which is often considered the most developed area in the country. Involvement (in a broader sense) of these marginalized groups is also relatively higher than in other loan activities, at least as laborers in the construction work. Infrastructure quality has been known to be generally good and significantly cheaper than that built by regular contractors, as previous studies of KDP have shown. Providing better access through infrastructure is a trademark of PNPM-Rural and it is by all means no less important than providing small loans. **Hence, the study recommends that PNPM-Rural (or PNPM *Inti*) only focus on providing infrastructure. The single focus would help ease the burden on facilitators and still bring significant benefits.** Other activities should be done selectively as PNPM *Penguatan* (see 4.2 and 4.3 below).

**Simplify the PNPM-Rural mechanism without compromising public participation through plebiscites.** The study shows that participation in PNPM-Rural is dominated by village elites and activists (see Chapter 2). *Kecamatan* and *desa* facilitators are not well prepared for intensive and skillful facilitation that would empower marginalized groups to participate in substantive matters, i.e. in decision-making. A large scale PNPM-Rural that covers almost all villages in the country



and is tied to the annual budget cycle can hardly be expected to provide the intensive facilitation needed to assist marginalized groups. In fact, finding or producing thousands of good facilitators is a significant problem.<sup>13</sup> In addition, many villagers confess to being exhausted by the annual project cycle and its numerous meetings. Also, laddering the discussions from the hamlets up to the sub-districts did not provide more opportunities for participation. In fact, by the time the discussion reaches the sub-district, very often the voice of the people in the hamlets has evaporated. The program requires a much simpler mechanism. **The study recommends that selection of village proposals be made through a plebiscite instead of deliberations.** This mechanism was tried out in PNPM-Rural villages several years back. This experiment showed that selection of proposals is similar to those being selected by deliberations. In fact, woman proposals are more likely to be selected. Satisfaction is also rated higher when proposals are selected through direct votes. (Olken, 2008)

**To offset the bias of hamlets with large population, proposals should be weighted.** A simple scoring system can be made using two criteria: population size of hamlet and distance of the proposed project site to village center. Proposals from hamlets with small populations weigh more and so do project sites that are further away from the village center.

## 4.2 Tending Marginalized Groups

**Facilitate marginalized groups to organize and voice their needs.** By definition marginalized groups lack resources, access to information, and confidence—hence, it is this group that needs special support through a PNPM *Penguatan* to ensure that their voice is heard properly rather than represented by elites. The present study found that marginalized groups are less likely to participate in the PNPM-Rural process. Very few facilitators (FK and KPMD) are aware that they need to pay special attention to these groups or, if they are, even fewer are able to provide the needed facilitation. The present study recommends that marginalized groups have specific facilitation in order to level the playing field with the majority of the villagers. However, unlike the other PNPM *Penguatan*, **we recommend that there is no special grant awarded to these groups.** These groups are not intended to be exclusive or become a “special” group with its own funds that might alienate them from the rest of the villagers. **The main objective of the special facilitation is to strengthen marginalized groups to enable them to participate more actively in decision-making in village activities, including PNPM-Rural and SPP.** Specifically, to “level the playing field”, the facilitation should aim to develop marginalized groups’ organizing capacity, negotiation skills, networking, and ability to access information hence enabling them to voice their needs and demand response. This kind of empowerment might need two-three or more years to develop. Members of the groups should be the bottom 10 percent of the village population, which will eliminate the better-off and elites. For the first phase, pilot activities can be done in a few districts that have shown some success in increasing village capacity.

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13 After the completion of the fieldwork we understand that PNPM-Rural management is doing substantial changes, in particular in reducing the workload of facilitators to let them have more time for facilitation. Facilitators need only to provide reports to Kabupaten. They do not have to train the village facilitators—professional trainers will do the work. Village proposals that have been verified but not funded will be automatically funded in the following year. Other changes include training methods for facilitators that allow more reflection and group discussions. Results of these changes are not yet observed. (Interview with Bito Wikantosa of PNPM-Rural Sekretariat, April 29, 2010).



Photo by Juliana Wilson

### 4.3 Facilitating More Sustainable Savings and Loans

**Focus only where savings and loans work with specific facilitation.** There is generally no lack of demand for loans in the study sites, but only in a few cases are groups able to improve their livelihoods through the loans. Findings of the study show that in most places SPP does not work as expected. Groups are usually recently formed and created specifically for the purpose of getting the PNPM-Rural loans. Many members, particularly the poor who are included to meet PNPM-Rural requirements, do not have a clear idea what kind of income-generating activities they would like to undertake. Often their business plans are not viable. Even if they have a good business concept, there is hardly any support to strengthen the group—as the borrower—and help it deal with problems the members face, e.g., in marketing and getting materials in bulk for lower prices, etc. In very few cases, SPP does work to improve the livelihoods of marginalized groups, such as the case in South Sulawesi where the group leader is very committed in helping poor women in her hamlet. In general, however, the current SPP model appears to be an “appendix” to PNPM-Rural; providing relatively little support beyond checking balance books. Furthermore, SPP is not sustainable as repayment rates are still low (see Chapter 2). Clearly small credit groups under PNPM-Rural need specific facilitation, too, since the support they need as small business owners is very different to supporting a participatory planning and development process. Obviously, such intensive assistance cannot be provided in a large scale. **We recommend that SPP is turned into PNPM-Rural *Penguatan*, too, and given only to selected areas with a history of good repayment rates.**

### 4.4 Institutional and Technical Improvements

PNPM-Rural originated from the Kecamatan Development Project (KDP), a three-year project in the beginning of the major economic crisis in late 1990s. Although the design started before the crisis, adjustments were made when the crisis came. At that time the main purpose was to channel money quickly to villages; hence the scale up from 6 sub-districts in the pilot in 1997 to over 500 sub-districts in 1998. FKs were required to have a few years of experience in facilitation. At that time the demand for community facilitators was not anywhere near as high as it is today,

and KDP managed to get many experienced facilitators from non-government organizations with experience working at the grassroots level. Now PNPM-Rural covers 61,000 villages in Indonesia in more than 4,000 sub-districts. More than 10,000 FKs had to be recruited (half of them are engineers). PNPM has to accept facilitators with lower qualifications—many were fresh graduates and had no facilitation experience before. This is an indication of the shrinking pool of qualified human resources that naturally affects PNPM-Rural's performance. On top of it, each of these less qualified facilitators is required to train and supervise 10-20 village facilitators. Quality suffers.

The training provided focuses to a large extent on program administration rather than on facilitation techniques and PNPM-Rural's ultimate objective of reaching the poor. Compounding the problem of limited training in facilitation, local facilitators do not receive enough supervision and feedback. For example, in many study sites village facilitators did not perform the social mapping properly. When poor and marginalized groups were identified (often due to the KPMD living in the same village/hamlet), no specific efforts were made to include them. There was little or no oversight by Kabupaten facilitators or other program staff to correct this. The program monitoring system may be able to identify the issue, but feedback does not seem to reach facilitators and impact the quality of their work.

Another major problem found in the field is the delay of funds, both operational funds (from the local government) and block grant funds (from the central government). The milder impacts of late funds range from physical works that must slow down to loss of community spirit and enthusiasm. More serious impacts may include, for example, funds intended for planting that arrive after the planting season, and are then used for consumption. It appears that despite the project size and political backing, the institutional arrangements for fund flows are inadequate and there is no initiative to find a solution to the problem.

Now that PNPM-Rural has expanded nationwide, it requires both institutional and technical adjustments to respond to the expanded scale. Below are some recommendations to improve the operations of PNPM-Rural, bearing in mind that the technical improvements alone will not significantly increase the participation of marginalized groups.

- **Facilitation school for facilitators.** One of the most consistent findings in the study was a lack of awareness about marginalized groups and their needs among facilitators, as well as the low quality of facilitation skills of the FK and KPMD—the latter is more of a result of weak FKs. The new training school that PNPM-Rural is currently developing is the right step to take to increase the pool of qualified facilitators and improve their capacity. It is still too early to evaluate whether the school will actually increase the competency of the facilitators.
- **Training and operational costs for KPMD from UPK.** It is critical to have a well-trained, qualified FK as this ensures the KPMD will receive higher quality training. The recent idea to release the FK from training the KPMD and delegate this work to professional trainers is positive.<sup>8</sup> However, good training by itself is not enough. In the case of the KPMD, operational costs have become a major stumbling block for KPMD executing their duties, notably traveling to all of a village's hamlets, especially to the remote and isolated areas where marginalized groups tend to live. Even if the work of the KPMD is intended to be partially volunteerism (as the wages they receive are small), it is hardly viable for



most KPMD to pay for gas (and few of them have motorcycles) or transportation. These operational costs can be paid by the proceeds of the kecamatan UPK.

- **Focus on key participation issues in monitoring and provide feedback.** For a program as large as PNPM-Rural it is hardly possible to monitor everything in detail. PNPM-Rural should prioritize areas of focus and collect information in sufficient detail to 1) ensure that PNPM-Rural is implemented in a way that meets its goals and 2) provide a strong basis for future program evolution. For example, it is not enough to report how many people—men and women, poor and non-poor—attend a meeting, but also who speaks to influence the decision taken. This information would show to what extent PNPM-Rural is reaching its self-defined goal of empowerment. Further, the FK should be responsible for ensuring the quality of the KPMD's work, including meeting reporting standards. Most importantly, the Kabupaten Facilitators should make periodic spot checks of what has been reported (e.g., the attendance list) by the Kecamatan Facilitators, and report the results. Reports from the field must receive responses; feedback sends the message that these reports matter.
- **Use independent monitoring groups.** Regular monitoring by the Government of Indonesia and the World Bank should be complemented by an independent monitoring group, particularly to provide a more qualitative review of the PNPM-Rural process. PNPM-Rural has been using provincial non-government organizations to do this work for quite a few years but the quality varies. PNPM-Rural should review the work and pick one or two of the best groups to work with a few others to improve the quality of the monitoring.
- **Reduce delays in fund disbursements.** Delays in disbursements indicate issues with institutional preparedness that extends well beyond the PNPM-Rural program. The delays also indicate that PNPM-Rural has always been viewed as a project rather than a program by the implementing agency; hence the implementing agency has never adapted to provide consistent, long-term support. As delays have affected the quality of PNPM-Rural implementation significantly, serious efforts have to be made to minimize these problems.

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