

A Study on Implementation of Community Driven Development Programs in Decentralization Era of Indonesia

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ABSTRACT

The meltdown of Indonesian economy in 1997 and the collapse of New Order regime in the following year were a fundamental period for the country to search for a new way of thinking on poverty reduction. In the midst of social and political uncertainty, the Government of Indonesia (GoI) assisted by the World Bank (WB) made a major decision to introduce a pilot project, the Kecamatan Development Program (KDP), as part of social protection programs during the crisis. The program was widely believed to be the first poverty alleviation program in Indonesia to employ new development approach, the so-called community driven development (CDD). CDD, which has been adopted by WB as integral part of its policy and practice, is an approach to development that gives control over planning decisions and resources to community groups and local governments.

On the basis of its perceived advantages, the World Bank's investment in CDD has been enormous, averaging almost US\$ 2 billion a year during the last two decades. KDP which then changed the name to National Program for Community Empowerment in Rural Areas (*PNPM Rural*) was believed to be the largest CDD program in the world viewed from the cost and scope of location covering about 70,000 villages in 4,805 rural sub-districts of Indonesia. However, although the program has been considered as effective in improving poor household welfare, it was finally ended in the beginning of 2015 after almost a seventeen year period of implementation.

The GoI, under President Joko Widodo administration, has decided to decentralize to the village level as mandated by the Law No. 6 of 2014 about Village. The World Bank, nonetheless, has claimed that CDD approach is applied in this new policy seeing that some key principles of both KDP and PNPM are adopted to the Law. The issues of CDD implementation in Indonesia have becoming more interesting with regard to decentralization policy that has been applied from 2001. Many argue that this policy can enhance the opportunity of local community to participate in the development agenda. This benefit would make decentralization has a symbiotic relationship with CDD to improve livelihood of poor villagers.

Thus, with aim at providing a comprehensive view from both theoretical and practical side, this study attempts to compare the original design of CDD as proposed by the World Bank and those actually adopted by KDP and PNPM. The further discussions on outputs and outcomes of the programs will also be provided based on field studies conducted at the village level.

Qualitative and mixed-methods approaches will be employed in this study. Data collection will be undertaken through quantitative analysis of customized survey data, focus group discussions, participant observation, interview and secondary data collection. The study is expected to recognize the similarities and differences between the original design of CDD and the adopted design in both programs. To be more detail, it will provide evaluation result of the processes, outputs, and impacts of the programs.

The implications of those expected results for academic contribution are the deeper understanding of the substantive scope and nature of CDD, decentralization and poverty related issues. In practical, findings and understandings obtained from this research will provide valuable information for the GoI to improve the design and implementation of CDD programs in rural areas.

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