Community Development and the Third Wave of Decentralisation in Indonesia: The Politics of the 2014 Village Law

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ABSTRACT
In 2014, Indonesia became one of the very first countries in the world to provide far-reaching autonomy and fiscal devolution to its 75,000 villages. A new Village Law (Law 6/2014) gave villages the right to manage village-scale activities, empowered the village government and provided substantial national and district funds to do so. In 2019, each village received approximately USD 110,000 for village development from central and district governments. This article outlines the trajectory and result in implementing the Law and analyses some of the challenges in terms of collective action, village development and grassroots democracy.

Keywords: Indonesia, decentralisation, community development, anthropology of policy, village government

Introduction
This article focuses on the debate around policy implementation, using a “big-bang” village autonomy law from 2014 in Indonesia as an example. In January 2014, the Government of Indonesia issued Law 6/2014 on Villages, aiming to address weaknesses in the existing decentralisation paradigm, by providing the country’s 75,000 villages with increased budget allocations and improved governance arrangements. The Village Law gives villages the right to manage village-scale activities, empowers the village government, and provides substantial national and district funds to do so. In 2019, villages received an average of around USD 110,000 annually for village development (World Bank 2019: 9). This article outlines the trajectory, results, challenges and solutions in implementing the Law, from the perspective of a Swedish anthropologist who has lived and worked in Indonesia as a development practitioner for more than 20 years and who has furthermore been involved, in various capacities and degrees, in drafting and implementing the Village Law. The article attempts to assess the politics around the Law, rather than how village development is experienced and practiced by the people.

In 2014, the National Program for Community Empowerment (PNPM) had been running for close to 15 years. Launched in 1997 as the “Kecamatan Development Program”, a World Bank-funded government project, it was taken over by the Government of Indonesia, expanded with additional funding from the Government’s own sources and renamed in 2007, the PNPM had grown into the world’s largest community-driven development project, with some success. The model was enticingly simple: provide community groups with block-grants to plan, implement, and oversee development projects themselves. By 2014, seven different PNPMs were operating; the biggest one – the PNPM Rural operated...
in 45,000 villages—was funded approximately 25% through a World Bank loan and 75% by the Government of Indonesia, managed by the DG for Village and Community Empowerment at the Ministry of Home Affairs (MoHA). Many books and articles have been written about PNPM—some positive, others critical. The PNPM Rural had visibility and a positive reputation; the project management unit at MoHA received annually up to ten foreign delegations. In 2012, an evaluation showed that there were 400 Community-Driven Development (CDD) projects in 94 countries valued at almost $30 billion, many of them inspired by PNPM (Wong 2012: iv).

The DG for Village and Community Empowerment in MoHA had for close to a decade tried in different ways to improve its status. Villages are important in Indonesia. The village community is mentioned in the 1945 Constitution as a cornerstone of democracy. But the Government failed to substantially reform villages in the 1999 and 2004 revisions of the Local Governance Law; there were some minor tweaks and potential, but nothing really changed on the ground. However, after PNPM had become a household name, in 2010-2011, MoHA’s fortune changed. The House of Representatives (DPR) was willing to entertain the idea of a separate law on villages. To cut a long story short (Antlöv et al. 2016: 172-174), the Law was approved by the House of Representatives (DPR) in December 2013 and signed into Law a month later. One key reason for this was a political imperative: parliamentary and presidential elections were coming up later in 2014, and political parties and presidential hopefuls alike jumped on the village bandwagon to gather support. The slogan was “1 Desa, 1 Milyar” or “1 village, 1 billion rupiah” (around USD 83,000).

Key Characteristics of the Village Law

President Joko Widodo (“Jokowi”) won the election of 2014, partly by reaching out to urban and rural grassroots. One of his nine campaign promises (the Nava Cita) was to “build Indonesia from the margins”, supporting disadvantaged regions and villages with the implementation of the Village Law, a flagship program. A new ministry was announced to implement the law: The Ministry of Villages, Disadvantaged Areas and Transmigration.2

Building on PNPM, key changes introduced with Law 6/2014 include multiple accountability mechanisms for the village head through the introduction of a Village Assembly, more power and clearer election rules for the Village Council, improved transparency through an information system, inter-village collaboration, and crucially, substantially increased funding to villages (see Antlöv, Wetterberg and Dharmawan 2016: 174-178 for more details). With the Village Law, funding for villages has increased tenfolded. This is moving monies directly to village accounts, from less than 0.5% to more than 5% of the state budget (World Bank 2019: 9). Around 70% of these transfers come from the national budget and 30% from the district. In addition, villages can raise funds by village enterprises. The main difference from PNPM, is that funds are provided not to village community groups, but directly to the village government. Village governments have been the lowest level of government since colonial times, but have never had much authority or funding. In order to prevent the corruption and rent-seeking rampant of the

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1 Wong 2012; Li 2007; Barron et al. 2006; Wong and Guggenheim 2018
2 An existing Ministry of Disadvantaged Regions was merged with the DG for Villages and Community Empowerment from MoHA and the DG for Transmigration from the Ministry of Manpower.
Krissis etnografi – Swedish Journal of Anthropology

Authoritarian Soeharto regime (see below), KDP/PNPM since the very beginning effectively by-passed government structures by providing block-grants directly to community groups, only seeking formal endorsement or approval of community decisions from village heads and local government officials. This had been very effective in preventing corruption, less than 1% in PNPM.

During the drafting of the Village Law, there were thus legitimate concerns that large resources going straight into the village budget might not be used for the benefit of those that need them most and might lead to corruption. Without clear accountability mechanisms from communities and districts, large sums of money could simply enrich the elites or lead to wastage rather than develop the countryside, reduce poverty, or improve village welfare. As a result, several accountability mechanisms were introduced with the Village Law. The village head would face a three-fold accountability structure: horizontally to an empowered Village Council or BPD, downwards to the public through a Village Assembly (Musyawarah Desa), and upwards to the district government. The Village Law also recognised the need for a support system for villagers to exercise accountability, specifically through technical facilitators, which had been an essential component of PNPM’s operations and success which were critical to poor community-members’ gains from participatory development (Baird et al. 2013). I will return to implementation below.

Decentralisation and Public Sector Changes

The Village Law can be seen as the latest wave of decentralisation in Indonesia, 15 years after the “Big Bang” decentralisation to districts and cities (Abdulbaki 2008). After 32 years of authoritarian and highly centralised rule by President Soeharto (who fell in 1998), the two main public demands were democracy and regional autonomy. The first democratic elections were held in 1999, and the same year a reformed House of Representatives approved a new law on local governance, Law 22/1999. On 1 January 2001, Indonesia set in motion perhaps the most radical decentralisation policies anywhere in the world of the last 50 years. The authority over all government services except finances, foreign affairs, defence, justice and religious affairs were transferred to cities and districts (bypassing provinces), providing far-reaching regional autonomy to (at the time) 380 local governments (Hidayat and Antlov 2004).

Indonesia’s degree of centralisation under Soeharto cannot be over-emphasised. A massive patronage system had been created in which the central government awarded local governments with budget allocation in exchange for loyalty. Local politics was largely based on clientism, in which local leaders built a loyal following through disbursing benefits to communities. Budget allocations were not based on performance or need, but rather on how close local governments were with the central ministries and how well local elites could lobby decisions-makers in Jakarta. There was a strong presence of the state in most public affairs – Jim Schiller (1996) called this the “powerhouse state” in the 1990s. So, Law 22/1999 and the subsequent revision in Law 32/2004 were up against some very strong practices and cultures.

Thus, it is no wonder that the implementation of regional autonomy has been a mixed bag, which provides the context for the Village Law. On the positive side, it has managed to keep the country from breaking apart by providing local elites avenues for their aspirations: there are today more than 510 districts and cities, and 34 provinces. It has also opened the
political space for citizens to become active in governing their own communities, as well as allowing for district heads and municipal mayors to be elected to office (up until 2005, they were appointed by regional Houses of Representatives). Electoral politics have been more competitive (Diamond 2010), although there are still instances of dynastic politics (Hadiz 2010). This has led to improved political contestation at all levels, including more competitive village elections (Antlöv et al. 2016; Aspinall and Rohman 2017). Through a case study of health service delivery, Fossati (2016) has shown that some local governments are becoming more responsive to the needs of the most vulnerable. Especially in years of local elections and in districts with electorally competitive politics, “low-income households are targeted more accurately, suggesting that electoral incentives for local elites may increase access to social services among the poor” (Fossati 2016: 1).

As a result, some impressive local reformers have been elected and brought real changes to their communities. Among citizens, there has been an enormous social change with entrepreneurship evident in the newly established non-governmental and community-based organisations. Most governance indicators have improved since 2000. Indonesia is labelled a free and democratic country by Freedom House, even though it recently has been downgraded. In the words of democratisation theorist Larry Diamond (2010), what Indonesia has achieved “is quite remarkable and is deserving of admiration.”

However, there is a different argument to be made once we look beyond legislation and institutions. As we have increasingly learnt during the past few years across the globe, the bare minimal democratic cornerstones of state institutions, elections, and an open public sphere does not by itself guarantee social justice or substantive democracy. To support democracy and make government responsive to citizen needs, it is not enough to simply bring government closer through decentralisation or open up spaces for civil society. After two decades of reforms, regional economic development and public service quality remain low. Citizen needs have largely failed to shape government priorities. In 2018, 13.5 % of the rural population remain poor versus 7.3 % in urban areas (with an average of 9.82 %). Regional disparity is widening, especially between poorer eastern and more prosperous western Indonesia. Health indicators are still lagging in most regions. Even though some elected local leaders have improved living conditions and the economy, there is also continued bad governance in too many locations. Corruption remains an immense problem: in the past few years, Indonesia’s Corruption Eradication Commission (KPK) has charged a local elected mayor with corruption on average every second week.

A major challenge to consolidating democracy and improving public services in Indonesia lies in the strong state and entrenched government processes. The bureaucracy remains dominated by people trained under the authoritarian regime, which was oriented away from serving the public interest. During the past decade, the Government of Indonesia and its development partners have made substantial investments in improving the planning and budgeting process of local governments. Hundreds of millions of dollars have been spent on strengthening planning and budgeting, but there has been relatively little evidence on the impact these programs have on the lives of the poor. There are instances of positive reforms,

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1 https://m.katadata.co.id/berita/2018/10/25/banyak-terjerat-kpk-mendagri-kepala-daerah-tidak-berhati-hati
2 There are very few independent publicised reports on project impact in Indonesia; but see Ferrazzi and Rohde-wohld (2011) for one interesting study of fifteen years of GTZ support for decentralisation in Indonesia, and USAID (2018) for an assessment of the sustainability of ten local governance projects, that showed very little sustainability beyond the project interventions. No evaluation was done on impact.
but the overall system remains problematic, with village planning disconnected from district planning, bottom-up planning losing out to technocratic planning, and the results from development planning being disregarded in the budgeting process. The main issue seems to be about persisting community-level socio-economic inequality that rendered the formal deliberative forums irrelevant, especially for the poor and marginalised (Breman and Wiradi 2002; Pincus 1996). When their livelihood and access to services and resources are still very much dependent on good relations with elites, engaging directly within planning and budgeting forums may not be the most strategic option for the poor; it is better to use village elites to represent their interests (Sambodho 2019: 129, building on Wahl-Jorgensen 2006, calls this “mediated citizenship”).

The consensus is that there were, with regional autonomy, sufficient funds at the subnational level (Lewis and Smoke 2011: 2; Lewis 2013). Frontline agencies and governments service providers have the capacity and autonomy to develop their own solutions. But it is not happening. Rather, local government staff – including frontline agencies and village officials – are not subject to the incentive structure that rewards good or sanctions bad performance. Local governments lack latitude to reward staff for enhanced performance and lack the flexibility, information, and incentives to prepare and implement pro-poor plans and budgets. Local reforms are often constrained by national regulations. In short, local governments do not need to spend more, but spend better, including better planning, management, and accountability of available funds.

The success of the community-driven development introduced by PNPM started around 2010 to trigger a shift in focus, with a need to complement reforms in planning and budgeting with a focus on strengthening communities in order to get better quality from the resources that are allocated for service delivery. The move from the World Bank-funded KDP to the national PNPM in 2007 had been one first step.

At the core of this is the democratic argument that there is an obligation of public authorities to explain publicly, fully and fairly how they are conducting their public responsibilities – to answer and be held responsible for the discharge of entrusted power. Access to deliberative forums and citizen engagement to planning might not be not enough, it was argued; there must also be avenues for citizens to hold government officials to account at the community and frontline, and in that process gain access to the political bargaining table. Without the right of citizens to ask questions and the obligation of officials to answer for the disbursed power, the democratic authority of citizens will diminish, and democracy and government performance will falter – as has been the case in Indonesia. It is not primarily about political accountability (regular elections or the fiscal accountability of efficient public expenditure), but rather downwards or social accountability, the obligation of the government to present an account for and answer for the execution of responsibilities to those who entrusted those responsibilities, the public (World Bank 2004; Fox 2015; Bovens et al. 2014). This is based on a notion of demand for improved government performance and relying on civic engagement of ordinary citizens holding government to account.

Reforms were thus needed to improve efficiency and quality of expenditure by local governments, promote cross-sectoral coordination and program coherence, stimulate responsiveness to local needs and priorities through a stronger “demand-side”, and prioritise access to quality services and economic opportunities across the country. Demand-side governance is made up of development approaches that focus on citizens as the ultimate stakeholders for better governance – the right of communities to hold government to
account so that policies are implemented, and services delivered. Demand-side governance does so by strengthening the collective voice of citizens and civil society to hold authorities accountable for better development results, through a series of integrated steps around transparency, feedback loops, incentives and oversight (Gaventa 2004; Gastil and Levine 2005; Fishkin 2009; Antlöv and Wetterberg 2019).

Implementation
This is the context in which the Village Law was designed: to try to address the weaknesses in the decade-old decentralisation paradigm by providing authority and money to the villages, breaking up the monopoly and often corrupt practices of central and district agencies by giving authority and money directly to what was seen as a “purer” level of government, and increasing the capacity of the village community to control its leaders. The Law was well received by political observers and village officials when it was turned into law in 2014, providing a great opportunity to improve the lives of villagers, if transparent funding, good facilitation, capacity building and oversight were provided as mandated by the Law. So, let us look at how it has been implemented and the results to date.

Already before the Village Law, more democratic conditions in rural Indonesia had promoted better competition between village heads, with more varied backgrounds (Antlöv et al. 2016: 166). This competition has been further reinforced by the Village Law, with its increased amount of village funds. With the law, village heads have a much stronger position. They are directly elected by the community, with much less intervention from supra-village authorities than in the past. With increasing political competition at the district level for political positions, many village heads also have direct access to district government for resources; and we have seen the emergence of new forms of district-village clientelist relations, which can benefit both parties (Aspinall 2013; Berenschot 2019).

But in the absence of strong control mechanisms or incentives, studies have shown that village heads are not always operating in the interests of the community (World Bank 2018; Sambodho 2019). Even though the Village Councils are elected by villagers, members have limited understanding of their new tasks and responsibilities. There is almost no support from the national or district governments to the Village Councils, often leaving them in a limbo. These weak community-level control mechanisms have not been compensated by district-level support and supervision. There are hardly any sanctions for breaking rules in the use of national or district funds to villages – funds keep flowing. One reason is a perceived wariness on behalf of district government towards villages: district transfers to village are often the equivalent of around 25% of the districts’ available development budget (after fixed expenditures), and so the argument goes “why should we even bother putting more resources to villages when they already take such a large chunk of our budget outside of our control”.

The lack of accountability is also related to the persistence of traditional bureaucratic structures and ways of working with a strong state-focus. In spite of improved civic participation and democratic elections, local politics are still largely based on clientism. Many communities are passive and reliant on state authority and resources to initiate programs.

Under the Village Law, village heads are supposed to submit annual accountability reports, but these have not been strong incentives for improved performance – many only submit the simplest of reports (World Bank 2018). The important thing is disbursements,
not use or impact. How are funds actually used? Mainly for office salaries, operations and infrastructure. Less than 10% of the village budget is used for economic activities or services delivery (World Bank 2018). In short, there is a low direct impact on poverty reduction because most of the funding is for administration and roads (road jobs are short-term and do not significantly reduce poverty, even though roads to markets may have an economic impact). Poverty is not a specific objective of the use of the village funds, and the poorest and marginalised are seldom represented during village meetings. Management and monitoring evaluation mechanisms have not been designed in a way that would track village performance across time and inform further adaptation (Utami 2018: 5). The combination of disparity in village administration capacity and lack of standardised and simple procedures also causes complications in the disbursement process, with funds often being disbursed too late in the fiscal year to be used effectively and transparently by villages.

There are also challenges on the community side. A 2018 World Bank-funded evaluation of citizen participation after two years implementation of the Village Law found that many villagers tended not to participate in village meetings largely because of the high opportunity costs and the perception that the discussions only concerned village government and community leaders (World Bank 2018: xi). Village information boards are often in place, but that does not immediately translate into more accountability or participation, since village facilitators, who under PNPM were mobilising the collective action of community groups, are today mainly used for village administration, such as completing financial reports. There are also very limited programs to build the capacity of villagers. There seems to be an assumption that grassroots activism and mobilisation skill can be self-adopted by the poor and marginalised. Empirical evidence shows that only through intensive programs that are geared for political capacity building (such as were in place for PNPM), can these group effectively participate.5 Otherwise civic participation and accountability will only be the less effective “soft accountability” (Fox 2007). Studies are also showing that villages are losing capacity built under PNPM — what communities could do under PNPM in terms of planning, implementing and overseeing village-scale development projects, they are now less involved and doing less of (World Bank 2018). The Village Assembly (Musdes) has also largely failed to serve as the bottom up mechanism of accountability, largely bureaucratised as an administrative forum and stripped off its political dimension.

One of the main issues is the seeming unwillingness of central government agencies to fully implement the Village Law in the sense of providing autonomy to villages to determine their own needs and manage their own funds. Yes, central and district budget funds are being allocated to villages, but at the same time, in 2017, central ministries were still involved in annual village projects worth more than 275 trillion Rupiah (USD 20 billion), often with no alignment to district and village priorities. Some of these funds are for fully legitimate purposes, such as to support inter-village projects or highly complex technical solutions to local problems. However, there are still projects managed by Jakarta ministries to build village infrastructure or manage community outreach for purposes that PNPM had shown over a decade that communities could do by themselves more effectively and efficiently.

There is also a lack of strong national leadership on village and community governance. It was mentioned earlier that a new Ministry of Villages (MoV) was created by President Joko Widodo in 2014 to oversee village governance and community development, which

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5 See Ananthpur et al. (2014) for a study on the importance of facilitators in India.
previously had been under the auspices of the powerful Ministry of Home Affairs (MoHA). However, when the MoV was announced in late 2014, MoHA immediately reacted. The basic idea had been to put the Directorate General for Village and Community Empowerment in MoHA as the centrepiece of newly established MoV. However, the newly appointed Minister of Home Affairs (the former powerful Secretary-General of the party that won the 2014 elections) did not allow this. He claimed that control over villages – the lowest level of government and the frontline domains of Indonesia – needed to remain under the auspices of MoHA. After a tense period of stand-off running into mid-2015, the DG for Villages was allowed to remain in MoHA, with a slightly limited mandate to oversee and empower village governments, while community empowerment and village development was moved over to MoV, starting largely from scratch and with very little real power. The historical roots of the Ministry of Home Affairs in Indonesia, as in many countries with ministries of the interior, is for national security, registration, supervision of local governments and public administration. Control comes before progress and domination before development. In Indonesia, the paradigm is that of “guidance” (pembinaan), and the new Ministry of Villages has not been able to provide a convincing alternative narrative.

Implementation has been anything but smooth; and the two ministries hardly interact. During the 2014-2019 period, ministers from MoHA and MoV were former party politicians from different coalition parties (PDI-P and PKB, respectively), and tensions were strong, trickling down to lower-level officials. In the 2019-2014 cabinet announced in October 2019, the new Minister of Home Affairs is the former head of the Indonesian police (a four-star general) while MoV remains under the control of the minor coalition member (PKB), albeit with a new deputy minister from PDI-P. We have yet to see whether this will provide a more conducive environment.

The differentiation between the MoHA and the MoV is partly ideological: while the MoV is on the side of community development, the MoHA is strongly in favour of seeing and treating villages as the lowest level of government to keep the country united. Both ministries issue regulations related to villages that often are contradictory. Districts governments that are supposed to oversee and coordinate all aspects of village governance, development and empowerment are under the authority of MoHA, which means that MoV has very little sub-national presence and is losing out – leading to limited village development and community empowerment happening.

This is partly the result of a legislative compromise with a hybrid system agreed; in Law 6/2014 on Villages, the village is defined as a self-governing unit but with a village government that is recognised by the State. Resistance was simply too strong from the “powerhouse” bureaucracy within MoHA to totally relinquish the control over villages. To further complicate matters, the national village grants (Dana Desa) are disbursed by the Ministry of Finance (MoF) and therefore need to be accounted for centrally, especially since the village grant allocation is a main means to achieve President Jokowi’s election promises in 2014 and 2019 to build Indonesia from the margin. On top of these three implementation agencies are three steering agencies who are competing for national coordination regarding Village Law matters: The Coordinating Ministry of Human Development and Culture (Menko

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6 What used to be the DG for Community and Village Empowerment in MoHA is now the DG for Village Government Guidance.

PMK), the National Development Planning Agencies (Bappenas) and the Executive Office of the President (KSP), each issuing various policy instruments and steering documents. Fragmentation between national ministries causes confusion. Each might be well-meaning and doing well individually, but it does not add up and the lack of coordination causes implementation issues.

In short, the Law was well intentioned – after more than 15 years of PNPM, community resilience had been built and the government wanted to mainstream PNPM into regular structures. But long-established state structures were too strong and took over. The Law has failed to capitalise on the transformation brought by KDP and PNPM by focusing merely on administrative and supervision mechanism, and abandoned its political and “Habermasian” empowerment agenda.

There are different understandings of the Village Law. From the perspective of those parliamentarians who drafted the Law, it is about improving service delivery and promoting local development. For the Ministry of Home Affairs (or at least the DG for Village Government Guidance), the Village Law strengthens the administration and official leadership of villages in order to build national resilience and unity. From a more progressive, MoV understanding, it is about recognising the rights of communities to manage their own affairs. From this perspective, what is needed is empowerment and autonomy, with the central and district governments actually stepping back and allowing the full implementation of the Village Law, with its provisions of subsidiarity and village autonomy. However, since the village is not a harmonious place with shared resources, more progressive voices also advocate for necessarily limiting the authority of the powerful and enhancing the position and protecting the interests of the poor.

The Village Law is a source for village elite to extract benefits for the community. An ethnographic study of a village in West Java (Sambodho 2019) shows how various elite families competed over being able to mobilise village projects, which has radically increased after the Village Law, and in that way gain political capacity that could be converted during village and district elections for votes. Rather than being incorporated as subordinates in a bureaucratic hierarchy as during authoritarian rule, village elites are thus becoming rural brokers, exercising considerable leverage in their relations with the state (Sambodho 2019; Aspinall and Rohman 2017:50; Berenschot 2019). From this perspective, the Village Law is not about rights or empowerment, but a resource for local political competition. But interestingly, these local elites in Indonesian villages – as members of the same lived-in community – cannot fully capture all the benefits. In these forms of clientelism, a beneficial leader must use his or her control of projects and resource for the broader community (Sambodho 2019; cf. Lucas 2016; Kusumawati and Visser 2016).

These understandings of the Village Law are quite in stark contradiction to each other. While some are based on district frontline agencies and the village government providing improved services, the community understanding is one based on their rights to manage

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8 Andrews et al. (2017, Chapter 3) calls this “premature load bearing”, putting too much weight on a structure before it is able to support it, or doing too much too soon.

9 Therefore, MoHA is supporting the use of the Village Funds to pay salaries for village officials and build proper village offices, rather than for rural development and community empowerment.

10 From a community empowerment perspective, there is also a romanticising of the village and the community, seen as cultural and fully encompassing unities, as something inherently good and real, perhaps as the embodiment of the “whole human being” (manusia seutuhnya) so often celebrated in Indonesia.
their own affairs without any needless outside interference but with substantial new resources. Part of the challenges with the implementation today is related to this disconnect. Policymakers, especially those in the Ministry of Villages and the House of Representatives that approved the Law in 2013 have quite an idealised notion of how the Village Law should operate (based on the bounded rationality of rational choice and positivistic models) and the reality has been quite difficult, determined by power games such as inter-and intra-ministerial competition, party politics, and ministerial whims, in addition to the reality of village life, which is different from the idealised notions.

Looking Forward

This might sound like an excessive dose of negative developments, but it should be taken in the context of an emerging democracy that is taking the “two steps forward, one step back” route to development. There are feasible solutions to most of these issues, solutions that are recognised by reform-minded government officials and in some places already being practiced. Importantly, the Village Law is still positively received in villages and communities, and communities are starting to see positive changes (albeit not as fast as was anticipated). There are no signs that the Law or the national village transfers might be annulled: on the contrary, funds transferred to villages are increasing on a year-to-year basis, including a substantial increase in 2019, an election year. And since President Jokowi was re-elected, support for the implementation of the Village Law will continue.

The Village Law is good, but the implementation may not always be. The rules under which power and resources are managed and the relationship between state and citizens (Bauer et al. 2015; Andrews et al. 2017) needs to be reviewed. Implementation is about good management and understanding the art of the possible, as well as practical wisdom of frontline officials on how to behave in particular circumstances. From the policy beneficiary’s perspective, the impact of policy is about everyday life as well as a collective interest in pursuing accountability from their government in using public resources. Says Andrews et al (2017: 83): “Organisations with weak capability for policy implementation are those that cannot equip their agents with the capacity, resources, and motivation to take actions that promote the organisation’s stated objectives.” I believe this is what is at work in the case of the Village Law in Indonesia: the ideological split at the national level leads to regulatory murky waters; the unwillingness of subnational governments to support and oversee villages since villages are already getting such a large amount of the district’s funds, which leads to impunity and capacity gaps. At the village level, unequal power relations put all political clout in the hands of village officials and the poor remain powerless, and dependent on the elite and therefore compliant.

However, local reforms and performance are not a result only of state policies but of communities’ own efforts – hence the importance of revitalising associational life, empowering communities, and developing community capacity as part of the self-governing community paradigm introduced with the Law. This includes on-going efforts by the Ministry of Villages to design a comprehensive package of facilitation, capacity-building for community groups not just village government staff, and clear national rules to allow communities to access funds in the village budget. This will provide villages with clear authorities and priorities for usage of village budgets, provision of technical support and oversight. Popular participation can be driven by innovative and committed citizens demanding their voices be heard. It can
also be provided by state agencies to overcome the distrust in government and to empower local communities. There is also a national village innovation set-up designed that will allow villages to learn from each other and pilots to introduce positive incentives for villages to make complementary investments in key services. Of crucial importance is strengthened accountability regimes: the right of citizens to ask questions and the obligation of state officials to answer and be held accountable for the disbursed power, with rewards for good behaviour and sanctions for bad.

**Conclusions**

The Village Law is an interesting case of how a development policy (around community-driven development), pioneered and tried out by the Government with World Bank financing and support, gets appropriated by national policymakers and politicians (Shore et al. 2011: 7) and then scaled-up to a degree it could not support. As noted in Tania Li’s assessment of KDP in the early 2000s (which became PNPM and which was later adopted into the Village Law), to govern through community requires that the community be rendered technically: investigated, mapped, classified, documented, interpreted (Li 2007: 234). This is a commodification and objectification of the community that takes away its spirit. Li (2007:255-256) sees this as a general slant towards technocracy and neoliberalism, in which governing through communities is apolitical and solutions to poverty and powerlessness are technical, with little consideration given to how empowered communities might actually come to demand not only better infrastructure, but access to land, fair prices and fair wages. KDP and PNPM did not address the material roots of social injustice. The same criticism can be levelled against the Village Law – it does not radically invert rural power relations, even though it does positively improve the autonomy of villages vis-à-vis districts, including how to access projects. Building on past hierarchical and patronising relations between state and community, the Village Law as a system of governance considers village communities as objects of power. Villages are expected to meet increasingly unrealistic output targets and performance indicators that are at odds with capacity and how they are organised in the first place (cf. Shore et al 2011: 20). The Village Law, in this perspective, is quite an effective form of domination over communities (cf. Shore et al. 2011: 9). It secures the voluntary compliance of citizens; and various “technologies of citizenships” are mobilised, allowing actors to internalise and embody a structuring framework, to use the language of Bourdieu (1977).

A main contribution of the anthropological study of policy is to challenge the received wisdom of public policies and understand the meaning and subjective understanding of policy making (Shore et al 2011: 8). Cultural studies of politics and policies argue that beliefs and perceptions are constituent parts of government and policy making (Cannadine and Price 1987; Kertzer 1988; Gledhill 1994; Bierschenk, and Olivier de Sardan 1997; Bubandt 2014). Politics should be viewed not only as competition over scarce resources, but also as representations of historical practices and local knowledge. Cultural representations are instruments for political discourse. Political symbolism, rituals and normative representation are employed for the legitimate execution of power and domination. The lack of cultural understanding within a democracy negatively affects its basic meaning: a powerful political imagery of hope and autonomy. To achieve this, ‘democracy has to be driven by a “spirit”, a secular dream of trust and mutual association by the people and for
the people (Bubandt 2014: 13).

So how do we reinstate this spirit? I would argue, with Sambodho (2019) that it is about allowing the village to be a space of contestation. There will always be rich and poor, elites and the under-represented. Let’s not romanticise the village. A simple call for “empowerment” will not do. Better is a long-term process that allows contestation – in community assemblies, at village elections, in local-level politics – through which a variety of voices can be expressed. To support this, information about budgets and performance must be provided, public meetings must be better facilitated, and communities be organised by civil society activists linked to district reformers. Sandercock call this transformative political action a “thousand tiny empowerments” (1998), not grand designs. In this sense, shifts in civil society strategy, and the political space they open up for collaborations with (innovative) state officials, may eventually produce broader impact.

The basic problem with the implementation of the Village Law is one of governance and politics, not technicalities or administration. Therefore, the solutions must also be those of governance and politics, with clear rules for allocating authority and resources to local practices and breaking down hierarchal state-community relationship. This includes the continued fostering of village contestation through the Village Council and Village Assembly, allowing various voices, including representatives of the poor and disadvantaged. For the Village Law to be properly implemented, both nationally and locally, accountability relationships need to be improved. When citizens and communities do not have the capacity and/or power to hold authorities to account for how responsibilities are disbursed, implementation will falter. When citizens and reform-minded local leaders become empowered, the powerful will be held to account and old systems of patronage might start to break down, motivating/incentivising/ compelling them to do their job more effectively and put the benefits of the community ahead of their own vested interests. This can be done through coordinating citizen initiatives with governmental reforms in pro-accountability coalitions that bolster public sector responsiveness. Only then can the Village Law fulfil its potential.

References


