

Capacity of Rural Institutions in Implementing Decentralized Development in Indonesia: Case of Three Villages in Purbalingga District, Central Java Province

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Abstract

The implementation of decentralized system in 2001 has transferred the tasks to plan, execute and evaluate rural development to village government. Nevertheless, to be successful, decentralized system requires sufficient local capacity to implement these newly transferred tasks. This study aims to analyze the capacity of rural institutions, the realization of capacity to address livelihood problems and the effort of capacity development done by the government. It focuses on the four rural governmental institutions, namely village officers, neighborhood group, village parliament and village development committee. Case study was conducted in Serang, Kedarpan and Sumilir villages in Purbalingga District. Data were collected through questionnaires, interviews, observations and documentary studies. Totally 232 respondents were selected to provide perception on a set of capacity indicators of rural institutions. Among four levels of capacity set in this study, namely poor, slightly poor, good enough and good, this study finds that majority of the indicators fall under category of good enough. However, the realization of the capacity remains limited, and therefore only partial solution can be made to address local problems. Moreover, district government is so far emphasizing on capacity development for village officers, while neighborhood group, village parliament and village development committee were given less attention. Therefore, this study recommends the district government to conduct such effort of capacity development for neighborhood group, village parliament and village development committee.

Key words: Decentralization, Local Capacity, Local Institution, Rural Development

1. Introduction

With its vast area, scattered population and diverse culture, there is theoretically strong rationale for Indonesia to apply decentralized system. However, the New Order regime, Suharto's administration from 1968 to 1998, perceived decentralization more as a threat for the state unity, therefore it kept Indonesia in a strong centralized system. Top-down planning was adopted by the regime, and regardless the diverse nature of rural areas, the development programs were centrally created through "one design fits all" approach (Antlöv, 2000, 2003). Although many programs were delivered to rural areas, local initiative was actually almost zero because the decision making was controlled by the district government, either directly or indirectly through the obligation to obtain approval before local decision can be executed (Antlöv, 2000, 2003; Evers, 2000; Ranis & Stewart, 1994; Tinker & Walker, 1973).

In 1998, however, the regime was collapsed and reform movement demanded the government to apply decentralized system. As a result, the government subsequently established Law 22/1999 on Regional Governance and its counterpart, Law 25/1999 on

Fiscal Balance¹, through which Indonesia rapidly moved to one of the most decentralized countries in the world (World Bank, 2007). Being applied since 2001, decentralized system has granted village government the discretion to plan, to execute and to evaluate development projects based on local initiatives. Most of the schemes of rural development programs were changed to the deliverance of grants where the utilization is locally decided by the villagers. Simply speaking, Antlöv (2003, p. 119) states that the legislation “appears fairly favorable to local democracy”. The upper government levels cannot interfere in village decision making as far as the decision does not deviance the law.

Nevertheless, there is no guarantee that decentralized system will bring the betterment to the rural people. Studies in many countries have found that the success of decentralization in improving the local livelihood heavily depends on the capacity of local institutions (Aref et al., 2009; Blair, 2000; Johnson, 2001; Jütting et al., 2004; Uphoff et al., 1998). In Indonesia, whether the village governments have enough capacity to perform their function or not had become one of the main public concerns. Studies conducted in the initial years of decentralization find that many rural institutions faced difficulties to adapt with the new system and to understand the role they should play (Alatas et al., 2001; Antlöv, 2003; Bebbington et al., 2006; Dharmawan, 2002; Widianingsih, 2005).

Currently, after about ten years of decentralized system in Indonesia, an understanding about the local capacity will help the government to formulate policy of capacity development to rural institutions. This study has three main objectives, which are to assess the current capacity of rural institutions, to analyze the realization of capacity to address local livelihood problems and to evaluate the effort of capacity development of rural institutions done by the government. The rest of this paper is organized as follows: Section 2 presents literature review; Section 3 presents research methodology; Section 4 analyzes the result of the study; Section 5 draws conclusions and policy implication.

2. Literature Review

2.1 Concept of Local Capacity

UNDP (2002, p. 8) defines capacity as “the ability to perform functions, solve problems, and set and achieve objectives”. More often, capacity is analyzed through qualitative approach, although some elements of capacity can also be quantified. Uphoff (1986) argues that the concept of capacity operates not only at individual level, but also at organization, community, regions and national level. He also suggests the study aiming to analyze local capacity to narrow the scope into an area where the residents have a long-standing interaction and emergent collective identity.

Individual capacity is the most substantial element of capacity that will determine the capacity at organization and community level. Bebbington (1999), through his asset based conceptualization of capacity, argues that assets (natural, human, financial, physical, cultural and social) are the sources of individual capacity, and therefore the degree of capacity of an individual is determined by the amount of asset he has. From the perspective of asset based conceptualization of capacity, individual capacity is sourced by the education, training, work experience, the financial resources and the networks. Similar to the conceptualization of asset based capacity, JICA (2004) also suggests that capacity at individual level includes knowledge, skills, awareness and attitude. Although individual capacity is the main source of organizational capacity, most literatures agree that the later is not just the sum of the former (Bebbington, 1999; Goodman et al., 1998; JICA, 2004; Mizrahi, 2004). JICA (2004) suggests that in addition of individual capacity of the member, organizational capacity is also determined by the leadership, structure of the organization, resource mobilization, physical resources and management strategy.

Capacity at the community level is more complex than organizational and institutional capacity. As Uphoff (2004) finds, community is often not cohesive and a harmonious social entity. Rather, it is divided by various religious and clan separations that may result in a considerable level of local conflict. Therefore, study on community capacity needs to discuss not only the resources of the community, but also the relationship among various organizations within the community.

The concept of capacity is task specific. Mizrahi (2004) suggests that in the analytical framework, indicators of capacity should be created based on “capacity of whom” and “capacity to do what”. Therefore, different institutions needs different set of capacity indicators. For example, indicators of capacity for village officers will be different from those of village parliament as well as village development committee. Similarly, indicators of capacity to implement rural development tasks will be different from the indicator of capacity to implement the other tasks.

More often, the concept of capacity has been inconsistently used up to the point that it overlaps with the concept of performance (Goodman et al., 1998; Mizrahi, 2004). Capacity and performance are two different concepts. While capacity refers to the skill and competence belonging to the actor (person, organization, or community), performance refers to the result of capacity realization. Therefore, one should avoid justifying the capacity by only looking at the performance, and vice versa, should not assume that good capacity will always result in good performance. Capacity may exist at each actor, but the likelihood that it can

be realized to achieve good performance depends on many factors, among others are the capacity of other actors, the social structure that determine pattern of relationship among actors, and the difficulties of the problems that they want to solve (Bebbington et al., 2006; Mizrahi, 2004).

2.2 Local Capacity and Community Leadership

This study is not the place to analyze the concept of leadership deeply. Rather, it aims to analyze rural community leader as a specific form within leadership concept. Several studies have found that community leaders play substantial role in the implementation of decentralization. Even in many societies, particularly rural areas, villagers often regard that it is the responsibility of their leaders to create the development programs. Vice versa, if the programs cannot be successful, lack of community leadership is blamed (Ricketts, 2005). Goodman et al. (1998) state that without community leadership, local capacity realization as well as capacity development is impossible to occur in rural community. Capacity realization and development without community leadership will only create disorganization (Goodman et al., 1998).

Uphoff et al. (1998) argues that successful rural development programs, although requiring funding, depend more on the leadership factor. The other studies also confirm that community leader can be either the supportive or the obstacle factor for the success of decentralization. Study by Takeshi (2006) in Bandung District of Indonesia shows that local leaders can improve the inclusiveness of decision making by initiating a more open mechanism in development planning, somehow making the budget utilization more satisfying the people. On the contrary to the study by Takeshi, Hadiz (2004), through his study in North Sumatra regions of Indonesia finds that local leaders themselves have become the factor hampering decentralization by capturing the decentralized resources for their own interest, and by creating the clan disaggregation that may lead to a more complex local conflict.

Despite the efforts to understand the linkage between community leadership and local capacity, little is known about what kind of capacity that a community leader should has. Goodman et al. (1998) identify several indicators of leadership capacity, which include:

- a. Providing direction for participant
- b. Encouraging participation from diverse network of community participant
- c. Facilitating and sharing information and resources among participant
- d. Implementing procedure for ensuring participant from all during the meeting
- e. Shaping and cultivating the development of new leader
- f. Responsive and accessible style
- g. Focus on both task and risk taking
- h. Receptivity to prudent innovation and risk taking
- i. Connectedness to other leader
- j. Inclusion of formal and informal leader

In general, Uphoff et al. (1998) argue that community will not proceed successfully without having creative leaders willing and able to take initiatives. Therefore, other than the character of effective community leadership developed by Goodman et al. (1998), the success of rural development also depends on the quality, creativity and commitment of the leader to the common consensus (Uphoff et al., 1998). However, these indicators are still object to change. Because community leadership is a very location specific, different culture and location needs different leadership style. Therefore, the capacity needed by a person to become an effective leader in one location may be different from the other location.

In the context of Java, which is the location of this study, rural community is traditionally built based on the principle of solidarity, but not equality (Mulder, 1996), and the pattern of relation between rural leader and villagers is traditionally hierarchical (Antlöv, 1996; Evers, 2000; Mulder, 1996). Study by Mulder (1996) on the concept of Javanese leadership provides very useful references to understand what the villagers expect from their leader. According to Mulder (1996), villagers in Java see their leader as a parent or guardian of community, therefore they expect the leader to guide them, to treat fairly, to help them during the difficulty and to protect them during the danger. Ki Hadjar Dewantara, a prominent leader of *Taman Siswa* institution and nationalist movement in 19th century tries to extract the functions of Javanese community leader into three popular traditional principles, which are: 1) to provide example in the front (*ing ngarsa sung tuladha*); 2) to inspire from the midst (*ing madya mangun karsa*), and; 3) to encourage from the behind (*tut wuri handayani*). To provide example in the front means to become the paragon of community, to provide clear information and guide for community as well as to become the first person doing what he said before the community. To inspire from the midst means to create a new idea or innovation that can lead betterment of the people. To encourage from the behind means to support and encourage the communities so that they can achieve their objectives

(Mulder, 1996; Velsink, 1996).

2.3 Local Capacity and Livelihood Problems

There is a notion that rural institutions basically have the capacity to solve local problems, and therefore, they should become the main actor of rural development programs. In one sense, this notion is very reasonable. Compared to the outsiders, rural people and their institutions have been accustomed with their situation, thus they also more understand about the potential, limitation and possible way to escape from their difficulties. Therefore, based on the assumption that some capacity exists at rural institutions, it is suggested that central government, donors and consultants not to interfere rural community. Rather, they should facilitate rural institutions by conducting empowerment, giving discretion to make decision and providing financial and technical support needed (Cohen & Peterson, 1997; Parker, 1995; Rondinelli & Cheema, 2007)

Various development programs have been implemented in many countries by emphasizing on the role of local institutions. The program of rural community forest in Nepal is one example of success story of institutional approach in the local resource management. Chetri et al. (2007) and Joshi and Maharjan (2007) find that local institution in rural Nepal can successfully manage the forest resources, somehow making the forest conservation go hand in hand with the rural poverty alleviation. Another example, which maybe more relevant with this study, is the study on the empowerment of local government body conducted by Blair (2000). Through the case studies on Bolivia, Honduras, India, Mali, Philippines and Ukraine, Blair (2000) finds that the empowerment of local government body can lead to the increase in government responsiveness.

Despite the success story of institutional approach, decentralizing development tasks to rural institutions will not be a simple work. Bridger and Luloff (1999) find that rural communities often suffer from a social deficiency that may hamper the program execution. Therefore, Johnson (2001) reminds that unless being well managed, decentralization have potential to exacerbate rural poverty through several ways. *Firstly*, the power to collect revenues given to local government may trigger increasing charge in public service, somehow will add the financial burden of the poor. *Secondly*, low literacy rate of the poor may debilitate their ability to engage in local political process. *Thirdly*, the expected costs of engaging in local political activities may discourage the poor to join. *Fourthly*, there is a potential of local elite capture, or a condition where the benefits of decentralization are only enjoyed by the elites.

In order to minimize the possibility of failure in decentralized rural development, government must conduct capacity development for rural institution. As Uphoff (1986) suggests, the success of decentralized rural development heavily depends on the ability of villagers to make cooperative relationships and to realize their skill, knowledge and other resources through rural institutions in order to achieve positive development outcomes. Therefore, at individual level, the capacity development programs must be directed to improve the skill and knowledge of each individual to perform his function. Capacity development for organization and community must be directed to the efforts to improve the resource, power, management system and network to achieve common objective.

3. Methodology

3.1 Study Sites

By assuming that livelihood problems are more profound in the poor locality, this study purposively selected poor area as study site. Firstly, Central Java province was selected because it is one of the provinces with the largest number of poor people². Secondly, Purbalingga district was selected because it is relatively far from municipality areas, therefore the character of rural areas is still dominant. Further, Purbalingga Local Planning Agency (2006) divides the territory of Purbalingga into three agro-climate areas, which are high dry land with vegetable as main commodity (Area 1), middle dry land with cassava and plantation as main commodity (Area 2), and low wet land with paddy as main commodity (Area 3). One village was selected from each area. The first village is Serang, which is located at geographical coordinate -7.25, 109.29 and about 800 to 1,000 meter above sea level (masl). The second village is Kedarpan, which is located at geographical coordinate -7.38, 109.52 and about 400-500 masl. The third village is Sumilir, which is located at geographical coordinate -7.46, 109.35 and about 50 to 100 masl.

3.2 Rural Institutions Covered by this Study

In order to understand the current situation of governance at Indonesian village, one has to remember the history of dominant role of New Order regime in local political and development sphere during 1968 to 1998. To increase the efficiency of top-down planning, through Law 05/1974 on Village, the regime homogenized the village government structure and put it in the hierarchy of administration as the lowest level of government (Antlöv, 2000; Smoke & Lewis, 1996; Tinker & Walker, 1973). Various institutions were established in rural areas, and not only they existed throughout villages with the same structure and statutes, but

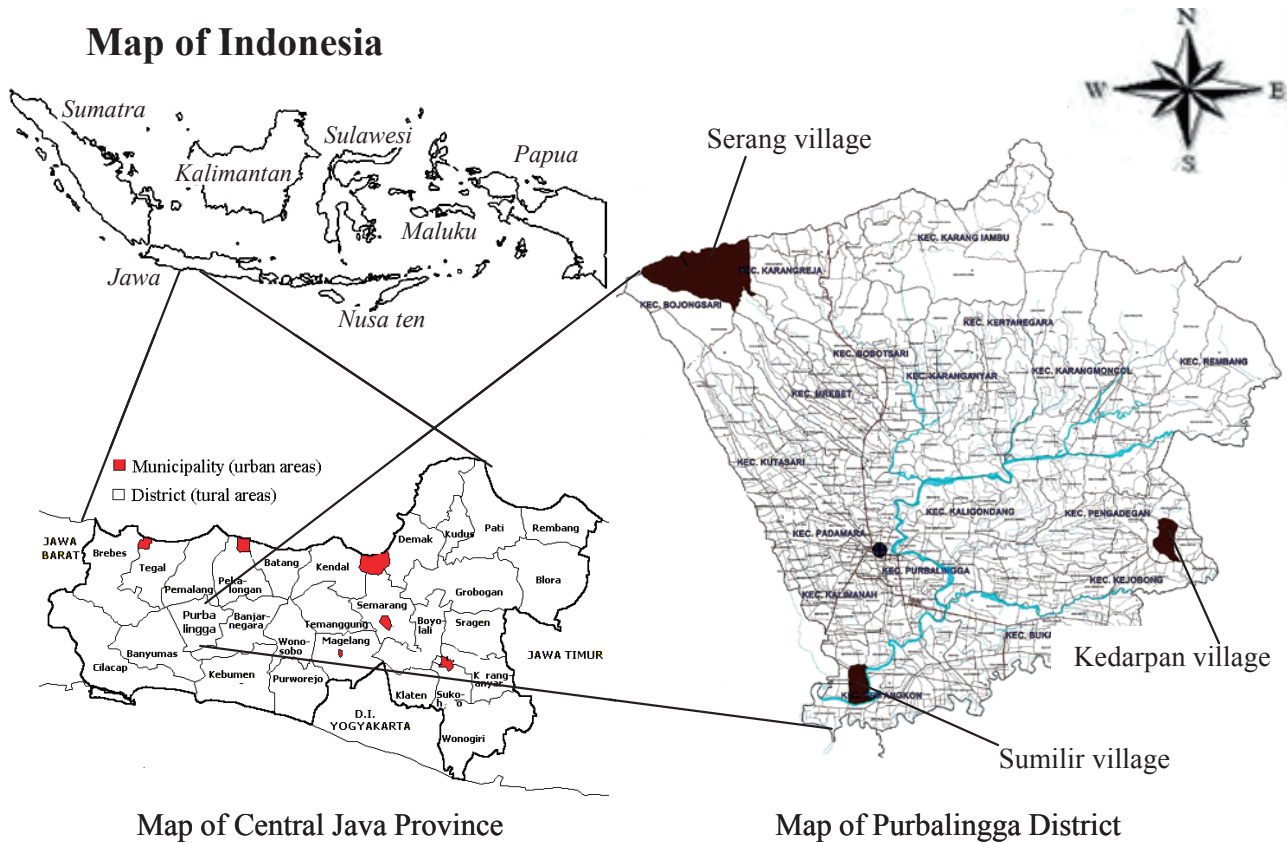


Figure 1. Map of Research Location (not for scaling)

Source: Central Java Local Planning Agency (2010); Purbalingga Local Planning Agency (2006); World Bank (2006)

also they were the only organizations through which community voices to government could be channelized and the development programs would be delivered (Antlöv, 2000, 2003; Evers, 2000)

Therefore, in Indonesia, village is not only a territorial entity and a community group. Rather, it is also a government level, the lowest tier after district, province and central government. Village consists of several hamlets (*Dusun*), which are group of settlement bounded by natural boundary such as river, hill, field and road. Under hamlet, a system of neighbourhood groups is also formalized by the state. Further, since decentralization is a matter of task distribution among government levels, the nature of village as government level is more prominent in the regulations. Regulation of Ministry of Home Affairs (MoHA) 5/2007 on Rural Community Institution has principally distributed the tasks on rural development to several governmental institutions³, namely village officer, neighbourhood group, village parliament and village development committee (See Annex 1). They are the institutions practically involved in almost all rural development projects. Previous studies on the implementation of decentralized system at village level have presented that these institutions have influenced very much the political dynamic at village level (Alatas et al., 2001; Antlöv, 2003; Bebbington et al., 2006; Dasgupta & Beard, 2007; Dharmawan, 2002; Evers, 2000; Maurer, 1996; Widianingsih, 2005).

Therefore, by assuming that the capacity of these institutions will determine very much the success of decentralized system, this study purposively focuses on them. The decision to focus the study on these institutions is also in line with what Uphoff and Buck (2006) suggest. In general, they suggest that institutions having organizational form are more relevant in the study of decentralized rural development because they are concrete and have capacities that can be enhanced for the purpose of supporting development programs. Although the organization that do not play role as the institution, and similarly, the institutions without any organizational form, are important in rural development, they deserve quite different treatment (Uphoff & Buck, 2006).

The following sub section will briefly describe the origin, membership, function of the selected rural institutions and the capacity indicators attributed to each institution. By following Mizrahi (2004) suggestion that in the analytical framework, indicators of capacity should be made based on “capacity of whom” and “capacity to do what”, capacity indicators are set based on the functions of each institution.

3.2.1 Village Officer

Village officers (*perangkat desa*) consists of tens people including village head, secretary, staffs and hamlet heads. As the highest leadership within village, village head is directly elected by the people every six years. Village secretary, staff and hamlet heads are recruited from villagers to serve up to 56 years old. While village secretary and staffs conduct village administration, hamlet heads are community leader in their respective areas. Among all institutions covered in this study, only village officers who routinely work in village office and earn salary from their position. Their salary comes from two main sources, which are *bengkok* land, which is a specific plot of land given to each village officer during his time of service, and some supplementary allowance given by district government.

Village officers, especially village secretary and staffs, function to administer rural development. Therefore, indicators used to assess their capacity will be focused on the skill in development administration. These indicators include the understanding on the rural development mechanism, skill on proposal making, skill on budget reporting and skill to operate computer.

Despite the skill in development administration, village head and hamlet head are the leader of their respective community level. Therefore, this study argues that the capacity indicators of village head and hamlet head must also cover the leadership capacity. As a community leader, they are responsible to many tasks of rural development. In planning stage, they are responsible to disseminate information, to formulate the strategy, to solve the problems and to accommodate different inputs from the community. In execution stage, they are responsible to encourage the community to participate. In evaluation stage, they are responsible to provide report for transparency and accountability. Therefore, by considering this function, the capacity indicators of community leadership developed by Goodman et al. (1998) and Uphoff et al. (1998) as well as the concept of Javanese leadership developed by Maurer (1996) and Velsink (1996), this study will measure several leadership capacity indicators, as follows:

- a. Informativeness, which is to provide information and to socialize the development programs to community
- b. Creativity, which is to be able identify the most effective way to escape from the local problems and to create new programs for betterment of local livelihood
- c. Fairness, which is to distribute development programs fairly without discrimination to all villagers
- d. Encouragement, which is to motivate people to participate in development and to mobilize the resources optimally
- e. Responsiveness, which is to give fast respond to local problems
- f. Accountability, which is to be answerable to the community and to provide report of village budget
- g. Submission to consensus, which means to obey and consistent to the decision having made by the meeting

3.2.2 Neighborhood Group

Neighborhood group originally came from the *tonari gumi* system introduced by Japanese army during the occupation in Indonesia. Neighborhood group consists of two levels. The lower level is Neighbor Solidarity Unit (*Rukun Tetangga/RT*), which is group of about fifties households living in the same areas. The higher level is Community Solidarity Unit (*Rukun Warga/RW*), which is the association of 2-5 RTs adjoining each other. All households are automatically the member of neighborhood groups. The heads are elected every five years by the villagers, and their position is set below the hamlet heads. However, they are not part of village officer.

Initially created to mobilize people, neighborhood groups have evolved to become community organization having broader functions, ranging from maintaining neighborhood security, conducting demographic registration, generating community contribution, disseminating information from the government and linking communication between villagers and village officer. In this study, the role of neighborhood heads will be narrowed to those related to the implementation of rural development programs. Therefore, as a community leader, the indicators of leadership capacity of neighborhood head will be the same as the indicators of village head and hamlet heads.

3.2.3 Village Parliament

Village parliament or *Badan Permusyawaratan Desa* (BPD) is new institution established after the decentralization policy in 2001. It consists of 5 to 11 people elected every six years and can be re-elected once. Different from the other levels of parliament (district, province, or centre) where the candidates run for election through political party, villagers run for village parliament not through political parties but directly as an individual. There is formally no linkage between village parliament and the other levels of parliament.

Regulation stipulates that their functions are to channelize community aspirations, to supervise village officer and to enact village decree. Therefore, capacity indicators of village parliament will be focused on the ability to generate aspiration and to monitor village government.

3.2.4 Village Development Committee

Village Development Committee or *Lembaga Ketahanan Masyarakat Desa* (LKMD) was introduced in 1980s. It consists of tens people functioning to execute physical rural development projects. The head is elected every five years, more often only by neighborhood heads, while the members are selected by the elected head. The same as neighborhood group, regulation states that the pattern of relationship with village officer and parliament are coordination, consultation and partnership.

The main functions of Village Development Committee are to execute the physical project and to mobilize the labor, cash and other resources. Therefore, capacity indicators of village development committee will be focused on the skill in technical infrastructure building and the ability to mobilize resource.

3.3 Method of Data Collection

The data of this study include both primary data from interviews, questionnaire and observation and secondary data from statistical reports and official documents. This study spent two main periods of field visit, which are in February to March 2011 for initial data collection by interviews and observation and in January to February 2012 for second visitation and questionnaire distribution. In-depth interviews were conducted to the village head, head of village parliament and head of village development committee in each village, some heads of neighbourhoods and officers from district government in charge of village governance affairs. This study also distributed questionnaire to the respondents from villagers and village officers, of which each group received different type of questionnaire. Observation was conducted by visiting some development outputs and by attending several village meeting in research location.

The number of respondents from villagers was initially set at 10% of total households per village. Official list of households in village office was classified based on location (per hamlet/sub village unite), gender and relative wealth status. Some adjustment should be made, either in the selection process for making round numbers of respondents or in the field research due to refusal of some targeted respondents. Finally, the number of respondents from household heads covers 232 people, who consist of 113 people in Serang, 61 people in Kedarpan and 58 people in Sumilir. This study also took all 35 village officers, which consist of 11 officers from Serang, 12 officers from Kedarpan, and 11 people from Sumilir, to be the respondents.

3.4 Method of Data Analysis

The data was mainly analyzed through qualitative approach. In addition, some quantitative analysis is supplemented through scoring method. To assess the capacity of rural institutions, this study relies on the perception given by villagers to the capacity indicators of village head, hamlet heads, neighborhood heads, village parliament and village development committee asked in the questionnaires. The answers of these questions consist of four options made based on *Likert* scale, ranging from poor (given score 1), slightly poor (given score 2), good enough (given score 3) and good (given score 4). Further, respondent's answer is tabulated, and a mean/average is created by dividing total score by total respondents. The interpretation of the mean score is: Score 1 - 1.74: poor; Score 1.75 - 2.49: slightly poor; Score 2.5 - 3.24: good enough; and Score 3.25 - 4: good.

To assess the capacity of village officer in development administration, this study distributed a self-assessment questionnaire to village officers. Their understanding on rural development stage, proposal making, budget report and computer skill was measured by using *Likert* scale ranging from "do not know" (score 1), "understand enough" (score 2), "understand" (score 3). The interpretation of the mean score is: Score 1 - 1.66: do not know; Score 1.67 - 2.33: understand enough; Score 2.34 - 3: understand.

4. Result

4.1 Socio-Economic Condition of Research Location

Serang is located in the mount foot of Slamet Mountain, a relatively high dry land area (800 to 1000 masl). The village covers an area of 13 km², which is the largest village in Purbalingga District. There are totally 1,426 households residing in the village, from which 65% of household heads are working in farming with main commodity are vegetables like potatoes, cabbage and carrot. Supported by the relatively high price of vegetable, most farmers in Serang still believe that farming is able to be the main source of income. However, many farmers in Serang express that soil fertility had substantially decreased since ten years ago. Inappropriate utilization of chemical fertilizers is blamed as the main causes. Their identification on the causes of decrease in soil quality may be correct. The government policy to subsidize chemical fertilizers in 1970s made them very cheap in the market, somehow led to the utilization above the ideal standard. Currently, after the government reduced the subsidy of production inputs⁴, planting vegetable becomes costly since the farmers should provide much money to obtain the fertilizers and disinfectants. There are actually some local banks at sub-district providing credit for the farmers, but not all farmers can access the credit since the banks always ask for some collateral. Harvest failure also sometimes occurs due to disease attack or unanticipated weather condition.

Kedarpan is ecologically located in middle dry land area (400 to 500 masl). The village covers an area of 2 km², which is inhabited by 585 households. About 44% of household heads works in farming with main commodity is yearly harvested cassava. The low price of cassava has made farming income not able to obtain daily needs of many farmers. Most of the farmers believe that the income sources are beyond the agriculture sector, or even beyond the village. While the villagers cannot rely on the agriculture sector to be the income source, the job opportunity is also very limited. Villagers individually try to increase income by developing side job like trading, part-time livestock, working in others' land, becoming mason or going to urban areas as temporary migrants.

Sumilir is ecologically located in the low wet land area (50 to 100 masl), just in the watercourse of Klawing River, which is one of the biggest rivers in Purbalingga district. The village covers an area of 2 km² with total households in 2010 was 447. About 50% of household heads work in farming with main commodity is paddy. Irrigation is available and covers most of cropland, and paddy can be planted twice a year. Similar to Serang, many farmers express that the quality of soil has been decreased. Inappropriate utilization of chemical fertilizers was blamed as the main causes of the problems. The other problem is the frequent rat attack on paddy field. Rats and trash often accompany overflows of the Klawing River during rainy season from the upper course, somehow making rat attack frequent in this village. The latest rat attacks occurred in 2006 and 2009, which substantially decreased the harvest amount.

Table 1. Ecological and Socio-Economic Condition of Selected Villages, 2011

No	Condition	Serang	Kedarpan	Sumilir
1	Ecological and geographical a. Size of territory (km ²) b. Ecological character c. Main farming commodity	13.09 High dry land Vegetable	2.25 Middle dry land Cassava	2.26 Low wet land Paddy
2	Socio-economy a. Number of households b. Occupation of household heads - Agriculture - Salaried job - Labor - Business - Jobless	1,426 77% 9% 1% 9% 4%	585 46% 24% 6% 19% 5%	447 52% 32% 1% 7% 8%
3	Physical infrastructures and accessibility a. Number of elementary schools b. Number of kindergartens c. Number of village polyclinics d. Household coverage of electricity e. Average distance to sub-district capital (km)	6 4 1 92% 5	2 2 1 97% 2	2 1 1 91% 4

Source: (Purbalingga CSA, 2011a, 2011b, 2011c)

All three villages have had some basic physical infrastructures. State kindergarten and elementary school are available in the three villages, and a private low secondary school is available only in Serang. Each village has a polyclinic with one mid wife to assist the birth and to provide basic medical treatment. Electricity network is also available with household coverage is above 90%. Small public clean water facility is available only in few neighbourhoods in Serang and Kedarpan, and most of the villagers are still using on the uncovered well to be the source of drinking water. Serang and Kedarpan villages always face difficulties to obtain clean water during dry season. Irrigation is available only in Sumilir village, which is small-scale network managed by village government. Market, public transportation, post office and local banks are only available in sub-district capital. The main roads in the villages are asphalt, but in most locations, they were severely damaged during the 2012 field visits.

In term of rural institutions, the education of most members is high secondary level (Table 2). In term of age composition, the respondents in Serang are averagely younger than the other two villages. In term of occupation, the three villages show similar phenomenon. Farmer and salaried job (mostly civil servants and retired persons) dominate the rural governmental institutions. This, of course, becomes an interesting phenomenon because civil servant and retired persons constitutes only 2% in Serang, 3% in Kedarpan and 9% in Sumilir (Purbalingga CSA, 2011a, 2011b, 2011c).

Table 2. Profile of Selected Rural Institutions

No	Condition	Village Head			Other village officers			Rukun Warga (RW) heads			Rukun Tetangga (RT) heads			Village parliament			Village development committee		
		Srg	Kdp	Sml	Srg	Kdp	Sml	Srg	Kdp	Sml	Srg	Kdp	Sml	Srg	Kdp	Sml	Srg	Kdp	Sml
1	Number (person)	1	1	1	12	11	12	8	5	3	33	11	9	10	5	4	15	12	9
2	Average education (year)	16	12	12	10	10	11	7	6	6	6	8	8	11	12	12	12	12	11
3	Average age (year)	38	45	67	45	43	42	52	58	55	48	55	51	45	53	55	38	45	53
4	Occupation background (person)																		
	a. Farmers							4	2	2	25	7	5	5	3	2	8	3	1
	b. Salaried Job	1		1				3	2		4	2	3	5	2	2	7	4	7
	c. Labor											2	1					3	1
	d. Business		1					1	1	1	4							2	

Source: (Purbalingga CSA, 2011a, 2011b, 2011c)

Note: Srg = Serang, Kdp = Kedarpan, Sml = Sumilir

Serang and Kedarpan have a younger village head compared to Sumilir. Before becoming the village heads, both Serang and Kedarpan village heads spent most of the time out of the village as migrants, and just come back to the village few years before election in 2008. No one of the two have experience in any rural institutions before. On the other hand, Sumilir has the oldest village head. He is ex of elementary school teacher, and had been active in some rural institutions long before the election. In term of education, Serang village head has the highest education level, which is bachelor.

4.2 Assessing the Capacity of Rural Institutions

4.2.1 Village Officer

4.2.1.1 Leadership Capacity

Rural leaders, especially village head, are the most influencing actors within the community because the community decision making is influenced very much by the perspective of rural leaders. Although the democratization movements after the fall of New Order regime might have decreased the extent of the power of rural leaders, the traditional hierarchical relationship is in many part still strong enough (Antlöv, 2000). The result of questionnaires distributed to villagers shows that total score of village head leadership capacity is highest in Serang and lowest in Kedarpan (Table 3). However, the highest score of hamlet head's capacity is in Kedarpan.

In Serang, most respondents express that the village head is quite good in conducting his function as a community leader. The decision of village head to invite many villagers in the development planning meeting, usually conducted in the beginning year, has contributed to the positive assessment from the villagers to village head. The village head utilizes that meeting as a place to

Table 3. Respondents Perception on Village Head and Hamlet Head Leadership Capacity

No	Indicators	Village head			Hamlet heads		
		Serang	Kedarpan	Sumilir	Serang	Kedarpan	Sumilir
1	Informativeness	2.56	1.69	<i>2.45</i>	2.56	2.85	2.56
2	Creativity	2.78	2.50	2.70	2.57	2.57	2.71
3	Responsiveness	2.92	<i>2.47</i>	2.86	2.82	2.80	2.53
4	Fairness	2.98	2.52	2.52	2.96	2.97	<i>2.41</i>
5	Encouragement	2.78	<i>2.25</i>	2.73	2.66	2.64	2.69
6	Accountability	<i>1.93</i>	<i>1.85</i>	<i>1.90</i>	<i>2.19</i>	<i>2.42</i>	<i>1.94</i>
7	Submission to consensus	3.07	2.76	2.53	3.02	2.91	<i>2.41</i>
Average		2.74	<i>2.34</i>	2.53	2.68	2.74	2.46

Source: Field survey, 2012

Note: Score in **Bold** means poor, score in *Italic* mean slightly poor, score in Regular means good enough

socialize the government programs and to share the idea of village development plan. During project implementation, the village head is willing to visit the location to control the workers, to join together the villagers as well as to encourage the villagers to become voluntary workers. Village head is also considered fair, and the respondents feel that he gives equal treat to all hamlets and villagers.

In Kedarpan, the respondents give lowest assessment on the leadership capacity of village head. The decision of village head to apply strict representation system in the village meeting might have contributed to the low assessment from the respondent. Documentary study on Kedarpan Village Government (2010) shows that village meeting was attended only by the rural institution heads, mainly neighborhood heads. Therefore, most villagers have limited understanding on what the village head has done as a community leader. Rather, most villagers got the information of development programs from the hamlet and neighborhood heads during the meeting in their respective area. Therefore, villagers in Kedarpan tend to give higher assessment to the hamlet and neighborhood heads (Table 3 & Table 5).

In Sumilir, the village head also tries to invite many villagers in the village meeting. However, some obstacle exists due to the antipathy of some villagers to the some village officers. The antipathy itself comes after the indication of nepotism during the selection of new village officers in this village. As a result, the assessment to the indicators of fairness is quite low in this village.

Among seven indicators used, score of accountability seems to be the lowest among all indicators in three villages. Observation show that the practice of budget transparency like presenting report in the public information is not practiced in the three villages. Also, from the documentary study and interview, the meeting of responsibility after the project is finished is not always conducted (Kedarpan Village Government, 2010; Serang Village Government, 2010; Sumilir Village Government, 2010).

4.2.1.2 Administration Capacity

Self-assessment questionnaire distributed to the village officers in Serang, Kedarpan and Sumilir shows that they have good enough skill in development administration (Table 4). Four indicators assessed by this study got the score at least 2, or fall under category understand enough. Observation and documentary study shows that tools needed to conduct development administration have been available in each village office. There are at least two sets of computer and printer in each village office. Also, various village administration books were distributed by the district government every year.

Table 4. Self Assessment Questionnaire on the Capacity of Village Officer in Development Administration

No	Indicators	All village officer		
		Serang	Kedarpan	Sumilir
1	Understanding on rural development mechanism	2.1	2.07	2.2
2	Skill on proposal making	2	2.83	2.07
3	Skill on budget reporting	2	2.91	2.07
4	Computer skill	2.3	2.66	2.15
Average		2.1	2.68	2.12

Source: Field survey, 2012

Note: Score in Regular means understand enough, score on **Bold** means understand

However, the administration skills are not always translated into action. For example, during visiting to the village offices, this study finds that the monograph board in the office wall is not up dated. The latest available data are about three years ago. Administration of development projects is conducted and bounded in the mimeo of annual report of development budget. However, the documents are mostly not accessible for the villagers. After this study accessed the documents, it finds that the pages on budget plan, record of the expenses, bill proof, attendant list, technical drawing and photograph of outputs are quite well arranged, mostly because they are objects of inspection by the district staff. The rest pages on the report on difficulties or local problems were just carried forward from year to year (Kedarpan Village Government, 2010; Serang Village Government, 2010; Sumilir Village Government, 2010).

4.2.2 Neighborhood Heads

The heads of neighborhood groups formally should be elected every five years. However, in practice, once a person is elected, he can keep the position for longer time due to reluctance of other villagers to hold the position. Having a quite many tasks but receiving almost no incentives is the main reason why the villagers are reluctant to become neighborhood head. The functions of two levels of neighborhoods, namely RT and RW, are often overlapped each other. In most cases, the lower level (RT head), is

more active than the higher level. This is supported with the result of questionnaire that shows higher score of RT heads compared to that of RW heads (Table 5). Among the four levels of community leader in village (village head, hamlet head, RW head and RT head), RT head seemingly becomes the most favorable. The result of score comparison among the four institution shows that the score of RT heads is higher than the score of the other (see Table 3 & Table 4). Among three villages, RT heads in Kedarpan got the highest scores. This might be resulted from the reliance of villagers to RT heads to get information. As previously described, the village of Kedarpan applies quite strict representation system where the villagers have limited opportunity to be invited/involved in the village level meeting.

Table 5. Respondents Perception on the Leadership Capacity of Neighborhood Heads

No	Indicators	RW heads			RT heads		
		Serang	Kedarpan	Sumilir	Serang	Kedarpan	Sumilir
1	Informativeness	2.53	2.36	2.55	2.62	3.11	2.65
2	Creativity	2.62	2.23	2.53	2.42	2.77	2.61
3	Responsiveness	2.81	2.56	2.81	3.01	3.00	3.02
4	Fairness	2.90	2.86	2.48	2.96	3.11	2.57
5	Encouragement	2.69	2.53	2.70	2.69	2.91	2.72
6	Accountability	2.15	2.16	2.16	2.37	2.39	2.24
7	Submission to consensus	3.02	2.79	2.59	3.04	3.06	2.86
Average		2.67	2.50	2.55	2.73	2.91	2.67

Source: Field survey, 2012

Note: Score in *Italic* means slightly poor, score in Regular means good enough

The explanation of this result can be traced from the role that RT played. In practice, RT heads are the closest institution to community, of which day to day community problems, complains and other affairs will first come to. Interview with the villagers reveals that mostly the RT's have periodical meetings, and information on development programs is often delivered through this meeting. Therefore, it is fair enough to say that although neighborhood group was initially established by the state as the tools to mobilize people, in fact this institution has transformed to act for villager's interest rather than the vehicle of the government.

4.2.3 Village Parliament

Although empowered by law, the village parliament is somewhat confused as to what to do. This is supported by interviews with the heads of village parliament⁵, who told that what they do is to give inputs to the village head during the meeting and to give warning when the village officers seem to do some wrongdoing. However, when they are asked with more detail question, for example, how if the inputs are neglected by village government, or how if the warning is not effective, no clear answer can be generated from them. Mostly they answer to try to achieve consensus, or to solve the problem in the familial manner to refrain the greater local conflict. Village parliament in the three villages has also never used their power to initiate village decree.

Some weaknesses on the current regulations are identified by this study. As a village legislative body, regulations require no accountability mechanism of village parliament to the community. For example, there is no legal obligation to notify the decision made by village parliament to the community.

Occupation background also seems to determine the ability to propose idea. Most of the village parliaments with farmer background are not capable enough to speak in front of the village meeting. Simply said, they come to the meeting but no idea can be generated⁶. Village parliaments with background of civil servant is usually more educated and experienced. However, because they are also a part of bureaucracy in the other level, they are usually reluctant to make open confrontation to the village policy. This institution is also not so popular within community. Some villagers only know the village parliament members from their hamlet, even the other villagers forget the parliament members and their function at all. Respondent's perception on the capacity of village parliament is presented in the Table 6.

Table 6. Respondents Perception on the Capacity of Village Parliament

No	Indicators	Serang	Kedarpan	Sumilir
1	Ability to monitor village government	2.88	2.75	2.92
2	Ability to generate community aspiration	2.91	2.71	3.03
Average		2.90	2.73	2.98

Source: Field survey, 2012

Note: All scores fall under category of good enough

4.2.4 Village Development Committee

Village Development Committee is quite popular within the village due to its role in becoming the team of rural development projects. They present in almost all physical projects, for example, by designing the building and by coordinating the workers directly. In fact, the committee mainly consists of the person mastering construction, either by education or by experience. Therefore, they have sufficient skill to carry out the small-scale infrastructure development like road improvement, irrigation channel building, small bridge and house building. Respondent perception on the capacity of village development committee is presented in the Table 7.

Table 7. Respondents Perception on the Capacity of Village Development Committee

No	Indicators	Serang	Kedarpan	Sumilir
1	Technical skill on infrastructure building	2.75	3.23	2.78
2	Ability to mobilize resources	2.81	<i>2.38</i>	2.71
Average		2.78	2.81	2.75

Source: Field survey, 2012

Note: Score in *Italic* means Slightly Poor, score in Regular means good enough

Regulation of MoHA 5/2007 stipulates that village development committee is community organization to be the partner of village head in mobilizing local resources and in executing the development projects. However, the position of this institution is somewhat confusing. It is not clear enough who must control this institution, whether the village head, village parliament, or the villagers. Villagers usually have limited access to the committee. Interview with the heads of village development committee reveal that the heads seem to take position as the sub-ordinate of village head rather than as the representation of villagers⁷. What they do is to implement the order given by village head, and they feel to be accountable more to the village head rather than to community.

4.3 Realization of the Capacity to Address Local Livelihood Problems

The previous section shows that basically capacity exists at every rural institution. However, whether the existing capacity of each institution can be effectively realized to overcome rural problems is a different matter. The possibility of success in tackling the rural problems will depend not only on the capacity of each rural institution as a separated group, but also on their ability to work together in a synergetic way. This section will present the evidences on how the existing capacity is realized to address local problems.

Two types of major problems are identified in the three selected villages. *The first* is general problem, which is lack of physical infrastructure such as road, clean water facilities, irrigation, education and health infrastructure. These general problems are found in the three villages. Further, limitedness of village budget has become the main difficulties to develop rural infrastructure.

The second is specific problems, which are the problems of income and livelihood difficulties. This specific problem is mainly related to ecological condition of each village. As briefly presented in the Section of Socio-Economic Condition of Research Location, Serang, a high dry land with main commodity is vegetable, faces problems on decreasing soil fertility and difficulties to obtain capital to start vegetable planting. Kedarpan, a middle dry land with main commodity is cassava, faces problems on the in-sufficiency of farming income to meet daily needs and lack of job opportunity outside of farming. Sumilir, a low wet land with main commodity is paddy, faces problems on decreasing soil quality and frequent rat attacks.

4.3.1 Case of Serang

To overcome the problem of budget limitedness for infrastructure building, the village head of Serang expresses that so far,

the efforts to mobilize resources during physical infrastructure development is going well⁸. He, according to his statement, tries to involve the rural institution heads and the villagers as much as possible in the village decision making. His statement is by some extent rights. A meeting between village head, village parliament and village development committee head is conducted periodically, at least two months once. List of meeting attendance in some project reports (Serang Village Government, 2010), as well as a planning meeting that the first author observe⁹, shows that many villagers were indeed invited. Most of villagers said that the current village head is generous¹⁰. Combination of the popularity of village head and the fluent communication of rural institutions makes the resource mobilization can be done without substantial difficulties.

The area of Serang is also much larger than the other village, therefore the needs on infrastructure is also higher. In order to get more funds from the government, there is idea to split Serang into two newly separated villages. The idea have been discussed and agreed by the community. A formal letter to propose proliferation of village was sent to district government, and village head together with village parliament are lobbying the district government to agree with the initiative.

With regard to the problem of decreasing soil quality, either village head or officers express that village government cannot do much effort to solve it. The problem is deemed to be out of the capacity of villagers, and therefore it must be the tasks of district extension services agency. Some farmers started to utilize organic fertilizers from beef and chicken feces to normalize the soil quality. However, the utilization of organic fertilizers is difficult to be promoted since the supply and transportation does not run well.

Some progress is shown in the effort to improve farmer's access to credit. In 2008, the village received grant from National Program of Community Empowerment¹¹ (NPCE) funds amounting to about IDR 100 millions. The fund was used by village government to establish a borrowing and lending cooperative, from which the villagers may lend the money without collateral. During the observation in 2012, cooperative was still functioning, and some villagers went there to get lending. Some limitations exist, in which the amount of fund is relatively small. The amount of credit can be proposed is limited to IDR 5 millions, which is still less far than enough to obtain all inputs to plant vegetable.

4.3.2 Case of Kedarpan

Different from Serang where the village head involves many villagers, Kedarpan village head applies a quite strong representation system within village meeting. Documentary study and participant observation¹² show that village meeting was dominated only by the rural institution heads. There is no routine meeting among rural institution heads, rather, the meeting is conducted as per needs. Although the village head applies a strong representation system, hamlet and RT heads were well functioning in bridging the communication between villagers and village head and in disseminating the information to community. Therefore, cash and labor can be mobilized without substantial barriers.

In order to get more access to district budget, Kedarpan village head develops network with some district parliament members from this area. Entrusting development proposal to district parliament member is believed to have great chance of funding from district budget rather than the village head himself who submit to district government.

With regard to the problem of in-sufficient income from farming, either the village head, village parliament and village development committee admit that nothing they can do. Mostly, it is argued that only if the farmers change the main crops from cassava to the other commodity, then their income will be increased. Interview with village head reveals that about ten years ago, the government had distributed many seeds of durian in order to increase the income of farmers¹³. However, limited cares were given by the farmers, and most of the seeds were died.

Other than changing the crops from cassava to another commodity that has higher economic value, no idea can be generated to identify what feasible way that village government can do to provide the job opportunity for villagers. Most villagers expect the government to provide job opportunity for them by attracting investor to establish industry. Some also expect that the government provides the work course for the youth, for example mechanic course. However, what villagers expect is beyond the capacity of village government. Attracting investor is the tasks of district government, and the idea of delivering course for the youth has never been the priority in village budget. The only strategy of village government to improve the livelihood of villagers is by allocating some portion of village budget as additional capital given to the borrowing and lending group in this village¹⁴. The other way, in order to facilitate the villagers in looking for job opportunity, village officers always ease the procedure when villagers need a letter of reference from the village office to hunt the job.

4.3.3 Case of Sumilir

In order to mobilize resources for infrastructure development, Sumilir village head, according to his statement, always invites many villagers in the village meeting¹⁵. Documentary study and participant observation¹⁶ in village planning meeting also confirm his statement. However, the village head, village parliament and village development committee during a separate interview

express that in this village, it is very difficult to create consensus with villagers. For example, to decide the type of project and the location on the village planning meeting, it needs a very long discussion. From the perspective of village head, he often feels that his policy is always challenged by some villagers, which according his unilateral conclusion, maybe provoked by one of the defeated candidates during the process of village head election several years ago¹⁷.

However, interviews with some villagers reveal relatively different information. Some villagers feels uncomfortable with the fact that too many familial relationship within village officers¹⁸. Therefore, in village meeting, they often have different opinion with village government in order to ensure that the village decision is fair to all villagers. Interview with the officer of sub-district reveals that there were often mails sent by anonym from Sumilir village to complain on village government¹⁹. What happened in the relationship between some villagers and village officer has, by some extent, influenced the possibilities of success of Sumilir village in overcoming the local problems. Although there were formally limited direct responds from the district government to these anonym mails, some reluctance from the district officers to accept the proposals submitted by Sumilir village may be arise due to disbelieve that the project will be smoothly executed.

With regard to the problems on decreasing soil quality, just like Serang village, village government cannot do any effort to overcome it. They actually understand that fallowing the land in one planting period may recover soil fertility. However, fallowing the land is deemed not feasible for many farmers because this will make them have no income at all from the farming.

In the effort to overcome the problem on rat attacks, the farmers, coordinated by hamlet heads, periodically conducted rat hunting in the night during paddy growing session. Rat poison, fire cracker and other tools needed to exterminate the rats are distributed by district government every year. Even though it is not completely successful, this method is believed to decrease the population of rat.

4.4 Capacity Development for Rural Institutions

Purbalingga district government, as written in its Medium Development Plan, prioritizes the effort to improve the capacity of village government for successful rural development (Purbalingga Local Planning Agency, 2006). Documentary study on annual district budget shows that district government has conducted several efforts aiming to improve the capacity of rural institution. To develop the individual capacity, there is a training conducted every year for two of village officers from every village government. The duration of the training is usually three to five days, with the material presented includes socialization of the newest regulations, letter and archival matters and financial administration. To strengthen the organizational capacity of village government, the district government has distributed at least one motorcycle and two sets of computer to village office. The software on demographical registration and financial administration was also provided along with the training of the operators.

However, it seems that the district government focuses only to develop the capacity of village officers. Village parliament, neighborhood head, and village development committee are still neglected. They have never been trained nor received attention on capacity development from district government. Although previous sections show that that village parliament, neighborhood group and village development committee have capacity to conduct their function, their existing competency are not the result of capacity development from district government. Rather, it is the result of learning by doing process. Especially for the village parliament member, it is also important to highlights their confusion on what they should do in monitoring village head and officer. Such confusion, as discussed in the Section 4.2.3, will not occur if the district government provides enough capacity development by training or socialization of regulation to village parliament members.

Moreover, capacity development is not only about training, but also by giving opportunity for village governments to do more tasks on rural development. With regard to transfer of tasks on rural development, the district government has issued several regulations in order to provide legal framework of village government authority. One of the most important regulations is District Regulation 21/2007, which regulates what types of tasks transferred to village government. Among others, the tasks transferred to village governments are the tasks to develop rural small irrigation, rural roads, village polyclinics, kindergarten, sanitation and other small scale infrastructure to village government. However, the regulation is not followed by the commitment to deliver sufficient fund transfer to village government. The evidence shows that the portion of district budget given to village government is still low. The portion of fund transfer from district to village government constitutes only about 5% of total district budget (Purbalingga District Government, 2010).

5. Conclusions and Policy Implication

Four rural governmental institutions consisting of village officers, neighborhood group, village parliament and village development committee have been analyzed in this study. Three main conclusions can be made in this study. *Firstly*, each institution has good enough capacity to implement its respective functions in rural development. *Secondly*, the realization of the

capacity to address local problems is still limited, and only partial solution can be made. Limited budget availability is the major problem found in all study sites that hampers the realization of capacity to address local problems. The other problem found in specific study sites includes un-smooth communication among rural institutions, somehow potentially creating internal conflict among them. *Thirdly*, limited efforts have been done by the district government to develop capacity of rural institutions. So far, district government emphasizes more on capacity development for village officers while neighborhood group, village parliament and village development committee receive only little attention from the government.

Such effort of capacity development was strongly needed for neighborhood group, village parliament and village development committee. The most urgent one may be the capacity development of village parliament, which can be done by training and socialization of regulations to them. Besides that, it is important to increase the transfer of funds from district to village government, so that the village government has enough financial resources to overcome local problems.

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Endnotes

- ¹ In 2004, the laws were revised into Law 32/2004 on Regional Governance and Law 33/2004 on Fiscal Balance.
- ² In 2010, about 5,369,160 of population in this province were poor, or having income less than US\$ 1.54 Purchasing Power Parity (PPP) per people per day (CSA, 2010).
- ³ This study employs Uphoff (1985) classification on rural institutions. According to him, there are three types of rural institutions, which are governmental institution, membership institution and private institution. Governmental institutions are institutions whose the power are given by the government.
- ⁴ The subsidy for fertilizers and disinfectant was substantially reduced since 1990s.
- ⁵ Summarized from the interview with the head of Kedarpan parliament in February 23, 2012, the head of Sumilir parliament in January 18, 2012; and the head of Serang parliament in February 02, 2012.
- ⁶ Summarized from the interview with the head of Kedarpan village in January 12, 2012; the head of Kedarpan parliament in February 23, 2012, the head of Sumilir parliament in January 18, 2012; and the head of Serang parliament in February 02, 2012.
- ⁷ Interview with the head of Sumilir village development committee in January 18, 2012 and the head of Kedarpan village development committee in February 23, 2012.
- ⁸ Interview with the head of Serang village in February 02, 2012.
- ⁹ Conducted in Serang Village on March 07, 2011.
- ¹⁰ For example is the case of village office reparation in 2008. Due to severely damaged, the office cannot function for administration tasks. According to raw calculation of village development committee, full reparation could only be done within two fiscal years, as one annual budget was not sufficient. Surprisingly, the village head said that he was willing to provide the additional money needed for completed reparation from his own pocket so that the reparation can be finished just within one year, as far as the villagers agree to reimburse it in the following year. Through the meeting, this idea is agreed and the reparation can be started.
- ¹¹ The program distributed grant to village government to be used for either infrastructure development, cooperation or other commonly managed economic activities.
- ¹² Conducted in Kedarpan on March 19, 2011.
- ¹³ Interview with the head of Kedarpan village in January 12, 2012.
- ¹⁴ Documentary study shows that in 2010, the village government transferred capital assistance to women lending group as much of 10 Million Rupiah (Purbalingga District Government, 2011).
- ¹⁵ Interview with the head of Sumilir village in January 18, 2012.
- ¹⁶ Conducted in Sumilir, January 16, 2012.
- ¹⁷ The current village head run for election in 2008 and won from the other four candidates.
- ¹⁸ In term of familial relationship between village officers, this study finds that five officers have familial relationship in the form of father and son or son in law.
- ¹⁹ Interview with the secretary of Kemangkon sub-district in January 28, 2012.

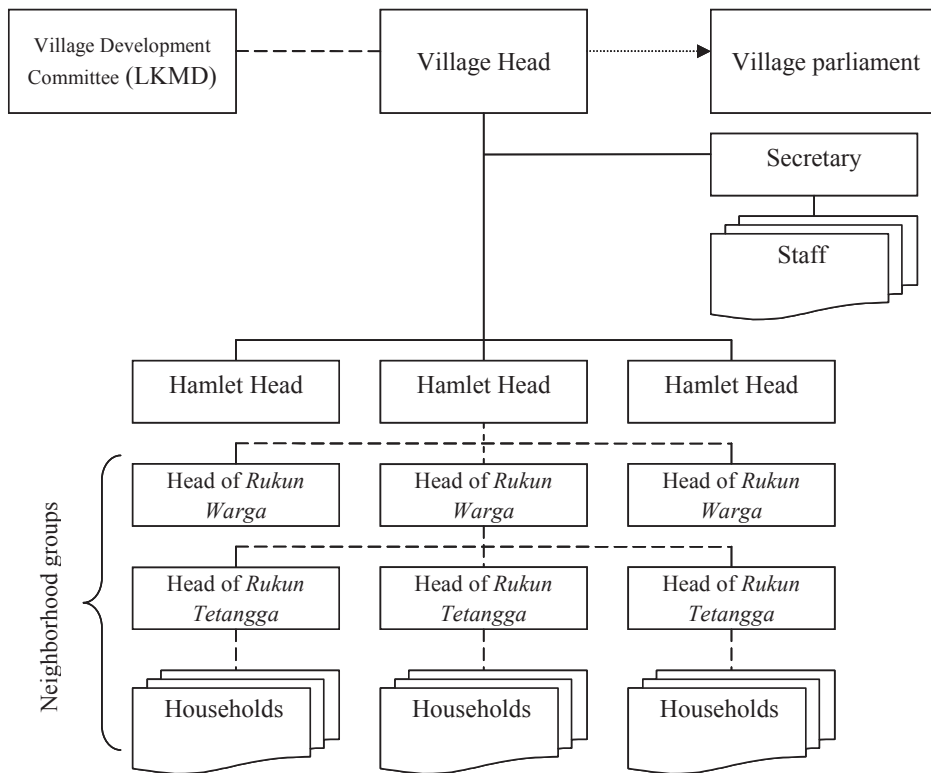
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Annex 1: Structure of Village Government



Notes:

1. —————: Command line
2. - - - - -: Coordination line
3.▶: Accountability line