The Influence of Administrative Reform Towards the Rural Community’s Participant

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Abstract. This research focused on the influence of both simultaneous and partial administrative reform towards the community’s participation in rural development within the National Program of Rural Self-help Community Empowerment (NPR-SCE) in the Province of West Java. This study used a combination of qualitative and quantitative research methods. The findings of this research revealed that the community’s participation increased in the development of rural areas through four major activities included in the administrative reform. The results of this research aimed at increasing the participation of the community in rural development through administrative reform, which can be introduced and explained by good governance.

Keywords: administrative reform, participation, good governance

INTRODUCTION

The current participative approach for development programs in rural areas, which has become increasingly popular, has been introduced in Indonesia. This policy was an amendment of the limitations of the government’s centralist development system during the New Order. The community’s participation is considered crucial for aiding the government’s limited resources. This is due to the increasing demand of the community for better public services, both in quantity and quality (Hofstede and Hofstede, 2005). The community’s participation continues to decrease because of the New Order era. The policies during the New Order era created a community dependency on the government aid and resources thus weakening the community’s participation (Sonoff, 2000). This can be viewed in Presidential Decree (Inpres) programs such as the Presidential Decree Program for Underdeveloped Villages (IDT) and the supporting fund/supporting aid program for the establishment and development of infrastructure and facilities in underdeveloped villages, which is also known as the P3DT program. These policies pushed the community to participate by providing contributions in the form of manpower, opinions, and property in order to support the implementation of development programs created by the Government. The involvement of the community in these Presidential Decrees seemed more similar to a “mobilization”, although the formal term introduced by the program was “participation”.

The issue of lack of community participation was extremely felt during the long-term post-economic crisis that occurred after 1997 (Sonoff, 2000). During these times, government resources experienced a drastic decline in managing public service facilities and development. In the meantime, community resources were idle. Previous policies let community resources become idle for too long. Therefore, various programs are needed to help the community to return as potential local capacities. The NPR-SCE is one of the Government’s policies aimed at redeveloping community participation as a local capacity. The concept of NPR-SCE is very strongly committed in redeveloping community participation by providing ample space for the community to participate in each stage of development activities beginning from planning, implementation, and the evaluation, operation, and maintenance of the implemented activities (the Manual, NPR-SCE, 2008).
When the NPR-SCE program was initially implemented, the level of village community participation was quite significant. However, as years passed by, the trend of the participation started to decline. Implementers of the program confirmed how the participation level was extremely high in the beginning of the program, yet started to decline during the following years. The reason for the decline was that during the beginning, the program had a lot of funds thus attracting the interest of the village community to compete in gaining these funds. However, their participation started to decline after they received the funding. An empirical observation revealed that the decline in participation indicated several fundamental changes in the NPR-SCE program resulting in problems that need to be researched in order to discover the root of the problem. The results of the study of the introduction as well as the study of the document revealed that the decline of the community’s participation was due to the past centralistic administrative system (during the new order era).

The village community has been treated as the object of development for too long (25 years) thus shaping the community to be dependent on the Government. The NPR-SCE program’s attempt to reform the administrative system by reducing or even eliminating community’s dependence on the Government, as well as altering the community into becoming a strategic partner for the Government in the development of rural areas was becoming more and more difficult to accomplish. According Prasojo (Hamudy, 2010) forms of local government reform organizations such as the form of government downsizing, restructuring in local budgeting, participatory development planning and improvement in public services. The reform of the administrative system was proven difficult to accomplish due to several factors. First, past development programs for rural areas were run based on charity or donations. The community became used to receiving help from programs which made it easier for them to live out their daily lives without retaining the values of hard work. As a result, they became dependent on the Government’s help. It is definitely not easy to instantly change this type of situation.

Second, aside from being dependent on donations, the development programs during the new order was run by a centralist system. As a result, the design of the program demanded the role of a strong government because the community was considered to be weak (Antlov, 2002). This centralist system resulted in the community’s participation to be similar to a “mobilization” while the village’s administration took on a more dominant role.

Third, the system and procedure of the rural development program did not reflect good governance due to the community’s dependency on the government. The system and the procedure of the NPR-SCE program was focused on being a reform agency, a motivator and facilitator for self-supporting expansion as well as competence and productivity improvement of the community and private sector, which was in line with its goal to increase community participation. However the issue with this system and procedure was that it could not run independently because it still required external supervision from the managers (consultant/facilitator).

Fourth, the involvement of stakeholders (officials, the community, entrepreneurs) in the development of the program for rural areas was still not optimal. Government officials could not easily alter their role from being instructors of the community to partners of the community in carrying out the development program of rural areas (Watiheluw, 2006). The community was also unable to play a more active role in the development program.

Based on this analysis, the NPR-SCE’s efforts in implementing an administrative reform on the development system rural areas in order to increase the community’s participation and enable them to contribute to the public sector is still experiencing various obstacles. The researcher took an interest to conduct further studies regarding this issue by putting forward the topic of this research; the influence of administrative reform on the community’s participation, a study of the development program of rural areas in the NPR-SCE program.

**RESEARCH METHODS**

This research used a combined quantitative and qualitative method from Craswell (2002). The quantitative approach was dominant in this research through surveys. The data derived from the quantitative method was interpreted using a qualitative analysis through observation and interviews. The survey was conducted in order to test the structure of the research paradigm that was formulated in the framework of deductive thinking (Rusidi, 2006). The most important technique in gathering the data for this research was the questionnaires. The testing of the structure of the model was based on data that was derived through questionnaires, which was then tested using a path analysis. The samples for this research were taken from villages in six regencies in West Java Province including Bandung, Sumedang, Subang, Garut, Cirebon and Bogor. The samples were drawn using a two-stage sampling method with a total sample of 133 respondents who were implementers of the NPR-SCE program.

In addition, the results of the statistic tests were portrayed in the form of figures. The significance and relationship of each variable was interpreted in order to provide meaning behind the statistics so the results of this
research can also be understood by persons other than academicians. The results of this research are presented in a narrative manner in order for it to be understood by a wider circle, including the general community. In order to interpret the quantitative data, the qualitative data was further investigated through observations and interviews.

RESULT AND DISCUSSION

The NPR-SCE policy was introduced as a participative model of development deemed as a reformative policy. Each process of the stage of development began with planning, decision making, implementation, monitoring and evaluation, and operation and maintenance. These steps were conducted together by the village administrative, the sub-district administrative, and the community (Dwiyanto, 2009). This differed from the previous program where the village administrative was the sole implementer of the development program and the community were the objects of development.

In order to optimize this participative development system, the NPR-SCE program formed and reinforced an institutional system for the development of rural areas based on a model of good governance, which consisted of: (1) stakeholders as the decision makers including: Inter-village Meetings (Musyawarah Antar Desa), Village Meetings (Musyawarah Desa), and Hamlet Meetings (Musyawarah Dusun); (2) implementer agencies including: the Finance Management Unit, the Activity Management Team, and the Beneficiary Group, also known as the Community Self-help Group. This system was funded and operated according to the annual state budget. The decision making agency formed by the NPR-SCE was ad hoc in order to guarantee the continuity of the program. When the term of the program ended, various efforts were made in order to formalize and integrate the program into becoming a regular government institution, which was included in Law No. 32/2004. The NPR-SCE’s object was clear; it was formed in order to implement a reform administrative system for the development of rural areas in order to make the village community participate as local assets in order to help keep up with the modern times (Mustopadidjaja, 2003).

Administrative reform was implemented due to the results of an analysis with statistics that revealed how the community’s participation was significant for development. This could be seen from the results statistics with a significance level of not more than = 0.05, with the variables consisting of the culture of the organization (X1), structure of the organization (X2), system and organization procedure (X3), strategy (X4), and the significance of the participation of the village community (Y).

A statistical calculation revealed that the influence of the culture of the organization (X1), structure of the organization (X2), system and organization procedure (X3), strategy (X4), and the significance of the participation of the village community (Y).

Based on statistical calculation could be raised that the organization culture (X1), the structure of the organization (X2), the system and the organization procedure (X3), and the strategy (X4) towards participation of the village community (Y), had both a direct and indirect impact as follows: 1). The culture of the organization (X1) directly influenced the change in participation of the village community (Y) by 4.21%, and indirectly influenced the change in participation of the village community (Y) by 11.87%. The variable of the culture of the organization (X1) both directly and indirectly influenced the change in the participation of the village community (Y) by 16.08%; 2). The structure of the organization (X2) directly influenced the change in participation of the village community (Y) by 1.49%, and indirectly influenced the change in participation of the village community (Y) by 7.72%. The structure of the organization (X2) both directly and indirectly influenced the change in the participation of the village community (Y) by of 9.21%; 3). The system and organization procedure (X3) directly influenced the change in participation of the village community (Y) by 9.40%, and indirectly influenced the change in participation of the village community (Y) by 16.10%. The system and organization procedure (X3) both directly and indirectly influenced the change in the participation of the village community (Y) by 25.50%. 4). The strategy (X4) directly influenced the change in participation of the village community (Y) by 12.75%, and indirectly influenced the change in participation of the village community (Y) by 16.00%. The strategy (X4) both directly and indirectly influenced the change in the participation of the village community (Y) by 28.75%.

Therefore, it can be said that the variables of the culture of the organization (X1), the structure of the organization (X2), the system and the organization procedure (X3), and the strategy (X4) has a significant influence on the variable of participation of the village community (Y), both directly and indirectly, by 79.55%. The remaining percentage that was not included in this research as other variables that influenced the participation of the village community (Y) was 20.45%, which included villages of the target territory of NPR-SCE in West Java. Based on this calculation, a conclusion could also be made that variable that had the largest impact on the change in the participation of the village community (Y) on villages of the target territory of NPR-SCE in West Java was the strategy variable (X4), which was measured at 28.75%.
The results of the calculation reveal that the administrative reform, which included the culture of the organization, the structure of the organization, the system and the organization procedure, and the strategy, has a significant influence on the participation of the village community both directly and indirectly, by 79.55%. Each aspect of the administrative reform above and its relevance to the increase in the participation of the village community can be explained by crosschecking the results of the statistical analysis with the findings derived from interviews and observation.

The culture of the organization was derived by interpreting the results of the statistical analysis and findings based on interviews and observation. Certain dimensions were also taken into consideration such as the indicators of the culture of the organization relating to the development of new values, socialization and internalization of new values, the acceptance of new values, the current values, and the alignment of new programs. Theoretically, it generally takes a long time to change the current existing values to new values in order to meet demands (Bovaird and Loffler, 2005). The process of adopting new values that can be accepted and adopted in order to change the way of thinking and behavior pattern of an organization’s members takes time.

As for NPM-SCE, the existing values that will be altered are the community’s way of thinking and behavior patterns leaning towards education and the empowerment of the community. This will be done in order to make the community more able to solve problems in their respective villages in a more self sufficient and sustainable way by optimally cultivating local resources. During the new order regime, the program consisted of a more charitable approach for the community. The community lived based on donations for quite some time. It influenced the perception of the rural community resulting in it being difficult to instantly change their ways of thinking and behavior patterns. It is imperative to implement a program that introduces a new system that will be able to cause rapid changes. Some major values introduced in this program include a socialization of the values of participation, competitiveness, gender, accountability, and sustainability.

The statistical analysis reveals that the culture of the organization’s introduction of new values has significantly contributed to the administration reform which, in turn, resulted in changes of the rural community participation by 16.08%. Therefore, the development of new values in NPR-SCE has gradually changed the community’s ways of thinking and behavior patterns, especially in the community administration’s understanding of the program. These changes are quite significant compared to the previous program that was based on donations.

The structure of the organization could be seen by interpreting the calculations from the statistical analysis using indicators such as the dimensions of the structure of the organization, specialization and job distribution among stakeholders, authority decentralization in decision making, task standardization, formalization of the institution model, alteration of the adhoc institution system into a regular system, and institutionalization among stakeholders in the rural community (Hofstede and Hofstede, 2005).

The first indicator of the structure of the organization in the National Program on Rural community self empowerment is specialization and job distribution among stakeholders. In an institutional system based on good governance, stakeholders from different organizations must share roles in implementation. These organizations consist of the administration, community, and business sectors (Nurasa, 2002). The tasks assigned to each organization must be formulated clearly and assertively so as to not create and ambiguity and confusion. The analysis reveals that there are still ambiguities found in role sharing among stakeholders. The fundamental assignment of roles and an organization based on the theory of good governance should be implemented in order to avoid these roles from overlapping with one another. The administration should take on the role of facilitators instead of guides. The community should become the subject of development instead of the object of development. This means that the community should be considered a partner of the administration in developing the private sector. After further observation, it was discovered that the community plays a more significant role whereas the administration plays a lesser more strategic role. This differs compared to the previous situation where the role of the community was smaller as merely just an object of development. These drastic changes did not seem to generate a good response from the implementers of the program.

Regarding the indicator of authority decentralization in decision making, the program has not been able to provide a big opportunity for the regency and rural administration in making suitable policies for local needs (Diharna, 2005). In order to implement policies based on decentralized authority, unconstrained regulations should be created in order for it to be able to be interpreted in a flexible manner and adjust to local conditions.

There is a huge difference between centralized and decentralized policies. Centralized policies are characterized by clarity, assertiveness, and measurability so the change for misinterpretation is minimized. Every tiny misinterpretation can easily be detected earlier. However, this type of policy results in the limitation of local initiatives.
and it becomes difficult to adjust these policies to local characteristics. Each action is instructed and the local community does not seem to grab a hold of the program.

On the other hand, decentralized policies possess limitations and advantages in contrast to centralized policies. In decentralized policies, local initiatives and characteristics are able to develop optimally. Therefore, the policies of the Central Government are more flexible for interpretation and adjustment for local needs. The community can optimize their potential to participate in the public sector. These offered policies are characterized by an “open menu”, meaning the community is free to choose and decide which programs they actually need.

Based on the statistical analysis, it was discovered that the organization system and procedure had a significant contribution towards the participation of the community in rural development. The greatest contribution was provided by the post activity program relating to empowerment, specifically the Finance Management Unit, in implementing tasks and internships in substitution of the position and role of the consultant. This is crucial for the sustainability of the NPR-SCE cycle. The reform of the organization system and procedure is characterized by its focus on the cycle or stages of the program’s implementation (Caiden, 1991). The stages reveal that the implementation of activities was generated by ideas from the community and administration, guided by the facilitator in order to use and maintain the products of the program for the rural community.

The program consists of three stages: the district stage, the village stage, and the hamlet stage. The district stage includes inter-village meetings for socialization, inter-village meetings for determining the priority of proposals, and inter-village meetings for deciding which proposal to implement. An inter-village meeting for socialization is a meeting held to discuss preliminary socialization objectives, principles, policies, procedures, and others related to the program. It also results in an agreement by the villages on how to implement the program. An inter-village meeting for socialization is attended by six persons representing each village, the sub-district officials and related staff. The human resources for this meeting include the Facilitator (Consultant) at a district level, head of the sub-district, and related district officials. The facilitators are the staff of the sub-district, the Finance Management Unit, and facilitators (consultants) at a sub-district level.

The village meeting (musyawarah desa) is attended by officials from the administration and members of the community. Generally, a village meeting in the NPR-SCE program consists of inter-village socialization meetings, inter-village planning meetings, inter-village information meetings, results of the inter-village meetings, inter-village meetings regarding responsibility, and inter-village meetings regarding assignments.

Hamlet activities are encouraged to map the potentials and problems of its surroundings. The community travels around the villages to identify the existing general and specific potential of the areas. At the same time, the community maps out its issues. The community then determines which program should be prioritized through hamlet meetings (musyawarah dusun).

The results of the statistical analysis reveal that strategy provides the highest contribution to the reform of the administration by 28.75%. Based on this fact, it could be concluded that strategy is the key to the success of the NPR-SCE program. Innovation is one of important indicators in the strategy of National Program on Rural community self empowerment policies.

The results of the statistical analysis reveal the results of respondent answers related to innovation are 3078, under the average score of 3112. This is ironic due to the fact that the strength of the program was implementing innovations in order to penetrate the community and help it resolve its main issues. The wider scope of penetration began from the paradigmatic aspect of the good governance approach, which was by making the community partners of the administration. This was a change from the previous administration that portrayed a strong administration, thus weakening the community. In the new approach, the community is involved in the public sector by having significant roles in helping the community manage each stage of the program of rural development (Saefullah, 2003). As discussed in the structure of organization, an institutionalized system is designed to provide room for the community to participate in the creation of strategic policies, especially during the decision making process towards the implementation of the program. The problem was that the institutionalized decision making process was adhoc, resulting in it being not strong enough to control the next level of the implementation.

Meanwhile, the actual portrayal of the technical aspects of innovation implementation can be viewed from the existence of policies to overcome the community’s need to obtain loans for capital. The NPR-SCE program was made to support administration policies regarding Human Development Index (HDI). Purchasing power is one of the main indicators in HDI. One of the things offered by NPR-SCE is the increase of purchasing power by providing loans. The rural community has no access in obtaining funds. They have difficulty meeting the 5C (collateral, character, capital, capacity, and condition) conditions regulated by banks. They do not have any collateral or any actual capital for setting up a business. However, funds obtained through loans from financial
institutions also create disadvantageous conditions for the people. They may have difficulty paying the installments plus interest which will sink them into a deeper level of poverty. Therefore, an alternative loan system is required in order to be able to benefit the rural community.

The program offers an innovative loan alternative by substituting the collateral with a “social guarantee” of joint liability (tanggung renteng). This is a social guarantee to effectively substitute collateral by requiring the community to form a community group before applying for a loan. The group should consist of rules and regulations in order to form a financial collection or joint funds. The function of joint funds is in order to repay the loan through installments if one of the members has difficulty in paying his or her installments. Therefore, if one of the group’s members cannot pay the installments for the loan, it becomes the responsibility of the group to pay the installments through by using the joint funds. This type of system will encourage the members of the group to obey the rules and control or remind them to pay their installments. This implies that if one of the group’s members neglects his or her responsibility in paying the installments, it becomes the groups’ responsibility, thus resulting in the social control in order to make every member honest and consistent in paying the loan installments. This social control mechanism should prove to be extremely effective in forming honest and consistent behaviors. Therefore, the system established by the NPR-SCE is actually a great innovation in providing a loan alternative.

Although the management system has been designed in such a way, the installment overdue rate per group is above 10%, which exceeds the minimum standard by the Government and the World Bank (OTO Bappenas, 2003). Usually, a non performing loan of above 10% will result in gradually taking over assets of the in order to reduce the value of debt by taking inflation and increasing operational costs due to handling the non performing loan into account. One of the most dangerous things that may occur was also groups that encouraged other groups not to settle their installments. This implies that if one of the group’s members cannot pay the installments for the loan, it becomes the responsibility of the group to pay the installments through by using the joint funds. This type of system will encourage the members of the group to obey the rules and control or remind them to pay their installments. This implies that if one of the group’s members neglects his or her responsibility in paying the installments, it becomes the groups’ responsibility, thus resulting in the social control in order to make every member honest and consistent in paying the loan installments. This social control mechanism should prove to be extremely effective in forming honest and consistent behaviors. Therefore, the system established by the NPR-SCE is actually a great innovation in providing a loan alternative.

One of the major causes of the failure of this innovative program for the underprivileged community was the irrational fund management system of the program. The Finance Management Unit was obliged to manage huge funds with only a staff of three people resulting in an imbalance of the volume of work compared to the human resources. In addition, the villages were located at such a distance from one another thus resulting in the need for more human resources. In fact, there is a TPK (Activity Organizer Team) in each village to represent the Finance Management Unit. However, since this is volunteer work, they neglected their duties after the funds were distributed to those who needed it.

Many efforts have been done to reduce the issue of overdue installments. One of these efforts was by black listing the groups, or even villages, that did not perform well. This sanction was carried out by handing out a partial loan to the members who have non performing installments of above 10%. The rest of the members will not obtain the loan. It will encourage the members who received the loans to have social control over their colleagues. If the non performing loans lead to criminal acts, such as corruption, the village will be unlisted as a location for the program’s target. Therefore, social control became more strict and many cases have gone to court. This fact reveals how the NPR-SCE policies are conceptually brilliant yet poorly implemented.

**CONCLUSION**

Based on above data analysis and discussion, it could be concluded that the structural model of the relationship between the administrative reform and the participation of the rural community can be explained by four major activities, which include: (1) transforming the culture of the organization by reorganizing the organization’s values based on good governance in the administration system; (2) establishing the system of public sector institutionalization which can provide a synergetic role among stakeholders and position the government as implementers with the community as producers and consumers in the development program; (3) establishing a system and procedure of institutionalization by providing wider opportunities to the community to participate in every stage of development activities; and (4) establishing a development strategy model that encourages innovation and education in the administration and the community.

The findings in this research revealed that the community is able to increase its participation in rural development through administrative reform by promoting good governance. This means that the implementation of good governance in the administration can synergize the role of the both the government and rural community in the NPR-SCE program. The traditional development model of the rural community known as “gotong royong”, which loosely translated means working together as a team, is a local wisdom that has become the basis of establishing the participatory aspect of the development system of the rural community through NRP-SCE. The focus of the program is to create an equal partnership and relationship between the administration and the government in the rural community in order to effectively reduce the patriarchic culture of the development system of Indonesia’s rural community. As a result, the administration
consisting of a good governance approach was derived from the basic values of gotong royong (team work).

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