

# PARTICIPATORY REGIONAL DEVELOPMENT PLANING: An Alternative Approach in the Decentralization Era

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## ABSTRACT

Indonesian development has been taking place since fifty years ago. This development itself has led to **different faces** of development. In facts, the **interregional income disparity** between regions and province is becoming bigger and wider. One of influencing factors is applied development planing throughout Indonesia in which top down approach is used to explain and execute the development policy in the country. In the reality, we know that Indonesia has some **different characteristics** such as natural resources, human resource quality, infrastructure, population, etc. Some areas have high-density population, developed technology, and high capital formation, but some others have limited. Thus, it leads to **centralization of development planing** under the reason to reduce the income disparity between regions. Unfortunately, this planing has created imbalance in the development in the country. The majorities of industries locate in Java Island and in outer islands in contrary have less developed, and offered raw materials (less value added) for industry in Java, i.e., forestry, oil, gas, gold, coffee, cloves, etc.

Since January 2001, the government of Indonesia begins with **decentralization policy** (law 22 and 25 / 1999) to empower less developed regions. The regional development policy will be given in the district level and finally, central government hopes through this policy its role in the local development policy shrinks. Financially, the central government uses revenue sharing (Law 25/1999) to **regulate financial problem** in some districts. In the field, local government has “freedom” such as in providing regional/local revenue through government regulation to explore natural resources, i.e., forestry, fishery, oil, and gas in their region. The consequential effect is **environment in some areas in dangerous** and therefore, approach of the development planing should be changed into **participatory approach** in which **people, businessman, local government** and **parliament** should discuss and plan the development planing together.

Participatory regional development planing is an approach to **realize the bottom up planing**. Principally, stakeholders, i.e., people who cares on the development such as local government, parliament, businessman, university, non-formal leader should **share** and **participate** in the development process. Consequently, the development process will be longer and increase the costs. However, citizen (stakeholders) will be **more responsible** to development in their region and therefore, **monitoring and evaluation** of development implementation will be tighter and transparent. So, in the long run, **sustainable development** is not longer utopia anymore, in the contrary it can be realized.

Keywords: **centralized development planing, top-down and bottom up approach, interregional disparity, participatory approach and sustainable development.**

## **I. Introduction**

Numerous elements of the literature on economic development address the role and importance of development planing within the economy of less developed countries (LDCs). The growing interest shown to this factors in development studies is associated with the identification of **several social and economic problems** currently facing these countries, e.g., a continuing imbalance in the regional development within the country leading to wider regional income disparity and finally deteriorate the economic stability in the country. On the other sides, it is viewed that the persistence of intra- and inter-regional socio-economic inequalities and the combination of remarkably concentrated patterns of urbanization increase sharply.

In general, creating employment, reducing poverty, developing local economy and meeting the growing expectations of an increasing population in rural areas in developing countries call for **a better utilization of resources**. This involves changes in the economic, social and political sectors. Industrialization in developing countries as development strategy is a considered topic for achieving and supporting the economic growth. The objectives of development consequently should be achieved through a development plan that provide a design of wished development pattern and priorities.

Development planing, especially in LDCs, plays an important role in selecting priority, measuring economic growth and other economic indicators where this all to optimize utilization or resources. At the beginning of industrialization in Indonesia, i.e., since the introduction in 1969 of the country's first **Five Years Plan, *Repelita I***, large modern industries have been established, and the economy has grown considerably.<sup>1</sup> The role and importance of the industrial sector in Indonesian economy increased sharply. That is an example how Indonesian government tries to realize their development aims in the development plan through industrialization.

Nowadays, globalization and decentralization become more considered topic in Indonesia. As we know that important factors in terms of globalization and decentralization are efficiency and competitiveness. Unfortunately, these both cannot be realized during the centralized planing, the system even create corruption, collusion and nepotism. Now, centralized development planing is becoming unpopular, since it creates economic problems (unemployment, poverty, environment, etc.) income disparity and imbalance in regional development between Java and outer Islands. Therefore, in 1998 government of Indonesia decided to publish decentralization law to replace the old one (law 15/1974) that still more centralized.

Politically, this decentralization policy has to be realized since regions (especially outer Islands where only provide raw materials to Java and has a high share in national income) demand for decentralization (even part of Indonesia demand for independence). This all conditions create situation in which central government should change the philosophy of implemented development. Beforehand, the development objectives were more on economic term such as economic growth, distribution, and income per capita. But now participation,

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<sup>1</sup> This kind of development planing that used a top-down approach. The role of central government predominate development planning such as determining priority sectors and measuring achievements.

democratization, and empowerment of local governance are becoming more popular in development implementation.

The decentralization policy finally has been decided to be implemented on January 2001, that means local government should determine their own development objectives, priority and strategy. Under the law 22 and 25/1999 this policy will design a framework for decentralized functions, discretion, and also revenue sharing from central to local government. Consequently, this leads to competitiveness between regions. In facts, there is imbalance especially in terms of human resource quality, resource differences, and economic activities within the country. Therefore, we need an instrument to show and realize the participatory development planing. So, development pattern of each region will differ from others, not homogeneous.

## **Objectives**

This paper tries to answer some questions according to this problem above, namely:

- How to provide a tool for participatory development planing for decentralized regional development
- Analyzing the decentralized development planing in co-ordination with other development planing documents

## **II. Methodology**

After discussing the problems and objectives of the study, we are now going to elaborate the methodology and limitations of the study. At the first step of the whole process, a survey literature on the issue being studied has been conducted and the result will be discussed in the next section. These steps are needed in order to get an idea of the state of the art of the issues being studied. From this survey, some **theoretical insights** were obtained and used as a basis for the formulation of the research problem.

The two regions are selected in East Java province, namely Malang and Pasuruan district where existing documents of development planing such as strategic planing (RENSTRA), basic pattern (POLDAS) will be used as basis for setting up participatory development planning.

In facts, we need a preliminary research especially to explore some existing conditions such as education level, infrastructure, number of employment, primary sectors and also the development planing documents.

After the gathering of existing data and other existing documents, we have to facilitate a communication institution through invitation to stakeholders such as legislative members, executive members, NGO, university members, and also non-formal leaders. This meeting is really needed since communication between stakeholders considers the unification of vision and mission and lastly determining achievement strategy.

## **III. Conceptual Framework**

The discussion on development theory in the seventies led to the classical development approaches being called into question. However, it is presumed that, even more than the

scientific debate on the theory, the actual concomitant phenomena of the efforts towards development made hitherto such as **the extent of absolute poverty, rural exodus and tendencies to social polarization** led to a change in the way of thinking. Nowadays, the targets of consideration as to development theory are no longer abstract dimensions such as the growth of the gross domestic product, urbanization or added valuation rates of industry, but the **individual** and his **real living conditions** in his actual living space.

**Rural areas are often shown as areas with a greater lack of capital and infrastructure, low production and productivity, high population growth and low employment.** The consequences of increased population growth require **the improved utilization** of resources; on the other hand, they lead to drastic transformation in the economic, socio-political, as well as in the people's values and norms.

Development should not be **understood as a partial process**; on the contrary, **all of the sectors are subjected to the change process to a varying extent**, i.e., the people, economic sectors or regions, particularly rural areas, must get an equal share or participation in the development process. In addition, development should be understood basically as normative term. The extensive change in the conception of development that occurred in the last two decades is founded in the change in the value judgement and goal concepts regarding the development process. Nowadays, **development is generally understood as a goal-orientated process of change**. It equally includes **economic growth, employment, social justice, participation, independence** and - **not indisputably** - **cultural identity** (MANIG, 1985:30). But because these objectives require a diversification of the economy away from agriculture (no high-income, stable nations have agriculture as their dominant activity), the process is one of major structural transformation.

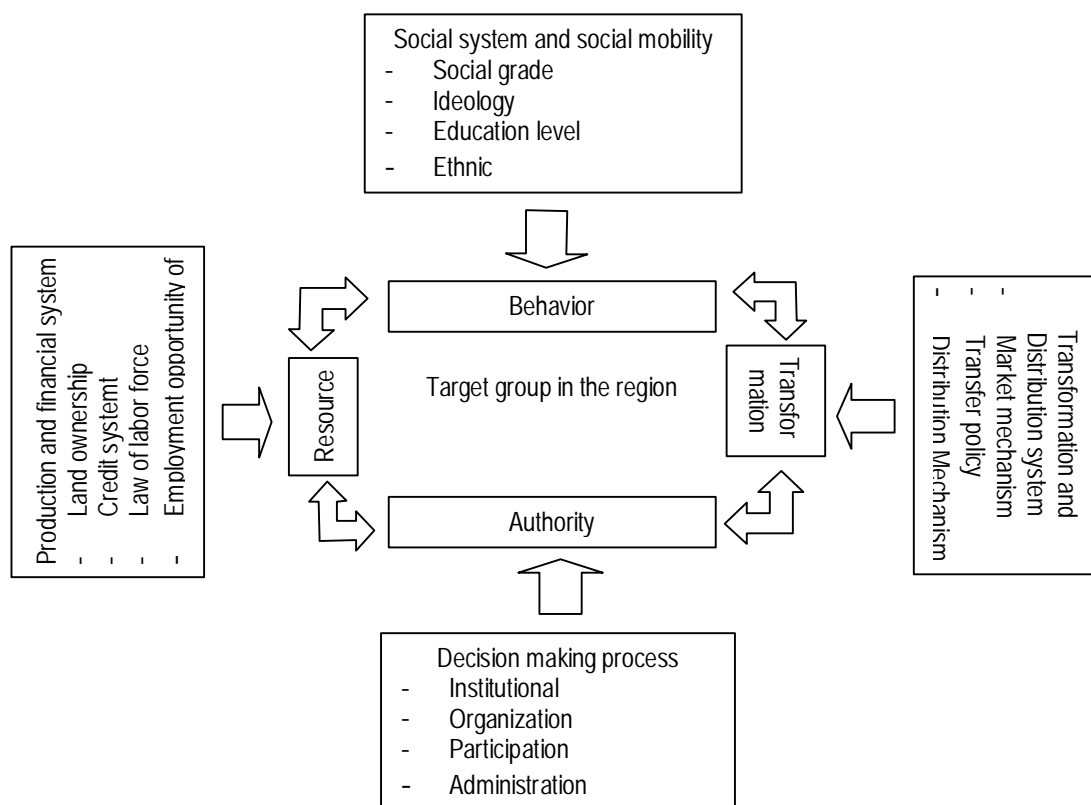
The World Bank and other international agencies and institutions lay emphasis on **increasing production**, raising **productivity**, increasing **employment** and **mobilizing** land, labor and capital. Moreover, the problems of development like **poverty** and **inequality** should also be intensively reduced (WORLD BANK, 1975: 3-5). Development involved **values** and **quality of life issues**, and the poor should participate in activities and be **involved in decision making**. This strategy comes to be known as '**redistribution of growth**' (CHENERY, 1974), which involved redistribution of additional incomes and not a basic restructuring of the production system. The reliance of this strategy was on growth generated through the **market mechanism**. Poverty and inequality are reduced through employment creation and increasing the value added shares in additional production and income.

MANIG stated that rural development could be understood as **a subsystem of the holistic development**, accordingly, be defined as a fundamental **improvement** of the economic, **social** and **political living conditions** of all the people living in the rural areas as well as their **mobilization** and **activation** (MANIG, 1985:13). Historically, rural development was restricted to **improving conditions** on farm and in economically depressed areas. Today the emphasis on rural development is to provide greater **equity** for all rural people in **incomes, housing, health care** and **services**. Many believe that **decentralization of industry** and **people** will increase economic efficiency, improve their social well-being and improve communications in the political process (CRAMER/JENSEN/ SOUTHGATE, 1997:378).

## **Integrated Regional Development**

The concept participatory development planing is developed from integrated rural development approach. This concept tries to translate a development understanding as holistic system where all elements in the society should change. The four elements (see figure 1) will be understood as stakeholders, which should be responsible to the development process in the region.

Figure 1: Concept of Integrated Rural Development



Source: Manig, W., *Integrierte Rurale Entwicklung*, 1985

## **IV. Participatory Development Planing (PDP)**

As we discussed above, participatory Development planing is developed from the mentioned conceptual framework. PDP involve stakeholders that consist society (NGO, university, non-formal leaders, etc.) private sectors (businessmen) and government (legislative and executive) in forming determining and measuring criteria.

Document PDP involves four documents, namely: P3RT (financing and action plan), P2IRT (Financing program), PIPP (investment program) and Corporate Plan. Each document is derived from the central government development planing (PROPENAS) and provincial (PROPEDA). This process should be based on the community needs. Therefore, we build a CNA (community need assessment) and UWNA (Urban wide need assessment) as information

base in designing other development plan. Process of PDP and some supporting documents are mentioned and arranged in the figure (see attachment).

PDP has been implemented in district Pasuruan. The result was outstanding especially how people and businessmen became aware to finance and care to the development process in the region. Businessmen shared in financing of infrastructure (road, water supply) and government concerned more on poverty alleviation. Society has become responsible and it led to monitoring and controlling of implementation policy. This could be achieved due to commitment of stakeholders in realizing their own determined objective.

The weakness of the PDP is time and cost. How to convince peoples and makes them aware are really difficult and takes much time. In fact, local government leader (Bupati/Walikota) is demanded for generating higher regional income and has no much time. Therefore, commitment of each stakeholder is a key of success, otherwise failure will be obtained.

## **V. Conclusion**

From the explanation above, we can see that PDP is an easy concept. However, realizing the concepts still needs some prerequisites such as education, democratization, socio-economic environment. Therefore, commitment from stakeholders such as society, private sectors, and government should be strong and consistent.

District Pasuruan has shown that PDP could provide other opportunities in financing of program or key project in the region. This is important, since central government reduced block grant to local government and even has transferred some central public officials to regions. PDP has been able to increase performance of local state enterprise through published corporate plan to the people (transparency). In general, we can say that development needs patient, commitment and time.

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Attachment: Participatory Development Planing

