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Indonesia's New Developmental State: Interrogating Participatory Village Governance

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ABSTRACT

This article analyses the implementation of the New Developmental State in Indonesian politics and development as the realisation of the increasing authoritarianism of President Joko Widodo's administration. Rather than focusing on the national level, as other studies do, this article focuses on sub-national contexts, particularly at the village level, and the implementation, since 2014, of the world's largest participatory village governance experiment. Data were collected during three years of longitudinal monitoring and additional ethnographic fieldwork in different parts of Indonesia. Framed in the New Developmental State perspective, this article characterises New Developmental governance in Joko Widodo's regime as a pragmatic and hybrid approach to village development and governance with roots in New Order developmentalism. Of special importance is the transmission of authoritarian ways from the national to village level through village institutional arrangements. Notably, this new approach to village governance has failed to encourage creative and innovative village governments and has made village democracy vulnerable.

KEY WORDS

Indonesia; New Developmentalism; authoritarianism; village; participation

Since the end of the New Order in 1998, participatory village governance has been well developed in Indonesia in such programmes as the Kecamatan Development Programme, which was replaced with the National Programmes of Community Empowerment in 2007. In 2014, the government issued Law Number 6/2014 on Villages (hereafter the Village Law). This Law and its implementing regulations, which is here labelled Participatory Village Governance (PVG), institutionalises participatory principles and mechanisms into the village bureaucracy. This article examines the dynamics and contradictions in the implementation of this institutionalised participatory governance from the perspective of New Developmentalism as a contemporary ideology of the Indonesian state. This New Developmentalism is a state ideology that has a strong orientation toward nationalism and economic growth and is reflected in state policies for institutions and development at the village level.

Developmentalism as an ideology that economic development provides the major legitimation for the exercise of power by the state is not new in Indonesia. The state has

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always had a prominent role in development and economy. According to Vu (2007, 43), immediately after independence in 1945, Indonesia's state displayed an inclination for economic intervention. Under Soeharto's New Order administration, the Indonesian state's developmental role emerged even more strongly (Feith 1982; Vu 2010). When the New Order fell, Indonesia's economy was devastated by the Asian Economic Crisis, and transitioned to the Reform Era (*Reformasi*), the state's economic role diminished, but rose again under Soesilo Bambang Yudhoyono's second-term administration from 2009–2014 (Kim 2021). Nevertheless, it has been under Joko Widodo (popularly known as Jokowi) (2014 onwards) that developmentalism has attained its new form: what Warburton (2016) describes as a New Developmentalism. This is understood as a developmental ideology that emphasises greater state intervention in the market to stimulate economic growth, direct industrial upgrading, and ensuring economic redistribution (Warburton 2018, 356).

While Jokowi's administration has embraced New Developmentalism for economic development, Indonesia's politics has experienced many challenges. Jokowi's efforts to strengthen the state's role mean Indonesia looks increasingly like an authoritarian state. Various studies have highlighted how the state apparatus and its institutions under Jokowi have been used to achieve narrow, partisan purposes and facilitate the growth of conservative Islamic morality, hyper-nationalism, and religious nationalism (see, for example, Hadiz 2017; Power 2018; Bouchier 2019).

These authoritarian trends point to an important contradiction in the Indonesian state. By institutionalising participatory decision-making into village governance, PVG policies signify a progressive move toward democratic village governance, which contrasts with a more authoritarian national political landscape. It is thus imperative to identify at the village level what kind of "democratic governance" (one of the goals of the Village Law) has been introduced by a national regime identified as increasingly authoritarian, and to understand how PVG performs in reaching its goals of creating a professional, effective, and democratic village government.

The following sections of this article provide the research methodology, a theoretical elaboration of the New Developmentalism, an explanation of PVG, the characteristics of governance in PVG, and how it performs in reaching its village governance goal. The study argues that while the Village Law is progressive in theory, advocating democratic village governance, the implementation regulations created by Jokowi's New Developmental regime have hindered PVG from reaching its goal.

Studying Participatory Village Governance: Methods

The research upon which this article is based was a qualitative study conducted in three villages in three districts in three provinces in Indonesia: Mawar in Wonogiri district (Central Java Province), Melati in Ngada (East Nusa Tenggara province), and Anggrek in Merangin (Jambi province). To protect the privacy of informants, all the village names are pseudonyms. The three villages were selected to represent three levels of governance quality: good (*melati*), average (*mawar*), and poor (*anggrek*).

The data were collected using in-depth interviews and participant observation from April–September 2018, and another round of fieldwork at national and regional levels from July–September 2019. At the village level, interviews were conducted with: poor and non-poor villagers; the village government (village head and related staff); members of the village consultative body (*Badan Permusyawaratan Desa* or BPD); community figures (religious and customary leaders, heads of women organisation/groups); and village facilitators for the implementation of the Village Law. At the sub-district level, the informants

were: sub-district heads and relevant sections in sub-district offices; sub-district Village Law facilitators; and customary leaders, representative of political parties. At the district level, the informants were: relevant district offices (offices that deal with village government, villagers' empowerment, and social protection for the poor); district parliament members; Village Law facilitators; and people working with non-governmental organisations (NGOs) and academics focused on village issues. In addition to interviews, observation was also conducted during two months of fieldwork in each village and district by attending various types of village meetings, community social events, and village development activities. At the national level, this research topic was discussed with: members of parliament, especially those who have been involved in the process of formulating the Village Law; expert consultants who assisted the parliament and government in developing the law; bureaucrats in ministries who deal with village matters; donor and development partners; academics and people working with NGOs who focus their research on village issues; and the Indonesian Association of Village Government (*Asosiasi Pemerintah Desa Seluruh Indonesia*). In addition, this study also used data from the SMERU Research Institute, which conducted a longitudinal monitoring study on the implementation of the Village Law (see Bachtiar et al. 2019).¹

New Developmentalism

The literature on New Developmentalism tends to discuss this concept in terms of economic governance strategies. As argued by Kim (2018, 589), there is no necessary relationship between New Developmentalism and the existence of authoritarianism. However, this article argues that, in the context of New Developmentalism in Indonesia, a new mode of governance has arisen that is characterised by a strong state presence and the dominant use of the “good governance” principles (see below).

As a concept, New Developmentalism has a recent history. The term was introduced by Brazilian economists in 2010 to refer to an economic governing strategy alternative to neo-liberal orthodoxy and Old Developmentalism, as declared by Luiz Carlos Bresser-Pereira, Brazil's former Finance Minister, with whom the concept was first associated (see for example, Bresser-Pereira 2009, 2017). According to Bresser-Pereira (2017, 375), New Developmentalism is a set of policies oriented to “ensure growth with price stability and financial stability ... and a reduction in social inequalities and an improvement in the living standards of the population.” The policy mix is documented in “Ten Theses of New Developmentalism.”² This document frames the basic point of New Developmentalism as about putting forward “national capitalist development programs meant to guide the transition of developing countries away from the Washington Consensus” (Ban 2013, 300). The theses affirm that economic development is a structural process with a focus more on the demand side than on the supply side. In the process, although the market plays a major role, state intervention is necessary to provide institutional frameworks and lay down a national development strategy. Full employment is the primary goal of economic development. While it does not reject globalisation, it aims to achieve economic stability by relying on domestic savings as a source of development funding, as well as by balancing public debt to GDP and the exchange rate. Lastly, New Developmentalism commits to addressing inequality by advocating pro-poor policies, particularly a minimum wage and social protection for the poor, such as cash transfers.

New Developmentalism rejects neo-liberal orthodoxy because of its failure in bringing economic growth to Latin America without financial fragility and social inequality (Bresser-Pereira 2009). However, the proponents of this approach do not want to fully

Table 1. Differences between New and Old Developmentalisms

Old Developmentalism	New Developmentalism
Industrialisation is based on import substitution	Export-led growth combined with strong domestic market
Leading role for the state in obtaining forced savings and in making investments	The state should create investment opportunities and reduce economic inequalities
Industrial policy is central	Industrial policy is subsidiary
Mixed attitude in relation to budget deficits	Rejection of fiscal deficits
Relative complacency towards inflation	No complacency towards inflation

Source: Brasser-Pereira (2009, 21).

embrace Old Developmentalism because they consider the market has a substantial role as an economic governing system, but needs fine-tuning and regulation (see Table 1). On the one hand, the departure of New Developmentalism from neo-liberal orthodoxy can be seen from its support for the stronger state role in development and the economy and its pragmatism on the market system as an efficient institution to co-ordinate the economy system but recognising its limitations (Brasser-Pereira 2009, 26). On the other hand, New Developmentalism is different from Old Developmentalism in many aspects, such as in its proponents' attitudes toward globalisation, the role of state and industrial policy, and macro-economic policies (see Table 1). New Developmentalism is also different from Old Developmentalism in that it is a phenomenon of middle-income countries (Brasser-Pereira 2009, 19). According to Brasser-Pereira, because New Developmentalism is a strategy to catch up and compete with developed countries, the methods are more suitable for a country that is no longer poor, has reached a middle-income level, and has a more established industrial base.

Although touted as an alternative to neo-liberalism, scholars such as Ban (2013), Yates and Bakker (2014), and Gesmiz (2018) consider New Developmentalism as a variant of neo-liberalism. These scholars base their argument on the fact that New Developmental states, while applying hybrid and complex industrial and economic policies, maintain elements of economic liberalism. Brazil, in the Luiz Inácio Lula da Silva and Dilma Rousseff administration, is implementing a hybrid policy with selective financial deregulation, a leading role for state-owned enterprise, a strictly regulated labour market, and aggressive redistribution through minimum wage policies, conditional cash transfer programmes, and new tax policies (Ban 2013). In Argentina a hybrid policy has also been seen since 2002–now, featuring financial regulation that allows foreign exchange intervention, a trade and industrial policy that introduces tariff and non-tariff barriers in order to promote local production and export competitiveness, and policies in the energy sector that forced the companies and state enterprises to primarily serve the needs of the domestic industry (see Wylde 2016; Gezmiş 2018).

Although scholars such as Kalinowski (2008) and Eun Mee Kim (2010) have discerned a necessary relationship between developmentalism and authoritarian rule, more recent studies of New Developmentalism by, for example, Sung-Young Kim (2018), confirm that the authoritarian rule is not one of its prerequisites. Instead, Kim argues, the connection between regime types and the developmental state is coincidental (Kim 2018: 459).

New Developmentalism in Indonesia

In the case of Indonesia, Warburton (2016, 2018) builds a notion of New Developmentalism by building on Feith's (1981, 502) earlier conceptualisation of developmentalism as "the idea that the task of the state is to achieve fast development to

overcome ... backwardness and catch up with advanced countries.” According to Feith, this Old Developmentalism was characterised by a “repressive state.” Warburton admits there is a parallel between the New and Old Developmentalism in Indonesia., and recognises a commitment by the Jokowi administration to the idea of developmentalism but in a new political context where the nature of the state has changed since *Reformasi*. While Jokowi’s administration displays authoritarian tendencies (Diprose, McRae, and Hadiz 2019), basic democratic principles remain in place and Indonesia is still categorised as a democratic country, if flawed (EIU 2020).

Warburton characterises Indonesian New Developmentalism by reference to its statist and nationalist ideology. It is statist, she says, because “the government views a strong and stable state as a necessary component in accelerating national development,” and it is nationalist because “the government justifies state intervention in the name of building state strength and sovereignty and reducing dependence on foreign and international markets” (Warburton 2016, 309). These inclinations of the Jokowi regime are evident in three main areas: industrial policies, enhanced state-owned enterprises, and welfare schemes (Warburton 2018).

State activism in industrial policies has been ubiquitous since the second term of the previous president, Susilo Bambang Yudoyono, with his *Master Plan Percepatan dan Perluasan Pembangunan Ekonomi Indonesia/MP3EI 2011–2025* (Master Plan of Acceleration and Expansion of Indonesian Economic Development). This programme laid out an industrial upgrading plan to boost the value-added economy, pushing for Indonesia to move up the value chain, and hasten economic growth. The Jokowi administration continued this project by accommodating most of the plan into the 2014–2019 medium-term development plan, and implementing toll roads, seaports, a “sea highway” (a policy to improve inter-island connectivity across the archipelago), dams, and power plants (Negara 2016). Most of these projects were implemented by state-owned enterprises (SOEs), which had themselves been targeted for strengthening. This saw the regime restructure some of the most strategic SOEs, creating state-owned holding companies, such as those in the sectors of infrastructure, mining, oil and gas, and financial services, and allocating a huge budget to SOEs (Warburton 2018, 360). The Jokowi administration also pays attention to issues of inequality and poverty, and has strengthened state-run welfare schemes. The most important is the Social Security Administering Agency or BPJS that provides health and workplace insurance. In place since 2011, the Jokowi government has allocated more funding and strengthened its institutional organisation by expanding and rebranding the welfare scheme (see Aspinall 2014; Warburton 2018).

Although the government has allowed space for private sector involvement in implementing government programmes, the role of the government remains dominant with the contribution of the private sector only 10% of all of the infrastructure projects (Negara 2015, 9). In areas needing infrastructure development and social welfare services, the government has used its own resources and bureaucracy to deliver services. However, Warburton has argued that the bureaucracy does not have sufficient capacity to deliver the infrastructure projects and welfare services (Warburton 2018, 357).

In term of governance, Warburton characterises Indonesian New Developmentalism as being averse to politically sensitive problems of law reform, corruption, and even good governance (Warburton 2016, 307). However, as will be discussed in subsequent sections, this article argues that the Jokowi administration does show a commitment to good governance. However, Jokowi’s commitment to good governance is only if such a practice supports his mission of achieving high economic growth. In this sense, his appropriation of good governance is not congruent with the dominant discourse of good governance as

an approach to improve the capacity of the state to deliver quality services (Bevir 2007, 361).

In fact, the concept of good governance is an element of the neo-liberal governance strategy and is frequently associated with the World Bank (see, for example, Doornbos 2001; Craig and Porter 2006; Diarra and Plane 2014). The World Bank (1989) introduced this concept in a report on economic crisis in Africa. It was touted as a basis for moving international development institutions from an aid-based approach to a governance approach. Measures and assessments of good governance became a condition for borrowing from institutions such as the World Bank. The basic idea is to push recipient countries and civil society organisations to reform their institutions by adopting several principles to achieve “economic efficiency and effectiveness of aid to developing countries” (Bevir 2010, 97). In reviewing how the concept has been used among donor organisations and experts, despite donor variety, Doeveren (2011) finds six frequently used principles, with accountability as the only agreed-upon principle among all organisations and experts assessed. Other principles include effectiveness and efficiency, openness/transparency, participation, and the rule of law. To critics of good governance, applying these principles exemplifies neo-liberal and developed and Western country bias because it seeks to make the state more market-friendly and to transform the public service by adopting market principles (see Kiely 1998; Demmers, Jilberto, and Hogenboom 2004). Hence, for the World Bank, good governance means a marketisation of public service and is an essential element of New Public Management (Bevir 2010, 96–101).

While one of the main catch-cries of good governance is participation, as highlighted by Bell and Hindmoor (2009), governance through hierarchy remains the dominant state strategy. This occurs when the government, through its top-down bureaucracy or other agencies, “act[s] authoritatively to bring about an outcome” (Bell and Hindmoor 2009, 16). The government and state agencies allocate resources through taxing and spending and impose rule and order through the imposition of direct power. And, in a New Developmental state, characterised by the state’s dominant role, this approach to governance has gained primacy.

However, as Pierre and Peters (2005) argued, the ways regimes employ hierarchical power differ from time to time and a regime can apply more than one mode of governance at the same time. In this context, the notion of governing through community – participation – has gained significance and popularity. Initiatives such as participatory budgeting, community-driven development, and participatory governance, among others, have been implemented in many settings (see Fung and Wright 2003). Several studies have confirmed that governing through the community has produced important outcomes, including: contributing to better governance and has enhanced government legitimacy (see Boulding and Wampler 2010; Gaventa and Barret 2012), the promotion of inclusive and cohesive society; strengthened citizenship; increased participation in decision-making (see Speer 2012; Mansuri and Rao 2013); increased development efficiency (World Bank 2000); and identification of potential institutions for high-quality growth (Rodrik 2000). While the notion that better decisions are made closer to the community and that better outcomes are achieved seems unremarkable, some scholars have criticised the good governance idea and practice of participation and empowerment as an instrument in expanding and strengthening neo-liberalism. Through participation and empowerment, neo-liberal regimes have also achieved their ideological ideal of shifting state responsibilities to individuals, making them responsible for their own lives (see, for example, Leal 2007; Li 2007).

The New Developmentalism perspective is useful for understanding the contradictions and complications of the recent policy innovations in village development in Indonesia. As will be discussed in the next section, this has included a new policy for village governance and development that institutionalises participatory principles. As will be shown, to achieve rapid economic growth at the village level, the Jokowi administration also subsumes villages under a strict control and guidance regime and within a hierarchy of district and national governments. To understand this approach, the next section discusses the government's participatory village governance (PVG) initiative.

Participatory Village Governance in Indonesia

The 2014 Village Law introduced autonomous status for villages but still as part of the local government regime. The Law makes villages the lowest level of the governmental structure. Above the village are the sub-district, district, province, and national governments. The Law also put villages under the co-ordination of two line ministries. The Ministry of Home Affairs manages the governance aspects of villages and the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration manages the development aspects of villages. The two ministries have offices at the provincial and district levels.

The Village Law of 2014 mandated a participatory approach to village governance. In the decentralised government system, to implement any law the government requires the creation of implementing regulations and technical procedures for national to district levels of government. This set of implementing regulations and procedures for the Village Law is referred to in this article as the PVG policy.

The defining features of PVG policy are participatory decision-making and allocation of village funds. PVG policy stipulates that every strategic decision in the village – such as village development planning and budgeting – must involve as many villagers as possible. The amount of village funding is now larger than before the initiation of this policy, and villages can receive up to ten times more than in the past, depending on their population size and (mostly) the demonstrated fiscal capacity of the district where the village is located. However, there is more to the PVG policy than these popular features. The two most important principles underlying this policy are recognition (*asas rekognisi*) and subsidiarity (*asas subsidiaritas*). In the former, the government recognises that villages have autonomy as self-governing communities and thus the right to retain their uniqueness based on their origin. In the latter, the government authorises villages to manage their own business by integrating them within the national administrative hierarchy. That these two principles are contradictory is evident and dealt with in the next section. From the late 1970s, with Law No. 5/1979 in place, villages across the country were homogenised as *desa*, conceptualised as a typical Javanese village, with limited authority or resources (Zakaria 2000). While some regulations after *Reformasi*, particularly Law No. 22/1999 on Local Government and its subsequent amendments, outlined these two principles, none has addressed village status issues as directly as the Village Law.

Although the Village Law has granted villages an autonomous status, it does not mean that villages have no obligation to the supra-village government. Paradoxically, supra-village administrations have an even stronger presence under the new system, in part due to the subsidiarity principle. In this new regimen, village governments have more tasks in reporting directly to the district government (*kabupaten*) or through the sub-district government (*kecamatan*) or village facilitators. Most village strategic decisions must be

approved by the district government. The village head is held accountable for village governance to the district government, rather than the village council.

The formal structure of village government consists of a village head, assisted by some village officials, the number of which depends on the classification of villages based on various development variables created by the Ministry of Home Affairs.³ The more “advanced” a village appears in these official measures, the more staff it can have and vice versa. This limiting policy is created to ensure that village funds are not misused through the excessive allocation of salaries. While not part of the official structure of village government, in some districts below the hamlet there are two further layers of structure, the Rukun Warga/RW (large neighbourhood) and Rukun Tetangga/RT (small neighbourhood), each with a head.

In terms of decision-making, every strategic decision in the village must be made in a village meeting attended by as many representatives of households as possible. In village development planning and budgeting, the deliberation process can start as low as the RT level and progress through RW, hamlet, and village level. Based on observations in three villages, and the SMERU monitoring results from ten villages, the number who attend meetings at levels below village (hamlet or neighbourhood levels) is more than those who attend meetings at the village level (see Bachtiar et al. 2019). Meetings at the village level are usually attended by a limited number of village officials and community figures, particularly religious leaders, *tokoh adat* (customary leaders), school teachers, village midwives, and village entrepreneurs.

The village head is the central figure in village government. The Village Law (article 25) defines village government remarkably narrowly. It states that village government is: “The village head, or whoever is called by a different designation and is assisted by village officials.” The common structure of the village organisation can be seen in Figure 1. According to the Law, the village head is responsible for everything concerning village governance. Among other important institutions in villages is the *Badan Permusyawaratan Desa* (BPD or Village Deliberative Council). Under the Law, the BPD plays a governance role, albeit not as part of the village administration. Together with the village head it creates village regulations, channels villagers’ aspirations to the village government, and oversees the village government’s operation. Other institutions are classified as falling within the category of *Lembaga Kemasyarakatan Desa* (LKD or Village Community Institutions). These institutions can be government-initiated institutions, such as *Pemberdayaan dan Kesejahteraan Keluarga*, a women’s organisation established from the national to village level, initiated by the New Order, and *Karang Taruna*, a youth organisation at the village level. The LKD may also include organisations initiated by the community, such as religious, customary, and farmer organisations, among others. The Law defined these organisations’ roles as supporting village government with implementing its programmes.

The above section describes the structure of PVG on paper. But, how is it implemented in villages? Of the three fieldwork villages, Mawar and Melati satisfy many of the official criteria of villages with good governance. There were many meetings in these villages for social, religious, and governmental purposes, although many household representatives did not attend them at the village level (see Table 2). The number of participants who raised their concerns in those meetings was also limited, and even more limited for female participants. However, some meetings that were observed at the neighbourhood level (RT, RW, or hamlet) were attended by all household representatives (as confirmed by the neighbourhood head) and proceeded in a lively fashion. Villagers mostly attend neighbourhood level meetings because they are the closest to them geographically, and

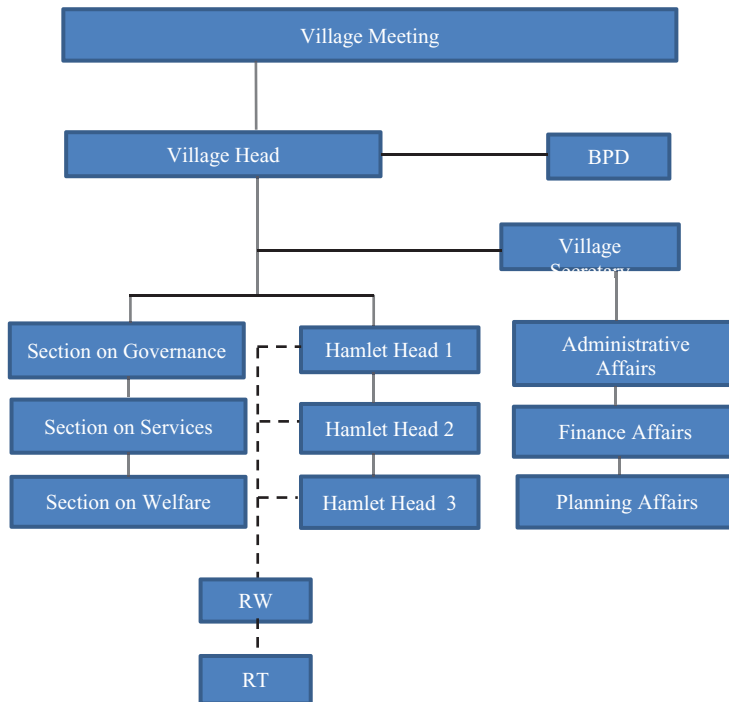


Figure 1. Village organisational structure.
 Source: Based on Law No. 06/2014 on Villages.

Table 2. Participation and interventions at observed village level meetings, Melati, Mawar, and Anggrek Villages, 2015–2018

	Percentage of household participation	Average no. of participants	Average no. of interventions	Average no. of female participants	Average no. of female interventions
Melati	14.8	46.9	4.3	14.8	1.3
Mawar	3.0	30.7	3.4	4.5	0.3
Anggrek	10.1	21.8	5.9	2.6	0.7

Source: Calculated by author from SMERU monitoring data.

the most inclusive, with every household invited. Meetings at the village level, in contrast, are attended by selected invitees, mostly village staff, village council, representatives of village community organisations, and representatives of women groups. However, meetings at the neighbourhood are usually aimed to inform or to collect villagers’ aspirations, and not to make decisions, with the main decision-making meetings being the village meetings.

Although village heads dominate in Mawar and Melati, there is still consultation on important matters. Most strategic decisions, such as development planning and budgeting, are made through a series of meetings. The village offices are open on weekdays from 8 am to 2 pm, and a village official is normally available on a rotational basis. The village governments operate an open-door policy, with all important information, such as village development planning and village budget documents, publicly available. The BPD, while not yet playing the role of balancing and checking the power of the village head, performed the tasks assigned to them. The exception was the BPD in Melati that created meetings to evaluate village government performance.

Anggrek village is a different case. The absorption of villagers in artisanal gold mining activities has destroyed the village environment and deeply and adversely affected its social life, as seen from various social conflicts. A month before fieldwork began in 2018, a conflict over mining resulted in a murder. The conflicts in the village were evident in the fact that the village government was not operating. During the month of fieldwork, not once was the village office open and there were no meetings held in the village for any purpose. Villagers who wanted to obtain routine services had to find village officials at their houses. [Table 2](#) shows a few meetings at the village level between 2015 and 2018, with limited participants. Although the data on participation in [Table 2](#) show that this village is on a par with Mawar, what differentiates them is the availability of meetings below village level, with Anggrek having few meetings at the neighbourhood level. The village head is seldom seen. Information on village activities and budget were not available, even for village officials, with only the village head having access to the documents. The fact that Anggrek is isolated, relatively poor, lacking in basic infrastructure, and located in a district and sub-district that exercises weak supervision has contributed to poor village governance performance. This village also performs less like a state bureaucracy and more like a traditional government that depends on customary procedures and personnel and relies on patron-client relations.

Good Governance in Village Management

Warburton (2016, 307) states that the Jokowi regime has not prioritised good governance. However, a version of good governance has been hard at work in the implementation of PVG. Good governance has many meanings, and different institutions can apply different sets of principles nominated as good governance. This article argues that the Jokowi administration implemented a version of good governance – applying principles of upward accountability, transparency, corruption control, and participation – to ensure that village funds are used according to national guidelines.

To introduce good governance principles to PVG implementation, the Indonesian national and district governments produced regulations that detail how the villages should manage their affairs. By 2018, some 50 regulations had been issued by the national government alone; many dealt with enforcing good governance in village governance (Syukri 2022). This practice created a contradiction, as the Village Law had acknowledged village autonomy. Enforcement of good governance was among the national government's first policies concerning the Village Law. It was introduced through the Presidential Instruction No. 7/2015 on Action for Preventing and Eliminating Corruption, including implementing the Village Law. According to Eko (2015), this regulation echoes deep-seated prejudices about villages as loci of backwardness, ignorance, and corruption, and in need of regulation and domestication. This negative perspective is also evident in the plethora of regulations the government produced to rule and control the village. Instruction No. 7/2015 is, among others, the basis for the national and local governments to create various instruments to push the village government to take up centrally determined good governance principles in village management. In general, these instruments are classified into three broad categories: surveillance instruments; coercive institutions; and compliance engineers (see [Table 3](#)).

In democratic regimes, surveillance has been a part of normal governance and even empowerment in the context of ensuring accountability (Elerbrock 2010; Monahan 2010a; Monahan, Phillips, and Wood 2010). Recently, surveillance has been a common technique for ensuring the implementation of good governance measures worldwide

Table 3. Instruments for promoting good governance in villages

Categories	Instruments	Issuers
Surveillance instruments	Village Financial System	State Internal Audit and Ministry of Home Affairs
	Village Development Information System	Ministry of Villages
	Geographical Information System for Village Potential	Ministry of Villages
	Online Monitoring System for State Treasury and Budget	Ministry of Finance
	Urban Ward and Rural Village Profile Information System	Ministry of Home Affairs
Coercive Institutions	Village Development Index	Ministry of Villages
	<i>Tim Pengawal, Pengaman Pemerintahan dan Pembangunan/TP4</i> (Team for Overseeing and Securing Governance and Development)	National Attorney
	Police <i>Bintara Pembina Desa/Babinsa</i> (Non-Commissioned Officer for Guiding the Village)	National Police Indonesian Armed Forces
Compliance Engineers	Facilitators	Ministry of Villages

(Hagerty and Samatas 2010; Monahan 2006, 2010b). For PVG, some instruments of surveillance are still being developed, and their functioning remains limited, such as the Village Development Information System (*Sistem Informasi Pembangunan Desa*) and the Information System of Village Geographical Potential (*Sistem Informasi Geografis Potensi Desa*). Others have long been implemented, such as the Village Finance System (VFS, *Sistem Keuangan Desa*) and Village Development Index (*Index Desa Membangun*), Online Monitoring System for State Treasury and Budget (*Online Monitoring Sistem Perbendaharaan dan Anggaran Negara*) and Urban Ward and Rural Village Profile Information System (*Profile Desa dan Kelurahan*).

The most important surveillance instrument is the VFS, an application for financial management; mainly to make the village administration accountable according to the state financial management system's standard. The first version of this application, released in July 2015, was offline and manually uploaded to the supra-village (district and national) system. The second version, released in late 2018, is designed to be online and connected and synchronised with the district and national system. When it is fully operational, national and district governments will be able to monitor village financial management and official indicators of village development. More importantly, this supra-village system can indicate whether a village has conformed to the state's rules and guidelines. In the three villages, while not yet using the online version, village officials, usually the village secretary or head of the financial section (*kepala urusan*), had trained in the use of the VFS and had prepared their development planning and budgeting using the VFS format.

Some instruments, such as the Village Development Index, are also used to determine the position of the village in the state's development categories. The Ministry of Home Affairs, which is responsible for aspects of village governance, has its own categorisation of villages based on their levels of "progress." The Ministry of Villages has also developed five village categories based on their assessed level of "welfare": self-reliant (*mandiri*), developed (*maju*), developing (*berkembang*), left behind (*tertinggal*), and very left behind (*sangat tertinggal*). The category allocated to a village partly determines its funding level – in general, the poorest villages get more, but this is subject to their ratings for other criteria – and how the money can be used. Further, the Ministry has developed specific

projects for each village category. With such detailed rules, it is difficult to see how villages can have much autonomy.

In addition to surveillance, the state also uses coercive institutions, such as the Attorney General's office, police, and even military. In this context, a coercive institution is one that has authority by law to exercise power and enforcement measures, and these three institutions are the main coercive powerholders in the Indonesian government system. Based on Presidential Instruction No. 7/2015, the Attorney General established a Team for Overseeing and Securing Governance and Development or TP4 at national, provincial, and district levels. The team that had already been dismissed by 2019 focused on training and preventative action. At the village level, it provided legal opinions on aspects of projects that the implementers undertook and met village representatives at the district level to provide legal advice on using the state budget.

In January 2017, the Ministry of Villages, Ministry of Home Affairs, and the police signed a memorandum of understanding (MOU) on overseeing, preventing, and handling cases related to village funds. This promised a more comprehensive approach than TP4's role in providing legal opinion. In the same year, the Ministry of Villages also signed an MOU with the military. Although the general features of the agreement are similar to the MOU with the police, this arrangement has special features stipulating how the military is to be involved directly in the implementation of development activities, particularly in regions with difficult access. This feature is reminiscent of the dual function (*dwifungsi*) of the military in the New Order in which the military performed both security and socio-political functions and how the military was involved in village development (see, for example, Said 1987; Crouch 2007; Setiowati and Sumarno 2015).

In the three villages, the interface of village government and coercive institutions had been limited by the provision of data, such as documents of village development planning, budgeting, and project accountability to the police. By the end of the fieldwork, according to the Wonogiri village head, there had been no follow-up and no coercion from police officers to obtain the data. However, the involvement of the coercive state apparatus in overseeing village governance has drawn criticism, with the police considered an inappropriate agency for providing support to villages and, more importantly, their presence induces nervousness and anxiety among village officials (*Kompas.com* March 5, 2016; *Beritagar.id* April 17, 2017). Many have memories of traumatic relationships with the coercive apparatus because security forces were widely used to repress and oppress in the New Order period, such as murderous events in the 1960s and in the compulsion of the Family Planning programme (see Breman and White 1996; Niehof 1996).

During fieldwork, villagers indicated that dealing with the police is not seen to solve problems, but rather as "looking for trouble" (*cari masalah*). That is why, in all village samples, villagers preferred to settle problems using alternative mechanisms, such as customary law (*adat*) or social connections and networks with more highly placed officials at the sub-district or district level. In Anggrek, the murder related to a conflict over artisanal mining mentioned above was conducted and settled through an *adat* trial. In Melati, a case of a chicken thief was also resolved through *adat*. The resolution included, among other sanctions, a ceremony where the perpetrator had to feed all villagers. In Mawar, a car accident where a Mawar villager was considered at fault was resolved by the village head with the help of a political party at the district level. In each case, there was an effort to avoid police involvement. Describing the situation as "despotism," one informant argued that involving the state's coercive apparatus in such matters also implies the national government's view of villages and village governments as a coercive apparatus to tame them, an assessment of the state with which this article agrees in many instances.

The last category – compliance engineers – are a way for the state to push village government to do its work through well-trained people. It is best exemplified by facilitators, mandated by the Village Law, who provide technical assistance to village governments on governance, including village administration, development, and community empowerment. Facilitators are contracted by the Ministry of Village for a certain period with specific tasks and assigned to specific regions, from national to village level. They are crucial to the implementation of PVG. The approach of the facilitators to village government differs from that of members of the coercive apparatus; they use persuasion and demonstration. They come to the village presenting themselves as common people, without uniforms or emblems, and mix with the community. They also come with suggestions instead of orders, providing alternative insights based on their experience, and solve problems instead of adding more administrative work. Yet their final objective is the same: to push the village government to conform to national policies. The focus on facilitation, at least in the first three years, has also been the same: to make sure good governance principles are implemented in the village, particularly in relation to financial management. However, facilitation is narrow, restricted to financial management, and, as a facilitator in Wonogiri mentioned, good governance of the village fund. This means facilitators leave aside important aspects of village governance, including how to: enhance democratic life in the village; develop the quality of participation; improve the sensitivity of village development planning and budgeting for the needs of the majority of villagers and particularly marginalised people; and advance social policies and economic development and inter-village co-operation.

Limitations of Participatory Village Governance

The Village Law states that the goals of the PVG policy are to recognise village status, protect traditions and culture, improve welfare, empower citizens (particularly the poor and marginalised) and create professional, effective, efficient, open and responsible village government. How does this policy achieve those objectives? As will be shown, the dominance of the good governance approach, coupled with several other problems, has prevented the achievement of these broad objectives.

Under the recognition principle, as discussed above, the central government acknowledges the autonomy of villages, their traditional institutions and culture, and the village as a self-governing community. Under the subsidiarity principle, the village is granted authority for self-government within the administrative hierarchy. In essence, the village is defined as an independent unit in the government system. However, informants from the Ministry of Villages and Ministry of Home Affairs, regard the subsidiarity principle not as granting autonomy, but as the state formally recognising villages as part of the state bureaucracy. Indeed, the Constitutional Court's decision No. 128/PUU-XIII/2015, on consideration No. 3.10.4, stated that "village government is the lowest unit of the regional government organisation structure." As already shown, governments beyond the village level have produced so many regulations to oversee villages and implement various technologies for surveillance and control that it is clear that the higher-level officials generally understand villages are part of state bureaucracy. Indeed, as a high-ranking bureaucrat in the Ministry of Home Affairs stated, "there is no such thing as village autonomy" (Interview, anonymous informant, Jakarta, August 31, 2018).

Since village governments are now formally part of the state bureaucracy, they have new bureaucratic duties and responsibilities, involving substantial reporting, upward accountability, meetings, and ceremonies. Although they do not have the status of

national civil servants (*pegawai negeri*), village heads and their staff are “government people” (*orang pemerintah*), and they are not seen by villagers as “part of the community.” To underline this separation, they are required to wear a uniform and emblems, and are required to use the national Indonesian language exclusively. The national government also encourages villages to build government offices, enact more formal mechanisms for the villagers to obtain services, and apply formal working hours. The regulations are mostly issued by district governments. This means that variations continue to exist across districts regarding the extent to which they regulate these aspects of village governance, when they began issuing the regulations, and how strictly they implement them. While the concern for regulated appearance and working mechanisms has been applied in some districts for some time – indeed, during the New Order – in some other districts, these requirements and recommendations are new and in sharp contrast to the informality of old village governments, often with no village office, formal working hours, uniforms, or emblems. Whenever villagers needed services from village officials, they would visit the officials’ houses, and encounter them as their traditional leader, instead of representatives of a distant and somewhat alien state.

Conceptualising village government as a subsidiary part of the state bureaucracy has serious implications for village governance. As part of the government system, policymakers have subordinated village government to district and national authorities. An informant from the Ministry of Villages observed that the principles of recognition and subsidiarity are thesis and antithesis without any synthesis. This has even more serious consequences for citizens as it bureaucratises village government, making it part of the state. National policymakers have opened the door to the village so that the state can penetrate it deeply. Instead of representing inhabitants, village government has been defined to represent the state in the village. In the past, the citizen-state relationship was, to some extent, mediated by village government being defined neither as a state institution nor “fully” as a community institution; now, however, with the village government becoming part of the state bureaucracy, citizens encounter the state at their door.

Village government before PVG implementation cannot be characterised as a community institution. In its modern form it was a state-sponsored institution (see Breman 1982; Husken 1998; Van Niel 1992). Indeed, considerable effort was expended by the national government to incorporate the village government within state institutions. Prior to *Reformasi*, the most important effort was homogenising village government organisation, previously unique to each region, as *desa* (the “typical” Javanese village) through Law No. 5/1979 on the Village. Development activities under the New Order continued this effort in sectors such as education, health, agriculture, and transport, bringing distant and remote villages under its control (see Parker 2003). Despite these efforts, and except for the case of the urban ward, which the New Order era formally set as part of the state bureaucracy, the village was not fully characterised and regulated as part of the state. Previous *Reformasi*-era laws (such as Law No. 22/1999 and Law No. 32/2004), which began the transformation of village status, left the status of the village in a grey area (Eko 2015, 22).

Why did the interpretation of the Village Law, making it officially part of the state bureaucracy, become so pervasive under Jokowi’s regime? The answer to this question needs to consider the ideology of New Developmentalism that this government upholds, coupled with the hierarchical character of Indonesian bureaucracy, developed since colonial times (see Sutherland 1979). As discussed earlier, the ideology of New Developmentalism has a strong orientation toward nationalism and economic growth by advocating a stronger role for the state in development and the economy, while remaining open to the role of

markets and globalisation. This character, as we shall see, is reflected in state policies for village institutions and development.

New Developmentalism and Village Governance

Position of the Village Head

New Developmentalist ideology strengthens the role of the state in development and the economy and this is reflected in how the state positions the village head. Some state strategies seek to make the village head a strong position, such as by defining the village head as the one and only institution responsible for all aspects of village life. The roles of other institutions, such as BPD and village community organisations, are defined by the state as only a support system for village government. Based on the interviews conducted, it may be concluded that state officials view a single and powerful actor managing village governance and development as a strength, being potentially more efficient and effective, as decision-making and implementation processes can be shortened and simplified.

This arrangement at the village level means that power-sharing and power-balancing mechanisms are largely absent. Since the village head is the only power holder, if something goes wrong with the village governance, the villagers or other village institutions, such as the BPD or civil society, can report the case to the supra-village government, such as the sub-district or district governments. Resorting to authorities beyond the village is necessary because there is no mechanism for resolving the problem at the village level due to unequal power relations between the village head and other actors in the village. This situation weakens the still fragile practice of democracy in the village and weakens the development of democratic institutions. Even existing *adat* problem-solving mechanisms are weakened when it comes to dealing with village government. For example, in the case of Anggrek, while the *adat* mechanism was effectively used to resolve community problems, such as the murder case, *adat* fails when the village head is in conflict with villagers. Hence, the villagers brought the conflict to the district head. In this regard, with the village head's monopoly over power, PVG policy depoliticised village governance and exacerbates the unequal power relations embedded in social and political relations in villages.

Another state strategy for strengthening the village head is to improve the capacity of the village head and village officials, as assistants of the village head, through training programmes, such as those in village financial management, village-owned enterprise management, and office administration. In the three research villages, the capacity of village officials was initially limited, with only a few staff having administrative and computer skills. Based on a SMERU evaluation, the capacity of village government improved over the first three years of PVG implementation where each village government participated in, on average, 10 training programmes on different topics (Bachtar et al. 2019, 12–13), with the village head most often the target of such training.

As part of the effort to strengthen village administration, the national government introduced a formal mechanism for recruiting village staff. In the past, village heads recruited staff with full discretion, normally from their supporters, who were not necessarily the right people for the right jobs. The old practice of village official recruitment had weakened village government institution. Now, there are formal requirements and mechanisms, under which the recruitment is organised by an independent team. The mechanism requires candidates to follow particular steps, including registration, paperwork, a written test, and interview. This new mechanism, supported by better

remuneration, has successfully attracted younger and better educated talent in the villages. In the past, there were almost no village staff with tertiary education; in some of the SMERU-monitored villages, some staff held master's degrees. In each of the three research locations, there was at least one member of staff with a tertiary degree.

The new recruitment mechanism manifests the ideology of New Developmentalism, which requires leaders and staff with technical skills that fit the technocratic approach to governance. However, when this approach was applied and governance and leadership are about achieving high-quality development outputs, conflicts sometimes arose as this new style of leadership clashed with long-held notions of the “wise man” – a traditional male leader, who can maintain village social harmony. It may not be appropriate to use the advanced mode of recruitment to find talent with high technical skills. The Mawar village is a case in point. Some residents of a hamlet in the village objected to the village head because they were dissatisfied with the newly assigned hamlet head (*kepala dusun*). The new hamlet head was a clever young man with a BA who was successfully recruited using the new recruitment mechanism, but was unable to fulfil the resident's expectation about a hamlet head. This young hamlet head was considered unjust when he resolved a conflict among the hamlet residents, one of the main functions of the hamlet head in a village. In the past the position was occupied by an older, wiser, and highly influential person in the area who was directly elected by the villagers.

Centralised Development Planning

The process of development planning in villages under the PVG regime is participatory, at least at the sub-village levels of hamlet and neighbourhood. The process starts with meetings from small neighbourhoods, moving through higher levels, until it is finalised at the village level. This is where the state's priorities are encountered. Although villagers can propose any type of development activities to be funded by the village budget, the state provides “guidance” on the “national priorities” for village development each year. This guidance is issued by the Ministry of Villages. In a very technocratic manner, all proposals received from neighbourhood meetings are shortlisted at the village level to identify which ones are in accordance with the ministry's national priorities. Consequently, proposals that villagers consider important but which are not in line with national priorities can be dropped.

In addition to the guidance on village development priorities, the national government has other policies that guide village development, mainly through programmes such as the Programme for Developing High-Quality Village Products (*Produk Unggulan Kawasan Perdesaan*), Village Sports Infrastructure (*Sarana Olahraga Desa*), Village Reservoir (*Embung Desa*), Cash for Labour Intensive Programme (*Program Padat Karya Tunai*), and Village-Owned Enterprises (*Badan Usaha Milik Desa*). These programmes are created by the Ministry of Villages to orient village development according to the “national interest.” In addition, other ministries have many other programmes introduced for the village. While in many cases such “promoted” programmes are in line with village needs, they nonetheless constitute a top-down, technocratic, and sometimes imposed approach to village development that is counterproductive to the principle of participatory development upheld by PVG. With this mode of intervention, the national government can easily deploy local resources to achieve national goals of economic development. This centralist definition of interest, and the way that interest is achieved, is a clear representation of New Developmental ideology at the village level.

Domination of Supra-village Governments

From the previous discussion it is seen that the national and district governments are dominant in shaping village governance by exerting their coercive power, surveillance mechanisms, and compliance apparatus to restrict the independence bestowed by the Village Law. The domination of supra-village governments is reflective of the concept of the village position held by many bureaucrats in the Ministry of Home Affairs (Interview, Bito Wikantosa, Jakarta, August 14, 2018).

Further, many of the surveillance instruments used to control villages enable national and district governments to get timely updates on activities in villages and to respond. One avenue of response is in annual adjustments to the Ministry of Villages' regulation on the use of village funds. In addition to surveillance and control, other instruments, introduced in the New Order era, have been maintained and refined. For example, the military and police developed an encompassing structure and a set of programmes reaching down to villages, including, for example, a programme that sends the military to the village. The main aim is "territorial supervision" (*pembinaan teritorial*), which is essentially surveillance and control (see, for example, Honna 2005; Herrimann 2009).

Also of considerable import for the surveillance and control of villages is the role of RT and RW. Villagers regard RT and RW as the most important and closest institutions to them and refer to them should they have any problems (Bachtiar et al. 2019). Yet, their proximity to citizens' lives means they also have surveillance and control tasks. Introduced during the Japanese Occupation (1942–1945), they were maintained and expanded across the nation by the New Order (see, for example, Sullivan 1986; Kurasawa 1988; Barker and Gibbing 2018). In the *Reformasi* era, the role of RT and RW is vital for organising and mobilising citizens for various "participatory" activities and for collecting data and information.

These surveillance and control instruments provide the state with additional information about village progress and dynamics and the conduct of citizens. Based on this information and data, and nationally determined indicators for success, failure, and category of villages, the national government can decide which villages conform to or diverge from the rules and what actions to take. Those that conform to the rules will generally receive what they have been promised by national and district governments, particularly in terms of budget while non-conforming villages will see funding delayed or cut. Moreover, the national government provides additional budgets for district governments that can push their villages to achieve the state's targets, such as maximum expenditure of budget, reducing stunting among children, reducing poverty, and others. There is nothing villages can do but accept the decisions made by the national government.

In this system, the national government also dominates district government. Steni (2016) has shown that instead of strengthening the decentralisation policy, local government law (Law No. 32/2014) has shown a trend to recentralisation. Under this law, many governance affairs, such as mining, forestry, marine fishery, and secondary education that were once under the authority of district government have been transferred to the national government or to the province (as the national government representative in the regions). The law sought to give the national government – previously it was the Supreme Court – authority to annul district government regulations if they are against the "national interest," although these articles were later cancelled by the Constitutional Court (ICJR 2017). In this recentralising context, it is not surprising that district governments have become instruments for the national government to domesticate villages. Rather than being autonomous, district governments have acted as if they represent the national government in the region and in villages.

New Developmental Governance and Village Social Policies

As shown, the dominance of the good governance approach has eroded village independence and weakened village-level institutions and practices of democracy. Ironically, “good governance” has also jeopardised efforts to improve the responsiveness of the village government to the needs of the poor and marginalised (see Syukri 2022). This particular mode of governance, where national and district governments position village governments as the lowest level of state bureaucracy without autonomy and treat them as primarily an object of state power, control and strict regulation, has limited the creation of innovative social programmes in villages. Based on continuous surveillance and control, this mode of governance lacks trust and empathy, and positions villagers and their government as potential obstacles to the “national interest” and even criminalises some actions under various laws introduced to manage “good governance.” Such a policy is inspired by the assumption that villagers and their government are ignorant and unable to manage their development or handle their problems (Interview, Sutoro Eko, Yogyakarta, July 13, 2018). Such attitudes and resultant policies mangle the principle of “empowerment” that was initially a focus of the participatory approach (see Batliwala 2007).

Given the control of the supra-village government, village administrators feel impelled to follow assiduously national and district regulations. Unfortunately, they are unable to do this. Village executive members of the three research sites had only a weak understanding of the PVG policy. Most had never read the Village Law and its implementing regulations. The village executive is in a bind, afraid to ignore regulations, but knowing little about them. The result is mechanistic policy formulation at the village level: policy is developed according to a format that has been provided by the national or district governments or based on examples the village governments have copied from neighbouring villages. Hence, it is hardly surprising if villages do not initiate locally specific and innovative programmes. This approach has affected the way village governments develop policies and programmes, and especially social policies and programmes.

The tight grip of national and district authorities is not the only reason why villages cannot develop appropriate social policies. The fact is that neo-liberal ideology is inherent in PVG and it has exacerbated mechanistic policy formulation in villages, and most especially in how PVG defines and deals with poverty (see Syukri 2022). Not least, in a pattern seen elsewhere, this neo-liberal character has hindered PVG policies from affecting a fundamental issue: the need to create democratic institutions, where people have equal access to decision-making (see Brown 2006; Ayers and Saad-Filho 2015). While the neo-liberal approach emphasises communities, its impulse is for a strong good governance regime that is technocratic. With this approach, educated and expert elites become more prominent and powerful, and reduce the chance that communities, and especially marginal people, will take part in or influence decision-making.

Another neo-liberal characteristic of PVG that can have a negative impact is its advocacy of democratic decision-making as a task for individuals (see Kiely 2017). In PVG, every strategic decision made in villages is meant to be through a participatory mechanism in which *every* villager is *assumed* to have an equal opportunity in the decision-making. The reality is quite different. The poor, women, and others on the margins do not have true access to the decision-making process because of their subordinate position in an unequal village power structure. For many of these villagers, attending decision-making meetings has a high opportunity cost because they have little time to spare from managing their livelihood and households. And, as already noted, the tendency to technocratic decision-making further marginalises these people. Technocratic decision-making and

top-down policy prescription, together with surveillance and control marginalises locals and undermines the very notion of village democracy.

Conclusion

An inclination for a strong state role in development has been evident in Indonesia since independence, so it is no surprise that the idea has been reasserted under President Jokowi as he has pushed for rapid growth and poverty reduction. The rapid growth achieved under Soeharto's New Order owed much to an authoritarian state, a lesson learnt by some in the Jokowi government. Hence, this regime has demonstrated a tendency toward strengthening an authoritarian state to implement its brand of New Developmentalism. While Warburton (2016, 2018) elaborated the general characteristics of New Developmentalism in Indonesia, this article has sought to show how this New Developmentalism operates at the village level, and has emphasised how the government's participatory governance policy has operated.

Warburton's (2016) characterised Indonesia's New Developmental state as demonstrating hybrid and pragmatic tendencies in governance. While it has used neo-liberal technologies of government at a distance, it also retains the state's coercive and bureaucratic machinery. This mode of governance has been effective in streamlining the national government's mission at the local level: the "national interest," no matter how problematic, can easily be fashioned as the main priority in village development planning. Using coercive and bureaucratic techniques, the national government has sought to ensure that local actors conform to its rules and priorities, deploying its resources to dictate and achieve the "national interest," often trumping the utilisation of those resources to satisfy local needs and solve local problems.

But New Developmental governance comes with problems. Its shortcomings are internal, arising from its logic and structure, and external, arising from the implementation of New Developmental governance. The administration's pragmatic approach to governance has meant that local democracy and citizens' rights take a policy back seat. In sacrificing these, the government has opted for short-term village economic development gains that serve a (problematic) "national interest."

There are at least two national-level impediments to New Developmentalism that impact villages and their governance and development. First, despite its capacity for control and coercion, the state bureaucracy is not able to play its role as the leading agent of development. Second, an adherence to New Developmentalism has seen democratic backsliding (see Hadiz 2017; Power 2018; Diprose, McRae, and Hadiz 2019). The effort to create national stability, as a precursor for development, diminishes the practice of democracy and jeopardises civil liberties.

Both shortcomings impact villages. While there have been improvements in village government capacity for administration and to deliver services, despite training and advice, the capacity of village government staff remains limited. What is more, the changed institutional framework in villages has failed to deepen village democracy, institutionalising a powerful village head and removing checks and balances on this power. With this "innovation," democratic institutions and practices, which have seldom been strong in villages, have become more vulnerable.

Notes

1. The SMERU Research Institute is a policy research institute in Jakarta that focuses on issues of poverty and marginality. The author was the team leader of the study until early 2017.

2. The economists who subscribe to this idea have created a website, and the theses and other resources on this topic can be found here: <https://www.networkideas.org/alternatives/2010/10/ten-theses-on-neo-developmentalism/>.
3. In general, the Ministry of Home Affairs' regulation No. 84/2015 sets three categories of village staff: (i) Village secretariat, which can have a maximum of three affairs (Administration and general affairs, Financial affairs, and Planning affairs); (ii) Technical implementation staff that can also have a maximum of three sections (Government section, Welfare section, and Public service section); and (iii) Hamlet heads, the number of which depends on the number of hamlets in a village. The classification and development variables are based on the older Ministry of Home Affairs Regulation No. 12/2007 on guidance in developing and using village profile data. The classification is based on scoring the level of development of nine variables: village economy, education, health, security, political sovereignty, community participation, community institutions, performance of village government, coaching, and supervision.

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