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**Local Governance, Decentralization and
Participatory Planning in Indonesia:
Seeking a New Path to a Harmonious Society**

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Abstract

Post-Suharto Indonesia is moving towards more participatory development planning, within the framework of new decentralization policies which allow local flexibility. Former development policies and programs were uniformly implemented throughout the nation under a ministerial decree which disallowed any possibility for differentiated models. Within the framework of new decentralization policies, participatory planning allows local government to be more responsive to public which in turn will deliver a better service. More importantly, the characteristic of participatory planning that trying to involve all development stakeholders can minimize potential conflict among those involved in development. This paper focuses on how the practice of participatory planning outlines the need of public administration to change its role and function in development and how it contributes to build a more harmonious society.

This paper examines the practice of participatory planning in decentralized Indonesia with empirical finding from Solo Municipality which has adopted a participatory planning in 2001. This has been accorded recognition through a 'participatory award' from LogoLink, an international network for participatory planning initiatives. In Solo, rethinking the development paradigm was crucial because the city's diversity has contributed to a high level of conflict social disintegration. This paper argues that the implementation of a participatory planning approach in Solo has reduced the risk of high conflict potential in the city because it positions equality and freedom of expression as an important right for citizens. In general, this covers the issues of partnership and community participation, improving human resources management, economic development, and law enforcement. Furthermore, the paper found that the new participatory planning which was jointly initiated by universities, NGOs, and the new Solo Planning Agency (Bapeda) has strengthened the need of public administration to change its role and function in development. However, after four years of participatory planning implementation, the approach is still facing daunting issues related to the behavioural change of government officials and other 'development experts', lack of legal frameworks, and power relations issues.

This paper concludes that even though the practice of participatory planning in Solo has opened a new track towards a more harmonious society, in fact shifting into a new development paradigm is not an easy job. Participatory planning urges those who held power to share their power with other development stakeholders, which in fact reducing their role in controlling community. Learning from Solo case study, it is important to emphasis the need of local government to change the way they behave and develop new relation with community and other development stakeholders.

Key words: Local governance, decentralization, participatory planning, harmonious society.

I. Introduction

Post-Suharto Indonesia is moving towards more participatory development planning, within the framework of new decentralization policies which allow local flexibility. Former development policies and programs were uniformly implemented throughout the nation under a ministerial decree which disallowed any possibility for differentiated models. As a consequence of decentralization process, the recent local government policies and practices are influenced by social, cultural, economic, and political backgrounds across the diverse archipelago. Even though the decentralization laws in Indonesia are still looking for its fixed forms. In term of development planning, decentralization process has been opening chances for local government to develop new planning mechanism as shown in various locality such as in Bima and Dompu regencies under GTZ's Support for Decentralization Measures (SfDM project), 35 municipalities and regencies in various provinces under USAID's Perform (Performance Oriented Regional Management) Project, and budget planning in Bandung regency (Usui & Alisjahbana 2003; Soemarto 2003; GTZ Advisory Team 1997).

Within the framework of new decentralization policies, participatory planning allows local government to be more responsive to public which in turn will deliver a better service. More importantly, the characteristic of participatory planning that trying to involve all development stakeholders can minimize potential conflict among those involved in development. This paper focuses on how the practice of participatory planning outlines the need of public administration to change its role and function in development and how it contributes to build a more harmonious society. This paper examines the practice of participatory planning in decentralized Indonesia with empirical finding from Solo Municipality which has adopted a participatory planning in 2001. This has been accorded recognition through a 'participatory award' from LogoLink, an international network for participatory planning initiatives. In Solo, rethinking the development paradigm was crucial because the city's diversity has contributed to a high level of conflict social disintegration.

II. The Changing Nature of Public Administration: The Emergence of Participatory Approach in Local Governance

Even though the debate on the concept of public administration is still remains, both as practical and field of study, it considers as the most important field in political science (Starling 2005, 1). It is also viewed as a dynamic concept since being influenced by social, political, economic and cultural environments. Berkley & Rouse argue that the dynamic of public administration is closely related to the increasing value of disparities among community (2004:xi). In the same vein, Peters notes that the dynamic of public administration leads to the differences of public administration practices across countries (2003,2). Considering those factors, there is a need to use integrated and multidisciplinary approach in understanding public administration.

The emergence of the New Public Management (NPM) in 1980s and 1990 characterized the evolution of the nature of public administration. Regardless the differences in the way public administration theorist called the NPM model which ranging from 'managerialism' (Politt 1993), New Public Management (Hood 1991), 'Market Based Public Administration' (Lan, Ziyong & Rosenbloom, 1992), etc. In fact the New Public Management basically focus on management and on performance appraisal and efficiency. Therefore, the direction of the NPM is moving towards private sector characteristics (Starling 2005;Peters 2003;Hughes 1998). Compares to traditional understanding of public administration, the latest development of public administration is influenced by democratization process within global economical and political systems (Starling 2005; Peters 2003). The new understanding of public administration is now placing the concept of "governance" as an important element in public administration.

Even though the definition of governance has a great variation, the most fundamental notion of governance for our purposes is that government no longer is the autonomous and authoritative actor that it might have been at one time. Rather, the public sector is now conceptualized as depending upon the private sector in a number of different ways, and much of public policy is developed and implemented through the interaction of public and private actors. Since governance is understood as the process of decision-making and the process by which decisions are implemented, an analysis of governance focuses on the formal and informal actors involved in decision-making. OECD (2001) notes that good governance has 8 major characteristics, which includes participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law as shown in the figure below:

Figure 1. Characteristic of Good Governance



Sources: (OECD 2001,117)

The call for establishing good governance has opened the chance for the public to be involved in decision making processes. The old style of government dominated development programs is no longer trusted. Instead there is an urge to ensure direct participation of the community in conceptualizing, planning, implementing, monitoring and evaluating development programs. Many argue that governance will find its best performance within decentralized system (Samaratunge 1998; Rondinelly & Cheema 1983). Decentralization focuses on two main aspects, which includes: decentralization between levels of government and also from government to other institution such as the market and non governmental organizations (Bennet in Samaratunge 1998, p. 7). It is the transfer of legal, administrative, and political authority to lower level government to decide and manage public functions (Samaratunge 1998, p. 8). Conyers (1990) argues that decentralized governance is produced by good governance. Her research found that more than 62 developing countries has been implementing decentralization process which basically offers 'open space' for community to be involved in decision making and development planning process.

In discussion of good governance, Saito argues that decentralization can contribute because it can change the relationship between central government with local government, as well as growing the relationship between government and civil society (2000, p. 1). Since the 1980s, decentralization has been promoted as a solution to many problems of administration and governance. In the global context, according to the IDRC, decentralization has almost become a prescription to gain a more democratic society. Most governments like the idea of opening the blockage of centralistic government, improving management capacity, and giving more direct access to the policy making process. In developing countries in particular, decentralization has gained its popularity due to problems arising from the impact of centralistic government (IDRC 2002, p.1-2). Gilbert estimated that 63 out of 75 developing countries implementing decentralization policies to share their central government functions to local level governments (Helmsing 2001, p.2). More specifically, Conyers argues that the benefits of decentralization are its capacity in increasing people's participation in planning development activities (Conyers 1990, p. 16).

However, LogoLink noted that in many cases, decentralization of powers, authorities, and responsibilities for delivering basic services to local government has not been accompanied by the decentralization of resources needed to carry out these mandates (2002, p.17). The case of decentralization policy in some South African countries showed that the incapability of local government in managing local resources led to the failure of decentralization program (Rondinelli 1982). One important aspect of decentralization policy is how it relates to decentralized fiscal resources. How can local government implement planning and policy if they have no access to financial resources? For example, in Zimbabwe decentralization programs failed because the central government still held all financial resources under their authority (Conyers 1990, p.21). In contrast Philippines decentralization program is considered successful because it has a

legal framework that ensures the central government will decentralize financial resources to local level (Logo Link 2002; IIRR, LGSP, & Sanrem CRSP 2001). Even though the relationships between decentralization and participation are already obvious, the degree of the success of the practice of participatory planning depends on power relation issues. What power is actually decentralized? And to whom is power decentralized? Who has power at the local level? (Conyers 1990, p. 21-24).

III. Participatory Planning Approach: An Alternative Strategy for Building a Harmonious Society

The new planning paradigm was declared by the United Nations Centre for Human Settlements (UNCHS) 1994 in Nairobi, the declaration stated that new development planning should consider community participation, involvement of all interest groups, horizontal and vertical coordination, sustainability, financial feasibility, and interaction of physical and economic planning. The declaration reached a consensus that community becomes the main agent of development because it is the community, which is directly impacted upon by development planning. The new terminology of anti centralistic planning such as bottom-up planning, participatory planning, democratic planning, grass root planning, public involvement, collaborative planning, advocacy planning, and so forth, show that philosophically new development planning paradigms should open more space for the public to participate in decision making processes that affected their own lives and future.

Friedman defines planning as a process that connects scientific and technical knowledge with activities in the public domain to enhance social transformation processes (2000, p. 3). Furthermore he argues that planning can be seen as social learning and social transformation. As social learning, planning positions the government as facilitator. The characteristic of this planning is learning by doing by people. It is decentralized, bottom-up, and politically open. As a social transformation, planning is a political process with a collective ideology (Friedman 2000, p. 4). Participation is defined as public involvement in development. The degree of people involvement in development could be varied. Arnstein stated that in practice, participation can develop to three main different typologies including non participation, degree of tokenism, and degree of citizen participation (1969, p. 216-7). In planning theory, participation is understood as giving a space for the public to discuss their own problems and priorities. The degree of community participation in planning process will depend on the dynamics of knowledge, actors, and spaces within the planning process. In understanding participatory planning processes, the three elements above become important. Participatory planning usually involves different range of stakeholders with their own knowledge and interest. The knowledge used in the process also varied based on the stakeholders involved. The space refers to all opportunities that influence the planning processes including formal and informal organizations and policy making processes (LogoLink 2002, p. 8-9).

The benefit of public participation in planning is bringing closer relations between local authority and community. Decentralized planning, it is believed, can overcome all the limitations created by centralized planning (Cheema & Rondinelli 1983:14, Samaratunge 1998, p. 2). It can cut short a long procedural process and as a consequence should increase local officials' knowledge of administrative capabilities (Cheema & Rondinelli 1983:15). Benefits of participatory planning identified by Rondinelli are:

- Accommodating local need
- Cutting bureaucracy process
- Creating more effective and realistic planning
- Giving greater political and administrative effect to remote areas
- Greater representation in policy making process

- Greater administrative capability for local government in managing development,
- More efficient, political dynamics, controlling decision making process,
- Flexible, innovative and creative administration
- Local leaders can locate services and facility more effectively
- Increasing national unity, increasing the numbers of public goods and services (1981, p. 135-136)

It also allows local leaders to locate services and facilities more effectively within communities (Cheema & Rondinelli 1983:116), and involves communities in identifying and planning their needs as well as implementing and evaluating them (Logo Link 2002, p. 34). Moreover, the advocates of participatory planning believe that this approach can open opportunity for people excluded from development not only to participate in decision making but also to assess levels of local government transparency and accountability (Logo Link 2002, p.4). Decentralization of management and development planning is important because it can spread growth and integrate different regions and diverse countries. For example Tanzanian administrative reform in 1972 abolished traditional government, and gave more authority to local level government in designing development planning (Rondinelli 1981, p. 134).

In term of promoting a harmonious society, local governments can play an important role in facilitating and promoting peace building through good governance. The principles of good governance that assuring the equitable and accessible provision of government services, the protection of security and human rights and the active promotion of community harmony and a “culture of peace” can be achieved through appropriate approaches and tools. Therefore, participatory planning approach can be used as an alternative strategy towards a harmonious society.

IV. Participatory Planning in Decentralized Indonesia: Seeking a New Path to Harmonious Society

As previously mentioned, Indonesia is now moving toward a more participatory planning. However, in practice there are many differences depending on the social, cultural, and political backgrounds of the localities. Among others, a successful example has occurred in the municipality of Solo, which adopted a participatory planning approach in 2001. This has been accorded recognition through a ‘participatory award’ from LogoLink, an international network for participatory planning initiatives (Sugiartoto 2003, p. 202). Solo, also known as Sala or Surakarta, has an important place in Indonesia’s history as the capital city of the former Mataram kingdom. It is known as a center of Javanese culture, and is home to two historic palaces - the Surakartan Palace (Keraton Kasunanan) and Mangkunegaran Palace. Both palaces are now symbolic, and have no administrative or decision-making power. In modern Indonesia, the city has emerged as a forerunner in the reform movement (Sugiartoto 2003, Qomaruddin 2002a,b).

It is located in Central Java Province, only 60 kilometers from the city of Yogyakarta, which is well known for its leading role in social and political change. The population of Solo is approximately 550,000. However, during the working day that can triple to 1.5 million, as people come from the surrounding areas for employment, trade, commerce, and governance activities (Sugiartoto 2003; Pratiknyo 2002). Solo is a municipality with five sub districts and 51 smaller divisions known as *kelurahan*. Under new decentralization the municipality carries the same functions as other Indonesian local government areas, including responsibility for education, health, social services, and public administration.

Previously, development planning in Indonesia was highly centralized and followed complex stages of planning, characterized by elite and bureaucratic domination from sub-village (*kelurahan*) to national levels. After a long struggle, Indonesia gained independence from the Dutch colonial power in 1945. Five Year Development Plans

were introduced in 1969, and from that time to the third plan which ended in 1984, Indonesian development prioritised economic growth rather than social issues. During this time, Indonesian development was designed by and for political leaders, economists, and administrators for their own benefit (Cheema & Rondinelli 1983; Mathur 1983; Samaritungge 1998a). The main stakeholders of development planning processes at the national level were the National Development Planning Board known as BAPPENAS (Badan Perencanaan Pembangunan Nasional), all ministries, regional governments, and other related institutions. Universities were involved as consultants. At province and regency levels, development planning was conducted by government agencies known as Regional Development Planning Boards, or BAPPEDA (Badan Perencanaan Pembangunan Daerah).

At the village level, planning was conducted under the strong influence of the village head and a government organisation known as the Community Resilience Group (Lembaga Ketahanan Masyarakat Desa, or LKMD). Theoretically, the LKMD represented community needs, although in reality it only strengthened the power of the village head, who appointed the LKMD head and secretary. Members were mainly elite community figures (Tokoh Masyarakat) (Antlov 2002b; Van Den Ham & Hady 1989). As a consequence, poor communities rarely involved in decision making process, and development focused on physical infrastructure (Sugiartoto 2003; Pratikno 2002).

This has been categorized as 'development by, for, and from the kelurahan officials' (Sugiartoto 2003, p.140). In fact, case studies show that kelurahan officials also had no strong bargaining position in planning. Although local level planning may have been conducted by kelurahan officials, the programs undertaken were determined at higher government levels, without appropriate representatives from the kelurahan (Rahmanto 2003; Pratiknyo 2002).

Indonesia's development planning has been described by officials as participatory since the early 1980s, yet the notion of participation was rhetorical rather than real. Participation at that time was limited to the middle class, including academics, local bureaucrats, or well known business people (Hady 1997:p.151; Sjaifudian 2002: 3). Development planning in Indonesia evolved from mainly top down during the 1960s to a combination of bottom-up and top down planning in 1982, when a ministerial decree for bottom-up planning processes was enacted. This established Guidelines for Local Development Planning and Monitoring known as the P5D system (Pedoman Penyusunan Perencanaan dan Pengendalian Pembangunan di Daerah). Under this law, development planning was intended to be conducted from the lowest level of government administrative bodies (villages and kelurahan) to district or municipality levels. However, because the P5D system positioned upper level government as decision makers for the lower levels, local government had no ability to decide which programs could be funded or implemented. After lengthy and cumbersome decision processes, higher level planners approved only 5-10 % of proposals initiated at village level (Buentjen, quoted in Sjaifudian 2002, p. 4).

Criticism of the old planning mechanism strengthened with the reform era of 1998, following the downfall of the Suharto government. An early change under decentralization in Solo was to change the name of the former Community Resilience Board (LKMD) to the Village Community Development Institution (Lembaga Pemberdayaan Masyarakat Kelurahan, LPMK). The institution's function also changed, it is not the only institution which can make final decision in planning process as previously, rather planning process involves various village institutions. Although problems still emerge due to misunderstandings about the new role, and to the inconsistency of local regulations. For example, the Mayoral Decision ratifying the LPMK in 2003 stated that participatory development planning is the responsibility of LPMK. In contrast the previous Mayoral Decision on participatory planning mechanisms stated that the process would be conducted by an independent committee. Another inconsistency is in designing block grants. Again, the Mayoral Decision stated that LPMK has a role in this design, while a different Mayoral Instruction states that the block grant should be designed by a nominated committee. Moreover, the organizational structure of LPMK is not clear. For example it includes the Women's Welfare Organization, when that group existed

independently under the existing kelurahan administrative system.¹

In Solo, rethinking the development paradigm was crucial because the city's diversity (as described in Table 1) has contributed to a high level of conflict social disintegration.

Table 1. Structure of Solo Community 2003

Population		Sub District				
		Jebres	Pasar Kliwon	Laweyan	Banjarsari	Serengan
		136.866	85.374	107.200	162.363	61.758
Religion	Muslim	103.901	54.130	85.215	114.368	47.048
	Christian	30.624	30.289	21.133	45,590	14,500
	Buddha	1397	869	433	1.556	145
	Hindu	944	87	419	869	62
Socio-Characteristics	Economic Academic	Ethnicity Academic	Religious	Entrepreneurial Urban	Slum area Agricultural	Developing Industrial

Source: (Kartono 2004, p. 54)

Between 1911 and 1998, Solo experienced at least 11 major riots relating to economic disparities, political, and social issues. These began with conflict between Javanese and Chinese traders in 1911, radical anti *Surakarta* Palace movements in 1918-1920, and anti Chinese movements in 1960 and 1980. The most serious violence surrounding the downfall of the Suharto regime in 1998 occurred in Solo. Apart from the social and personal loss and destruction, the region lost around IDR 500 billion (equivalent to US \$ 58,823,529 at IDR 1 = US \$ 8500), 10,000 people lost their jobs and it also created unemployment for around 50,000 to 70,000 people (Kartono 2004; Qomaruddin 2002; Pratiknyo 2002, Sugiartoto 2003). Kartono noted that the high conflict potential of Solo was triggered by power and value struggles within the diverse community, and argues a new alternative planning process that considers community participation is needed. This should help to overcome the socio-economic disparities, and must also consider conflict management (2004, p. 11-12).

In particular Solo has introduced a new paradigm in development called humanized development (*Pembangunan Nguwongke Uwong*) that positions equality and freedom of expression as an important right for citizens. In general, this covers the issues of partnership and community participation, improving human resources management, economic development, and law enforcement. The new participatory planning was jointly initiated by universities, NGOs, and the new Solo Planning Agency (Bapeda) (IPGI Solo 2002a; GTZ & Bappenas 2003; Kustiawan 2003; Sugiartoto 2003;).

Solo city government made a radical change in 2001 by introducing direct community involvement through a mechanism called Participatory Development Planning (*Perencanaan Pembangunan Partisipatif, PPP*) (IPGI Solo 2004, LogoLink 2002, Pratiknyo 2002). The change in Solo began when a government official at municipality level, named Qomaruddin, was involved in a Ford Foundation-supported study tour on Decentralization and Participatory Governance to the Philippines in 2000. Following this, he was able to advise the mayor and other staff about participatory practices. However, as has often occurred in Indonesia's transition to democracy, he met with resistance from those afraid of losing power and control (Logolink 2002; Pratiknyo 2002). At the same time he continued working with interested NGOs and academics and established a partnerships forum called IPGI (Indonesian Partnership for Good Governance Initiatives) Solo (Sugiartoto 2003, p.30). IPGI Solo conducted discussions at local level to determine an appropriate planning concept. These discussions involved Solo Planning Agency (Bapeda), the State University of Surakarta and Gita Pertiwi, a local NGO involved in environmental and governance issues (Sugiartoto 2003).

¹ (Personal Communication, IPM Solo staff, Division of Community Empowerment and Advocacy, 2004).

This began with research on the role of the Community Resilience Board (LKMD) in development. This was conducted in 10 selected *kelurahan* out of the 51 *kelurahan* in Solo. The selection of the research sites was based on certain criteria that reflected Solo's diversity, such as majority Muslim *kelurahan*, those occupied by mostly poor communities, others mostly populated by non Javanese, *kelurahan* facing complex informal sector problems, *kelurahan* mostly occupied by wealthy communities, and those far from the city center which rely on agricultural activities. This research found that the domination of LKMD in development planning at *kelurahan* level created high community resistance to the role of LKMD (IPGI Solo 2004a; Sugiartoto 2003).

The new wave of decentralization has not made any significant change to local development planning, which remains weak and confusing. The initial enactment of Solo's new participatory planning method in 2001 was not very effective, possibly because at that time, the idea of establishing new planning mechanisms was still new. Wording of the relevant mayoral document suggested that only *kelurahan* level governments should follow participatory planning.² The Solo government was caught between accommodating a new idea and keeping the old system that was still used nationally.

The legal framework of participatory planning was also unclear at provincial and national level. This contributed to the uncertainty of planning processes at *kelurahan* levels, and to the resistance from *kelurahan* government officials to conduct the new methods. However, IPGI Solo persisted in their efforts to introduce change through participatory pilot projects in the ten villages previously researched (Sugiartoto 2003; Pratikno 2002). Regardless of the difficulties, the initiative of IPGO Solo in partnership with Solo's local government is considered good practice because even within the uncertain planning laws and procedures, local government followed a new paradigm of development.

The experiences from other countries including the Philippines, Vietnam, and Nicaragua also show the importance of legal frameworks (Logolink 2002). However, the existence of a legal framework itself does not guarantee the degree of success of participatory planning. Other enabling factors such as a strong community, involvement from NGOs, and other social and political elements are major contributors to the success. For example, the Philippines could implement participatory local planning, because appropriate socio-political environments existed along with legal frameworks. However, in Vietnam, even though the relevant legal frameworks have been in place since 1945, participatory planning has never been practiced because of the absence of other enabling factors (LogoLink 2002, p.32-35).

Under Solo's Mayoral circular letter in 2001, the new planning mechanism began with Development Meetings at the *Kelurahan*, Sub Municipality, and Municipality levels. Decisions then moved to the Regional Planning Board (*Bapeda*), and on to budget planning through the regional government, before projects were undertaken at community level. A forum was elected from community, government, university, and private sectors to conduct the *Kelurahan* Development Meeting. The LKMD and the *kelurahan* head (*lurah*) who previously functioned as the main decision makers in *kelurahan* planning processes now function only as facilitators, and the funding of Kelurahan Development Meeting came from the Solo Municipality Annual Budget (APBD) (Sugiartoto 2003, p.100).

Changing to a new paradigm is a slow progress because of the institutionalization of the old planning mechanism for more than twenty years. Barriers to new planning methods and ideas included cultural obstacles, attitudes and orientation both of the bureaucracy and the people (Sugiartoto 2003, LogoLink 2002). For example, the Javanese community is very patrimonial and hierarchical, and its culture contrasts with the principle of participatory planning (Logolink 2002, p. 25). As Sugiartoto points out, this attitude developed in Solo's royal court (*kraton*) and disallows the possibility of viewing ordinary citizens as equals. Because there is a domination of "old older" [does this mean more older people attending, or people giving respect to the old-older**] in the meetings at *kelurahan*, sub-district, district and city level, this culture continues. Within this, the relationships between leader and community, government and community still

² Circular letter from Solo's Mayor (*Surat Edaran, SE Walikota*) No. 411.2/789.

follow the patron client system (2003, p. 27). Most of the bureaucracy in Solo shows resistance to change, especially those who gain benefits from the existing old system. Many bureaucrats are still skeptical and doubtful of participatory planning processes (Bapeda Solo 2002, Logolink 2002). Hence, change is still largely superficial, and the top-down approach still dominates.

In the first year of its implementation the new planning mechanism only showed a slight difference compared to the previous method under the P5D system. From IPGI Solo's experience, the new planning implementation did often increase the number of people involved in the process. For example, in *kelurahan* Batuanayar, P5D meetings were usually attended by 30 to 40 people, whereas in 2001 between 35-105 people were involved in the new mechanism. However, the increased community involvement in the process did not guarantee a significant change to the planning process, because the community does not understand the methodology of participatory planning. Perhaps because of adherence to the influence of the old development planning frame, the first *Kelurahan* Development Meeting was also conducted without clear direction. There was no list of program proposals made. The domination of local elite still occurred, hence development still remained the same and mainly focused on physical infrastructures and building such as *kelurahan* office and renovation of the symbolic village gateway (*Gapura*).³ (IPGI Solo 2004a; IPGI Solo 2002).

Throughout the Suharto period, the community came to understand development as merely physical. Moreover, people had neither the means nor confidence to criticize, and tended to accept government decisions, leading to inappropriate programs. Qomaruddin noted that this legacy engendered difficulties in Solo planning processes in terms of gaining community participation. Another problem is that the community had no experience in conducting democratic meetings, therefore their capacity and skill remained very limited (2002, p. 14). At the next level, that of sub municipality, the same situation occurred. Whereas, on the first day of a Sub Municipality Development Meeting in *kelurahan* Banjarsari, for example, up to 397 people could be involved, the outputs remained the same as the P5D system. In 2001, seventy per cent of programs concentrated on physical development, and only thirty per cent on social, economic and cultural issues (Sugiantoto 2003, p. 171). At the higher district level, the number of people involved was far greater than expected. At least 800 people from different areas were involved in the planning process. However, the output again could not satisfy stakeholders involved in this case, because of inappropriate time management. Most of the time was consumed by discussion of a code of conduct rather than the content of development issues (Sugiantoto 2003, p. 174-7).

In 2002, the second year of the new mechanism, planning at *kelurahan* level showed a difference in prioritizing development activities. A new Mayoral Decision provided stronger law enforcement, and increasing attention was paid to non physical activities, including a credit scheme for pedicab drivers and food sellers, land reclamation programs, and street vendor issues (Pratiknyo 2002; IPGI Solo 2002; Sugiantoto 2003; IPGI Solo 2004a). After the learning experience of the first year, the 2002 *Kelurahan* Development Meeting was conducted with a clearer direction and more support from higher levels of local government. For example the Regional Planning Board collaborated with IPGI Solo to train 255 facilitators for 51 villages (IPGI Solo 2004a, 12-13). The process started from neighborhood meetings which listed program priorities to be discussed at sub district meetings. Not all *kelurahan* were able to submit a list of priorities because of their limited capability in producing appropriate plan document, and in those cases the sub-district committee prioritized programs based on data provided at the *kelurahan* meeting. During this period, community interest and involvement in *Kelurahan* Development Meetings increased, and although some *kelurahan* heads had difficulty

³ During the Suharto New Order Era, *Gapura* symbolized levels of development achieved in Indonesian villages or *kelurahan*. A *gapura* could be erected only after a certain percentage of households in the settlement were classified as having left the poverty level. Often, disproportionately large sums of money were expended on their construction and maintenance.

gaining community participation, others attracted strong interest, with the highest involvement being 400 persons (IPGI Solo 2004a, p. 3).

Women's participation in the *Kelurahan* Development Meeting only increased from 5 per cent in 2001 to 7 per cent in 2002. However, the real progress was that people began to address structural issues which were impossible to openly discuss under the New Order regime. From the second year of participatory planning implementation, Sugiartoto noted at least three lessons learnt. They were that people were more open to change, they were also starting to criticize government policy, and becoming more aware of their own problems (2003, p. 196-7). A number of significant problems are still to be overcome. There is still a highly structured hierarchical power relationship in the local culture. In negotiations between people and the state, this is overtly stated** through the formal uniforms worn by local government staff. Another difficulty is that the introductory participatory planning generated 'wish lists' that frustrated the community and officials because the program proposals made were rarely approved (LogoLink 2002, p. 46-47).

A number of practical problems also occurred. In one case, socio-economic representation was unequal, and in another ward officials were excluded from the meeting for the sake of efficiency. Some *kelurahan* facilitators were ineffective, and presented a long list of problems or needs without any clear indicators of how problems occurred and how they could be resolved (Rahmanto 2003, p. 67). The uncertain role of the still extant Community Resilience Group (LKMD) also created difficulties. (IPGI Solo, 2004a, p. 4). Some inconsistencies still remained due to lack of coordination and agreement between local government offices, and the production of different documentation. For example, relevant new local planning documents such as Local Annual Plan (*Repetada*) and Local Strategic Plan (*Renstrada*) were not available because the main guideline, the Local Development Program (*Propeda*) was still only in draft form. Planning documents also followed different time frames. One of these was for the period 2002-2005, another for 2002-2006, and yet another for 2003-2007 (GTZ & Bappenas 2003, p.70). The latest Solo participatory planning mechanism under the 2004 Mayoral Decision addresses these issues by integrating the planning documents.

Despite the practical problems, in 2003 and 2004, community involvement continued to increase. Development prioritized long term programs such as the poverty alleviation program in *kelurahan* Pasar Kliwon that allocated a block grant for the pedicab driver credit scheme (economic aspect). Other *kelurahan* allocated scholarships for the poor (free education for the poor) (IPGI Solo 2004a; IPGI Solo 2004b). Budget transparency began to increase, including clarification of funds allocated to development programs.

In 2004, significant changes were made to gender issues, representation, program priorities and indicators, role of planning committees, opportunities for participation, time frame, design of Mayoral Decisions, and transparency (IPGI Solo 2004a,b). Every planning stage is now required to involve at least 30 women, and the Priority List must also consider women's perspectives. The 2004 initiatives also involve the informal sector more directly in planning process. Another change is that Priority List is no longer held at district level, but is decentralized to the sub district level. The Mayoral Decision is also designed for more public involvement, and must be discussed publicly before it is enacted.

The new participatory planning method has generated significant differences in terms of stakeholders involved, mechanisms used, levels of community participation, and financial sources. The old system only involved the head of *kelurahan*, sub district staff, the LKMD and informal leaders. However, the new planning system involves NGOs, civil society organizations, informal sectors, *kelurahan* officials, political parties, university staff, and the *Kelurahan* Community Development Institution (LPMD) previously called the LKMD (IPGI Solo, 2004a). The new planning begins with neighborhood discussions, and aims to maximize community participation. Financing now comes from Solo's local development budget called the *Kelurahan* Block Grant. The role of government now is mainly as facilitator rather than decision maker.

IV. Conclusion

This paper argues that the implementation of a participatory planning approach in Solo has reduced the risk of high conflict potential in the city because it positions equality and freedom of expression as an important right for citizens. In general, this covers the issues of partnership and community participation, improving human resources management, economic development, and law enforcement. From analyses of Solo case, it is evident that the limitations of participatory planning practice relate to the loss of community trust in the role and function government at all levels. For example, it is a tendency of local government to merely change the name of institutions or processes without introducing real change. One demonstration of this is resistance to the former Community Resilience Board (LKMD) as village level planner because of its image as a 'New Order Regime Institution'. Although the name LKMD was changed to Village Community Development Institution (LPMK), the basic functions of the institution and the degree of representativeness remains the same.

The dilemma of LKMD position in the development planning process indicates the 'anti New Order'. The same indications can also be found in many localities, and in my opinion have engendered demands for establishing a 'free New Order'. The desire for changes to institutions and system disregard of the positive or negative aspects of those institutions and systems. The importance of understanding the philosophy of the new system is sometimes neglected. This is shown in many localities when local government introduces 'new planning system' that is in fact still the same with the previous New Order Era planning system. This deception is used because they want to eliminate the negative image of New Order Era.

This paper also found stronger recognition of the importance of participatory planning in the decentralization era. Particularly in Solo, the local government has been working together with NGOs and civil society organizations to establish a new planning mechanism that generate a more participatory development. Solo experiences show that direct involvement of community in all the stages of the participatory planning process has created a feeling of inclusion and a sense of purpose. The community showed enthusiasm for the process (Qomaruddin 2002a, p. 15). Moreover, new relations between different ethnic groups began to develop. People were involved in participatory planning process as one community. As well the community has improved responsibility to development programs in their local areas. The community was motivated to learn skills related to the participatory planning process (Qomaruddin 2002a, p. 16).

From Solo case study, it can be seen that the success of participatory planning as an alternative strategy to build a harmonious society can only be achieved through maximizing the roles of all development stakeholders. The emergence of awareness of the importance of networking between all development stakeholders should be developed further to keep the balance relationships among all development stakeholders. However, change has not been maximize and is slow because there is a limited understanding of the process. In Solo, a strong local culture has influenced the practice of participatory planning through formality in *kelurahan*, sub municipality and municipality meetings. There is a tendency of elite domination and exclusion of women and the young generation. Another obstacle is the difficulty in convincing some top levels of local administrators and local parliament members to support the new planning method. In term of legal frameworks, there is a need to institutionalize access to information in decision making process.

It can be concluded that even though the practice of participatory planning in Solo has opened a new track towards a more harmonious society, in fact shifting into a new development paradigm is not an easy job. Participatory planning urges those who held power to share their power with other development stakeholders, which in fact reducing their role in controlling community. Learning from Solo case study, it is important to emphasis the need of local government to change the way they behave and develop new relation with community and other development stakeholders.

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