

**AN INTEGRATED INSTITUTIONAL DEVELOPMENT BASED ON
INDIGENOUS KNOWLEDGE FOR RURAL POVERTY ALLEVIATION
(PIDRA's Project Experience in Indonesia)**

Yekti T. Utami¹; TioNugroho; AyuNurfauziyah; and Mochammad A. Junaidi

Abstract

Indonesia has a success experienced in developing an integrated institutional through Participatory Integrated Development in Rainfed Areas (PIDRA)'s project since 2001 by involving local community in rural development program based on the idea of 'affinity group' which is refer to the people who has similarity in mutual trust, support each other, sense of brotherhood that is built on the basis of a sense of confidence, unity, togetherness, and a sense of equality. However, this model does not used as a 'blue print' by the government in order to develop an integrated institutional for rural community development on the basis of local knowledge in addressing poverty issues specific to the local context through community empowerment and the economic development of smallholders, poor rural women and men, and other marginalized groups. In addition, a principal development issue is how to ensure that the programs does not harm the community, but instead creates the basis local community participation for poverty reduction and sustainable development. In that regard, an integrated institutional development between formal and non-formal institutions in rural community has become crucial. This paper aims to explore the significance of integrated institutional development to alleviate poverty based on indigenous knowledge in social economic perspectives. This way can be used to enable the rural poor to overcome their poverty, integrate the local community and encourage the businesses to invest their profit in the form social and economic activities.

Keywords: Indigenous Knowledge, Integrated Institutional Development, Poverty Alleviation.

Background

The idea of development is a result of different historical process, theoretical concepts and practical approaches. This concept has undergone considerable change since the end of the Second World War (Remenyi, 2004). As the discourses in the social sciences in general and development studies in particular, development has occupying its own meaning. It is based on contemporary debates about the development process since questioned modernization perspectives in development which will be full biased of interest between developed versus developing or under-developed countries. Therefore, the study of development is concerned with how developing countries can improve their living standards and eliminates absolute poverty (Kingsbury, et. al. 2004).

¹ Brawijaya University, Malang, Indonesia.

Development is a process directed at outcomes encapsulating improved standard of living and greater capacity for self-reliance in economies that are technically more complex and more dependent on global integration than before (Remenyi, 2004). Process means a process of change in all areas of life that is deliberately on the basis of a specific plan which aims to improve welfare's community in both social and economic aspects. Furthermore, the main object in development program is community and it is known as community development which is essentially a continuous dynamic process of the community to realize the desire and expectations of a more prosperous life with a strategy to avoid the possibility of marginalization community, such as poverty.

Poverty is the leading problem that becomes concern of government in every country, particularly in developing and under-developed countries. As a grounded issue in the world, poverty eradication also becomes high priorities in current development program. According to Bass and Rouse (1997), poverty has become international commitment to be eradicated. In addition, millennium declaration which was agreed by heads of state and representative from 198 countries in the United Nations (UN) in New York in September 2000 confirms the main concern of the world community to cooperate on achieving the Millennium Development Goals (MDGs) by 2015. MDGs objective is to put the people as the main focus of development that includes all the components of activities that aim ultimately is to the welfare of society. Kin-moon (2010) argues that "The MDGs represent human need and basic rights that every individual around the world should be able to enjoy freedom from extreme poverty and gender equality". As consequences from this program, there are many donor countries were giving budgetary funding support to assist developing and underdeveloped countries to develop their own overall strategies for economic growth and poverty reduction. Mosse (1995) states that aid has framed by an international commitment to alleviate poverty. Furthermore, the study about rural poverty in developing countries shows that poverty has badly affected approximately one-fifth of the world's population, by which they only have less than \$1 a day for living (Khan, 2001).

In order to alleviate poverty, in previous time, government and development agencies created and planned several programmes, for instance investments, grants and subsidies. However, almost overall progress of programmes has been failing to fulfil the expectation. Bass & Rouse (1997) point out that low level of participation and decision making process by the poor and only rely on grants and subsidies make this program failed

to alleviate poverty. This is because poverty is multi dimensions and it is related to income-earning capacities, consumption, workplace opportunities, accessibility to the market, and social services. In view of this complexity, poverty alleviation strategy should be comprehensive by involving stakeholders, such as government, Non-Governmental Organizations (NGOs), private sectors and the poorest people.

Participation is a multidimensional and complex concept. Since the late 1970s there has been a range of interpretation of the meaning of participation in development. Furthermore, participation has two broad and distinct areas of development, namely 'participation as a means' and 'participation as an end' (Clayton, et.al. 1997)). Participation as a means is seen as a process whereby local people cooperate or collaborate with externally introduced development program. In this way, participation becomes the means whereby such initiatives can be more effectively implemented. People participation is sponsored by an external agency and it is seen as a technique to support the progress of the programme. Popular participation was positioned as a central pillar of the development of human resources (Cornwall & Brock, 2005).

In addition, participation as an end is seen as a goal in itself and it can be expressed as the empowering of people in terms of their acquiring the skill, knowledge and experience to take greater responsibility for their development. The term of participation is not limited to people knowledge and planning, but it is an important factor on development (Mosse, 1995). Similarly, participation can give the power or knowledge of an alternative discourse to people who are marginalised, especially the poor who those in the third world, women and rural dwellers (Sanderson & Kindon, 2004). Related to community empowerment, Onyx & Benton (1995; p.50) point out that participation is also an important element of self-help and empowerment process. In this program, people should be involved in decisions making that affect their lives, thereby gaining self-confidence, self-esteem and developing new knowledge and skills. Moreover, Sidorenko, (2006) point out that participation is a simply process of taking part in different scopes of social life, for example politic, economic, social, cultural and others.

Therefore, since 1980, the International Foundation for Agriculture (IFAD) as International Financial Institutions (IFIs) provided the first loan to Indonesia to enable the rural poor to overcome their poverty with various developments' programmes (IFAD, 2004). After the financial crisis in 1997-1998, IFAD developed development strategy for Indonesia through Country Strategic Opportunities Programme (COSOP). Furthermore, the

COSOP was developed based on past experiences from previous IFAD's operations and programmes which were held in Indonesia. According to the COSOP, the IFAD should more concern with rural poverty reduction in Indonesia and focus its target directly to the poorest of the poor, such as people who lives in the dry-land or rain-fed areas. The poorest people are defined as indigenous people, voiceless communities, rural young people and the marginalized poor in the most resource-poor areas (IFAD, 2004). Moreover, the COSOP recommended that IFAD's future strategy should pursue a double level poverty alleviation strategy ensuring that sector based and location specific project are linked up with the transversal one, for example the use of self-help group to enable an effective institution building of local communities should be a common feature of all IFAD funded projects in Indonesia.

The first poverty reduction project in Indonesia in 2000 based on group through empowerment processes rather than higher agricultural productivity and incomes is Participatory Integrated Development in Rain-Fed Areas (PIDRA) (IFAD, 2001; 2004). The basic concept of PIDRA is the importance of social mobilization and building social capital as a key dimension of IFAD's work in Indonesia (IFAD, 2004). The PIDRA project tries to reduce poverty by taking balanced approach and paying attention to the economic empowerment of the rural poor people through agricultural development. To understand rural development program, it is essential to examine the effectiveness of the current rural development program in developing countries, especially for encouraging and enabling poor people (men and women) to have better lives. It is also necessary to identify the supplementary needs for improving their quality of life and welfare, as well as for reducing poverty. This paper will focus on the rural development program in Indonesia experience in rural community development, particularly the case study on Participatory Integrated Development in Rain-fed Areas (PIDRA) project as an integrated rural development program in Indonesia in reducing poverty.

New Paradigm of Participatory in Development

'Participation in development' is not the same as 'participatory in development'. The demand of more widespread use of participatory approaches is both 'bottom up approaches' coming up from demand by local people and 'top down approaches' from decision making in the global aspects. Clayton, et.al. (1997) argues that participation implies a radical change in project planning system and operation. On the other hand,

participatory is the principles of participation are translated into the actual practice of development. Participatory development is not 'blue print' development, but it is a strategy which constructs its approach in relation to the demands of the project context.

In participatory methods ensure that all stakeholders become involved in a number of different activities which are integral to the development process. This is because participatory development is a process through which stakeholders influence and share control over development initiatives and the decisions and resources which affect them Van-Wicklin (2001). Furthermore, participatory in development is driven by a belief in the importance of entrusting citizen with the responsibility to shape their own future (Jennings, 2000). There is a need to conceptualized participatory approaches more broadly, for more complex analyses of the linkages between intervention, participation and empowerment (Moser & Solis (1991) in Cleaver (2001)). The participatory methods have five categories of participatory, namely: stakeholders' analysis, local level information gathering and planning, programme planning, multi-stakeholder collaboration, and large group intervention Clayton, et.al. (1997).

In development program, there are key principles of participatory development, namely: the primacy and people; people's knowledge and skills; people participation must empower women; autonomy as opposed to control local actions as opposed to local respond; allow for some spontaneity in project direction. According to Chambers (1974), Participatory Rural Appraisal (PRA) is a family of approaches and methods to enable rural people to share, enhance, and analyse their knowledge of life and conditions, to plan and to act. Within much participatory development discourse, 'people knowledge and local knowledge 'is sees as a fixed commodity that people intrinsically have and own. As an alternative, knowledge is culturally, socially, and politically produced and is continually reformulated as a powerful normative construct. Kothari (2011) states that on participatory methodologies requires the formulation and adoption of a frame work in which the micro is set against the macro, the margins against the centre, the local against the elite, and the powerless against the powerful.

The use of such intervention raises the issues of equity. According to Kotze (1987, in Onyx & Benton, 1995), community development program in third world countries was assumed that communities in poverty had the capacity to find their own resources once the opportunity arose. External assistance might be used occasionally, but this should remain uncertain, lest the community become dependent on external support. Yet this approach

failed to recognize that no community can live and develop in isolation from others. In term of community development, Kingsbury (2004) argue that many larger scale projects fail to meet the needs and desires of ordinary people at the local level, are often not based on local experience and are frequently unsustainable.

Unemployment problem is also getting attention in the context of development which requires the equity. Todaro (1985) argue that there is strong correlation between unemployment, income inequality and poverty. In general, people who cannot get a job on regular basis are the poor and those who get the job continuously are the middle and high income. Solving the unemployment problem can solve the problem of poverty and income distribution because the equitable distribution of income would increase the job creation. According to this theory, the goods are consumed by the poor tend to be more labour intensive than the consumption of higher income people. Thus, the equitable distribution of income will cause the shift in the pattern of demand which in turn will create employment opportunities.

Community development also saw the local community dimension of collective actions, local values, structural dimension and ecological dimension. Community development as is an alternative of development based on community, sustainability dimension, participatory, social capital and gender equality. The purpose of gender analysis in the context of participatory development is to understand gender differences in access to resources and how such differences will affect the participation of women in development activities in order that appropriate measures can be taken to ensure that they are not excluded Clayton, et.al. (1997). Participatory learning and action includes examples of participatory development initiatives which take a gender perspective and seek to empower both men and women (Kanji, 2004).

Participatory Integrated Development in Rain-Fed Areas (PIDRA) project in Sukorame village, Blitar, Indonesia

After financial crisis in 1997-1998 in Indonesia, the International Foundation for Agriculture Development (known as IFAD) as one of the international financial institutions reviewed its financial to Indonesia. In 1998, the IFAD developed its new strategy for Indonesia in the Country Strategic Opportunities Programme (known as COSOP) which was developed based on the lesson learned from previous operation, especially from study evaluation of IFAD's programme in Indonesia. According to the

COSOP, the IFAD should pay more attention to the Government's poverty reduction strategy and focus its target directly to the poorest of the poor, particularly the indigenous people, voiceless communities, rural young people and the marginalized poor in the most resource-poor areas, partly in dry-land or rain-fed areas.

The PIDRA project was conducted based on the principles of: 1) participatory for community empowerment in development; 2) flexibility in accommodating the aspiration of the farmer and participation of the farmer groups in the planning and implementation of village development activities; 3) the empowerment of rural women; 4) the use of NGO's facilitator for developing the ability of groups to be self-reliant in developing a useful and profitable business for their livelihood; and 5) decentralisation of management. Sukorame village, Blitar is located in South part of East Java Province Indonesia and in term of geographically, the land is categorized as dry-land. In this area, PIDRA project was implemented for more than 8 years which was divided into two stages: a) phase-I from 2001 to 2004; and b) Phase-II from 2005 to 2008. In 2004 there were 9 affinity groups have already formed, including men's affinity groups and women's affinity groups.

Indigenous Knowledge in PIDRA Project Approach

The vision of PIDRA project was to improve the sustainability of poor families' livelihoods. Moreover, PIDRA project mission was to support the improvement of standards living for poor families in a sustainable manner through the action of micro and small business empowerment in affinity groups. The PIDRA project works through six major characteristics of activities, such as: 1) Participatory: Empowerment of community based on initiatives, active participation and collective agreement of stakeholders, especially the beneficiary communities of PIDRA project; 2) Flexible: The project were conducted in transparent and accommodate the aspirations of stakeholders; 3) Gender approach: Gender mainstreaming in each program component to achieve justice and gender equality; 4) Assist non-governmental organizations: Establishment and improvement of the organization quality based on community in achieving independence through government cooperation with Non-Government Organizations (NGOs); 5) Sustainability: All activities are designed and implemented as programs which has orientation to achieve and improve of better living standards in sustainability; and 6) Decentralization: the planning and implementation of programs completely delegate to PIDRA project areas.

Furthermore, there were several criteria to identify the PIDRA project's location based on local knowledge, which consist of: 1) Topography and geography: the indicators of these criteria were selected from a height above 200 meters above sea level (meter) and the slope of the land surface above 8%; 2) Village Welfare: the indicators of these criteria were selected from the ownership of TV that people have a TV in the bottom 10% of the total head of village's family; 3) Dry land areas: the indicators of these criteria were selected from dry-land covering more than 50% of total village's land; 4) Women as heads of families: the indicators of these criteria were selected from the number of women as head of families from total of rural households approximately 5%; 5) Water supply and transport: the indicators of these criteria were selected from the availability of clean water and road infrastructures are owned by the village compared to other villages; 6) Labour abroad: the indicators of these criteria were selected from the population with the status of Indonesian Workers (known as TKI) at least compared to other villages

Education as the Key Participants of PIDRA Project

The participants of the PIDRA project were the poor people who lived in rain-fed areas of district, vulnerable and marginalised in term of access to institution, such as economic opportunity and education. The main target participants were not only men but also women; particularly the widows who were become the head of households. Furthermore, they should not have either a small or micro scale business before the PIDRA project began. In term of education, the priority was given to people with low level of education who graduated from elementary or junior high school dropped out or did not have any formal education.

However, in implementation, the PIDRA project also recruited some participants who graduated from high school or similar with the same level of socio-economic status with other participants which did not line with the PIDRA project design. This happened because there was assumption that the activities of PIDRA project would not run smoothly if all participants were from elementary or junior high school graduates. The people with low level of education did not have as much initiatives as people who had graduated from high school. Furthermore, a person who cannot read and write was the common problems for people who had low level of education. It was difficult for them to do administration or book keeping for their groups in PIDRA project. Therefore, in the PIDRA project involved

the villagers who have high school education as motivators and initiators in the PIDRA project.

Wealth-Ranking as the Process of Identifying PIDRA Project's Participants

The identification of PIDRA project's participants started from the identification of target villages in the PIDRA project areas. Local government was asked to collect information about the socio-economic situation of the village by PIDRA team. Based on data and information collected, the PIDRA team selected and decided the PIDRA project location (village). For example, in Sukorame village, Blitar has a total of 158 poor families. In details, the number of poor households between 2001 and 2003 decreased dramatically from 67 to 18 head of families.

The identification of target villages was followed by the identification of participants as the target of PIDRA project. First of all, the PIDRA team had the project orientation visits to the village targeted. In that program, the PIDRA team held an initial meeting or socialisation meeting with the whole village representatives and explained the purposed of PIDRA project. After this meeting, the PIDRA team together with the local government and influential village people (known as 'key informant') identified the village profile and target of sub-village (known as 'Dusun') and the very poor families in every Dusun. The result of this orientation was then used in the meeting with the communities' representative from Dusun level in the village.

The orientation was followed by a meeting at the village. This meeting involved facilitator from the NGO and the government, local government (village and Dusun), key informants and poor families (as targeted PIDRA project) in the village office (known as 'BalaiDesa'). The output of this meeting for deciding the criteria of target participants in PIDRA project based on the fact in the village of Sukorame, Blitar. Then, target participants names of PIDRA project from each Dusun were listed and scheduled for the next meeting in the Dusun. Before the meeting at the Dusun level, the PIDRA team through its facilitators and the coordinator of Dusun (known as 'KepalaDusun'), re-checked the situation of target participants listed based on the previous meeting. This re-check was necessary to ensure that the right of target participants were invited to participate in the PIDRA project. These included the socio-economic situation, the level of education, the location and situation of their houses, accessibility to water clean supply, availability of energy or electricity and level of calorie consumption per day.

After the selected target participants had been re-checked, they were invited at the Dusun's meeting. In the meeting, they were provided with more information about PIDRA project. At the same time, they were asked whether they wanted or did not want to be target participants in the PIDRA project. This means their participation in the PIDRA project was voluntary because of the project principle which was involving participants in participatory ways. Participants were allowed to join the PIDRA project anytime they wanted to or to resign anytime during the implementation of the PIDRA project according to their own agreement with their groups.

Rural development actions mostly aim at the social and economic development of the rural areas. These programs are usually top-down from the local or regional authorities, regional development agencies, NGOs, national governments or international development organizations. But then, local populations can also bring about indigenous or local initiatives for development in rural areas. Long (1977) concludes that the aim of the improvement approach is to enhance the traditional agricultural practices of rural farmers on both the psychological and technical aspects to improve their productivity while consistently conserving their traditions and legal systems.

Furthermore, rural development program is effective for empowering people. This program aims to build active and sustainable communities based on mutual respect and social justice. This program will be able to reduce the barriers that prevent people from participating in the issues which affect their lives, particularly for people in rural areas. Farmer participation can be increased through farmer groups, particularly in the planning and implementation of rural development activities. Non-Government Organisation (NGO) is used as facilitator to empower and develop the ability of rural women in organisational capacity. Finally, the sustainability of the project in terms of ability of the group to be self-reliant in developing a useful and profitable business for their livelihood will be created. The argument for giving priority to rural development, particularly in developing countries is powerful and widely accepted. Improving local societies participation based on gender equality is very important aspects for rural development program. Chambers (1974) stresses that in order to develop participation and equality in rural areas, it is necessary to give preference to the program that has access for all people and prioritise the projects that provide big contribution in improving economic status.

In order to improve quality of women lives to achieve gender equality and women's empowerment in rural development program in developing countries, the

community development program must be oriented for human development paradigm and it's consist of: first, increasing economic empowerment. This means increasing the access of rural women to productive assets, appropriate technology and support services, to improve on-farm and off-farm productivity. Second, accurate in decision-making. This represents building the capacity of rural women to engage in local policy and programming processes. Finally, accessibility for social welfare which defines enhancing the access of rural women to infrastructure, to markets for inputs and outputs, and to financial services.

The establishment of affinity group as a fundamental of Integrated Institutional Development for Rural Poverty Alleviation (PIDRA's Project Experience in Indonesia)

The learning process that has been applying in PIDRA project has encouraged social interaction process among rural poor through Affinity Group (AG). It also has given them the opportunity to explore their own experiences and local knowledge learning process to understand the interest of others. The activities of strengthening the community capacity through community empowerment and gender equality have shown significant result. The social institution that has been growing indicate the various progress, but overall it has shown better development in social engineering of integrated institutional for development rural level, including: Affinity Groups (Self-Reliance Groups), Federation, Cooperative and Rural Development Institution. Integrated institutional approaches by forming affinitygroup are the effective method and fundamental idea to empower community who involved in affinity group's activities. There are three phases that can be identified for establishing affinitygroup in order to design Integrated Institutional Development (IID) on the local government level, such as Phase of identification and establishment (Phase-I); Phase of stabilization (phase-II); and Phase of independence and weaning (Phase-III) (each phase will describe detail in below).

Phase of identification and establishment (Phase-I)

This phase will take 0-5 months. The basic of affinitygroup development is the people or social organizations that already exist before the involvement of program in the community. The affinitygroup members are interconnected by a common social relationship in the community, such as: heredity, caste, religion, place of origin or birth, activities, education, etc. The IID project management which consist of local government,

NGO's and local community must have sufficient experience to identify the groups that already grow naturally as mentioned above. The Integrated Institutional Development (IID) in local government is designed based on the idea of affinity group which is the group where established by poor people which have similarity in mutual trust, support each other, sense of brotherhood that is built on the basis of a sense of confidence, unity and togetherness, and a sense of equality of the group's members. By establishment the ASM group based on affinity, they will offer an excellent opportunity to realize the aspirations that had long been depressed and buried in developing economic and social potential.

The characteristics of affinity groups at the end of Phase-I include: a) The affinity group can be identified, this is not a place where people can enter or exit arbitrarily; b) affinity group has had a name; c) It has been determining where to hold meetings; d) Date and time of meeting can be observed; e) Members have been saving regularly; f) Account has been opened in the nearest legal bank or post office; g) The basic books have been maintained properly, such as Attendance Books, Minute Books, and Book Savings; h) Roles and responsibilities affinity group has been clearly understood by all members; i) Two members of affinity group have been elected as chairman and secretary (they are also become person in charge to signature the group's documents); j) Group can accept that the management board will be replaced every year.

Phase of stabilization (phase-II)

This phase will take 6-24 months. In this phase, the affinity group started saving regularly and begins to lend to members. This gives affinity group members the opportunity to utilize the resources and potential that is rare in the community. Furthermore, this also can be used to assess the strengths of each member, as well as for increasing group's management skills, such as to set the time for the loan, repayment schedules and interest rates are uncertain.

The characteristics of affinity group in the phase II, including: a) affinity group members are regularly engaged in the activities of savings, loans, monitoring the use of credit and settlement; b) All transactions are supported by documentation which is shown and updated openly and regularly; c) The general fund has increases steadily through rotating through interest, savings and other funds by the affinity group members; d) Balance in small banks, or zero; e) The rate of return that is always consistent above 95% and affinity group meeting's attendance rates above 80%; f) The members have been given

the skills to conduct a formal meetings and solve the problems that are faces, as well as giving education for affinity group members on literacy and numeracy; g) Affinity group members confidence has increased to participate in activities or public and they are able to relate to other agencies and governments as an affinity group representatives; h) The initial steps are made to contact and have negotiation with legal banks to provide loans directly to the affinity group; i) The group has experienced in organization by engaging in one or two common community's activities and for solving the conflicts within and outside the affinity group; j) Members of a women affinity group have begun to put social issues and take an important roles in both public's and home's activities; and k) The AFFINITY group has identify the chairman and secretary to a succession of previous board and has trained him to fulfil his role in the group.

Phase of independence and weaning (Phase-III)

This phase will take 25-36 months. The facilitators in IID project need to integrate the strategy for affinity group to become self-help group and they have to support the growth of independence affinity group rather that increasing dependency. The weaning process can become more accepted and implemented after a major intervention to build self-help of affinity group is gradually reduced. The IID project expected for independence process can be completed within 12 months after the affinity group showed such characteristics shown at the end of stabilization phase (phase-II) or after 36 months of supervising by facilitators. As the affinity group realized that the big responsibility is depend on them and the facilitator will slowly separate themselves from the group. To start this process, facilitators will attend on weekly meetings only once in 3-4 meetings or attending meetings only once in two weekly meetings 2-3 times. Then, related to affinity group's operational cost, the affinity groups will begin to pay from its own fund's sources for all the affinity group needs and activities. The facilitator should also be prepared to respond to the needs of the facilitator's involvement if the affinity group has a crisis and cannot solve their own problems.

Based on the design program of affinity groups formation in PIDRA program, the formation of affinity groups within the village are 10 groups PIDRA project with the pattern 4-4-2 over three years. This involved in several stages, such as: in the first year, PIDRA project formed 4 affinity groups; in the second year, PIDRA project formed 4 affinity groups and in the third year of PIDRA project formed 2 affinity groups. However,

from 2001 to 2004, there were only 9 affinity groups have been formed. This was mainly because by the third year, the number of poor families in the village of Sukorame, Blitar increase, so the number of affinity groups in PIDRA project phase-I only 9 affinity groups which were 4 men affinity groups and 5 women affinity groups.

Table 1. The affinity group name list in PIDRA project in Sukorame Village, Blitar

No.	Affinity Groups Name	Formed	Type	Leader	Treasurer	Secretary	Dusun	Total Member
	Budi Lestari	17-Apr-01	AG-M	Seno	Rianto	Budiono	Sukomulyo	15
	Dewi Sartika	17-Apr-01	AG-W	Misnatun	Mariyat	Budi Irawati	Sukomulyo	25
	Sari Murni	17-Apr-01	AG-W	Sukarsih	Tunoropah	Tukinem	Sukodadi	16
	Sidomulyo	09-Agt-01	AG-M	Tawi	Muadi	Lamidi	Sukodadi	11
	Lestari	10-Mar-02	AG-W	Sriwati	Tukini	Widyawati	Sukodadi	15
	Gotong Royong	14-Mar-02	AG-M	Giran	Sumarno	Pardji	Sukodadi	19
	Kelinci	18-Mar-02	AG-W	Lilik	Kastin	Rini	Sukomulyo	17
	Sumber Rejeki	18-Mar-02	AG-M	Parsi	Nyoto	Kateno	Sukomulyo	22
	Sumber Makmur	25-Mar-03	AG-W	Marsinem	Peni	Yati	Sukodadi	18
	Total							158

Source: Primary data (collected in 2004)

Notes: AG-M: Men's Affinity Groups

AG-W: Women's Affinity Groups

Federation and Rural Development Institution

To support the affinity group by building a potential network for Integrated Institutional Development (IID) is needed to ensure the operation of affinity group to be self-reliant in the form Federation as a representative of people who involved in affinity group in rural area level and Rural Development Institution as a representatives communities where affinity is located in rural area level (table 2). The affinity group cannot regularly depend on facilitator to facilitate their activities. IID project has designed the period of assistance for affinity group for three years, thus the independence of the affinity group should be initiated during the period of such assistance. The affinity group should know the number, types and activities of the other groups or agencies in the village, whether the group formed by other project, government or community itself. Moreover, the affinity group can also evaluate other groups in accordance with the interests of the affinity group perception, so that the affinity group may be able to integrate its program with the other groups.

Table 2. The process of affinity group establishment from 2001-2004

YEAR	OUTPUT	PROCESS & ACTIVITIES	IMPACT
1988	PIDRA project agreement	<ul style="list-style-type: none"> IFAD should pay more attention to the Government's poverty reduction strategy and focus its target directly to the poorest of the poor, particularly the indigenous people, voiceless communities, rural young people and the marginalized poor in the most resource-poor areas, partly in dryland or rainfed areas PIDRA project agreement between IFAD and Indonesia government 	<ul style="list-style-type: none"> IFAD developed its new strategy for Indonesia in the Country Strategic Opportunities Programme
2001	4 Affinity groups	<ul style="list-style-type: none"> Phase of identification and establishment (0-5 month) Established 4 affinity groups 1st matching grant (0-7 months) for groups which was established on 2001 Visiting rural officer regularly Meeting with informal group in rural area, particularly with poor people Involved in rural activities Promotion the affinity group to other community by involving in community activities Participatory approach training (managing activities and meeting group technique) 	<ul style="list-style-type: none"> PIDRA project launched in Indonesia as development people-centred model by forming the affinity group (pattern 4-4-2 during 3 year) Group's identification (group's members) Group's name Place/ location for group's meeting Time for group's meeting Individual saving in the group Group's bank account Administrative (attendance book, notebook, saving's book) Group's committee (group's chairman and secretary) Group's committee rotation in every year
2002	4 Affinity groups	<ul style="list-style-type: none"> Phase of stabilization (6-24 month) Established 8 affinity groups (4 AG formed in 2001 and 4 AG formed in 2002) 2nd matching grant (8-14 months) for groups which was established on 2001 3rd matching grant (15-21 months) for groups which was established on 2001 1st matching grant (0-7 months) for groups which was established on 2002 Utilizing the resources and potential in the community Assess the strength of each member Manage the time for saving, loans, re-payment and interest rates 	<ul style="list-style-type: none"> 2nd year PIDRA project Group regularly engaged in savings, loans, management in credit (micro finance) Accountability in all of group's transaction (documentation) Micro finance activities (saving, interest and other funds) Balance in bank The rate of returns from micro finance activities always consistent Meeting management and problem solving (skills of literacy and numeracy) Confidence to participate in public activities The initial steps to contact and negotiate with bank to provide loans directly to the group Organization experience and relationship with other group for problem solving Women participation in the groups Group's committee (group's chairman and secretary) for the next year
2003	2 Affinity group	<ul style="list-style-type: none"> Phase of independence or weaning (25-36 month) Established 10 affinity group (4 AG formed in 2001, 4 AG formed in 2002 and 2 AG formed in 2003) 2nd matching grant (8-14 months) for groups which was established on 2002 3rd matching grant (15-21 months) for groups which was established on 2002 1st matching grant (0-7 months) for groups which was established on 2003 Facilitator will slowly separate from the group Facilitator reduce the attending in the group's meeting Group began to pay from its own sources of funds for all the group's needs Group to be able to solve their own problems 	<ul style="list-style-type: none"> 3rd year PIDRA project Group's business Connected with the bank to get credit funds directly Additional training based on group need Build the group's networks Monitoring group's credit management
2004	1 Federation	<ul style="list-style-type: none"> Established 1 federation group 2nd matching grant (8-14 months) for groups which was established on 2003 3rd matching grant (15-21 months) for groups which was established on 2003 	<ul style="list-style-type: none"> Established organization as a representatives of poor people in rural area level
	1 Rural Development Institution (RDI)	<ul style="list-style-type: none"> Established 1 rural development institution that became a formal organization in village government to design the development program in rural areas which is consist of village officers, social leaders, representatives of AG (Federation) as stakeholders 	<ul style="list-style-type: none"> Rural development institution as a representatives communities in rural area level
	Training	<ul style="list-style-type: none"> Every group has an opportunity to get the training in every year, such as: group management, capacity building, participatory approach, micro finance, and enterprises training 	<ul style="list-style-type: none"> All of group members to be able the develop their personal capacity to participate in group and development program in rural areas
	Matching grant	<ul style="list-style-type: none"> Matching grant as an evaluation mechanism to get group funding in every 6-7 months regularly after the group formed 	<ul style="list-style-type: none"> Every group has an opportunity to access the matching grants

Conclusion

Reducing poverty requires not only broad-based growth and improved governance at the national level, but also support for the bottom up approaches focusing on poor people as well as their role and experiences in development process. In addition, the first requirement of a strategy to reduce rural poverty is to provide the enabling environment and resources for those in the rural sector through rural development program. Rural development program in gender perspective is allowing local people to grow and prosper on their initiative. Komalawati (2008) points out that PIDRA project has been applied for rural communities in certain areas in Indonesia starting in 2001. The aims of this project are to empower the economies of rural societies, as well as improving their capacity building and gender equality for both men and women for developing technical skill and knowledge. For example: "in agriculture and livestock development, the program has an objective to provide support for the farmer's own strengths and initiatives through a wide range of training courses and serviced based on the self-help group's priorities". This is truly sustainable development, by giving an opportunity to be active participants in rural development program; rural women will be able to improve their technical skills and knowledge. In addition, it is worth pointing out that rural development is not exactly a single sector, so that some kind of other development program will be needed. The challenge will focus not only on one rural development program, but also integrated rural

development programs. This is essential for improving quality of rural societies in the future.

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