Public Policy Implementation:
Rice Policy at the Regional Level
in Indonesia, 1970-1984

By
Amir Santoso

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at the Australian National University.

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Declaration

Except where otherwise indicated
this thesis is my own work.

Amir Santoso
June 1986
To my wife and children

Gurit, Uti and Rio
Acknowledgements

The inspiration to write about public policy implementation at the regional level in Indonesia, originated from my discussion with Prof. J.A.C. Mackie, my supervisor and the Head of the Department of Political and Social Change, Research School of Pacific Studies, The Australian National University. To him, I would like to express my deepest appreciation and gratitude for his patience, encouragement and wise guidance during the writing of this thesis. The choice of rice policy as the focus of this study resulted from discussions with Prof. Mackie, Dr. Mohd. A. Nawawi and Dr. William J.O’Malley. To Dr. Nawawi and Dr. O’Malley I also want to record my special gratitude especially for their guidance during the early phase of this study.

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Abstract

This thesis is an attempt to examine the implementation of Indonesian rice policy at the regional level during the period 1970-1984. Two programs have been analysed: the rice intensification (Bimas) and the village unit cooperatives (KUD) programs. The results of the programs and their impacts on the farmers are analysed. Also, the responses of farmers to the two programs are described.

However, this thesis is particularly aimed at analysing the work of the local government officials and the machinery at the kabupaten down to village levels. Since the local government is the main agency of the central government in implementing its rice policies, as well as other development programs, the role of this local apparatus is crucial in the implementation process of the policy. The local government officials are the lower level instruments of the central government, and they are subject to heavy political control from the centre. This thesis examines the impact of this control upon local-level rice policy implementation.

The analysis of rice policy implementation at the regional level in Indonesia, indicates that the success of the government in achieving certain objectives of the policy, and its failure to achieve others are not merely caused by administrative problems, but are particularly due to the priorities given by the central government to certain policy objectives, and by the pattern of relationships between the central and the local officials.

In other words, the implementation of rice policy has been more affected by political factors than by administrative problems. Hence, while this thesis gives attention to the administrative problems, its focus is mainly on the political factors affecting the implementation process. The influence of political factors is illustrated by five local studies in Malang Kabupaten in the last two chapters.
## Glossary of Indonesian Terms and Abbreviations

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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AMPI</td>
<td>Angkatan Muda Pembaharuan Indonesia (Youth Organization for Indonesian Reformation).</td>
</tr>
<tr>
<td>Bimas</td>
<td>Bimbingan Massal (Mass Guidance in Rice Planting).</td>
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<tr>
<td>BGR</td>
<td>Bimas Gotong Royong.</td>
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<tr>
<td>Bimas Yang Disempurnakan</td>
<td>Improved Bimas.</td>
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<td>BULOG</td>
<td>Badan Urusan Logistik (Logistic Body).</td>
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<tr>
<td>BRI</td>
<td>Bank Rakyat Indonesia.</td>
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<tr>
<td>BRI UDES</td>
<td>Bank Rakyat Indonesia Unit Desa (Village Unit Bank).</td>
</tr>
<tr>
<td>BPB</td>
<td>Bimas Pola Baru (New Pattern of Bimas).</td>
</tr>
<tr>
<td>BKO</td>
<td>Badan Kontak Organisasi (Body of Contact Organization).</td>
</tr>
<tr>
<td>BPLPP</td>
<td>Balai Pendidikan dan Latihan Penyuluhan Pertanian (Educational and Training Centre for Agricultural Extension).</td>
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<tr>
<td>BAKO BIMAS</td>
<td>Badan Koordinasi Bimas (Coordinating Body of Bimas).</td>
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<tr>
<td>Binagram</td>
<td>Pembinaan Program (Programming Development Section at the Cooperatives Office).</td>
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<tr>
<td>Binor</td>
<td>Pembinaan Organisasi (Organization Development Section at the Cooperatives Office).</td>
</tr>
<tr>
<td>Binus</td>
<td>Pembinaan Usaha (Business Development Section at the Cooperatives Office).</td>
</tr>
<tr>
<td>BUUD</td>
<td>Badan Usaha Unit Desa (the Business Body of Village Unit).</td>
</tr>
<tr>
<td>Bappeda</td>
<td>Badan Perencanaan Daerah (Regional Planning Body).</td>
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<tr>
<td>BPH</td>
<td>Badan Pemerintahan Daerah (Regional Executive Body).</td>
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<tr>
<td>BPD</td>
<td>Badan Pertimbangan Daerah (Local Advisory Body) CPNS Calon Pegawai Negeri Sipil (Candidate of Government Civil Servants).</td>
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<tr>
<td>Dinas Daerah</td>
<td>technical offices of regional government.</td>
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<tr>
<td>Diperta</td>
<td>Dinas Pertanian Tanaman Pangan, (Food Crops Agricultural Office at regional level).</td>
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<tr>
<td>Dolog</td>
<td>Depot Logistik (Logistic Office at Province Level), branch of Bulog.</td>
</tr>
<tr>
<td>DPD</td>
<td>Dewan Pemerintah Daerah (Regional Executive Council).</td>
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<tr>
<td>DPR</td>
<td>Dewan Perwakilan Rakyat (People's Representative Assembly).</td>
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<tr>
<td>DPRD</td>
<td>Dewan Perwakilan Rakyat Daerah (Regional People's Representative Assembly).</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>DPRGR</td>
<td>Dewan Perwakilan Rakyat Gotong Royong (&quot;Gotong Royong&quot; People's Representative Assembly at the National Level).</td>
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<tr>
<td>DPRDGR</td>
<td>Dewan Perwakilan Rakyat Daerah Gotong Royong (&quot;Gotong Royong&quot; Regional Representatives Assembly).</td>
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<tr>
<td>Dwi Fungsi ABRI</td>
<td>The Dual Function of the Military in military and non-military activities.</td>
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<tr>
<td>Golkar</td>
<td>Golongan Karya, a government-backed party.</td>
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<tr>
<td>GBHN</td>
<td>Garis-Garis Besar Haluan Negara (Broad Outline of State Objectives).</td>
</tr>
<tr>
<td>Humas</td>
<td>Hubungan Masyarakat (Public Relations).</td>
</tr>
<tr>
<td>IKIP</td>
<td>Institut Keguruan dan Ilmu Pendidikan (the Institute of Teaching and Educational Science).</td>
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<tr>
<td>Inmas</td>
<td>Intensifikasi Massal (Mass Intensification).</td>
</tr>
<tr>
<td>Insus</td>
<td>Intensifikasi Khusus (Special Intensification).</td>
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<tr>
<td>INKUD</td>
<td>Induk Koperasi Unit Desa (Centre of Village Unit Cooperatives) at National Level.</td>
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<tr>
<td>Instansi</td>
<td>the Central or Regional Governments Offices.</td>
</tr>
<tr>
<td>Ipeda</td>
<td>Iuran Pembangunan Daerah (Contribution for the Regional Development), a kind of tax.</td>
</tr>
<tr>
<td>INPRES</td>
<td>Instruksi Presiden (President Instruction).</td>
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<tr>
<td>Jupen</td>
<td>Juru Penerangan (Information Specialists).</td>
</tr>
<tr>
<td>KOLOGNAS</td>
<td>Komando Logistik Nasional (National Logistic Command).</td>
</tr>
<tr>
<td>Kelompok Tani</td>
<td>Farmers' Group.</td>
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<td>Kontak Tani</td>
<td>Contact Farmers.</td>
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<tr>
<td>Tani Maju</td>
<td>Progressive Farmers.</td>
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<tr>
<td>KOPERTA</td>
<td>Koperasi Pertanian (Agricultural Cooperatives).</td>
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<tr>
<td>Kanwil</td>
<td>Kantor Wilayah (Ministerial Office at Province Level).</td>
</tr>
<tr>
<td>Kandep</td>
<td>Kantor Departemen (Ministerial Office at Kabupaten Level).</td>
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<tr>
<td>KNPI</td>
<td>Komite Nasional Pemuda Indonesia (National Committee of Indonesian Youth).</td>
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<tr>
<td>Kantor Koperasi</td>
<td>Cooperatives Office at regional level.</td>
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<tr>
<td>Kredit Candak Kulak</td>
<td>Small Credit for villagers.</td>
</tr>
<tr>
<td>LKMD</td>
<td>Lembaga Ketahanan Masyarakat Desa (Institution of the Village People Endurance).</td>
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<tr>
<td>LAKU</td>
<td>Latihan dan Kunjungan (Training and Visit), an activity of Agricultural Extensionist (PPL).</td>
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<tr>
<td>MPBP</td>
<td>Musyawarah Pembina Bimas Propinsi (Conference of Bimas Managers at Province Level).</td>
</tr>
<tr>
<td>MPBK</td>
<td>Musyawarah Pelaksana Bimas Kabupaten (Conference of Kabupaten Bimas Implementers).</td>
</tr>
<tr>
<td>Muspida</td>
<td>Musyawarah Pimpinan Daerah (Conference of Regional Leaders).</td>
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<tr>
<td>Muspika</td>
<td>Musyawarah Pimpinan Kecamatan (Conference of Kecamatan Leaders).</td>
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Masjumi: Majelis Syuro Muslimin Indonesia, a modernist Muslim party.
MPR: Majelis Permusyawaratan Rakyat (People’s Consultative Assembly).
MPRS: Majelis Permusyawaratan Rakyat Sementara (Provisional People’s Consultative Assembly).
NU: Nahdatul Ulama, a traditionalist Muslim party.
Panca Usaha Tani: Five-fold way to better farming.
PT. PUSRI: Pupuk Sriwijaya (Sriwijaya Fertilizer Company).
PKK: Pendidikan Kesejahteraan Keluarga (Education of Family Welfare).
PPK: Pusat Pelayanan Koperasi (Centre of Cooperative Service).
PAU: Pusat Administrasi Usaha (Centre for Business Administration).
PGRI: Persatuan Guru Republik Indonesia (Indonesian Teachers Association).
PHIBP: Pembina Harian Bimas Propinsi (Executive of Bimas Managers at Province Level).
PHBK: Pelaksana Harian Bimas Kabupaten (Daily Implementers of Kabupaten Bimas).
PUSKUD: Pusat Koperasi Unit Desa (Centre of Village Unit Cooperatives) at Province Level.
PKL: Penyuluh Koperasi Lapangan (Cooperative Extension Service).
Perda: Peraturan Daerah (Regional Law).
PPS: Penyuluh Pertanian Spesialis (Agricultural Extension Specialist).
PPM: Penyuluh Pertanian Madya (Senior Agricultural Extensionist).
PPL: Penyuluh Pertanian Lapangan (Agricultural Extension Service).
PPP: Partai Persatuan Pembangunan, an Islamic Based party.
PAI: Partai Demokrasi Indonesia, a Nationalist Based party.
Pepabri: Persatuan Purnawirawan Angkatan Bersenjata Republik Indonesia (Association of the Retired Army Members).
Primkopad: Primer Koperasi Angkatan Darat, the Army Cooperatives Organization.
PKI: Partai Komunis Indonesia (Indonesian Communist Party).
PNI: Partai Nasional Indonesia (Indonesian Nationalist Party).
Peperda: Penguasa Perang Daerah (Regional War Authority).
Repelita: Rencana Pembangunan Lima Tahun (Five Year Development Plan).
Rapimwil: Rapat Pimpinan Wilayah (Meeting of Regional Heads).
Rendemen: conversion of milled rice from stalk padi.
SPPB: Surat Perintah Pembayaran Bimas (Letter of Bimas Credit Disbursement).
SP BIMAS: Satuan Pembina Bimas (Controlling Body of Bimas).
SESDALOPBANG: Sekretaris Pengendalian Operasional Pembangunan (Secretary of Development Operation).
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<th>Description</th>
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<td>SPBP</td>
<td>Satuan Pembinan Bimas Propinsi (The Province Body of Bimas Managers)</td>
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<tr>
<td>SPBK</td>
<td>Satuan Pelaksana Bimas Kabupaten (The Kabupaten Body of Bimas Implementers)</td>
</tr>
<tr>
<td>Sekwilda</td>
<td>Sekretaris Wilayah/Daerah (Secretary of Region)</td>
</tr>
<tr>
<td>SK Mentan</td>
<td>Surat Keputusan Menteri Pertanian (Decision of Minister of Agriculture)</td>
</tr>
<tr>
<td>SK Gubernur</td>
<td>Surat Keputusan Gubernur (Decision of the Governor)</td>
</tr>
<tr>
<td>SK Bupati</td>
<td>Surat Keputusan Bupati (Decision of the Bupati)</td>
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<tr>
<td>Satlak Bimas Desa</td>
<td>Satuan Pelaksana Bimas Desa (The Village Body of Bimas Implementers)</td>
</tr>
<tr>
<td>Sub-Dolog</td>
<td>Sub-Depot Logistik (Branch of Logistic Office at Kabupaten Level)</td>
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<tr>
<td>TRI</td>
<td>Tebu Rakyat Intensifikasi (Sugar Intensification Program)</td>
</tr>
<tr>
<td>UDKP</td>
<td>Unit Daerah Kerja Pembangunan (Development Unit Area)</td>
</tr>
<tr>
<td>WILUD</td>
<td>Wilayah Unit Desa (Village Unit Area)</td>
</tr>
<tr>
<td>WKBPP</td>
<td>Wilayah Kerja Balai Penyuluhan Pertanian (Work Area of the Office of Agricultural Extension Service)</td>
</tr>
<tr>
<td>WKPP</td>
<td>Wilayah Kerja Penyuluhan Pertanian (Work Area Agricultural Extension Service)</td>
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CHAPTER 1
Introduction

This thesis examines the implementation of government policies at the local level in Indonesia. Rice policy, which involves rice intensification programs (BIMAS, Bimbingan Massal, Mass Guidance) and the rural cooperatives program (KUD, Koperasi Unit Desa, Village Unit Cooperative) has been chosen as a case study for this purpose. Many studies have been made on rice policy in Indonesia, both macro and micro studies. Most macro studies are focussed essentially on rice policy implementation at the national rather than the local level; and they explore, for example, one or two aspects of the policy such as its historical background and marketing aspect of the policy.

One of the macro studies on rice policy is Mears' two books. His first book, "Rice Marketing in the Republic of Indonesia," was published in 1961. As mentioned by its title, this book examined primarily the marketing system of rice in Indonesia since the colonial period up to 1959. This was "to provide a better understanding of the organization of rice marketing in Indonesia, the agencies involved in distribution and the problems related to these activities."¹


Since the late 1950s when the Indonesian marketing scene was last studied comprehensively, and especially after 1965, many changes have taken place in Indonesia affecting the trade and flow of paddy and rice from farm to consumer. Changes in the relative importance of markets in the channels of rice trade and in rice processing and distribution were stimulated from many inter-related and inter-acting agronomic, economic, social and political changes within the Indonesian economy and the world outside. As a result, the "new" 1979 rice economy is much different from that of the 1950s.

Mears noted that these changes above occurred particularly at four levels: at farm

¹Leon A. Mears, Rice Marketing in the Republic of Indonesia, Jakarta: The Institute for Economic and Social Research, Faculty of Economic University of Indonesia, 1961, p.xxix.
level where the highly fertilizer-responsive rice varieties and varieties developed at the International Rice Research Institute in the Philippines were adopted; at the rice mill level where small rice mill units tended to be used extensively, while large mill units tended to decline in number; at the market structure and distribution channels; and through changes in the storage arrangements. While these two books provide the details necessary to understand rice marketing, they were written from the national perspective and lack any analysis of micro-level problems or the implementation of policy at the local level.

A historical analysis of rice policy in Indonesia is presented by C. Peter Timmer. In his article, "The Formation of Indonesian Rice Policy, A Historical Perspective," Timmer summarise rice policies of the Dutch government, which were then continued by Sukarno’s and Suharto’s governments, through the establishment of various marketing institutions and through the implementation of its rice intensification programs. This work also analyses the impact of rice policy on the larger rice economy, the efficiency of rice policy in achieving its overall objectives, and the welfare impact of policy upon the population within the rural and urban sectors. Although this work has enriched our understanding of rice policy in Indonesia, it too is a macro study, and its analysis ended in 1971; thus, more recent and more important developments in rice policy are still unexplored.

Most of the micro studies of Indonesian rice policy, on the other hand, examine particular aspects of the social or economic impact of that policy, such as the impact of agricultural mechanisation upon farmers' incomes in certain areas, changes in rice harvesting methods, the decline in labor absorption in rice production, changes in rural

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4On the impact of rice policy upon the larger rice economy, Timmer concluded that rice policy in the period 1967-1971, was successful in increasing rice production as well as consumption level. However, the 32 per cent increase in per capita consumption, "did not stem entirely from increased income." C. Peter Timmer, Ibid., p.40. On the second problem, Timmer asked why self-sufficiency in rice was not achieved in 1970-1971 by paying a higher rice price? This was caused, according to him, by some internal and external constraint. Externally, the constraint was the very low price of rice in Southeast Asia, while internally there was an administrative weakness where BULOG had been unable to maintain rice prices above the floor price. From the welfare point of view, Timmer noted that there was a decline in per capita calorie consumption. Two possible causes for this are the possibility of bad statistical data, and the decline in rural income.
credit systems etc;\(^5\) but here again, they do not tell us much about the actual working of
government policies or the machinery of implementation.

It is obvious therefore that our understanding of the working of the local
bureaucratic institutions, as the main agencies implementing rice policy, is very limited.
Hansen tried in 1973 and 1974 to analyse the role of the bureaucracy in the
implementation of rice policy. In his 1973 work on "The Politics and Administration of
Rural Development in Indonesia: The Case of Agriculture,"\(^6\) he examined the
implementation of Bimas and *Bimas Gotong Royong* (BGR) programs, which, according
to him, faced many administrative difficulties at that time, some of which were later
overcome.

Among his various conclusions, Hansen writes that many cases of mismanagement
of Bimas and BGR programs were caused by the policy-making process which involved
only a small number of individuals around President Suharto, bypassed many ministers,
and thus suffered from a lack of evaluation. Hansen seemed to believe that the
difficulties arose from the lack of public support for the program. According to him:\(^7\)

...goals and programs were formulated within a context of limited
institutional participation. Policy determinations were not the product of
covert institutional conflict within the public bureaucracy or of overt demands
and pressures expressed by political and voluntary associations. Therefore,
while the program was inaugurated by its makers in a mood of great
expectation, it did not begin with widespread institutional or public support.

In his second work, published in 1974, "Rural Local Government and Agricultural
Development in Java, Indonesia,"\(^8\) Hansen again examined some of the institutional and

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\(^5\) Among the writings on this subject are: R.S. Sinaga and W.L. Collier, "Social and Regional
Implications of Agricultural Development Policy," *Paper* presented at Southeast Asian
Agricultural Economics Association Meeting, Balikpapan, November 3-4, 1975; Yusuf Saefudin,
"Sistem Perkreditan di Pedesaan DAS Cimanuk: Studi Kasus di 6 Desa Contoh SDP-SAE,"
A.T. Birowo and W.L. Collier, "Employment and Income in Villages on the North Coast of
Java," Bogor: SAE, March 1974; Yujiro Hayami and Anwar Hafid, "Some Observations on the
Absorption in Javanese Rice Cultivation," *Background Paper* for Technical Meeting on Labor
Aspects of Rice Based Cropping Systems in the Coastal Wetlands of Indonesia," Bogor: SAE,
1981; Faisal Kasryno, "Konsekuensi Mekanisasi Pertanian di Indonesia," *Proceedings* of a
Workshop jointly sponsored by the Agency for Agricultural Research and Development-
Directorate General for Food Crops-International Rice Research Institute, July-August 1983.

\(^6\) Gary E. Hansen, "The Politics and Administration of Rural Development in Indonesia, The
Case of Agriculture," *Research Monograph Series*, Berkeley, California: Center for South and
Southeast Asia Studies, University of California, April 1973.


\(^8\) G.A. Hansen, *Rural Local Government and Agricultural Development in Java, Indonesia*,
Ithaca: Rural Development Committee, Center For International Studies, Cornell University
political changes that had occurred over the period 1950-1974. He writes, among other things, that in the period 1950-1965, rural officials were heavily involved in politics and thus often involved in conflict among themselves. Political parties too, although they were able to penetrate into the villages, were unable to bridge the gap between party leaders and peasants, apart from the Indonesian Communist Party (PKI). Political conflicts among the parties and the challenges from peasants organized by the PKI toward agricultural development programs, resulted in stagnation of the programs in the 1960s.

He notes of the post-1965 period that local civilian and military authorities became the main actors in regional politics. While peasant resistance towards agricultural development programs may have been effectively reduced, the local administration was overtaxed by the massive program, and suffered from both a lack of resources and lack of trained staff. Because the government itself had no capacity to reach down effectively beyond the kabupaten level, and thus solve this problem, a village unit scheme was established.

These two works of Hansen have certainly enriched our knowledge of the early role of bureaucracy in implementation of rice policy. However, his discussion in these two books focusses mainly on the pre-1974 period when Bimas, especially the BGR, program experienced a series of disasters, as well as some degree of success in gaining general acceptance of the new technology among the peasants. Also, his analysis was focussed primarily upon province level.

Apart from that, the discussion of BUUD/KUD in his second work was a macro analysis, in which the stress was put, among other things, on the weaknesses generally found in BUUD (Badan Usaha Unit Desa, The Business Body of Village Unit), such as the use of coercion against farmers in its activities to purchase padi, and the fact that most BUUD lacked funds to make padi purchases. Also, since these books were published in the early 1970s, they did not cover the more successful development of rice policy after 1974, which shows great improvements and changes. Moreover, these two books did not discuss implementation of rice policy at the micro level; thus our knowledge about the implementation process at the kabupaten down to village levels is still limited.

This thesis is a study of the process of policy implementation which is becoming increasingly widely recognized as a crucially important part of policy studies. As an implementation study, it will seek to answer the problem: "Why did it happen this
way?" It will not just stop at the question: "What happened?" which is the typical question raised by policy impact studies. Specifically, this thesis seeks to address the following questions:

1. How are rice intensification programs and rural cooperatives (KUD) implemented at local level?

2. How do local government officials, at kabupaten down to village levels, actually work in order to implement the programs?

3. What are the major obstacles to the implementation process of rice intensification programs and the KUD?

4. Why have those obstacles arisen?

5. What are the responses of farmers toward the programs?

6. What are the responses of policy makers and local bureaucrats toward the farmers' responses?

Because this is a study of policy implementation, it is important to clarify at the outset what I mean by public policy.

Public Policy Defined

The meaning of public policy has been interpreted variously and there is no single satisfactory definition of it, most definitions being influenced by the demands of the particular problem an analyst wants to study and the approaches or models he uses. We can detect, however, that there are at least two principal views. The first is the opinion of analysts who simply equate public policies with government actions. They tend to take the view that all actions of government can be regarded as public policies.

R.S. Parker in his article, "Policy and Administration," has made a list of definitions of public policy. According to one of those definitions, public policy is "a particular objective, or set of principles, or course of action, which a government adopts at a given period in relation to some subject or in response to some crisis." In another definition it is explained that public policy is: A particular area of government activity as a subject for comparative and critical study, embracing different actions and principles and analysing their likely causes and results in terms of some detached discipline of thought such as economic, science, or politics.

12 Ibid., p.144.
On the other hand, Thomas R. Dye simply defines public policy as all choices or actions taken by governments. For him, public policy is "whatever government chooses to do or not to do." Similarly, Edwards and Sharkansky suggest that public policy is:

"What governments say and do, or do not do...It is goals or purposes of government programs...The important ingredients of programs...The implementation of intention and rules.

The second opinion is that of analysts who give special attention to policy implementation. These analysts can be further divided into two camps, i.e. those who view public policies as government decisions which have certain goals or purposes, and those who consider them as having predicted consequences. Representing the first group, Nakamura and Smallwood refer to public policy in terms of its three environments: the formulation environment, implementation environment, and evaluation environment. For them a policy is characterized by the fact that it involves all of these three environments. It is "a set of instructions from policy makers to policy implementers that spell out both goals and the means for achieving those goals."

On the other hand, some analysts simply emphasize the fact that a policy consists of a series of decisions or actions. Thus, Pressman and Wildavsky define public policy as "a hypothesis containing initial conditions and predicted consequences." If X is done at time t-1 then Y will result at time t-2. If the government, for example, provides a million dollars on a program then facilities will be built as the means of realizing it.

Although definitions of public policy can be divided into two principal views, one common feature can be drawn from them, that is, that public policies are actions or decisions made by government. The word "public" here implies that public policies can be contrasted with the private policies of individuals and groups. Thus, even if decisions of private individuals or organizations have consequences for the public as a whole, they are not public policies.

On the contrary, however, some governmental decisions are of quite a different kind; that is, they are not policy decisions. They may be exercises of patronage, or routine appointments, or promotions or one-off applications of government authority with no "policy" implications at all. The decision to appoint Mr. X as director of the

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government central bank, for example, is not public policy if it is based solely on the fact that he is the son in-law of the president or prime minister. Such a decision could, however, be public policy if it was part of a deliberate scheme to make appointments on the basis of skills and ability.

Public policy must also possess certain objectives that are meant to be achieved. The objective of a policy of protection, for example, is generally to help the development of domestic manufacturers. In addition, a public policy should normally embody guidelines about how to achieve such objectives specifically. Generally, however, public policies do not lay down elaborate details about how objectives are to be attained. In my opinion, public policy thus consists of both a particular set of decisions by a government to achieve certain objectives and also the guidelines necessary to attain those objectives mainly in the form of government regulations and decrees.

In the study of public policy we need, therefore, to consider three distinct processes, i.e. the formulation, implementation, and evaluation process. The formulation process refers to the process whereby public policies are made, that is, a process in which "inputs" are fed into the policy-forming mechanisms of a government and become ingredients or raw materials upon the basis of which decisions that are to be taken. Such decisions are made by the "legitimate" or formal policy makers, or in the words of other authors: the authorities.\(^\text{17}\)

### Implementation Studies

This study is about the implementation of government policy at the local level in Indonesia. It is assumed that once a policy is formulated a further process follows, i.e. implementation of it. Various definitions of implementation are found, but all of them seem to be directly associated with policy goals or objectives determined during the formulation process of policies. Implementation is then regarded as a process by which the policy goals are to be achieved. Pressman and Wildavsky discuss this point in greater detail when they write:\(^\text{18}\)

Implementation, to us, means just what Webster and Roget say it does: to carry out, accomplish, fulfill, produce, complete. But what is it that is being implemented? A policy, naturally. There must be something out there prior to

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\(^{17}\) The "legitimate", according to Nakamura and Smallwood is "people who occupy positions in the governmental arena that entitle them to authoritatively assign priorities and commit resources." Nakamura & Smallwood, op.cit., p.31. With a similar meaning, the authority is simply defined as "those who have the chief means of physical force in the country at their disposal." Roy Forward, *Public Policy in Australia*, Melbourne: Cheshire, 1974, p. 1. Although the number of people included in positions of authority is different from one country to another it can be concluded that they are those who occupy the executive, legislative and judiciary positions in the governmental arena.

\(^{18}\)Pressman and Wildavsky, *op.cit.*, pp.xiii-xiv.
implementation; otherwise there would be nothing to move toward in the process of implementation. A verb like "implement" must have an object like "policy"... When policy remains a disembodied objective, without specifying actors or the acts in which they must engage to achieve the desired result, there is no implementation to study.

Van Horn and Van Meter suggest that policy implementation "encompasses those actions by public and private individuals (groups) that are directed at the achievement of objectives set forth in prior policy decisions." Therefore, according to them, the study of policy implementation examines "those factors that contribute to the realization or non-realization of policy objectives."

Policy implementation should be differentiated from policy impact. The study of policy impact deals with the consequences of policy decision, or in other words, it searches for answers to the question of what happens as a consequence of the implementation of a policy. An implementation study can itself highlight some factors determining policy impact. Thus, following Dolbeare, as mentioned above, the impact studies typically ask "What happened?" Whereas implementation studies ask "Why did it happen this way?" The evaluation process of policy itself is often not carried out seriously, especially in most developing countries, because of lack of qualified staff, or because formal procedures for evaluation are often not clearly established.

Implementation studies are a newly developed area of public policy investigation. Much of the emphasis has previously been directed at policy formulation and it has been assumed that the bureaucracy just "carries out" policies as a completely detached, impartial instrument of government. A serious attempt to construct a theoretical analysis has only been undertaken since the 1970s. Pressman and Wildavsky consider, in their book "Implementation," that implementation means getting things done. Their book is based on a case study on the Economic Development Administration (EDA) project to produce jobs for the unemployed in Oakland, California, which they

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20 Ibid., p.448.


23 op.cit.
take as an example of how not to get things done. Although they do not provide a model of the implementation process, their observations provide some key elements that might be included in any such model.

Among the key points of analyses found in their work is their stress on the importance of organizational machinery in implementing policies. The EDA project had involved various intermediaries during the implementation process, and these had produced a complexity of joint actions which had the effect of destroying the implementation process. Therefore, much attention had to be given to the creation of organizational machinery for executing a program.

They also stated that continuity of leadership, and simplicity of policies are two important factors contributing to implementation success. The statement of Pressman and Wildavsky that too many intermediaries will hamper policy implementation deserves special attention for its relevance to the case of rice policy implementation in Indonesia. The various aspects of rice policy have involved many agencies, and this has created problems of coordination and cooperation.

Simplicity of policies can also be regarded as a high-priority desideratum in a case such as rice policy implementation in Indonesia. As Pressman and Wildavsky point out: "The fewer the steps involved in carrying out the program, the fewer opportunities for a disaster to overtake it."24 Also, implementers with a low level of capability need simple directions to understand the policy objectives and the means of achieving those objectives. Furthermore, continuity of leadership is also a crucial factor for successful implementation of rice policy. It is needed to maintain the smooth running process of implementation which is probably disturbed by any change in leadership.

In 1975, Donald S. Van Meter and Carl E. Van Horn presented their theoretical model on implementation processes, "The Policy Implementation Process: A Conceptual Framework." By their definition of implementation, as cited above, the two authors stressed that "the implementation phase does not commence until goals and objectives have been established by prior policy decision."25 The emphasis of their analysis is on the human and psychological factors that influence the behavior of actors within the implementation arena.

Their analysis distinguishes the policy and its performance, and they present six variables in their models which shape the linkage between the policy and performance. The six variables are: Standards and Objectives of policy; Resources; Interorganizational

24Pressman and Wildavsky, op.cit., p.147.
25Van Meter and Van Horn, op.cit., p. 448.
communication and Enforcement activities; Characteristics of the Implementing agencies; Economic, Social and Political Conditions; The Disposition of Implementers; and Performances.\textsuperscript{26}

By the "characteristics of the Implementing Agencies", Van Meter and Van Horn refer to those characteristics of administrative agencies that affect their policy performance. They propose six characteristics that may impinge on an organization's capacity to implement policy. These include: 1. the competence and size of an agency's staff; 2. the degree of hierarchical control of sub-unit decisions and processes within the implementing agencies; 3. an agency's political resources (e.g. support among legislators and executives); 4. the vitality of an organization; 5. the degree of "open" communications i.e. networks of communication with free horizontal and vertical communication, and a relatively high degree of freedom in communications with persons outside the organization within an organization; 6. the agency's formal and informal linkages with the "policy making" or "policy-enforcing" body.\textsuperscript{27}

While this model has enriched our understanding about the policy implementation process, it suffers from various weaknesses. In their criticism of this model, Sabatier and Mazmanian suggest that this model can only be applied to programs aimed at distributing goods and services, but it neglects the large number of programs which are intended to regulate the behaviour of private actors. They also consider the model as "essentially amorphous categories rather than variables that can be easily operationalized."\textsuperscript{28}

\textsuperscript{26}Standards and Objectives of policy elaborate on the overall goals of the policy decision while policy resources "may include funds or other incentives in the program that might encourage or facilitate effective implementation." Such standards and objectives should be understood by implementers and hence their clarities and their communication to implementers are important. Enforcement by superiors is needed in order to guarantee that implementation has been conducted in the right way. There are two kinds of enforcement that can be used, i.e. technical advice & assistance, or positive and negative sanctions. \textit{Ibid.}, pp. 464-470.

\textsuperscript{27}The economic, social and political conditions that influence the implementation process can be clarified by several questions like: "Are the economic resources available within the implementing jurisdiction (or organization) sufficient to support successful implementation?; To what extent (and how) will prevailing economic and social conditions be affected by the implementation of the policy in question?; What is the nature of public opinion, how salient is the related policy issue?; Do elites favor or oppose implementation of the policy?; What is the partisan character of the implementing jurisdiction (or organization); Is there partisan opposition or support for the policy?; and to what extent are private interest groups mobilized in support or opposition to the policy?" The disposition of implementers has also an important influence on the success of implementation. Three elements of implementers' responses: cognition-direction-intensity- are considered by the authors as possibly affecting their ability and willingness to conduct the policy. A policy will be unsuccessfully implemented if the implementers are not in full compliance with the policy. The policies will fail to implement if implementers reject the goals of the policies. Finally, "those holding intense negative preferences may be led to outright and open defiance of the program's objective." \textit{Ibid.}, pp.472-473.

Yet this model distinguishes three elements which need to be considered separately in the analysis of rice policy implementation in Indonesia: resources, enforcement activities, and economic, social and political conditions. The resources (government funds and other incentives) are critical for the policy’s success, and lack of resources will hamper the achievement of rice policy objectives. The Indonesian government made available substantial funds from its annual budgets and from bank credits in the early 1970s to get the Bimas program established. Shortage of funds has never been a serious constraint upon the implementation of the rice policy.

The enforcement activities (positive or negative sanctions, and technical advice and assistance) are also required in order to guarantee that rice policy has been implemented in the right way. Although enforcement activities are often used effectively in some developing countries, they are often also applied excessively, which then creates anxiety among the subordinates towards their superiors and from target groups towards the government. This will give rise to subservience among local implementers in respect of their superiors, which will reduce local initiative; and it will tend to reduce the effectiveness of public supervision over policy implementation which is needed if its success is to be ensured.

As far as economic, social and political conditions are concerned, the former is simplified by the authors as meaning simply the economic resources available to support the implementation process, which must be considered a factor to be given attention in examining the implementation of rice policy to ensure the availability of the resources during the implementation of the policies. The social condition, i.e. the nature of public opinion, has to be taken into account in any analysis of the responses of farmers toward the government rice policies. And finally, the political condition, i.e. the attitude of elite groups towards the policies, is crucial if we are to see how the attitude of Indonesian bureaucratic elites towards rice policy implementation has developed.

Robert T. Nakamura and Frank Smallwood in their book "The Politics of Policy Implementation," take the view that there is no sharp distinction between the two types of activities implied by the words policy formulation and policy implementation because actors involved in both arenas can make interventions within each arena. They divide the policy process, as mentioned above, into three environments: policy formation, policy implementation, and policy evaluation environment. "Within each of these environments there are a variety of arenas where actors interact."29 The policy

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29 The policy formation environment is mainly occupied by "legitimate" policy makers, e.g. the president, Congress, governors, state legislators, etc. and nongovernmental individuals or groups that are capable of influencing these policy makers. They are interest groups, powerful constituencies etc. op.cit., pp.22-23.
implementation environment is occupied by various actors, depending on the type of policy under consideration. They are policy makers, formal implementers, intermediaries, lobbies and constituency groups, recipients and consumers of policies, the media, and evaluators.\(^{30}\)

The authors see these three environments as tied together in a policy system through *communication* and *compliance*. The existence of communication is especially important between environment I (policy formation) and environment II (policy implementation). Failure of communication will result in unsuccessful implementation. Such failure can occur because of garbled messages from the senders, misinterpretations by the receiver, system failure in terms of transmission breakdowns, overload, "noise," and inadequate follow-through or compliance mechanisms.

As between these two variables, we can say that in Indonesia, compliance is the most crucial variable to take into account in any effort to analyse rice policy implementation. Compliance is needed in order to force the local officials to carry out policy instructions properly. Compliance, however, is not a guarantee that all policy objective will be achieved successfully. Excessive compliance may be successful in achieving one of the objectives of policies, but it may fail to achieve the other. This is because the local officials, on the one hand, lost their autonomy or capacity to take necessary decisions appropriate to local conditions; and on the other hand, it will create a situation in which the local officials utilised coercion against target groups in order to carry out instructions from above.

At the same time as the publication of Nakamura and Smallwood's book, George C. Edwards III published his work, "Implementing Public Policy." His main questions were: What are the preconditions for successful policy implementation, and what are the primary obstacles to successful policy implementation? To answer these questions, Edwards identified four variables that influenced the implementation process, i.e. communication, resources, dispositions or attitudes, and bureaucratic structures.

Communication is crucial, since implementers must know what they are supposed to do. "Orders to implement policies must be transmitted to the appropriate personnel, and they must be clear, accurate and consistent."\(^{31}\) Furthermore, lack of resources will

\(^{30}\)The actors involved in the policy evaluation environment include policy makers and policy implementers, i.e. those "who engage in planning, projections, oversight, or monitoring activities." In addition, actors in the environment may include social scientists or other scholars and interest groups who have no prior connection with both policy formation and policy implementation. *op.cit.*, p.23.

result in ineffectiveness of implementation. The disposition or attitude of implementers is translated as the wish by or agreement of implementers to conduct the policies. "If implementation is to proceed effectively not only must implementers know what to do and have the capability to do it, but they must also desire to carry out a policy."\textsuperscript{32}

Finally, bureaucratic structures can also have a pervasive impact on the implementation of policies. Implementation can be thwarted because of deficiencies in bureaucratic structure. Edwards focuses on two dominant characteristics of bureaucracy, i.e. the use of routinized behaviours or standard operating procedures, and fragmentation or the dispersal of responsibility for policies among many organizational units. In this context, Edwards quotes the speech of President Carter:\textsuperscript{33}

There are too many agencies, doing too many things, overlapping too often, coordinating too rarely, wasting too much money - and doing too little to solve real problems.

These two variables may be used to analyse the implementation of rice policy in Indonesia, although some modifications of them should be made. In Indonesia, it is a fact that the wishes of local officials in carrying out policies are not always given attention by the centre. For these local officials there seems to be no other choice but to carry out the policy instructions from above.

The bureaucracy itself, especially the local bureaucracy, is the most important variable in implementation of rice policies, although here we need to take into account the fact that the Indonesian bureaucracy is rather differently structured from those of other countries, because it is an inheritance from the tightly controlled system of regional administration established by the Dutch, which had no close parallel in any other colonial system. The differences can be seen in the structure, appointment system for local officials, and in the culture that shapes the attitudes of the local bureaucrats in their relations with superiors and the central government. Other variables will be discussed below.

**Implementation Studies in the Third World**

The four books discussed above, however, relate to the implementation process in Western countries, especially the USA. Implementation studies on Third World countries provide a distinctly different picture from that of the Western countries. The differences are not found merely in the implementation process but also in some of the types of policies undertaken in the socio-political contexts, and in formulation and evaluation of policies. Policies in the developed countries are mostly of the incremental

\textsuperscript{32}Ibid., p.11.

\textsuperscript{33}Ibid., p.134.
type, whereas in the developing countries, many policies tend to be more sweeping and ambitious because they are intended to bring about major developmental and social reforms.\textsuperscript{34} It is generally recognized that incremental policies are easier to implement than more radical and sweeping ones.\textsuperscript{35}

In the formulation stage of policies, the role of governments in developing countries is dominant. This is because the legislative body is weak (or weakened); political parties do not function as agents of interest articulation but more as a means for elites to control the masses, and interest groups are ineffective in collating the demands of particular groups or constituencies.\textsuperscript{36} Hence, the formulation stage does not involve many factions and is not a place where the reconciling of conflicting interests and pressures occurs.

Policies in the developing countries are seldom the result of demands and pressures from competing interest groups or political parties.\textsuperscript{37} Often the policies are determined by the government without consultation with the legislature or target groups.\textsuperscript{38} This tendency is enhanced by the fact that many regimes in those countries have an anti-party attitude and take the view that their participation in the formulation of policies is either illegitimate or inefficient.\textsuperscript{39}

Whereas in Western countries, policy debates generally occur during the formulation stage, the opposition to policies is most commonly expressed in developing countries during the implementation process.\textsuperscript{40} This makes implementation studies in those countries particularly interesting. In addition, in most Western countries, the failure of policies or programs does not always occur at the implementation stage: the failure and faults can often be traced back to the formulation stage. In Third World countries, however, most of the obstacles tend to be found during the implementation

\textsuperscript{39}M.S. Grindle, \textit{op.cit.}, p.17.
\textsuperscript{40}T.B. Smith, "The Policy Implementation Process," \textit{op.cit.}, p.198; and M.S. Grindle, \textit{op.cit.}, p.15.
According to Smith:\textsuperscript{\textnumber{42}}

In translating these policies into programmes and projects during the implementation phase there is immense slippage: many policies remain only symbolic statements by political leaders or laws on statute books, while others that are implemented achieve little of what was originally expected.

There are various reasons for this situation: lack of resources, the bureaucracy’s lack of capacity to implement policies effectively, inadequate management systems, inefficiency etc.\textsuperscript{\textnumber{43}} The different pictures of the policy process in the Third World have resulted in different analyses of that topic. Here I will discuss two types of analysis presented by Smith and Grindle.

In 1973, Thomas B. Smith presented his version of the policy implementation process in his work, "The Policy Implementation Process." In constructing his model, Smith approaches the policy process from the perspective of social and political changes. "Governmental policies are designed to induce changes in society."\textsuperscript{\textnumber{44}} This means that through policy implementation, old patterns of interaction and institutions are abolished or modified and new patterns of action and institutions are created.

On the basis of this view, Smith defines government policy as "deliberate action by a government to establish new transaction patterns or institutions or to change established patterns within old institutions." Furthermore, "policy formulated by a government, then, serves as a tension-generating force in society," and "while the policies are implemented, tensions, strains and conflicts are experienced by those who are implementing the policy and by those affected by the policy."\textsuperscript{\textnumber{45}}

There are four components or variables that set up the tension-generating matrix: the idealized policy, the implementing organization, the target group and environmental factors. In the idealized policy is included the formal policy;\textsuperscript{\textnumber{46}} the type of policy;\textsuperscript{\textnumber{47}} the program, and images of the policy. The target group consists of those who are required to adapt new patterns of interaction by the policy." The environmental factors are

\textsuperscript{\textnumber{41}}Thomas B. Smith, \textit{op.cit.}, and Grindle, \textit{ibid.}
\textsuperscript{\textnumber{44}}\textit{Ibid.}, p. 200.
\textsuperscript{\textnumber{46}}i.e. the formal decisional statement, law, or program that the government attempting to implement.
\textsuperscript{\textnumber{47}}i.e. complex or simple; organizational or non-organizational; distributive, re-distributive, regulatory, self-regulatory, or emotive-symbolic.
"those factors which can influence or be influenced by the policy implementation." These can include different cultural, social, political and economic conditions.\textsuperscript{48}

The implementing organization is, in most cases, a unit of the government bureaucracy. Here three factors should also be considered: \textit{the structure and personnel, the leadership of the administrative organization, and the implementing program and capacity}. The terms structure and personnel of the implementing organization refer to the stability of the structure and the qualifications of the personnel who must implement the policy. An unstable administrative organization and unqualified personnel may reduce the capacity to implement. The leadership of the administrative organization refers to the style and nature of the leadership; while the implementing program and capacity refers to "the intensity and care taken to organize for the implementation and to the general capacity of the organization to meet the objectives of program implementation."\textsuperscript{49}

Smith presented his model of implementation in a systemic form. When a policy is being implemented, interaction within and between the four components results in discrepancies and tensions. The tensions result in transaction patterns, i.e. non-permanent patterns related to the goals or objectives of a policy. The transaction patterns may or may not result in the establishment of institutions. "Feedback in the form of relieved tensions or increased tension is introduced back into the tension generation matrix from transaction patterns and institutions."\textsuperscript{50}

Grindle in her book, "Politics and Policy Implementation in the Third World," presented a rather different model of policy implementation which focusses on three components of policy: policy goals, implementing activities, and outcomes. It is the task of implementation to allow the goals of public policy to be realized as outcomes of government activity. The general process of implementation, in Grindle's opinion, begins only when general goals and objectives have been specified, when action programs have been designed, and when funds have been allocated for the pursuit of the goals.\textsuperscript{51}

Implementation activities are influenced by the content and context of policy. The content of policy includes six variables: the interests affected, the type of benefits, extent of change envisioned, site of decision making, program implementors, and resources committed. The context of policies has three variables: power, interests, and strategies of actors involved; institution and regime characteristics; and compliance and

\textsuperscript{48}Ibid., p.205.
\textsuperscript{49}Ibid., p.205.
\textsuperscript{50}Ibid., p.203.
\textsuperscript{51}Grindle, \textit{op.cit.}, p.7.
responsiveness. All these variables affect the outcomes.

Our Approaches to Policy Implementation in Indonesia

The various books mentioned above and the two models presented by Smith and Grindle have identified for us some of the factors or variables affecting the success and failure of policy implementation process in the Third World. Because the books and the two models were made from various cases in the Third World without reference to Indonesia, some of these variables may or may not be relevant to the analysis of the policy implementation process at the local level in Indonesia. Other factors should, therefore, be added to provide a comprehensive understanding about policy implementation in Indonesia.

There are nine factors which need to be analysed in the implementation of rice policy in Indonesia: the local government and type of regime; responsiveness; accountability; continuity and seriousness of supervision; the central government's priority of policies or programs; bureaucratic personnels; resources; coordination; and rewards and sanctions.

It is important, however, to clarify at the outset the difference between policy and program since this study limits itself to program implementation in two cases. The task of implementation, according to Grindle (cited above), is to establish a link "that allows the goals of public policies to be realized as outcomes of governmental activity." This task needs a "policy delivery system," in which "specific means are designed and pursued in the expectation of arriving at particular ends."

Hence, action programs, are established that aim to achieve the ends stated in the policy. There are in practice difficulties in distinguishing clearly the term policy and program, and they are sometimes used interchangeably. To overcome this problem, it is important, according to Grindle, to consider implementation as a general process of administration that "can be investigated at the specific program level." Thus, the success or failure of policies can be evaluated "in terms of the capacity actually to deliver programs as designed and in turn, overall policy implementation can be evaluated by measuring programs outcomes against policy goals."

52 Grindle, Ibid., p.11.
53 Grindle, Ibid., p.6.
54 Ibid., p.6; and Van Horn and Van Meter, op.cit., p.446.
55 op.cit., p.7.
56 Ibid., p.7.
In many developing countries, local government (although different in system and structure) is the primary organization given the task of implementing various government policies or programs. This is because local governments in these countries are extensions of the central government, while other agencies are weak, or are simply not given responsibility to implement government policies or programs.

One variable affecting the performance of local government in carrying out government policies or programs is the type of regime under which the local government exists; the type of regime affects the policy process. Studies of policy implementation in both Western, and in developing countries, suggest that regime structures have shaped the policies and their outcomes, according to whether they are democratic, authoritarian, or more or less open systems of government. In Western liberal countries, the autonomy of local officials is greater than that of their counterparts in developing countries. However, this autonomy sometimes hampers implementation of policies because local officials can ignore federal policy directives.

This autonomy also allows differences in perspectives, e.g. about whether a program is important or not. Pressman and Wildavsky's book describes in detail how differences in perspectives about the importance of the EDA project in Oakland became one of the factors behind the failure of the project. Fragmentation can also become a feature within Western bureaucracies. This is because responsibility for policies is dispersed among several organizations, and in this context the local implementing authorities may be encouraged to mirror the fragmentation of views prevailing at the national level. This

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58 Grindle, op.cit.

59 Nakamura and Smallwood, Ibid., p.61.

60 Pressman and Wildavsky, op.cit., pp.48-51; 94-98.
fragmentation, sometimes, also hampers the implementation process.\textsuperscript{61}

In most developing countries, especially those where the military holds the power, the local governments have less autonomy and are more dependent upon the centre. This is because many local governments are dependent financially upon subsidies from the centre, and the appointment of local officials is usually made by the central government. This situation affects the attitude of local officials in carrying out their jobs and in implementing the policies of the centre. Policy instructions from above, although they may conflict with other policy objectives, or simply give priorities to only one objective while ignoring others, will easily be carried out by local officials.

While instructions from above are easily executed, however, there is a tendency for the local bureaucrats simply to ignore the problem of responsiveness to the interests of target groups as one of the factors in the success of implementation, provided that the high priority policy targets are achieved. In theory, the local officials should be responsive to the interests of those who become targets of the programs, since this is needed not only so that the aspirations of the target groups will be understood, but also in order to obtain their support and participation.\textsuperscript{62}

The accountability of subordinates to superiors is also a crucial variable in the implementation process. Accountability must be provided by the subordinates, e.g. through regular reports to their superiors or by accountability to a local representative body; but the problem is how far these reports describe the real situation about the implementation of a policy. In countries where coercive power is regularly applied against subordinates, reports may include some which just make the superiors happy and tend to conceal the real facts that may threaten the careers of the subordinates.

Continuity and seriousness of supervision is another variable relevant to the success or failure of policy implementation. Effective supervision is needed in order to prevent the subordinates from deviating from policy objectives, and to minimize mismanagement. It is frequently reported that implementation of policies in various developing countries has been hampered by corruption on the part of local bureaucrats which occurred partly because of weaknesses in the supervision of program implementation.\textsuperscript{63}

In addition, the priorities of programs determined by the centre affect the attitude of the officials who implement them at lower levels. Local level officials generally tend to

\textsuperscript{61} Edwards, op.cit., pp.142-143.


give more attention to programs given priority by the centre, not merely because these programs are more important than the others, but also because high-priority programs usually offer greater material incentives.

One of the crucial variables in the implementation process is an adequate number of personnel with appropriate qualifications in the relevant bureaucratic organization. Unskilled personnel or shortages of personnel will adversely affect a program's success, or slow down the implementation process. Furthermore, policy implementation is also affected by availability of resources. Although different writers on policy analysis differ on the definition of what exactly is meant by "resources", they seem to agree that lack of resources may result in program failure. For the purposes of this study, the term "resources" here refers to funds, incentives and facilities (transportation, equipment and buildings) that might encourage and facilitate effective implementation.

Where the implementation process involves various institutions, there must be mechanisms to facilitate coordination among them, since lack of coordination will hamper the achievement of policy objectives. Furthermore, the involvement of a large number of agencies requires mechanisms which allocate rewards and sanctions. Rewards (promotions, material incentives etc.) are needed to maintain the spirit of personnel in carrying out their tasks, while any reduction of incentives may have the effect of slowing down the implementation process.

Sanctions, on the other hand, are needed to prevent the implementing officials from refusing orders in such a way as to result in inconsistencies in policy objectives. Neustads points out that orders are not self-executing: they require the presence of an action-forcing mechanism. Sanctions, are classified by Etzioni into three types: normative, renumerative, and coercive. These should not only be stated clearly but must also be applied consistently. Unclear sanctions will diminsh the prestige of superior officials, but will not prevent mismanagement occurring during the implementation process.

These nine factors affecting good public policy implementation which have been stressed in the literature are all relevant in some degree to the study of how rice policy has been implemented in Indonesia. However, none of them is alone of sufficient importance to be regarded as a major explanatory variable in the assessment of the success or failure of the country's rice policy at different times. The whole process of rice

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64 Van Meter and Van Horn, as mentioned, stated that resources include funds or other incentives, while Edwards considers qualified and sufficient staff, relevant and adequate information, authority as well as facilities, as important resources for the implementation process.


policy implementation in Indonesia has in fact been more greatly influenced by various factors which can be called political in character than by purely administrative criteria. By this I mean that whereas the more purely "administrative" principles of good public policy formulation and implementation give priority to such objectives as effectiveness in the prompt execution of the policies laid down by the government, accountability, responsiveness to the interests or views of the target groups and to continuous supervision of subordinate-level implementation by an organization capable of exercising some independent authority over them, the kinds of considerations that I refer to here as "political" in character are those which subordinate these essentially administrative principles to the requirements of power maintenance, in the case of the central government, or of power aggrandizement, in the case of lower-level officials. In the various accounts of kabupaten-level implementation of rice policy which I give in Chapters Five to Seven, we will see that local political considerations have very often been major determining factors behind the success or failure of rice policy implementation in the different regions. In other words, behind the principles of good public administration mentioned above (pp.17-19), many kinds of localised political pressures have also come into play.

One of the most important of these political factors which have to be taken into account has been the strong commitment of the Suharto government since 1967 to achieving self-sufficiency in foodstuffs through the increase of rice production. Suharto was determined to avoid the kind of public unrest that arose towards the end of the Sukarno period because of the failure of the Old Order government to fulfil the basic economic needs of the people, especially for an adequate rice supply. The legitimacy of his government, in its early years, was insecurely founded until he was able to show that inflation had been brought under control and the economy restored to health.

I do not mean to imply that President Sukarno did not make any effort at all to increase rice production. As is shown in Chapter Three, his government did try to undertake various rice intensification programs, but for various reasons which need not concern us here, they all failed to achieve an increase of production sufficient to meet the nation's rising demand for rice. Consequently, rice imports were increasing rapidly in the mid-1960s, at great cost to the economy. Certainly, one of the factors behind the weaknesses of rice policy before 1967 was the low priority Sukarno gave to economic issues of this kind, rice policy in particular being given strong government support only on rare occasions. Sukarno might have been aware that Indonesia faced serious economic problems, but he did not consider them to be of such immediate political importance as the problem of national integration. Until the decade of the 1960s, questions of national integration were the main problem facing all governments in Indonesia, as we will see in
Chapter Two. It was only then that the various regional rebellions could be brought to an end. Sukarno’s achievement in maintaining national unity and overcoming regional separatism must be seen as perhaps his greatest service to the Indonesian nation, although that objective was achieved at the expense of economic decline and disastrous inflation.67

The first steps taken by Suharto, therefore, soon after he took over presidential power, were directed towards restoring political and economic stability simultaneously, and particularly to bringing to an end the almost endemic inflation of the 1960s. His efforts to stabilize the political situation were carried out inter alia through the 1970 reorganization of the military command structure and, as we will see in Chapter Two, of regional government. Another important measure taken by the Suharto government to enhance the political legitimacy of the Orde Baru (“New Order”) regime was the holding of general elections in 1971 (in contrast with Sukarno’s refusal to hold elections after 1959). However, the holding of elections did not in itself win full acceptance for his government since there were many protests that the government-supported party, Golkar, had used excessive intimidation and pressure to win the elections.

A second aspect of the Orde Baru government’s stabilization policies consisted of the much greater efforts now made towards resolving the country’s economic problems than had ever been the case under Sukarno. This was apparent from the beginning of the Suharto government in 1966-67 in its policies to curb inflation (of which increasing food production was a vital part), then in its new approach to rice policy in 1967-1968, i.e. in the introduction of the Rumus Tani rice-fertilizer price ratio, the Bimas system, and the HYVs. The high priority it gave to investment of scarce capital in agriculture from the government budget under the First Five Year Development Plan (Repelita) was also a clear indication of the importance attached to agricultural development, especially to the increase of rice production, which the government had made one of the principal objectives of its economic policies in the earliest years of the regime. It was hoped that by increasing rice production, rice price stability could be achieved at levels acceptable to both producers and consumers.

67 At the end of 1965 the consumer price index (1958=100) had stood at 36,347, with prices seven times the level of the previous January. Inflation spiralled in 1965 at a rate of 594% as against 135% in 1964 and 128% in 1963. The index of real income for labourers in Djakarta (1958=100) stood at less than 40; the money supply rose over 1965 from Rps 675,107 million to Rps 2,582,014 million. Far Eastern Economic Review, February 13, 1969 as quoted by J.M. van der Kroef, Indonesia Since Sukarno (Singapore: Asia Pacific Press, 1971), p.40. A year later in 1966 the consumer price index rose to 267,276, inflation rate was 635% while the money supply had been Rp 21,024,000 million. ibid., p.40 and see also Anne Booth and Peter McCawley, “Perekonomian Indonesia Sejak Pertengahan Tahun Enam Puluhan,” in A. Booth and P. McCawley (eds), Ekonomi Orde Baru (Jakarta: LFEES, 1982), p.5; Stephen Greenville, “Kebijaksanaan Moneter dan Sektor Keuangan Formal,” in A. Booth and P. McCawley (eds), ibid., p.140.
For this reason, the government undertook various initiatives in the early 1970s to implement its rice intensification programs and to improve the rice marketing arrangements through the establishment of village unit cooperatives (KUD) (see Chapter Three). The various BIMAS rice intensification programs and the cooperative organizations proved to be successful in increasing both rice production and the procurement of a marketable surplus by BULOG (Badan Urusan Logistik, Logistic Body) the important new marketing organization. On the other hand, there was much controversy over the extent to which other objectives of its rice policy program, such as a more equal distribution of income among farmers and creation of effective village cooperatives, were also achieved. The shortcomings in those aspects of policy indicate that although its production target was achieved, the other objectives of the government's overall policy have not been pursued very vigorously. We will see how the government gave high priority to efforts to increase rice production through the involvement of various government authorities and local governments in rice intensification programs, whereas control over rice distribution and marketing was simply left to the discretion of one or two agencies (see details in Chapter Three). In all this, the internal bureaucratic politics operating within and between various government agencies had great influence on the ways in which priority was given to one or other of the government's various stated objectives, as set out in Broad Outline of State policies (GBHN, Garis-Garis Besar Haluan Negara).

Before we go any further, it is necessary to say something more about the changing political system under the Orde Baru regime, since this has provided the all-important context within which public policies have had to be formulated and implemented. Since the Indonesian political system under the Orde Baru is in some respects quite unique, we cannot properly understand the working of the country's administrative machinery or its policy-making processes without reference to some of the key characteristics of the political system as a whole.

The first feature of the Orde Baru political system has been the "depoliticization" of society which has been carried out very effectively since the early 1970s. This development is particularly important in comparison with the highly politicized character of the system during the entire Sukarno period, when political upheavals disrupted both administrative and economic performance very seriously. This process of depoliticization resulted from the adoption of various military-political concepts embraced by the Armed Forces leadership during the period of liberal democracy (1950-1959), when the latter shared with President Sukarno the view that it was necessary to abolish or reduce the number of parties in order to end ideological conflicts among political parties threatening
national unity. The Suharto government therefore introduced various political measures embodying their ideas. The government, for example, took steps in the early years of its power to intervene in the internal affairs of the political parties. When Parmusi (a new Muslim party set up in 1967, later merged into the PPP) organized its first party conference to elect a president, Suharto refused to accept a former Masjumi leader as chairman of Parmusi, as proposed by the conference, and forced the party to accept a chairman proposed by the government. Subsequently, the government involved itself frequently in the determination of political party leaders and in screening the parties' candidates for general elections.

In addition, the government later issued a regulation reducing the number of political parties from ten in 1971 to three in 1973. The Muslim parties were reorganized into PPP (Partai Persatuan Pembangunan), while the nationalist parties, the Christian and the Catholics parties were fused into PDI (Partai Demokrasi Indonesia); the other party is Golkar. At the same time, the government issued an order prohibiting the political parties from carrying on any activities below the kabupaten level, an embodiment of the "floating mass" doctrine. This was actually a most important step to cut off the basis of party support in the village areas, at the same time giving an advantage to Golkar, because whereas the other two parties had no right to establish branches at kecamatan and village levels, Golkar was able (under government instructions) to utilise local government officials, who were coordinated under the government civil servants' organization, Kokarmendagri and later Korpri, and military organizations at those levels to fill the gap left by the political parties. It is easily understandable that on the basis of this strategy Golkar has been able to obtain a majority of votes in all later general elections, except in some areas where the Muslim party (PPP) has traditionally had strong support, as in Madura and Aceh.

The screening of party candidates and the intervention of the government in party affairs have reduced the power of the political parties in both national and local representative councils (DPR and DPRD); the majority of DPR and the DPRD members are now made up of people owing loyalty to the government. This situation has been further aggravated by the system of election and appointment of the DPR and DPRD members. Indonesia's election law is based on the method of Proportional Representation.

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with a List System of candidature. These methods, which were proposed by the political parties themselves in 1967 (when the DPR discussed the elections law), have in fact boomeranged upon the parties, because their numbers were not only reduced as a result, but they have lost their links with the masses.

Under the present electoral system, voters give their votes to political parties, not to candidates. Party headquarters in Jakarta have the power, subject to consultation with the government's screening authorities, to select the candidates and to determine the placement of candidates in each electorate (either the province or kabupaten as a whole). Hence, in most cases the candidates are not known personally by the voters. The loyalty of the candidates is directed more towards their party leaders and the government rather than to the people in their electorates, since their position in the representative councils is more dependent on the former than the latter. It is understandable, then, that most of the DPR and DPRD members do not feel that they are directly accountable to the people they supposedly represent.

In addition, the government stipulated that only 360 out of the total 460 DPR members would be elected at the general elections. One hundred of them are appointed by the President, most of them from the military. Hence, even though Golkar, through its "bulldozer" campaigns, won the majority vote in the three elections (1971, 1977, and 1982) the position of the government's supporters in the DPR was further secured through the appointment system. In the People's Consultative Assembly (MPR, the highest organ of state which has the tasks, among other things, of defining the broad outline of state policies and to elect the President), the appointment system has also resulted in total domination of the Assembly by the government's supporters. The total number of MPR members is 920, with all members of the DPR (460) doubling as MPR members, while the rest (460) are appointed by the President. Since 100 of the DPR members are themselves appointed, the total number of those who are appointed rather than elected to the MPR is 560 (253 of them representing regions and professional groups).^69

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Under this system it can be easily seen that the MPR and the DPR are little more than mere rubber stamps for the government. In this respect, the government has had no real obstacles in the determination of state policies and in manipulating the support of the MPR to maintain Suharto as the President over his four five year terms. A similar situation is also found in the local representative councils (DPRD), where appointment of one-third of the DPRD members has also resulted in domination of the councils by Golkar and the military, making them also mere rubber stamps of the local executive, which are in turn dominated by central government personnel (see Chapter Two).

As a part of the overall depoliticization of the society and political system, the Suharto government has also implemented since 1978 a program of indoctrination courses on the state ideology, Pancasila, and the 1945 Constitution, known as the P-4 program. All segments of the population must follow these indoctrination courses, particularly members of civil service. This has been one of Suharto's strategies for reducing political conflicts on the basis of ideology, which has also had the effect of strengthening the government's power over individual officials. Later, in 1984, Suharto successfully forced all political organizations to accept the Pancasila as their sole ideology (azas tunggal), thereby further confining the scope of political debate since speakers must be careful not to risk the accusation of repudiating Pancasila.

All the developments described above show that President Suharto has been able to concentrate enormous power within the hands of his government. There is, of course, still a lot of bureaucratic politics and in-fighting, in the form of struggles for power between the technocrats and the military leaders; but this has not greatly disturbed Suharto's ultimate control over the state administration. Some challenges to the regime have, of course, been launched from time to time in the form of open criticisms by the "Group of 50" ex-ABRI officers, for instance, and on matters dealing with human rights and the unequal distribution of economic wealth; but all this opposition has been easily overcome. Apart from all the above strategies developed by Suharto, the oil boom of the 1970s has given the regime an enormous increase in the funds available to it for use as a basic prop to its power. Public funds have been used, for example, to manipulate the support of local officials (see Chapter Two). Thus it can be said that since 1978 Suharto seems to have had no real rival as national leader and such ample financial resources at his disposal for patronage purposes that his power is unchallenged.

However, the impression of unrivalled, monolithic power is valid mainly for the centre, but is less true of the kabupaten and the kecamatan authorities. Although it is true that the centre has the ability to keep local officials ultimately dependent upon its political and financial backing for them, the fact is that the central government does not
really have any effective capacity to exercise close supervision over the work of the regional pamong praja, a corps of local government officials which really carries out the day-to-day administration at the local level, or to ensure that they follow accepted principles of sound public administration or to make them more responsive to the interests and demands of the target groups beneath them.

The central government has been successful in eliminating party politics, but not the pressure group politics that goes on constantly among the local pamong praja and village officials (see Chapters Six and Seven). It is an undisputed fact that officials at these two levels of local government have wide opportunities to manipulate various government policies and the funds derived from the central government agencies for their own personal ambitions and benefits in all sorts of ways (as will be clarified in Chapters Five, Six and Seven), without much fear of effective supervision or reprisals from their superior authorities.

This inadequacy of supervision from the central government has also resulted in a situation in which the local government officials are able to concern themselves only with some of the central government's policy objectives at the expense of others, so long as they do not deviate too far from the main targets determined by their superiors. For example, so long as production of rice is increased, in accordance with the targets set by higher levels of government, and so long as the KUDs seem to be functioning as prescribed, the local officials do not have to worry too much about other aspects of rice policy such as the distributive or equity goals. For the same reason, it seems that they are willing to ignore or distrust principles of good public administration for the sake of not creating any dissatisfaction in the minds of superior officials (an attitude epitomized in the term, Laporan ABS - i.e. "Asal Bapak Senang", or "As you wish, Sir"), or of avoiding opposition and resistance from their subordinates. For example, if they intervene against a corrupt KUD official, they are likely to create further difficulties for themselves, so they make an essentially political decision not to intervene just to eliminate the corruption unless it is absolutely essential to do so. In other words, the principles of good administration are frequently sacrificed to the demands of political expediency, even (or especially) at this level.

The fact that officials give most attention to the requirements of their superiors - and ultimately to the central government - but tend to ignore the interests of various subordinate elements in society who could be regarded, according to public administration theory, as the target groups to whom they should be responding, is a very important feature of the Orde Baru political system. This feature is different from that in Western
democratic countries in which policy implementers are generally required in various ways to be responsive to the interests of their target groups, e.g. because elected politicians are likely to be sensitive to complaints from the latter. However, what has been described above is not unique to Indonesia. The fact that the governments and their subordinate officials must make choices between the various policy objectives they espouse and respond to pressures or complaints from various quarters is observable in nearly all political systems. Also, the fact that governments show little concern to increase the responsiveness of officials to the demands or interests of ordinary people below them is characteristic of many developing countries. But the unique feature in Indonesia is the position and role of the pamong praja at the regional level. No other developing country has anything like such a powerful bureaucratic mechanism reaching down to the grassroots level. Hence, the internal politics of the pamong praja itself are extremely important in the implementation of government policies of all kinds, because it is almost impossible for the central government to exercise effective supervision over it, due to the limitations of skilled human resources available to it. The lower-level pamong praja officials are virtually immune because they are, in the last resort, indispensable to the working of the entire system of government in Indonesia.

The Setting

The problems of policy implementation mentioned above will be discussed with reference to Malang Kabupaten, one of the 29 kabupatens in East Java province. Java is the primary source of rice in Indonesia, and East Java is the main supplier of rice to the commercial market. Java produced about 60 per cent of the total rice production in Indonesia in 1983. East Java province itself produced 32.3 per cent of the total rice production in Java in 1983, slightly less than West Java. But its production is well above the levels achieved by Central Java, and has increased impressively since 1971, more rapidly than West Java (see Table 1-1 on page 29).

Malang is one of eight rice surplus kabupatens in East Java producing more than 300,000 tons of rice in 1983. This was one of several reasons for choosing this kabupaten as the object of this study. The other seven kabupatens are Kediri, Jember, Banyuwangi, Pasuruan, Ngawi, Bojonegoro, and Lamongan (see Table 1-2 on page 30).
Table 1-1: Rice Area and Production in Java, 1971-1983: (million hectares and tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>West Java Area</th>
<th>Java Prod</th>
<th>Central Java Area</th>
<th>Java Prod</th>
<th>East Java Area</th>
<th>Java Prod</th>
<th>Java Area</th>
<th>Java Prod</th>
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<tbody>
<tr>
<td>1971</td>
<td>1.8</td>
<td>6.2</td>
<td>1.3</td>
<td>4.9</td>
<td>1.2</td>
<td>4.6</td>
<td>4.4</td>
<td>16</td>
</tr>
<tr>
<td>1972</td>
<td>1.7</td>
<td>5.9</td>
<td>1.3</td>
<td>4.5</td>
<td>1.2</td>
<td>4.7</td>
<td>4.3</td>
<td>16</td>
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<tr>
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<td>6.7</td>
<td>1.3</td>
<td>5.0</td>
<td>1.3</td>
<td>4.9</td>
<td>4.6</td>
<td>17</td>
</tr>
<tr>
<td>1974</td>
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<td>1.3</td>
<td>5.1</td>
<td>1.3</td>
<td>5.4</td>
<td>4.7</td>
<td>18</td>
</tr>
<tr>
<td>1975</td>
<td>1.9</td>
<td>7.0</td>
<td>1.3</td>
<td>5.0</td>
<td>1.3</td>
<td>5.4</td>
<td>4.7</td>
<td>18</td>
</tr>
<tr>
<td>1976</td>
<td>1.8</td>
<td>5.5</td>
<td>1.2</td>
<td>3.7</td>
<td>1.3</td>
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<td>1977</td>
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<td>1.4</td>
<td>4.5</td>
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<td>4.8</td>
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<tr>
<td>1979</td>
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<td>1.3</td>
<td>4.1</td>
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<td>5.2</td>
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<tr>
<td>1980</td>
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<td>1983</td>
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<td>1.5</td>
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<td>4.8</td>
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The speciality of Malang lies in the fact that although nearly all of the area in this kabupaten is dry land (tegal), it has still been able to become a rice producing kabupaten. The area of the dry land is 126,773 hectares, while sawah area is only 57,167 hectares. Plantations cover an area of 28,389 hectares, while the total area of the kabupaten is 375,325 hectares.\(^{67}\)

This kabupaten is located approximately eighty kilometers to the south of Surabaya (the provincial capital), and this location was a factor in the choice of Malang Kabupaten as the object of this study, for it can be assumed that the further a region is from the centre of administration, the harder it is to supervise the implementation of policy. This kabupaten is surrounded by Blitar and Kediri Kabupaten on its western side; by the Kabupaten of Jombang, Mojokerto and Pasuruan to the North; by the Kabupaten of Probolinggo and Lumajang in the east, while to the South is the Indian Ocean. There are 31 Kecamatan under the kabupaten administration, which include 16 kelurahan and 397 villages.

A third reason for choosing Malang Kabupaten was the high population density and the economic strength of this area. The population of Malang Kabupaten increased by 1.6 per cent annually between 1970 to 1982. The total population in this kabupaten in 1982 was 2,068,348 (see Table 1-3 on page 31). Population densities are high in this

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<tr>
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<td>Lumajang</td>
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<tr>
<td>Jember</td>
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<td>473</td>
<td>117</td>
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<td>548</td>
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<td>Maduran*</td>
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<td>Sumenep</td>
<td>18</td>
<td>50</td>
<td>19</td>
<td>66</td>
<td>19</td>
</tr>
</tbody>
</table>

* including Kotamadya (city)

** The eight kabupatens produce above 300,000 tons in 1983


The economy of Malang Kabupaten, like that of many other kabupatens in Indonesia, is based mainly on agriculture. The largest part of the regional income of this kabupaten comes from the agricultural sector. In 1981, the agricultural sector, together

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Table 1-3: Population of Malang Kabupaten, 1970-1982

<table>
<thead>
<tr>
<th>Year</th>
<th>Number (000)</th>
<th>% Increase per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>1,704</td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>1,761</td>
<td>3.3</td>
</tr>
<tr>
<td>1972</td>
<td>1,776</td>
<td>0.9</td>
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<tr>
<td>1973</td>
<td>1,796</td>
<td>1.1</td>
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<tr>
<td>1974</td>
<td>1,799</td>
<td>0.2</td>
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<tr>
<td>1975</td>
<td>1,822</td>
<td>1.3</td>
</tr>
<tr>
<td>1976</td>
<td>1,877</td>
<td>3.0</td>
</tr>
<tr>
<td>1977</td>
<td>1,891</td>
<td>0.7</td>
</tr>
<tr>
<td>1978</td>
<td>1,908</td>
<td>0.9</td>
</tr>
<tr>
<td>1979</td>
<td>1,924</td>
<td>0.8</td>
</tr>
<tr>
<td>1980</td>
<td>1,991</td>
<td>3.5</td>
</tr>
<tr>
<td>1981</td>
<td>2,054</td>
<td>3.2</td>
</tr>
<tr>
<td>1982</td>
<td>2,068</td>
<td>0.7</td>
</tr>
</tbody>
</table>


with animal husbandry, forestry, and fishery provided 59.4 per cent out of the total regional gross domestic product (PDRB) of Malang Kabupaten. Food crops provided 43.3 per cent out of the total PDRB in that year.\(^6\) In addition to rice, Malang Kabupaten also produces various other agricultural commodities, cassava and corn being the two most important; others are sweet potato, peanut, and soybean.

However, although the agricultural sector produced the majority of regional income, it does not mean that prospects are bright for all farmers in the kabupaten.\(^7\) The Statistical Office of Malang Kabupaten reports that the number of farmers' households which own less than 0.50 hectares of land has increased by 19 per cent between 1973 and 1980 (from 48.7 per cent to 67.7 per cent).

During that period, the proportion of farmers' households which owned the land they cultivated decreased by 1.4 per cent (from 81.8 per cent in 1973 to 80.4 per cent in 1980). This was actually a small decrease, but data from the statistical office show that


the number of landless labourers increased between 1973-1980 by 5.8 per cent (from 4.2 per cent to 10.0 per cent). However, we should doubt the reliability of the data because an estimate of landlessness by Booth and Sundrum indicates a generally higher percentage of landlessness in Java as a whole.

Using three different approaches, the two authors suggest that the landlessness in Java in 1971 was 40.5 per cent (calculated on a percentage ratio of farms to rural households); or 30.9 per cent in 1971 (estimated on the basis of employees in agriculture as a percentage of total workers); or 16.0 per cent in 1973 (calculated on the basis of percentage of agricultural households not operating land).

Whatever the results of these estimates, it can be assumed that landlessness in Malang Kabupaten should show a higher percentage than that revealed in the kabupaten figures mentioned above. Yet, these figures throw some light on the consequences of the new rice policies applied in this kabupaten during the 1970s, insofar as they constitute some evidence of an increase in landlessness; this is especially significant in view of the fact that one of the objectives of the government's rice policies was to increase the wealth of the farmers generally.

Some kecamatans in Malang are plantation areas; plantation crops provide the second largest component of regional income after foodstuffs for the kabupaten, providing 10.4 per cent out of the total regional gross domestic product of Malang Kabupaten in 1981. The plantation sectors produced 6.6 per cent out of the total regional gross domestic product of this kabupaten in 1981; smallholder crops were 3.8 per cent in that year.

The plantation crops are sugar, coffee, coconut, kapok, cloves, and vanilla. Sugar cultivation has been practiced there since the last decades of the 19th century; sugar factories were set up in Sempalwadak (1889), Krebet (1896), and Kebonagung (1905). Even before sugar, coffee cultivation was started around 1800 when this commodity was first planted in Kecamatans Dinoyo, Batu and Ngantang.

The choice of Malang kabupaten as the focus of this study was also influenced by

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76 Kantor Statistik Kabupaten Malang, Ibid.
77 *Personalia en Verdere Gegevens Betreffende de Suikerindustrie in Nederlandsch-Indie*, Jaargang 1930-31, Surabaya, No Year.
the fact that Malang is quite heterogeneous, with urban centres as well as some relatively prosperous and quite poor areas. The urban centres are well developed with commerce, industry and tourism all being long established. The kabupaten is a mountainous area with a relatively cool climate throughout the year. Local tourists from Surabaya and from surrounding kabupatens come for the weekend to Malang. Trades, hotels and restaurants constitute the third largest sector producing regional income for Malang Kabupaten, providing 10.2 per cent out of the total PDRB in 1981. On the other side, however, some kecamatan are poor regions compared to some other prosperous kecamatan. The contrast of these two kinds of region gives rise to a problem about the impact of rice policies in those areas; do such differences call for differences in method in the implementation of rice policies?

Methodology

The data for this study were obtained through observation, interviews in depth and library research. Interviews were conducted on an unstructured basis with questionnaires used only for guidance. I stayed in Malang intermittently for seventeen months, from May 1983 to September 1984. During this period I also visited two other kabupatens: Kediri and Jember for purposes of comparison. In those two kabupatens I concentrated on interviews with the Bupatis and some kabupaten officials handling the implementation of Bimas and KUD programs. Several visits were also made to various villages and KUDs in those two kabupatens.

In Malang itself, I visited most areas of the kabupaten, but in order to make the research more manageable, I confined my research to only five kecamatan: Tumpang, Jabung, Pakisaji, Kepanjen, and Sumberpucung, in each of which I spent between two and three months. These kecamatan were chosen on the basis of the division of the poor and prosperous regions. Kecamats Tumpang and Jabung are two kecamatan in north Malang, and they, especially Jabung, represent the poor kecamatan in terms of rice production and economic conditions compared to three other kecamatan in south Malang (Pakisaji, Kepanjen and Sumberpucung).

In Malang Kabupaten, I had various interviews with the Bupati, the Sekwilda (Sekretaris Wilayah/Daerah, regional secretary), some Heads of Sections in kabupaten offices especially those with the tasks of implementation of the Bimas and KUD programs, such as the Head of the Economic Section. The Head of the Government Section in the office was also interviewed for background materials on political problems in Malang. Interviews were also held with the Head of the Kabupaten Planning Body (Bappeda), and in particular with the Head of the Kabupaten Agricultural office Kantor Statistik Kabupaten Malang, op.cit.
(Diperta), a person who has responsibility for the daily activities of Bimas; others included the Head of the Cooperatives office, who is responsible for the implementation of the KUD program; the Head of Subdolog (*Sub Depot Logistik*, the branch of the Logistic Office [Dolog]) who has responsibility for rice purchasing for the national stockpile and for maintaining the floor price of rice; various staff members in these offices were also interviewed. I also had discussions with lecturers in the Faculty of Agriculture, Brawijaya University in Malang.

At the kecamatan level, the five Camats were interviewed as well as their staff, particularly those who had tasks involving implementation of the Bimas and the KUD programs. Interviews were also conducted at this level with the *Mantri Pertanian* (Head of Kecamatan Agricultural office), extension workers (PPLs), PPMs (*Penyuluh Pertanian Madya*, Senior Extension Worker), several village headmen and chairmen of farmers' groups, and all the chairmen of KUDs in the five kecamatans and some of their staff. In each kecamatan, 25 to 30 farmers were interviewed.

At the province level, I held interviews with the Head of the Provincial Agricultural Office (*Diperta Propinsi*); the Secretary of the Bimas organization (*Satpem Bimas Propinsi*) and some of his staff; and the Head of Dolog and some of his staff. In Jakarta, interviews were conducted particularly with officials of the Ministry of Agriculture; with staff members of the national organization of Bimas (BAKO BIMAS), including the deputy chairman of the organization; and with some officials of the Ministry of Cooperatives and the national logistic office (BULOG). I also visited Bogor for interviews with some researchers in the Agro Economic Survey (SAE) who had conducted research over several years on implementation of Bimas and KUD programs.

The secondary data for this thesis were collected from various sources: the BPS (*Biro Pusat Statistik*, Central Bureau of Statistics), and the library of LIPI (*Lembaga Ilmu Pengetahuan Indonesia*) both in Jakarta; the library of Agro Economic Survey in Bogor; from the Statistical offices at the province and kabupaten levels; from the library of the Faculty of Agriculture Brawijaya University in Malang; and from various offices involved in implementation of Bimas and KUD programs at the provincial, kabupaten, and kecamatan levels. Library research was also, of course, conducted in the libraries of the Australian National University and the National Library of Australia in Canberra.
CHAPTER 2
Local Government in Indonesia: Its Structure and Power

This chapter examines the problems of central-local relationship in Indonesia. Local government units in Indonesia include the province (headed by the Governor), the karesidenan (now the area of Pembantu Gubernur headed by the Resident, now the Pembantu Gubernur), the kabupaten (headed by the Bupati), the kawedanan (now the area of pembantu bupati headed by the Wedana or the Pembantu Bupati), the kecamatan (headed by the Camat), and desa or kelurahan (headed by the Lurah, village headman). Problems of central-local relationships reflect the political system or administration of the country, which also affects the implementation of government policies at the local level and their results. This is because local government agencies in Indonesia have a crucially important role in determining how various government policies will be implemented, including rice policies.

The development of the centre-regional relationship in Indonesia shows that the key issue ever since 1945 has been: how much autonomy can or should be given to the various local government authorities, and to which ones? The history of the central-local relationship indicates that only once have the regional bodies succeeded in obtaining substantial autonomy for the regions, in 1957-1959; but after that, the central government has tended to strengthen its power and control over the regions steadily and considerably.

The tendency towards centralization actually started from the time the republic was proclaimed in 1945, when the central government of the Republic of Indonesia sought to assert its authority over the numerous local struggle groups which were trying to seize power from the Japanese or the Dutch and Allied forces. However, the trend towards powerful central government control over the regions became more marked after President Sukarno issued Presidential Decision (Penetapan Presiden) No. 6/1959.

That decision negated the previous local government law No.1/1957, which can be considered the only governmental measure that ever gave real autonomy to the regions. The replacement of Law 1/1957 constituted a starting point in the decline of regional power, the fall from power of local representative assemblies (DPRD, Dewan Perwakilan Rakyat Daerah), the reduction of power of political parties in those assemblies vis-a-vis the pamong praja, and the strengthening of central government
authority over the regions. The theme of this chapter then, is the development of central-local relationship in Indonesia, with stress being put mainly on the period of 1974 and afterwards. But we must first summarize the main steps in the earlier development of the local government system.

Law 22/1948

The first constitution of the new republic, the 1945 Constitution, stated in article 18 that respect would be given to regional autonomy. Autonomy here refers to the division of power between the central and local or regional governments and in this context "deals with fields which had been surrendered to the regions and thus fell completely within their competence." Politically, article 18 was intended to achieve three objectives: to meet the demand of the regions for management of their own affairs; to refute foreign opinions inclined to accuse the new republic of being a facist state created by the Japanese colonial rulers and to emphasize the fact that Indonesia was a "democratic" country; and to reflect the wishes of the founding fathers of the new republic to abolish the autocratic and centralized character of the Dutch colonial system.

The first law on local government, Law 1/1945, was issued on November 23, 1945, but because of the revolutionary struggle being waged against the Dutch and the Allied forces at that time, it was in practice not able to be implemented, and in 1948 it was replaced by Law 22/1948. The latter turned out, however, to be only provisional in nature because soon afterwards the transfer of power from the Dutch created a need for a new basic law on local government. This was because at the same time as this law was due to come into effect, another local government law, SIT 44/1950, was enacted for the regions in Eastern Indonesia. Thus, there were two systems of local government law, and hence a need to make one law prevail for the whole of Indonesia.

The hope of the founding fathers to abolish the image of an overcentralized system of government was not apparent in Law 22/1948, mainly because of the attitude of the...
central government itself which sought to strengthen its power over the regions. There were, of course, some improvements added in Law 22/1948 to give the impression that, in theory, the law was designed to provide more autonomy to the regions. This could be seen, for example, in a stipulation in the law that the regional head was to be appointed by the central government from two to four candidates elected and proposed by the regions. In this respect, the law acknowledged the principle of election, something that was not laid down in Law 1/1945.

In practice, however, this regulation was not applied because the central government often used a loophole in the law providing that appointment of the regional head could be made outside that procedure. Although this stipulation was designed to be used only in the transitional period, it was in fact used continuously until 1957, when Law 22 was superseded by Law 1/1957. In using this loophole, the central government then appointed its own officials from the pamong praja corps, so that the regional heads were those who represented the central government.

In addition, the system of supervision stated in the law laid down clearly the power of central government over the regions. Moreover, the law was also structured so that the three levels of regional autonomy, the province, the kabupaten, and the desa, were hierarchically arranged to facilitate supervision by the central government. This meant that the province had power of supervision over the kabupaten which, in turn, supervised the lower regions.

Furthermore, during the period 1948-1957, it was a fact that the central government deliberately delayed the transfer of many duties to the regions. And finally, implementation of autonomy was also hampered by lack of budgetary resources on the part of the local government, although the government eventually issued financial law No. 32/1956 with the aim of improving the financial condition of the regions. Yet, demands for more autonomy were constantly voiced by the political parties, which then became involved in a series of debates with the government over the preparation of drafts of a new law on the subject.

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5 Article 28/6, for example, laid down that all regional laws (peraturan daerah) must be signed by the regional head and that he had the power to cancel or delay decisions of local councils if they were considered by him to conflict with higher legislation or with the public interest.

6 Fuller details on this matter can be found in Legge, 1963, op.cit., pp.28-40.


Law 1/1957

Law 1/1957 was issued on January 18, 1957, after a long series of debates between the government (at that time the Ali-Roem-Idham Cabinet, a coalition of three big parties: PNI-Masjumi-NU) and the opposition parties, which were struggling for more autonomy for the regions. The debates focussed on problems about the degree of control to be retained by the centre, and the method of control to be executed. This included the problem of the regional head’s position: whether he was to be appointed or elected. The stipulations in the law on these matters can be depicted as a victory for the political parties in their debates with the pamong praja and the Ministry of Home Affairs for influence over government policy.

The victory of the political parties in their struggle for more local autonomy was clearest in the changed status of the regional head. In this law, the regional head was to be elected by the DPRD; and the central government’s power in this sphere lay only in its right to ratify the results of the elections. The regional head now was no longer to be a chief executive, as the Bupati and Governor had previously been, but merely an elected chairman of the executive council (DPD, Dewan Pemerintahan Daerah). The power of the regional head was also reduced. He had no power to ratify decisions made by the DPRD as in Law 22 and lost his coordinating power.

Furthermore, the regional head should be responsible to the DPRD, which had power to discharge him and also to appoint and discharge members of the DPD. Yet, at the local level there were still two distinct and competing poles of authority: one was represented by the central government and the pamong praja, the other was the regional government structure epitomized by the DPRD. This was because there was still a competition for prestige between the members of the pamong praja corps (the Governor, the Bupati etc.) and the regional head, who was now to be elected by the DPRD under Law 1/1957.

However, the parties' demands for the abolition of the pamong praja corps were successfully adopted by the central government, when a Ministerial Regulation was issued on December 5, 1957 to transfer gradually the power of the pamong praja to local authorities. The implementation of this decision was carried out by moving the Bupatis from their offices to the Resident’s office and the vacuum in the Bupatia's

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10DPD was the Executive Council of the Region, headed by the regional head. Its function was to conduct the day-to-day activities of local government, and execute the decisions of the DPRD. The Liang Gie, op.cit., Vol.II, pp.133-134.

position was filled by the *Patih* (Chief Secretary of the Bupati). The office of the *Wedana* was also abolished. This decision was strongly opposed by SSKDN (*Serikat Sekerja Kementerian Dalam Negeri*), an association of *pamong praja* although open rejection of the decision occurred only in East Java and Yogyakarta.\(^{12}\)

Elections for the regional heads were then conducted by the DPRD, but in fact many members of the *pamong praja* won those elections. The results of the elections showed that people still trusted the skill and charisma of the *pamong praja*, and they also provided a chance for the central government to maintain its influence in the regions. As Legge points out: \(^{13}\)

> ...these officials, though elected by representative councils and loyal, presumably, to those councils and to their parties (most of them were of PNI) might be expected, by and large, to possess at least the cast of mind and general represented local interests, but they would still possess an experience in administrative difficulties, which could be important in political leadership.

In 1958, a draft bill was prepared to give effect to the Ministerial decision, but it could not be passed into law, because the plan was interrupted by the Presidential Decree to return to the 1945 Constitution in July 1959. \(^{14}\)

To provide limitations on the power of local authorities, however, the supervision system of Law 22/1948 was adopted, i.e. that although the regions had the right to manage all their "household" affairs, they were not permitted to make decisions on matters that had been stipulated by higher legislation. The centre also still possessed supervisory power which was divided into preventive and repressive powers. \(^{15}\)

The victory of political parties over the central government, however, was only short lived. Law 1 was only able to be implemented in Java, since its implementation in the outer islands was hampered by regional rebellions in West Sumatra and North Sulawesi in 1957 and 1958. The rebellions were stimulated by various factors, such as the dissatisfaction of military commanders in the outer island towards internal organization of the army; \(^{16}\) the suspicion of the outer islands, especially of the main export regions, that government expenditures were not equally distributed between Java.

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\(^{15}\) By preventive supervision it means that the higher government (Minister of Interior for the first level regions, DPD of first level for the second level regions, and the DPD of the second level for the third level regions) had a right to ratify decisions of the lower regions, while the repressive supervision was a right to delay or cancel the decisions made by the lower regions if such decisions were considered in conflict with the higher legislation or with general interests. This was similar to stipulations in Law 22/1948, article 28/6.

and the outer islands and that foreign exchange earned by the export regions was not being fairly distributed and tended to benefit mainly Java; the overcentralized system of the Indonesian government, and the policy of appointing Javanese pamong praja officials to top jobs in the local government in the outer islands, all of which led to criticism about the emergence of "Javanese Imperialism". In addition, other political factors that led to the rebellions have been well summarized by Feith:

Conflicts of economic interest came to the fore also on the issue of regional autonomy. The development of the crisis may be traced in good part to the slowness of the central government in granting the regions significant local autonomy or the taxing powers which would enable them to promote development on the basis of their own resources. It may be traced also to the inefficiency of the administrative system, overcentralized and cumbersome as it is. A further contributing factor was the apprehension felt in the islands outside Java - which the election of 1955 had shown to be strongholds of the Masjumi (and to a lesser extent the Socialist and Christian parties) - at the increasing strength of Communism in Java and the permissive attitude of the government and President Sukarno toward it.

In an attempt to settle the conflict, President Sukarno sought to strengthen the position of the central government and to answer the rebel challenge both by military force and, later, by reorganization of the regional government structure. The president himself was basically not satisfied with the parliamentary system under the 1950 Provisional Constitution, because he considered it a factor hampering the achievement of national unity, since the parties seemed to strive only for their own interests and not for the broader national interest.

In early 1957, Sukarno introduced his idea of setting up a cabinet involving all four major parties (Masjumi, NU, PNI and the PKI), and establishing a national council based on functional representation. It was hoped that functional representation would provide some sort of channel for the expression of the broadest possible common will. In addition, he also introduced the idea of Guided Democracy which was envisaged by him as a more ideally democratic system for Indonesia than liberal democracy that had been conducted under the Dutch-imposed 1950 Provisional Constitution.

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18 Gerald S. Maryanov, op.cit., p.57.
19 Gerald S Maryanov, Decentralization in Indonesia as a Political Problem, Ithaca: Cornell Modern Indonesia Project, 1958, p.41.
21 Masjumi was a modernist Muslim party banned in 1960, NU was a traditionalist Muslim party, PNI was a nationalist party, and the PKI was the Indonesian Communist party.
22 Details can be found in George McTuran Kahin (ed), Major Government of Asia, Ithaca: Cornell University Press, 1958, pp.563 ff.
The regional rebellions were successful in their demand for the overthrow of the Ali Sastroamidjojo cabinet, but they failed to achieve greater autonomy for the regions. The fall of the Ali cabinet was followed by the declaration of a "state of siege and war" by Sukarno and the nomination of an extra-parliamentary Djuanda cabinet. This marked the beginning of defeat for the political parties and foreshadowed the strengthening of central control over the regions and the influence of the army. The state of emergency reduced the freedom of the local authorities who lost in power rivalries against the regional war authority (PEPERDA, Penguasa Perang Daerah) established to handle the situation during the state of emergency.

At the end of 1958 Sukarno returned to his idea of Guided Democracy first proposed in 1957, and to the need to control the activity of political parties and the simplification of the party system. At the same time, he put forward an additional proposal to return to the 1945 Constitution, which was considered both by him and the army leadership as the most effective means to achieve all the above-mentioned ideas. However, the idea of returning to the 1945 Constitution failed to get the agreement of the Constituent Assembly, established through election in 1955. So, in July 5, 1959, Sukarno made an arbitrary decision to declare the return to the 1945 Constitution and to abolish the Constituent Assembly by a presidential decree.

Further political developments reflected the decrease of the strength of the political parties at that time, both in Jakarta and in the regional assemblies. In the Provisional People’s Consultative Assembly (MPRS, Majelis Permusyawaratan Rakyat Sementara) set up in mid-1960, the political parties had only minority representation. The representatives of regions and functional groups were appointed by the President. Thus, it was obvious that a majority of the council was in the hands of those who supported the president.

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23Cabinets in the period 1950-1957 were: The Natsir cabinet (Masjumi), The Sukiman-Suwirjo cabinet (coalition between Masjumi and PNI), The Wilopo cabinet (PNI), The Ali Sastroamidjojo-Wongsonegoro cabinet (coalition between PNI and Partai Indonesia Raya), The Burhanuddin Harahap cabinet (Masjumi), and the Ali Sastroamidjojo-Mohammad Roem-Idham Chalid cabinet.


25U. Sundhaussen, Ibid., pp.103-104.

26On the basis of Presidential Regulation No.12/1959, membership of the council was 270 parliamentary members who represented political parties, 94 represented the regions, and 200 were representatives of functional groups. J.D. Legge, 1963, op.cit., p.208 (footnote).
Presidential Edict No.6/1959

Sukarno considered Law 1 as one of several factors behind the emergence of political instability; hence, he wanted to create a strong central leadership over the political parties at the local government level, in order to ensure political stability in the regions and to facilitate the implementation of Guided Democracy. To implement this idea, Law 1 had to be replaced, and on September 9, 1959, Presidential Edict No.6 was issued to rearrange the local government system.

The declaration of the edict and the changes it brought marked a substantial defeat for the political parties. Whereas Law 1 had provided that the regional head should be responsible to the DPRD, in the edict it was determined that he was the sole administrator of the region without any obligation to be accountable to the DPRD, which also lost its power to discharge the regional head. The regional head was not henceforth to be elected, but appointed by the central government from among 2 to 4 candidates proposed by the DPRD. In addition, he was now designated as a central government official, which ensured that he was subject to control from Jakarta.

Thus, the regional head, although he was still said to be a regional official, was primarily a representative of the centre. As laid down in Law 22 and Law 1, the edict also stated that the regional head was vested with the power to delay decisions of the DPRD which were considered to be in conflict with higher legislation or the national interest. A wide loophole in the edict also enabled the government to appoint the regional head not only from among the pamong praja but also from the ranks of the armed forces and police.

In order to reduce the influence of the political parties, the edict stipulated also that the regional head and members of the BPH should be free from party affiliations.

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27 There was a stipulation in the edict that the legislative council had two chances to propose its candidates but if there still no candidates who fulfilled conditions for appointment as regional head as determined by the government, the government then had a power to appoint its own man. The conditions were actually very vague, among other things that candidates should have ability and experience in governmental affairs. This was a clever tactic of the government in achieving its own idea of a strong leadership in the regions. By giving the DPRD a chance to twice propose the candidates for regional head, the government gave the impression that it allowed some place for local aspiration as well as an opinion that in the cases where there were no candidates fulfilling the preconditions, it was just the mistake of the DPRD in not proposing the right man.

28 The position of the pamong praja itself was revived; even positions of the Resident, and the Wedana which had formerly been abolished on December 5, 1957 were now reestablished. By 1960 many of the pamong praja were reappointed as regional heads. J.D. Legge, 1959, op.cit., p.282; Legge, 1963, op.cit., p.128.

29 This presidential edict replaced the former DPD with BPH (Badan Pemerintah Harian). The BPH was not similar to the DPD since it was designated only as a group of assistants to the regional head, just like the position of cabinet ministers to the president in a presidential system of government, instead of being servants of the DPRD.
This condition forced them, especially the members of BPH, to choose whether or not they would accept such appointments by releasing themselves from party affiliations. In fact, most former members of DPD chose to accept appointment. This gave proof of the strength of Sukarno's influence and the weakness of party ties among the civil servants.

Another government action to strengthen its power over the regions was taken in 1960 by suspension of the DPRD members elected in 1957 by replacing them with a new nominated Gotong Royong Council (DPRDGR).\textsuperscript{30} The DPRDGR membership was to be 50 per cent of political parties representatives and another 50 per cent of members from the functional groups. In this case the intention of the centre to reduce the influence of local party representatives was very obvious. For the first level regions, members of the DPRDGR from the functional groups were chosen by the Minister of the Interior from nominees proposed by the Governor. Members of the second level DPRDGR would be chosen by the Governor from nominees proposed by the Bupati. The structure of the DPRDGR did not just limit the political manoeuvres of the political parties at the regional level, but also severely reduced the power of the representative body vis-a-vis the executive.

In 1964, President Sukarno made a further decision that also strengthened military authority in the regions, as well as central control, by the establishment of the Pantja Tunggal (Leadership of Five) at the regional level;\textsuperscript{31} this was shortly after the abolition of martial law and the PEPERDA in the previous year. One reason behind the establishment of the Panca Tunggal (later MUSPIDA) was to provide for the implementation of Sukarno's idea of collective government on the basis of the gotong royong principle; another reason was the successful lobbying of the armed forces to widen its political influence in the regions in order to curb the influence of the Communist Party at local level.

The Panca Tunggal had a role in the decision-making process in which decisions, especially those related to political and security matters, were taken by the regional head together with the local army and police commanders.\textsuperscript{32} One reason behind its establishment, as seen by an Indonesian writer, was that it was "an attempt to put the

\textsuperscript{30} At the national level the DPR resulting from the election was replaced by the DPRGR; and the MPR (Majelis Permusyawaratan Rakyat, People's Consultative Assembly) was replaced by MPRS (Provisional People's Consultative Assembly).

\textsuperscript{31} The Panca Tunggal was a successor of Catur Tunggal. This was a collective system of local leadership which included the regional head as Chairman, and as members were Commanders of Regional Military and Police, Prosecutor and Chairman of National Front, a federation of political parties in both national and regional levels which generally tended to be dominated by the Communist party.

\textsuperscript{32} Since the Panca Tunggal was a successor of Catur Tunggal, it was assumed that the role of these two bodies was similar. On the role of Catur Tunggal, see U. Sundhaussen, op.cit., p.175.
regional head simply as an instrument of the center and to subject regional forces to strict political control." 33

Law 18/1965

After the declaration of Presidential Edict No.6, there were some critics who argued that changes in the local government system should have been made through a law which would have had to be approved by parliament, and not merely enacted by a Presidential Edict. Hence, the central government took the initiative in establishing a committee in 1961 headed by Soeroso to formulate a new local government law. After long debates in the DPRGR, a new law 18/1965, was finally enacted on September 1, 1965. This law, however, made no substantial changes and essentially continued the basic principles of the centralized system found in the Presidential Edict No.6.

The intention of the centre to continue to maintain firm control over the regional governments remained apparent in this law, although some points indicated that the political parties were still trying to voice their demands. Among the points won by the parties was the abolition of the stipulation in Presidential Edict No.6, that the regional head and members of the BPH were prohibited from becoming members of political parties. Through this new stipulation, it can be seen that even under Guided Democracy, the political parties still had some room to influence the local government structure, particularly by trying to increase their power through the BPH and the regional secretary.

However, other stipulations in connection with the position of the regional heads strongly indicated the idea of a centralized system. Nearly all points on the position and power of the regional head in Presidential Edict No.6/1959 were also adopted in this new law. As in Presidential Edict No.6, the new law designated that the regional head was an organ of the central government, and he was to be appointed by the central government. Also, the regional heads in the province and kabupaten had power to delay implementation of local DPRD decisions if they considered them contrary to the higher laws.

Furthermore, as in the Presidential Edict No.6, the regional head was not accountable to the DPRD, but merely reported to the body at any time he was asked to do so by the DPRD, or at any other time he wished; but he could not be discharged by the representative body. The idea behind this stipulation was to make the local structure parallel with that of the central government. This was seen as creating governmental stability in regions on the same basis as in Jakarta.

In addition, although it was stated in the law that the regional head was an organ of the centre as well as the region, it was also laid down that he was to be a central government official who would be responsible to the President through the Minister of the Interior. Hence, the strong position of the regional head in relation to the regional representative council resulted in an attitude that he acted more as a representative of the centre than of the region. This indicates the determination of the central government to maintain their power over the regions. Some authors therefore described the law as still having what they called a "colonial flavor".34

Law 5/1974

One month after the declaration of Law 18/1965, political turmoil occurred when the Indonesian Communist Party (PKI) tried to topple Sukarno by a coup in October 1, 1965; so it can be said that the law had no chance to be applied. The political turmoil reduced the power of Sukarno drastically in a few months, and the political balance was changed when the PKI was banned and the army then emerged as a new political power holder. After 1965, the power of General Suharto was strengthened, and in 1967 Sukarno was formally replaced by Suharto. The new government then faced three demands regarding the local government system: the abolition of Law 18/1965, democratization of local government, and a bigger financial sharing for the regions.

During the early years of the Suharto government, in order to safeguard the republic from political chaos and to strengthen its political position, the army needed the support of other political parties (especially NU and PNI) especially in those regions which were, for several years, still under pressures from elements sympathetic to Sukarno and the PKI. Therefore, when the party representatives in the MPRS and DPRGRI demanded the broadest autonomy for local government authorities, the army went along with that demand at first.

The demand was expressed in 1966 when the MPRS issued decision No. XXI/MPRS/1966 providing for the broadest autonomy to the regions and calling for the reconsideration of Law 18/1965: this was an expression of the popular demand expressed in the MPRS, but in practice it was never carried out. In order to implement the decision, the government soon after proposed in the DPR three draft laws, i.e. on the position and relationship between the central government and regional governments, a draft law on swatantra regions, and one on (administrative) deconcentration.

In 1969, the government issued Law 6/1969 stating that Law 18/1965 was no longer valid, although a new law to replace it had still not been worked out, after various debates in the national parliament which resulted in deadlock between the demands of the political parties for a greater degree of power for the local assemblies, closer to the Law 1/1957 position, and the insistence by the government representations that this was administratively and financially impossible. Furthermore, local demands for greater financial sharing were also revived; and the government answered these demands through various policies and subsidies (a problem which will be explained later).

Under Suharto, the military then further strengthened their political power considerably. Various basic changes were made in political ideology and political structure. One of the important steps taken by the Suharto government was replacement of the state ideology of Demokrasi Terpimpin (Guided Democracy) with the so-called Pancasila Democracy. The Pancasila Democracy was described as an idea to create harmony among various political forces in the country and to try to avoid antagonism among them. As Suharto pointed out:

...It is very idealistic if in application of the Pancasila Democracy the balance between individual and public interests, between the interest of groups and national interest, and between interest of the whole people and the state can always be achieved and given attention. If there is a problem, however, in which there is a conflict between the individual and the public interests, between the group and the national interests, we should sincere and with voluntary and good spirit victimize the personal or group interests for the public and national interests. This is the principle and just law of the Pancasila Democracy.

Political harmony, which means, as mentioned above, that antagonism among political powers should be minimized, is said to be an essential requirement for achieving political stability which is needed in order that development programs can be implemented. In order to achieve political stability, the government then embarked upon several important steps towards reconstituting the political structure. The first of these was the general elections held on July 3, 1971 to replace the provisional DPRGR and MPRS. In this election, the use of Golkar as a kind of government party, with strong backing from the military and pamong praja, was a significant and highly successful innovation, since it destroyed the old power bases of the former political parties at both the national and (in most cases) the local level. Ever since then, Golkar has been a crucial instrument in the hands of the government authorities, especially at the local level.

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Another change was carried out later by the reduction of the number political parties from ten to three in 1973. The nationalist-based political parties and two Christian and Catholic parties have been grouped into Partai Demokrasi Indonesia (PDI, Indonesian Democratic Party) while the religious based parties have been reunited to be Partai Persatuan Pembangunan (PPP, United Development Party). The government itself, as mentioned above, supports the Golongan Karya (Golkar).

The new MPR resulting from the 1971 elections then issued decision No. IV/MPR/1973 on the Garis-Garis Besar Haluan Negara (GBHN, Broad Outline of State Objective) in which, in the clause on regional government, it was stated that autonomy for the regions should be "a real and responsible autonomy (Otonomi yang nyata dan bertanggung jawab) which guarantees the development of regions and would be implemented together with deconcentration." 36 This represented a significant shift in emphasis from the earlier MPRS decision No.XXI/MPRS/1966 providing for the "widest possible autonomy." The decision also cancelled the three drafts of laws proposed to implement decision of MPRS No.XXI/MPRS/1966, because they did not conform with the newly proclaimed concept of autonomy.

With the statement that autonomy for regions should be a "real and responsible autonomy," the new concept abolished the words "broadest autonomy" put forward in the previous MPRS decision. The reason behind abolition of the words was the government’s fears that any effort to provide a broad autonomy for regions would reopen the possibility of political instability such as had occurred during the period 1957-1960 when Law 1/1957 was in force. 37 With the new definition of autonomy, the meaning of the concept was narrowed, giving an impression that all decisions and actions taken by the regional authorities were limited and had to be made within the boundaries of their "responsibilities" to the centre. This argument was strengthened by an official statement stating that autonomy was more a duty than a right of the regions, i.e. they had a duty to help to facilitate implementation of the government development programs. 38 The strict meaning and limits of that responsibility itself were vague, but only the central government had the power to interpret it, according to its own needs.

Furthermore, in the new concept the government determined that the provision of autonomy did not merely stress its democratic aspect but also the need to harmonize it with state objectives, i.e. to achieve efficiency and productivity at the regional government level. In practice, it seems that the central government gave far more stress

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to the achievement of efficiency and productivity of local government rather than to the
democratic aspects of the concept of autonomy. Apart from that, the new concept stated
that the "deconcentration" principle (i.e. of administrative responsibilities for program
implementation) was no longer considered simply as a complement to decentralization,
but was to be conducted together with it. The word "deconcentration" was later defined
in Law 5/1974 as the "delegation of authority from the centre to its officials in the
regions."39

This talk about the "deconcentration principle" was actually not much more than
verbal gymnastics, disguising the real intention of the central government to strengthen
the centralization of the system, because by delegating authority to the central
government's officials in the regions, the deconcentration principle did not amount to
any real modification of the centralization principle. The interplay between the
government and the political parties during the preparation of Law 5/1974 will be
examined below, while the implementation of the law will be clarified later.

During the preparation of the law, debates between the government and the three
political parties occurred on various issues; but only the debates on the most important
issues will be examined here. It seems that basically the government wished to achieve
two objectives in the debates, i.e. to maintain a strong position for the central
government and national leadership, as well as to maintain a strong regional executive
authority, as had been done in Presidential Edict No.6/1959 and Law 18/1965. Hence,
most of the features of the system of local government under Guided Democracy were
taken over in the draft of Law 5/1974. Thus, there were no really significant changes
made in the new law, and hence it can be assumed that there were few major differences
of opinion between Sukarno and Suharto about local autonomy and the local
government system. Both of them supported the idea of a highly centralized system of
government.

On the issue of representatives or democratic features of the local government
system, for example, both the PDI and PPP urged that this aspect should be stressed in
the law. The Golkar and military factions, on the other hand, while paying lip service to
that aspect, were of the opinion that it had to keep watch for the possibilities of
extremism and liberalism. Even the title of the law gave rise to some debate. The PPP
and the PDI factions wished to use just the traditional title of the law, i.e. Pemerintah
Daerah or Pemerintahan Daerah (Local Government). However, the military and the
Golkar factions supported the idea of the government that the title should reflect the
three elements of decentralization, deconcentration and medebewind (cooperating
administration), simultaneously.

39 Law 5/1974, article 1, point f.
These three principles had to be carried out at the same time because, according to the military and the Golkar factions, there were various activities that could not be transferred to the regions, and various other activities which could not be conducted merely by the central government and so needed the assistance of the regional government. For these reasons, the title of the law was then determined simply as the Basic Law on Government in the Regions (*Pokok-Pokok Pemerintahan di Daerah*). This implied that the law not only regulated the local government but also the activities of the central government in the regions. On the other hand, this title gives an impression that the existence and autonomy of regional governments are now abolished or reduced, and they are established merely as a part of the central government.

The debates between PDI and PPP on the one side, and Golkar and military factions on the other, involved also the problem of the regional head's position. The government wanted the regional head to be the sole administrator (*Penguasa Tunggal*) of the region, as in Law 18/1965; hence institutions like DPD or BPH were not further needed. The military and Golkar factions supported that proposal on the ground that establishment of the DPD or BPH would create complications in the structure of local government. The PPP and PDI, however, regarded the abolition of the former BPH and the DPD as a reduction of the opportunities for the local assemblies to continue to exert some influence on the executive arm of the government at the regional level.

To maintain the democratic principle of local government, both parties suggested that the regional head should not be determined as the sole administrator in the region, but should be flanked by a collective form of leadership body. Hence, both parties suggested that the re-establishment of the former DPD or the BPH was strongly needed. The compromise finally achieved on this was that there would be a *Badan Pertimbangan Daerah* (BPD, Local Advisory Body) in regions, but with very weak powers.

Apart from that, the government proposed that the regional head should be selected and appointed by the government, and did not require election by DPRD. The military faction reminded the parliament of the old practices that had occurred during the 1950-1959 period when there was great political instability due to conflicts among various political powers in and out of the DPRD. This situation had to be prevented;

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41 The BPD, differs from the former DPD, and is not an executive council. It also differs from the former BPH. The tasks of BPD are limited to providing suggestions to the regional head and do not involve governmental activities handled by the regional head.
hence this faction put more stress on matters to do with the "mentality" and ideology of the candidates rather than just on formally defined qualifications like age, educational level, experience etc. Candidates for office had to be "screened" regarding their suitability on these vague grounds, before being allowed to stand, and the screening bodies have since had considerable arbitrary power in this respect.

According to the PPP faction, the regional head ought to be elected by the DPRD, but his formal appointment could be carried out by the government. This was based on the argument that a regional head is someone who should have a mandate from the people in his region. As Chalik Ali of this faction said, the province should have a government from and by "the people in the region and that the DPRD should both nominate and elect the governor." The PDI faction agreed with this opinion of the PPP, but for another reason, i.e. that in the provision of real and responsible autonomy there should be confidence and recognition on the part of the central government that the region possessed the maturity and responsibility necessary to choose its own leader.

The consensus which was then achieved mentioned that before the nomination of a candidate by the DPRD, this body should take the initiative in conducting a meeting to ask for agreement from the government for the candidates proposed (between three to five candidates). After the approval of the government had been expressed, the DPRD would propose two of these candidates to be selected by the President (for the Governor) or by the Minister of the Interior (for the Bupati). The effect of this procedure has been that the DPRD will be very reluctant to propose any candidate who is likely to be rejected by the government; so if it is to exert any influence at all on this process of selection, it will naturally be inclined to select candidates known to be acceptable to the higher authorities. In practice, the DPRD is only a rubber stamp of the regional head. This will be clarified at greater length below.

As in Presidential Edict No.6/1959 and in Law 18/1965, it is laid down in article 22 Law 5/1974 that the regional head should give a statement of accountability (Keterangan Pertanggungan Jawab) to the DPRD at least once a year, or at any other time; but he cannot be discharged by the DPRD. Both parties had previously proposed that the regional head should be responsible to the DPRD and he could be discharged by that body. The government, on the other hand, maintained that local government in Indonesia should be a reflection of the central government in which the President is the highest authority, and not responsible to the DPR, only to the MPR.

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43 The meeting is conducted with the Minister of the Interior for candidates for Governor, and with the Governor for candidates for Bupati.
Thus, the regional head should be the highest authority in the region without any need to be responsible to the DPRD. This was, of course, an imitation of the ideas of Sukarno during the era of Guided Democracy. The military faction then added a proposal that explanation of the accountability of a regional head to the DPRD would be necessary in accordance with the regional head's obligations to the body. The government succeeded in carrying through its proposals against the views of the political parties.45

Implementation of Law 5/1974

Twelve years after the declaration of the law, one still hears various complaints about difficulties in the implementation of decentralization legislation, while on the other hand there is a strong tendency towards centralization. The complaints are based on three main factors. First, obstacles to the implementation of decentralization are caused by the structure of the local government itself on the basis of Law 5/1974. Second, the imbalance in financial equilibrium between the centre and the regions still exists, under which the amount of central government subsidy is still much bigger than the real income of the regions. Third, there is no will at the centre to transfer more autonomy to the regions because of, among other things, the central government's fear of a return of political instability similar to the regional conflicts which occurred during the period 1957-1960; and no one in the regions has any real capacity to demand greater autonomy.

The functions of the regional head, the procedure of his selection and appointment, and the question of who he should be responsible to all give rise to an impression that he is more a central government organ in the region than a representative of the region itself.46 As a representative of the region, the regional head is vested by the law with the powers and functions to give leadership to the region (article 22). In this respect, the regional head is an organ of the region who is supposed to represent local aspirations and strive to achieve those aspirations. On the other hand, as mentioned above, article 79 of the law states that the regional head also functions as the head of an administrative area, the province or the kabupaten. In this position, he is an agent of the central government in the region, representing the interests of the centre.

The position of the regional head as an agent of central government has also been enhanced by the appointment of many military officers as regional heads. Since the military has such a strong position in the political arena in Indonesia, opportunities for

military officers to become regional heads have been opened widely through the so-called *Dwi-Fungsi ABRI* system (the Dual Function of the Military in military and non-military activities). To implement this dual function, there is a *Kekaryawan ABRI* section in the Ministry of Defence and Security, which handles nomination of military officers to be regional heads as well as to other non-military positions.

The strong ties between the military and the Golkar majority faction in most DPRD ensure that candidates from the military generally have the greatest chance to win any election for regional head. This explains why during the nomination of regional heads we encounter such terminology as *calon kuat* (strong candidate) and *calon pendamping* (flank candidate), the former meaning someone who is strongly backed by the central government (either proposed by Golkar or by the army) and who therefore has a great chance of being elected by the DPRD, the latter (usually more than one) being those who are nominated simply to fulfil the requirements laid down by law that there should be more than one candidate; but in reality they have almost no chance of being elected.47

The penetration of the military into the civilian administration itself can be traced to a situation prevailing since the birth of the New Order government in which there was an effort by the military to set up a territorial organization which parallels the civilian bureaucracy at every level.48 These military structures are linked to the civilian structure through the MUSPIDA (*Musyawarah Pimpinan Daerah*, regional leadership council) at the province and kabupaten levels, and with MUSPIKA (*Musyawarah Pimpinan Kabupaten*).

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48 In 1967, the four separate ministries were reunited into one Defense and Security Ministry. Two years later, in 1969, the Indonesian territory was divided into six territorial commands, KOWILHAN (*Komando Wilayah Pertahanan*), i.e. Java-Madura, Sumatra and Sulawesi under the army, Maluku, Irian Jaya and Nusa Tenggara under the navy, and Kalimantan under the air force. The army itself had previously sixteen area commands called KODAM (*Komando Daerah Militer*) at the level of province, but in early 1985 they were reduced to ten by reuniting some KODAMs. Especially in Java in each former *Karesidenan* area there is KOREM (*Komando Resort Militer*). At kabupaten level there is KODIM (*Komando Distrik Militer*) and KOGAR (*Komando Garnisun*) for each metropolitan area. At kecamatan and village level there are KORAMIL (*Komando Rayon Militer*) and BABINSAS (*Bintara Pembina Desa*). The police have also established a similar territorial organization starting from the province down to kecamatan level. At the province level, the police have KODAK (*Komando Daerah Kepolisian*) and POWILTABES (*Polisi Wilayah Kota Besar*) for each capital city of province. At the kabupaten and municipality there are POLRES (*Polisi Resort*) and POLRESTA (*Polisi Resort Kota*). At kecamatan level there is POLSEK (*Polisi Sektor*).
Pimpinan Kecamatan) at the kecamatan level. Although their role is not now as conspicuous as during the 1960s, the regional heads still call upon them on some occasions when their intervention is needed.

The limitations upon regional autonomy are also increased by the fact that the central government has never really made any serious effort to resolve the difficult problem of financial equilibrium between the central and the local government. The first efforts made to improve the financial condition of regions in the era of the New Order government occurred in 1967 when the Governors of provinces, at a conference in Solo (Central Java), demanded that 30 per cent of total government revenues be allocated to their regions each year.

The central government responded to the demand by introducing the ADO scheme, which entitled export-producing regions to a proportion of 10 per cent of their foreign exchange earnings. This was generally considered an effort to minimize opposition from the richer exporting regions, as well as an effort to stop smuggling and unauthorized levies which were then commonly levied by the regions simply to finance their administration; but it provided no real help to the poorer non-exporting regions. In 1968, a series of debates on central-local financial problems occurred in the DPRGR, where the political parties demanded allocation of 50 per cent of the central government's income for the regions. The central government refused any such demand and cancelled any further debate on the subject; this was the last debate on the matter.

The decentralized ADO scheme was replaced in 1970 by a more highly centralized scheme known as SPP-ADO (Sumbangan Pemerintah Pengganti ADO, Government Grant in Lieu of ADO). In the same year, the central government introduced the INPRES programs (Instruksi Presiden, President Instruction) as a type of central government grant to finance development projects in regions. These two types of grants were then redefined as a kind of direct grant (bantuan langsung) from the central government to the regions; these have since become the biggest item in the regions'...

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49 The MUSPIDA consists of the regional head, the local army and police commanders, local prosecutor and the local judge, while the MUSPIKA consists of the Camat, and Commanders of Army and Police at the kecamatan level. The tasks of those bodies are defined as embracing all security affairs in the broadest sense of the term. However, President Decision No.10/1986 decided to abolish the position of MUSPIDA's chairman which was previously occupied by the local army commander. This new decision issued because there was a problem in which many was local army commanders in fact have a lower rank (Colonel or Brigadier General) than the military Governor (Major General or Lieutenant General). This gave rise to a reluctance among the commanders to lead an organization where some members have higher rank than themselves. In "Giliran Pak Gubernur," Tempo, March 22, 1986, p.14.


51 Dorodjatun Kuntjoro-Jakti, Ibid., pp.148-149.
development budget. The strong financial position of the central government was enhanced by the oil boom during the 1970's which enabled the centre to act as Santa Claus in its relations with the regions.

In regional budgets there are two categories: the development and the routine budgets, with most of the revenue in each coming from central government subsidies. In Kabupaten Malang, the subsidies from the central government for the routine budget amounted to around 69 per cent (on average) of the total revenue of the kabupaten in the period 1979-1983, while subsidies for the development budget constituted 100 per cent of the total. (see Table 2-1 on page 46).

Table 2-1: Amount of Subsidies for Malang Kabupaten, 1979-1983
(million Rupiah)

<table>
<thead>
<tr>
<th>Year</th>
<th>Resources</th>
<th>Routine Budget</th>
<th>Development Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979/80</td>
<td>Centre</td>
<td>Rp 830</td>
<td>Rp 1,230</td>
</tr>
<tr>
<td>Malang</td>
<td>Rp 694</td>
<td></td>
<td>--</td>
</tr>
<tr>
<td>1980/81</td>
<td>Centre</td>
<td>Rp 1,221</td>
<td>Rp 1,201</td>
</tr>
<tr>
<td>Malang</td>
<td>Rp 729</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>1981/82</td>
<td>Centre</td>
<td>Rp 1,809</td>
<td>Rp 1,584</td>
</tr>
<tr>
<td>Malang</td>
<td>Rp 776</td>
<td></td>
<td>--</td>
</tr>
<tr>
<td>1982/83</td>
<td>Centre</td>
<td>Rp 1,909</td>
<td>Rp 1,857</td>
</tr>
<tr>
<td>Malang</td>
<td>Rp 636</td>
<td></td>
<td>--</td>
</tr>
<tr>
<td>1983/84</td>
<td>Centre</td>
<td>Rp 1,751</td>
<td>Rp 1,400</td>
</tr>
<tr>
<td>Malang</td>
<td>Rp 963</td>
<td></td>
<td>--</td>
</tr>
</tbody>
</table>


Various officials in other regions have noted that although the locally-mobilized portion of their regions' revenue has increased in the last ten years, the increase has still not become as much as half of the local budget. In Aceh, for example, the revenue was

increased by 15 to 20 per cent during the period 1975/1976 to 1984/1985, but it is still only about 15 to 20 per cent of the total regional budget of the province. In 1980/1981, the locally-mobilized revenues of Aceh were Rp 4.2 billion while the government subsidies, including the INPRES subsidy amounted to Rp 21 billion. In 1983/1984, the revenues increased to Rp 6.1 billion, but the subsidy was also increased to Rp 36 billion.

In West Sumatra an increase of income also occurred, but the amount of subsidy needed also increased, so that the subsidy has always covered 87 per cent of the total budget of the region. In an undeveloped province such as Nusa Tenggara Barat, the subsidy was as high as 97 per cent of the total budget; and in most regions the central government subsidies, including the INPRES subsidy, amounted to between 65 to 97 per cent in 1980/1981.53

While the demands of the regions for a greater share of financial resources remain, the problem of financial equilibrium between the centre and the regions has not yet been resolved satisfactorily. Central government officials still maintain their opinion that any action directed towards transferring the management of financial resources to the regions will simply create a wider gap between the rich and the poor regions, and they see this as a threat to the unity of the nation.

Apart from that, central government officials still have doubts about the ability and trustworthiness of local officials in administering regional financial resources: in particular they suspect that autonomy will simply increase the opportunities for corruption among the local officials. This suspicion may have some basis in fact, although as a generalization it can hardly be applied to all local officials. Moreover, this suspicion is seen as exaggerated by regional officials who counter with the accusation that without financial autonomy, too many chances for corruption are merely given to the central government officials. In addition, it seems that by refusing to improve the financial ability of regions, the centre is just trying to make the regions more dependent on it. In this situation, it is easier for the centre to dominate and control local affairs in order to ensure stability and loyalty in the regions.

The tendency towards centralization is also apparent in the planning and implementation of development programs. In planning the development programs the central government tends to ignore the DPRD almost entirely. This can be seen even in the preparations of development programs. Most of the preparations are conducted through meetings (Rapat Kerja) between Ministers and the Governors or between the

Governors and the Bupatis, usually without the participation of the chairman of the DPRD. Instead of being flanked by the chairman of the DPRD, the Governors were accompanied by the chairman of BAPPEDA at their meetings in March 1984 in Jakarta, for example, not by the DPRD I chairman as their local government partners. This was due to the fact that the DPRD rarely takes initiative in making development planning proposals. However, some members of the DPRD in Malang Kabupaten explained that they were simply reluctant to make any proposals because very often their proposals were not given any attention by the Bupati at all.

In the implementation stage of development programs, it is a fact that nearly all the decisions are made by the central government, even when they involve only small projects such as the development of public toilets. This situation is admitted in a speech of the Minister of the Environment, Prof. Emil Salim:

Many decisions should actually be transferred to regions...e.g. decisions on the choice of materials for building construction; on determination of project locations; on forestation; on development of facilities such as public toilets, mineral water channels; and rural electrification.

All these considerations give rise to the impression that the government puts much more stress on implementation of the centralization principle than on any real decentralization. Also in the implementation of central government projects such as INPRES in the regions, the emphasis on centralization is obvious. The INPRES projects are not implemented by the technical offices of the regions (dinas-dinas) but by the vertical offices of the central government there.

The tendency toward centralization has a connection also with the weakness of DPRD vis-a-vis the executive in the regions. As mentioned above, the law itself has given a dominant position to the regional head over the DPRD. In addition, various external factors have also pushed the DPRD into a disadvantageous position. A study of the position and authority of regional executive and representative bodies conducted by the University of Gadjah Mada and the Ministry of the Interior, for example, found that the role of the Golkar Development Council (Dewan Pembina Golkar) in the regions is

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dominant and this affects the attitude of the DPRD members toward the council.  

Moreover, since the DPRD is dominated by Golkar, the assembly has become, as mentioned above, merely a "rubber stamp" for decisions made by the executive. The domination of Golkar in the body is made possible by the prohibition upon the other two parties to conduct political activities below the kabupaten level or to set up their branches at village level. Thus, their ability to recruit supporters in rural areas has been severely reduced. Golkar, on the other hand, is able to strengthen its position in the rural areas through the village government apparatus.

This situation emerged because there is a government instruction ordering that all government functionaries must support Golkar. And although there is no direct prohibition for them to become involved in political parties, if any such involvement becomes known to their superiors, it will threaten their careers. These direct and indirect pressures upon both government officials and the rural people have also been applied so as to secure Golkar majorities in the DPRDs. This instruction and the political pressures have badly reduced the ability of the other parties to voice the people's aspirations. The only channel for these aspirations, then, is Golkar itself or government employees at the local level.

It can thus be summarized that efforts to introduce wider autonomy for the regions have been hampered by various factors, and present-day developments in Indonesia even show a tightening of control by the centre over the regions. There are two factors responsible for this development. Firstly, it is the wish of the government, under both Sukarno and Suharto, to ensure political stability for the country as a whole and to minimize the opportunities for overt regional resistance to its policies in any form. Under Sukarno, that stability was needed simply to maintain the unity of the republic, because for more than a half of the Sukarno period, stability was disturbed by regional rebellions that threatened national unity.

Under Suharto, national unity is no longer under threat, but the idea still persists that political stability is an essential condition for executing development programs. To facilitate their implementation, the loyalty of the regions to the centre is needed; so any

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57 The council has a dominant role not only in the processes of candidacy, selection and appointment of the DPRD members from Golkar faction, but also in determining membership of the DPRD commissions and even in the decision making process of the body. The regional head is the chairman of the council in his region and since the Golkar has always a majority of seats in most regions in Indonesia, the power of the regional head over the DPRD is obvious. See "Hasil Penelitian Kedudukan dan Kewenangan Lembaga Eksekutif dan Lembaga Legislative Daerah (Suatu Studi tentang Faktor-Faktor yang Mempengaruhi Penampilan Politik Dewan Perwakilan Rakyat Daerah)," Unpublished Provisional Report by Badan Penelitian dan Pengembangan of the Ministry of Interior and Fakultas Ilmu Sosial dan Ilmu Politik, Universitas Gajah Mada, 1983, p.6.
possibility for the emergence of regional conflicts should be minimized. Both Sukarno and Suharto have learnt from history that political parties have played a key part in the emergence of regional conflicts and even in creating political chaos, such as was carried out by the Indonesian Communist Party (PKI) when it attempted a coup d'état in 1965.

Therefore, the reduction in the number of political parties and the limitation of their activities, especially in rural areas, are two of several steps taken to ensure political stability. At the same time, the appointment of central government officials and officers of the army as regional heads are the other steps to achieve the loyalty of local government administrations to the centre. A second factor is that local initiatives to develop local leadership and to strive for more autonomy are limited. The reason for this can be traced to the loss of power by the political parties in the regions, and also to the loss of desire by rural people to participate in political affairs because of direct or indirect pressure upon them from the government to avoid involvement in politics, except to support Golkar.

The implication of the above situation for the implementation of rice policies is that we should not expect to find the DPRD playing much of a role in influencing the way it is carried out, or in assessing its effectiveness, even though rice policy is a very important matter for local leaders. It is seen mainly as an administrative and planning problem, not one on which local opinion is formally consulted.

The pattern of central-local relationships described above creates a high degree of dependence by the regions upon the centre; it also creates a habit of subservience among local officials toward central government officials. This subservience also affects the implementation of rice policies, and the consequences of this attitude will be clarified in the other chapters.
CHAPTER 3

Indonesian Rice Policy Since Independence

Rice is the primary food for most of the Indonesian people. Any shortages or increases in its price are therefore considered very serious problems affecting economic and political stability. It is not surprising, therefore, that the government development program puts primary stress on efforts to increase the production of rice through various rice intensification programs and to stabilize the rice price. The objectives of rice policy in Indonesia can best be seen, therefore, in the ways it has been expressed in the various development plans.

The rice policy of the New Order government is merely one part of its more general development policies, as expressed in the various Repelita (Rencana Pembangunan Lima Tahun, Five Year Development Plan). During Repelita I (1969/1970-1973/1974), the general objective of the government’s development policies was the stabilization of the economy; and in this framework, the primary aim of the government’s rice policy was to increase rice production. In this period, a new rice purchasing authority, BULOG (Badan Urusan Logistik, Logistic Body) was set up, amongst other things, to regulate distribution of rice to military members and government civil servants, as well as to stabilize the rice price.

In addition, new rural cooperative organizations (BUUD/KUD) were established during the Repelita I period in 1973, although these had not been anticipated in that form in the original 1969 formulation of the plan. Ostensibly the new rural cooperative organizations were to help farmers in marketing their rice and in obtaining production inputs, and to assist the government in distributing such inputs to farmers. Under Repelita II (1974/1975-1978/1979) another important policy goal was added, namely to give priority to a pattern of economic growth in which the problems of job opportunities and the increase of farmers’ incomes would be resolved. Rice production increase and stability of the rice price were still regarded as important, of course. But for reasons we shall notice below, levels of rice production fluctuated considerably during the Repelita II period, and it was a time of relatively low overall increase.

In Repelita III (1979/1980-1983/1984), the objectives of government development policy were expressed more in terms of the Trilogi Pembangunan, i.e. 1- equity, or the more equitable distribution of the benefits of development; 2- continued economic
growth; and 3- a sound and dynamic national stability. Various measures were proposed as the means to achieve such equity, but those that related specifically to rice policy were: a) fulfilment of basic needs, especially for staple food; b) more equitable distribution of incomes, especially in rural areas; c) increased rural employment and job opportunities; d) increased opportunity to undertake agro-business, especially among the economically weak groups (golongan ekonomi lemah) and among women; and e) spreading food production more widely throughout the country.¹

The effort to increase rice production itself is one of the three basic aims of the Suharto government's rice policy which is linked with the two other main purposes, i.e. to maintain the stability of the rice price and to provide a sufficiently attractive price for farmers. The third objective was first given attention in the introduction of the Rumus Tani (Farmers' Formula) in 1968, and was later expressed in the introduction of the floor and ceiling price policy operated by BULOG in the 1970s. For a long period Indonesian rice prices had been low relative to the world price (at prevailing exchange rates). Hence rice cultivation for commercial sale was not as attractive to farmers as it should have been.

The Suharto government has made a more determined effort than the Sukarno government ever did to ensure that the rice price was adequate to stimulate increased rice production by the farmers. This chapter will discuss rice policy in Indonesia, with the stress being given to the period after the emergence of the Bimas program in 1965. Although rice policy has various aspects, I will be dealing here mainly with the efforts made to increase rice production through various rice intensification programs. The rice price policy, as mentioned above, will also be given attention. The government's policy on village cooperative (KUD), which is also connected to its broader rice policy, will be discussed in the final section.

**Rice Policy in the Colonial Period**

During the Dutch colonial era, the main interest of the government regarding rice was to maintain adequate supplies and keep the price of rice as low as possible, in order to keep the wages of labourers working on Dutch plantations also low. Because the Dutch colonial economy was based on exports of commercial crops to the world market, the government considered plantations as the key sector of the economy. Hence, the colonial government had an interest in ensuring cheap labour on plantations. To achieve this objective it was important to keep the rice price as low as possible since rice was a

¹Leon A. Mears, 1981, op.cit., p.386.
primary consumption item of the labourers.  

Table 3-1: Production and Imports of Rice from Foreign Countries, 1860-1940, Five Yearly Averages (1000 metric tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production in Java &amp; Madura</th>
<th>Import to Java &amp; Madura</th>
<th>Imports to Outer Islands</th>
<th>Indonesia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1860-1864</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1865-1869</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1870-1873</td>
<td>-</td>
<td>30</td>
<td>24</td>
<td>86</td>
</tr>
<tr>
<td>1874-1878</td>
<td>-</td>
<td>62</td>
<td>24</td>
<td>86</td>
</tr>
<tr>
<td>1879-1883</td>
<td>-</td>
<td>112</td>
<td>54</td>
<td>167</td>
</tr>
<tr>
<td>1884-1888</td>
<td>-</td>
<td>21</td>
<td>46</td>
<td>67</td>
</tr>
<tr>
<td>1889-1893</td>
<td>2,341</td>
<td>60</td>
<td>69</td>
<td>130</td>
</tr>
<tr>
<td>1894-1898</td>
<td>2,557</td>
<td>107</td>
<td>79</td>
<td>185</td>
</tr>
<tr>
<td>1899-1903</td>
<td>2,646</td>
<td>160</td>
<td>153</td>
<td>312</td>
</tr>
<tr>
<td>1904-1908</td>
<td>2,829</td>
<td>152</td>
<td>159</td>
<td>311</td>
</tr>
<tr>
<td>1909-1913</td>
<td>2,958</td>
<td>321</td>
<td>234</td>
<td>555</td>
</tr>
<tr>
<td>1914-1918</td>
<td>3,091</td>
<td>353</td>
<td>292</td>
<td>645</td>
</tr>
<tr>
<td>1919-1923</td>
<td>2,962</td>
<td>287</td>
<td>172</td>
<td>459</td>
</tr>
<tr>
<td>1924-1928</td>
<td>3,645</td>
<td>219</td>
<td>318</td>
<td>537</td>
</tr>
<tr>
<td>1929-1933</td>
<td>3,510</td>
<td>227</td>
<td>323</td>
<td>550</td>
</tr>
<tr>
<td>1934-1938</td>
<td>3,870</td>
<td>44</td>
<td>239</td>
<td>283</td>
</tr>
<tr>
<td>1939-1940</td>
<td>4,322</td>
<td>23</td>
<td>171</td>
<td>193</td>
</tr>
</tbody>
</table>


* Figures are accounted from data on pp.61-62 of the same book.

The decision to permit imports of rice at a time of scarcity in 1863 can be regarded as the first clear expression of this policy. As Java became more dependent on such imports (and on the availability of shipping to maintain them), the colonial authorities found it necessary to intervene in the market in World War I to ensure supplies (see Table 3-1 on page 53). Later, when the depression created serious balance-of-payments problems, the government again had to intervene in 1933, but this time with quite the opposite purpose, to restrict imports (and in so doing to check a further decline in the price of rice).

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Table 3-2: Rice Exports from Java to Outer Islands and Foreign Countries, 1931-1939 (1000 metric tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Outer Islands</th>
<th>Foreign Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1931</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td>1932</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>1933</td>
<td>27</td>
<td>8</td>
</tr>
<tr>
<td>1934</td>
<td>55</td>
<td>6</td>
</tr>
<tr>
<td>1935</td>
<td>42</td>
<td>7</td>
</tr>
<tr>
<td>1936</td>
<td>102</td>
<td>12</td>
</tr>
<tr>
<td>1937</td>
<td>64</td>
<td>19</td>
</tr>
<tr>
<td>1938</td>
<td>75</td>
<td>9</td>
</tr>
<tr>
<td>1939</td>
<td>197</td>
<td>12</td>
</tr>
</tbody>
</table>


During the 1930s, Java became a major exporter of rice to the outer islands (see Table 3-2 on page 54). When World War II broke out in 1939 and the prospect of rice shortages loomed again, the government established the *Stichting Het Voedingsmiddelenfonds* (VMF, Food Supply Fund) to "foster production, to stockpile food reserves, and to distribute rice and other foodstuffs in case of emergencies." These efforts, which were abandoned during the war, then continued, under various new names but in similar form, during the Sukarno period.

The Sukarno Period

In the earliest years of independence, agricultural activities were still impeded by the damage done during the Japanese occupation, and the struggle for independence. In particular, irrigation facilities were in a very bad condition. This resulted in lower yields per hectare, so that levels of rice production were lower in the early 1950s than they had been in 1940. Apart from that, the new republic experienced limitations in its organizational capacities to improve rice cultivation. The first systematic attempt to increase rice production through improved extension services and use of fertilizer was the *Kasimo Welfare Plan*, introduced in 1952, which aimed to achieve self sufficiency by 1956.

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Table 3-3: Average Annual Per Capita Available and Apparent Consumption of Milled Rice in Indonesia, 1954-1983 (millions of m.t.)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
<th>Imports</th>
<th>Effect of Bulog’s Stock Changes*</th>
<th>Self Sufficiency*</th>
<th>Apparent Consumption Kg/per capita/per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>7.84</td>
<td>0.26</td>
<td>-0.09</td>
<td>-0.17</td>
<td>88</td>
</tr>
<tr>
<td>1955</td>
<td>7.51</td>
<td>0.13</td>
<td>+0.40</td>
<td>-0.53</td>
<td>87</td>
</tr>
<tr>
<td>1956</td>
<td>7.60</td>
<td>0.82</td>
<td>-0.06</td>
<td>-0.86</td>
<td>89</td>
</tr>
<tr>
<td>1957</td>
<td>7.63</td>
<td>0.55</td>
<td>+0.06</td>
<td>-0.61</td>
<td>85</td>
</tr>
<tr>
<td>1958</td>
<td>7.98</td>
<td>0.92</td>
<td>-0.06</td>
<td>-0.98</td>
<td>90</td>
</tr>
<tr>
<td>1959</td>
<td>8.29</td>
<td>0.89</td>
<td>+0.02</td>
<td>-0.91</td>
<td>91</td>
</tr>
<tr>
<td>1960</td>
<td>10.17</td>
<td>0.89</td>
<td>+0.08</td>
<td>-0.97</td>
<td>109</td>
</tr>
<tr>
<td>1961</td>
<td>9.58</td>
<td>1.06</td>
<td>+0.03</td>
<td>-1.09</td>
<td>101</td>
</tr>
<tr>
<td>1962</td>
<td>10.28</td>
<td>1.02</td>
<td>+0.02</td>
<td>-1.04</td>
<td>106</td>
</tr>
<tr>
<td>1963</td>
<td>9.16</td>
<td>1.04</td>
<td>-0.12</td>
<td>-0.96</td>
<td>92</td>
</tr>
<tr>
<td>1964</td>
<td>9.61</td>
<td>1.01</td>
<td>0.00</td>
<td>-1.01</td>
<td>96</td>
</tr>
<tr>
<td>1965</td>
<td>10.25</td>
<td>0.20</td>
<td>+0.10</td>
<td>-0.30</td>
<td>92</td>
</tr>
<tr>
<td>1966</td>
<td>10.75</td>
<td>0.31</td>
<td>-0.10</td>
<td>-0.21</td>
<td>94</td>
</tr>
<tr>
<td>1967</td>
<td>10.40</td>
<td>0.35</td>
<td>+0.03</td>
<td>-0.38</td>
<td>91</td>
</tr>
<tr>
<td>1968</td>
<td>11.67</td>
<td>0.63</td>
<td>-0.35</td>
<td>-0.28</td>
<td>98</td>
</tr>
<tr>
<td>1969</td>
<td>12.25</td>
<td>0.60</td>
<td>+0.25</td>
<td>-0.83</td>
<td>104</td>
</tr>
<tr>
<td>1970</td>
<td>13.14</td>
<td>0.96</td>
<td>-0.27</td>
<td>-0.69</td>
<td>107</td>
</tr>
<tr>
<td>1971</td>
<td>13.72</td>
<td>0.50</td>
<td>0.00</td>
<td>-0.49</td>
<td>107</td>
</tr>
<tr>
<td>1972</td>
<td>13.18</td>
<td>0.75</td>
<td>+0.33</td>
<td>-1.08</td>
<td>106</td>
</tr>
<tr>
<td>1973</td>
<td>14.61</td>
<td>1.64</td>
<td>-0.41</td>
<td>-1.23</td>
<td>114</td>
</tr>
<tr>
<td>1974</td>
<td>15.28</td>
<td>1.06</td>
<td>-0.27</td>
<td>-0.79</td>
<td>113</td>
</tr>
<tr>
<td>1975</td>
<td>15.18</td>
<td>0.67</td>
<td>+0.22</td>
<td>-0.89</td>
<td>110</td>
</tr>
<tr>
<td>1976</td>
<td>15.84</td>
<td>1.29</td>
<td>+0.08</td>
<td>-1.37</td>
<td>116</td>
</tr>
<tr>
<td>1977</td>
<td>15.88</td>
<td>1.99</td>
<td>+0.03</td>
<td>-2.02</td>
<td>118</td>
</tr>
<tr>
<td>1978</td>
<td>17.52</td>
<td>1.83</td>
<td>-0.67</td>
<td>-1.16</td>
<td>120</td>
</tr>
<tr>
<td>1979</td>
<td>17.87</td>
<td>1.91</td>
<td>+0.29</td>
<td>-2.20</td>
<td>126</td>
</tr>
<tr>
<td>1980</td>
<td>20.16</td>
<td>2.00</td>
<td>-0.88</td>
<td>-1.12</td>
<td>130</td>
</tr>
<tr>
<td>1981</td>
<td>22.29</td>
<td>0.48</td>
<td>-0.55</td>
<td>+0.07</td>
<td>132</td>
</tr>
<tr>
<td>1982</td>
<td>23.19</td>
<td>0.30</td>
<td>+0.46</td>
<td>-0.76</td>
<td>140 **</td>
</tr>
<tr>
<td>1983</td>
<td>23.97</td>
<td>1.16</td>
<td>+0.49</td>
<td>-1.65</td>
<td>146 **</td>
</tr>
</tbody>
</table>

* Allows for changes in Bulog’s stock but not those in the private sector, as country-wide or other surveys of private sector stocks have not been made. Also assumes 10% losses during harvesting and for seed plus 1% loss in marketing. This is an increase in losses from earlier calculations.

** preliminary

Sources: Production (converted from paddy at 68%) and population data from the Biro Pusat Statistik; import and stock changes from Bulog. Quoted from Leon A. Mears, BIES 1984, op.cit, p.126.

Between 1952 and 1956, production increased by 3.8 per cent annually, but this was mainly due to increases in the area harvested rather than higher yields.\(^4\) By 1956,
the level of production was again higher than that of 1940, but the population had meanwhile increased by around 20 per cent during that period, so imports of 800,000 tons were necessary (see Table 3-3 on page 55). However, this Kasimo Plan was never adequately staffed or funded, and it never really got started.5

In the period 1956-1960, the first Five Year Development Program (Rentjana Pembangunan Lima Tahun) gave priority to production increase by relying heavily on rehabilitation of irrigation facilities. It was planned to achieve a level of rice availability between 85 and 91.2 kg per capita by 1960.6 Although this target was exceeded by 1960, it was not achieved by domestic production so much as by rice imports (see Table 3-3 on page 55).

A new program, based on Padi Centers, was introduced in 1959. This was later considered as the first program combining all the tasks of rice intensification, such as provision of education, information, fertilizers and pesticides. Lack of well-trained staff, the failure of the credit repayment system, and excessive centralization of the program, however, caused its termination in 1963, although the production of rice did increase during those years.7 But the program was considered a failure because of the necessity to increase rice imports by as much as 1.4 million tons in 1963 to meet the country's basic needs (see Table 3-3 on page 55).

During the period 1960-1966, the government experienced constant budget deficits and inflation became much worse. The deterioration in agricultural infrastructure caused a decrease in area harvested in Java, where the area harvested in 1968 was actually lower than that of 1960. In addition, while rice consumption per capita declined by around 11 kg between 1960 and 1968, rice imports were fluctuating around a level close to one million tons (see Table 3-3 on page 55), at great expense to the country's scarce foreign exchange reserves.

The Suharto Period

Learning from its mistakes, the Sukarno government announced a new program in 1964, known as BIMAS. The basic idea of this program was taken from the success of an intensification program carried out in 1963 by students of the Faculty of Agriculture, University of Indonesia (now IPB—Institut Pertanian Bogor, Bogor Institute of Agriculture) in three villages in West Java, involving 103 hectares of sawah. This project known as the Karawang Project,® was an attempt to teach farmers the advanced technologies which came to be known as the Panca Usaha Tani (Five-fold way to better farming) which included: improved water control, use of selected seeds, use of fertilizers and pesticides, better cultivation methods, and stronger cooperatives.® In addition, facilities for credit, production inputs and marketing were to be provided through the establishment of cooperative organizations.®

Emergence of the Bimas Program

The Karawang Project proved to be a success story and gave inspiration to the government to try to implement a new large scale program modelled on it. In the wet season of 1964/1965 the project area was expanded from the 103 hectares to 11,000 hectares scattered throughout Java. The program was first called DEMAS (Demonstrasi Massal, Mass Demonstration), but after 1965 it became more generally known as BIMAS.

To improve the distribution of financial support for Bimas participants, the BRI (Bank Rakyat Indonesia) was given the task of distributing credit. Due to the rapid increase in demand for this credit, the KOLOGNAS (Komando Logistik Nasional, National Logistic Command), a forerunner of BULOG, was also given the task in mid-1966 of financing the participants, under the administration of the Governors and the Bupatis of the regions where the Bimas program was concentrated.®

Under the Bimas program, the distribution of fertilizers, improved seeds and pesticides was made on a credit basis under which the farmers were to get all these prerequisites as a single package. This credit was later to be repaid out of their increased production. In addition, the introduction of new farming methods and intensive guidance to farmers was to be continued in a more effective way. In 1965/1966, 1,200 agricultural students were mobilized to carry out the program and in the following year, the extension services continued to expand. Rice production in 1966 showed an increase of 12.8 per cent over the level achieved in 1963.

Table 3-4: Rice: Area Planted, Production and Yield for Java, Outer Islands and Indonesia, 1960-1983

<table>
<thead>
<tr>
<th>Year</th>
<th>Area Harvested (million ha)</th>
<th>Production of milled rice (million m.t.)</th>
<th>Yield (m.t./ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Java</td>
<td>Outer Islands</td>
<td>Indonesia</td>
</tr>
<tr>
<td>1960</td>
<td>4.32</td>
<td>2.96</td>
<td>7.28</td>
</tr>
<tr>
<td>1962</td>
<td>4.09</td>
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<tr>
<td>1963</td>
<td>3.65</td>
<td>3.08</td>
<td>6.73</td>
</tr>
<tr>
<td>1964</td>
<td>3.66</td>
<td>3.32</td>
<td>6.98</td>
</tr>
<tr>
<td>1965</td>
<td>4.01</td>
<td>3.32</td>
<td>7.33</td>
</tr>
<tr>
<td>1966</td>
<td>4.12</td>
<td>3.57</td>
<td>7.69</td>
</tr>
<tr>
<td>1967</td>
<td>4.02</td>
<td>3.49</td>
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<td>1968</td>
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<td>3.76</td>
<td>8.02</td>
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<tr>
<td></td>
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<td></td>
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<tr>
<td>1969</td>
<td>4.29</td>
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<td></td>
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<td></td>
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<tr>
<td>1970</td>
<td>4.30</td>
<td>3.83</td>
<td>8.14</td>
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<td></td>
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<tr>
<td>1972</td>
<td>4.33</td>
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<td></td>
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<td>1973</td>
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<td>1977</td>
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<td>9.38</td>
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<td></td>
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* preliminary


The Inmas Program

In 1967, a severe drought damaged much of the rice growing area and reduced the level of production. In order to induce the farmers to increase their production, the government added the INMAS program (Intensifikasi Massal, Mass Intensification) in 1967 alongside the BIMAS program, but without any provision for credit. The Inmas was aimed at farmers who "were self-financing and voluntary participants," and was "an attempt to extend extension services and input supplies without placing a greater burden..."
on public credit resources."

The government was aware that production could not be increased merely by provision of credit and guidance for farmers. The incentive for farmers to plant padi also had to be strengthened and this could be done only if they received a suitable price for their product. Therefore, in 1968 the government introduced the *Rumus Tani* concept as an effort to provide a suitable rice price for farmers. This was carried out through a formula that the price of one kilogram rice should be equal to the price of one kilogram of fertilizer (urea) purchased by the farmers. This formula was the first deliberate attempt made by any Indonesian government to raise the price of rice as an incentive for farmers.\(^1\)

In the same year, 1968, a new program was added to the Bimas and Inmas programs. This involved the introduction of the new imported seeds being produced at the Los Banos International Rice Research Institute in the Philippines, IR-5 and IR-8, which were called in Indonesia, PB-5 and PB-8 (PB= *Peta Baru*). Introduction of the seeds as part of the Bimas and Inmas programs gave rise to a new name, the *Bimas Baru* program, also the *Inmas Baru:* the old Bimas and Inmas were then called *Bimas Biasa* and the *Inmas Biasa.*

Until 1968, however, it was generally the case that farmers were reluctant to participate in Bimas. If they did participate in it they were pushed into it more by compulsion than by voluntary participation. The farmers' reluctant to participate was caused by rigidities in the Bimas distribution system of production inputs for farmers. The amounts and combinations of the inputs were determined by the government, and this created frustration among the farmers because very often they did not correspond with their needs. As observed by Hansen:\(^2\)

> The rigidities which came to encumber this program were preeminently embodied in the government's approach toward the distribution of inputs to its peasant clientele. In this instance, there was a definite bias against deferring to the judgement of the peasant in the amount and kind of inputs necessary for satisfactory growth. Thus, the market mechanism which would permit the peasant to select his own combination of inputs, was eschewed in preference for the planning mechanism, which vested the power of choice in the hands of the bureaucracy.


The Bimas Gotong Royong

Even in 1968, there were still difficulties in supplying credit, as well as obstacles in distribution of fertilizer to the farmers. The government then attempted to implement the ambitious BIMAS GOTONG ROYONG scheme (BGR). This was an attempt to create a large-scale extension program providing fertilizer and credit across entire areas, including the application of pesticides by crop-dusting aircraft, a procedure which gave rise to widespread criticism. Several foreign fertilizer and pesticide suppliers were contracted as suppliers in the program.¹⁵

The function of these companies was to provide credit and distribute fertilizers and pesticides to the farmers at the farm gate through the village headmen. Apart from that, they also had the task of providing cash for allowances, seeds and advice to extension workers. In return for all this, they were to be paid by BULOG which, in turn, was to be recompensed in kind by the farmers in the form of one-sixth of the farmers' total harvest. This repayment was to be carried out through the village headmen.

There were several reasons behind the introduction of the BGR. First, in order to avoid risks due to the inability of the government to fund a massive program by itself, foreign companies were to be involved heavily in the financing. Secondly, there was also an expectation that the foreign companies would assist in introducing and transferring the new technology of rice planting. Thirdly, it was hoped that participation of the foreign firms in the program would overcome the institutional and bureaucratic obstacles which had so far obstructed any real increases.¹⁶

In the planting season 1968/1969, the BGR program covered around one million farmers on 300,000 hectares in Java.¹⁷ However, the scheme turned out to be seriously marred by technical difficulties and administrative disasters, which gave the entire program a bad name. To make matters worse, one European firm, COOPA, was also involved in a financial scandal connected with individuals very close to President Suharto himself. Administratively, the BGR was so large that no one institution could exercise effective control over its implementation, and this made effective coordination


¹⁷Mears and Moeljono, *op.cit.*, p.32.
difficult.\(^{18}\) In 1969, this program was terminated. Although the BGR scheme has since then had a bad name, it did in fact increase rice production by 4.2 per cent annually from 1968 to 1970 (see Table 3-4 on page 58).

The Improved Bimas

Although there had been an increase in rice production, imports were still high, reaching 960,000 tons in 1970. The government attempted to restructure the Bimas program so as to remedy the weaknesses which had been revealed by the failure of the BGR scheme. In 1971, it launched the Bimas Yang Disempurnakan (Improved Bimas) which was to be organized around a village unit (unit desa). One village unit or Wilud (Wilayah Unit Desa) was to cover an area of around 600-1000 hectares of sawah and each unit desa was provided with four types of infrastructure called Catur Sarana, needed to facilitate the provision of agricultural extension service and production inputs to the farmers.

The term infrastructure as used with regard to the Bimas program referred to the following: a) the extension service by the Agricultural Office, b) cheap credit from the bank (BRI), c) the distribution and sale of production inputs, i.e. fertilizer, pesticides etc., by village unit cooperatives, as well as by state and private companies, d) the marketing and processing of agricultural production which was also to be carried out by the cooperatives apart by state and private companies.\(^{19}\) To facilitate the implementation of extension service activities, farmers were divided into various farmers' groups (Kelompok Tani). One such group was to be led by a model farmer known as Kontak Tani (Contact Farmer). He, in turn was to be the leader of about 15 to 20 "progressive farmers" or Tani Maju who were each supposed to provide guidance to 15 to 20 farmers who are members of a working group (Kelompok Kerja).

In theory, even the farmers' wives were also to be given guidance on the new rice technology through the PKK (Pendidikan Kesejahteraan Keluarga, Association of

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\(^{18}\) G.E. Hansen, 1973, \textit{op.cit.}, pp.32-33; Related to these organizational problems, there were, according to Mears and Moeljono, several other difficulties. First, the government had difficulty in paying the foreign contractors, and it was also hard to pay for rice imports, which remained high. These difficulties arose from the fact that the repayment of credit in the form of padi fell below expectations, as farmers found various ways to minimize their repayments. Secondly, it is quite understandable that the contractors tended to use their own insecticides, which proved to be not only not very effective but also harmful to fish in the ponds and rivers. Finally, farmers complained of "the centralized nature of the program and frequently resold the fertilizers that they had been given for ready cash rather than using it on their rice crops." Mears and Moeljono, \textit{op.cit.}, p.32.

\(^{19}\) Soedarsono Hadisapoetro, "Badan Usaha Unit Desa, dan Masalah Pembinaannya." \textit{Prisma}, No.4, II, August 1973, p.35.
Family Welfare), a section of the LKMD (Lembaga Ketahanan Masyarakat Desa). The children of the farmers, too, were to be grouped into Tani Taruna and Taruna Tani. In general, the government said it was "trying to bring the various elements of the program closer to farmers and get away from the excessively rigid program which has been imposed on the farmers in the past".

The new policy of the Improved Bimas was expected to have several advantages. As noted by Mears, one was to reduce the budget losses incurred through the BGR by better debt collection; another was to increase the concentration of the program in areas with the highest yield potentials; it should prove possible to reduce the amount of inducement now needed to compensate farmers for the risks anticipated, and similar benefits were expected to come from participation of private sector traders in input distribution and processing activities.

There were two aspects of the Improved Bimas scheme which were considered new. First, distribution of fertilizer, which was previously handled only by PN PERTANI, was now undertaken also by PT PUSRI and PERTAMINA as major distributors, while private traders were allowed to become involved in the distribution to farmers. This greatly increased the general availability of fertilizer for the farmers. Second, the floor price scheme was effectively implemented after 1970 (see Subsection on Price Policy below).

Between 1968-1974, production increased by 30 per cent, while yields were increased by 20 per cent. Also, rice consumption increased from 98 kg per capita in 1968, to 113 kg in 1974 (see Table 3-3 on page 55). However, from the Table it can be seen also that the production was still insufficient to meet the total demand for rice. There was still a high level of imports around 790,000 tons in 1974. This was caused by "the

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20 PKK is a woman's organization initiated by the Ministry of the Interior for women. Among its activities are evening classes in which the wives of the Camat or Village Headmen or woman teachers teach the women in their respective areas some civic education such as state ideology Pancasila, or a course on how to make some kinds of cakes.

21 The LKMD is a village level organization initiated by the government. It is conceived as a planning body at the village level (like the Bappeda at kabupaten or Bappenas at national level) with the function of taking initiatives and seeking the participation of villagers in assisting village government in planning and implementing village development programs. Its membership includes chairmen of various groups in the villages. Gubernur Kepala Daerah Tingkat I Jawa Timur, "Petunjuk Pelaksanaan Operasional Lembaga Ketahanan Masyarakat Desa (LKMD) di Jawa Timur." Unpublished official document, Surabaya, March 28, 1981, p.9.


original shortfall, the higher total rice requirement from an increasing population, greater purchasing power due to rising incomes, and 25 per cent decline in the real rice price.25

During Repelita II (1974-1979), rice production increased by 3.0 per cent yearly. This was mainly due to a continuation of yield increases and no great price fluctuations. However, the production level was slightly lower than that of Repelita I because of attacks by the wereng pest in most sawah areas throughout Indonesia in 1976 and 1977. Localised attacks by wereng were reported in 1974, but in 1976 the attacks were widespread throughout all of Java for the first time. In that year wereng damaged around 200,000 hectares or more of sawah.

The government's efforts to reduce the damage through development of wereng resistant varieties such as PB-26, PB-28, and PB-30 were initially hampered by limited stocks of the varieties; therefore, farmers returned to the use of traditional varieties that were relatively resistant to the pest, even though their yields were not so high. The wereng attacks recurred again in 1979 and these again limited the increase of rice production in that year. Yet, the increase in rice production showed that the government had been successful in controlling the spread of the wereng pest and other diseases.

The increased yields for some parts of Java had resulted mainly from greater use of fertilizer. The consumption of Nitrogen fertilizer rose by an average rate of 20 per cent annually from 1969 to 1983. In the same period, the use of P2O5 was also increased at an average rate of 35 per cent annually (see Table 3-5 on page 64).

The increase in the use of fertilizers provides an indication of the change in the farmers' attitudes toward the rice intensification program. By the mid-1970s, they were showing a more positive attitude than formerly toward the new agricultural technologies. As many reports have suggested, the farmers had to be compelled by government agencies during the Repelita I period, to plant the high yielding varieties and to adopt the better farming methods. This was known as a combination of stick and carrot (cheap credit and subsidized fertilizers and pesticides).26 However, with the increase in fertilizer consumption during the later years, it can be said that awareness among the farmers about the need for production inputs to increase their crops had become wide-spread.27

27Fertilizer was subsidized by the government to enable the farmers to buy at a low price. The amount of subsidy was more than Rp 1 trillion during the ten year period starting in 1971/1972, over 60 per cent of which was given to fertilizer produced in Indonesia. Details on Subsidy Policies can be found in L.A. Mears, 1981, op.cit., pp.422-426.
Table 3-5: Fertilizer Consumption, 1969 - 1983 (000 tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>N</th>
<th>P205</th>
<th>K20</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>155,2</td>
<td>36,2</td>
<td>1,0</td>
</tr>
<tr>
<td>1970</td>
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<td>1,060,1</td>
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<tr>
<td>** 1983</td>
<td>973,4</td>
<td>317,3</td>
<td>54,3</td>
</tr>
</tbody>
</table>

* Figures corrected
** Preliminary Quoted
from Nota Keuangan, Ibid p.240.

In addition, improvements in the irrigation system have certainly also made a contribution towards the increase of rice production. Although it was said that approximately 85 per cent of the rice in Java was cultivated on wet lands (sawah), water shortages sometimes occurred even in the wet season. The government, therefore, gave special attention during the 1970s to the rehabilitation of irrigation and to the establishment of several new dams and many new irrigation channels.

The extent of rehabilitation of the irrigation system can be seen from the following figures. Under Repelita I, an additional 936,073 hectares were supplied with irrigation water. By the end of Repelita II, further rehabilitation schemes were extended to an area of 527,840 hectares, while new irrigation schemes were able to supply water to 325,942 hectares. By the end of Repelita III, the government had been able to further rehabilitate 386,651 hectares of irrigated sawah and had established another 437,271 hectares of new irrigation system.28 Thus, the total area of sawah rehabilitated by the government since Pelita I was 2.61 million hectares, or 29 per cent of the total area of padi in 1983 (8.96 million hectares in 1983, see Table 3-4 on page 58).

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The Insus Program

To further stimulate an increase of rice production the government introduced in 1979 (the beginning of Repelita III) a new intensification program called INSUS (Intensifikasi Khusus, Special Intensification). This program was also introduced as a part of the effort to prevent attacks of wereng. It was assumed that the wereng pest could be reduced by planting padi at one time over a large area (tanam serentak), so that when the land was fallow in the next season, there would be no rice nearby to harbour the wereng and they would die out. The difference between Bimas or Inmas and the Insus is that while in the Bimas and Inmas Programs not all elements in the recommended package of inputs were fully used by farmers, in the Insus all of them had to be applied, i.e. high yielding variety seeds, irrigation, fertilizers, pesticides and improved cultural practices.

The Insus, like the Bimas program, operated only in irrigation areas. It began with 0.5 million hectares in 1979 and was to be progressively extended to cover all irrigation areas. For this purpose, the farmers' groups in each village unit were to be utilized effectively in the program. Decisions on the time to plant, on seeds, amount of fertilizers, type of pesticides, and methods of farming and harvesting are left to the groups, but with the help of extension workers. This is to increase the farmers' participation in the program. Stimulation was also given through Insus competitions among the farmers' groups and through the provision of an Insus premium, which in 1979 amounted to Rp 3 per kilogram for padi delivered to BUUD/KUD; since 1980 it has been continuously increased.

It was reported that the Insus program contributed to a considerable increase in rice production, with yields per hectare in 1981 of up to 10 tons under the program in some limited areas. Yields in excess of 6 tons per hectare are, however, extremely unusual with IR-36, except on small special plots. The sharp rise in the level of rice production in 1980 (by 17.3 per cent on Java and by 12.8 per cent throughout Indonesia), and also the steady increase in production from 1979 to 1983 by 7.0 per cent per annum on Java and by 6.8 per cent annually throughout Indonesia, were largely due to the Insus (see Table 3-4 on page 58).

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Price Policy

The New Order government realized in 1966 that new arrangements for the rice price should be made to ensure that it should be not too high for consumers, but at the same time not too low for producers. The technocrats responsible for economic policies were aware that during the Sukarno period the rice price had been kept low, well below the world price. Two factors had contributed to this: the low government purchase price for rice, and the large amount of rice imports. In 1967 the rice price rose suddenly by 300 per cent due to rice shortage. The shortage was aggravated by drought, a worldwide shortage, insufficient government rice stock, and all these were then also complicated by panic and speculative buying of rice. This situation led to student demonstrations in that year demanding a lowering of the rice price.

The Rumus Tani of 1968 was, as mentioned above, the first attempt to ensure a more adequate price for producers, although in January 1968 the domestic rice price did in fact rise above the world parity level by 49 per cent: a very favourable situation for farmers. In 1969, Mears and Afiff proposed a floor-and ceiling-price maintenance policy. It was designed to achieve four objectives:

1. Support for a floor price at a level high enough to stimulate production.
2. A ceiling price to assure a reasonable price for consumers (not too much above average purchasing power).
3. A sufficient range between these two prices to provide traders and millers a reasonable profit for the costs of holding rice between crop seasons.
4. Appropriate price relationships within Indonesia and internationally.

BULOG was given the task of operating this price policy from 1970 on. The introduction of this price policy, did not mean however that BULOG was charged to oppose market forces. BULOG's actions in the market are intended primarily to reduce speculative fluctuations in the rice price, of a kind which were very marked before 1969, because traders were in a strong position to buy very cheaply at harvest time, then sell later in the year when prices became higher. They had an interest in creating low prices through collusion etc., and the farmers had no alternative, if they needed to sell padi, but to sell to them. The creation of a floor price at which BULOG comes into the market has changed that, at least in principle. It has not entirely eliminated fluctuations, but it has greatly reduced their range.

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During 1970-1971, BULOG was successful in implementing the new policy and the price of rice rose by 13.6 per cent of the level at 1969.\textsuperscript{33} In 1972, however, production failed due to severe droughts throughout Southeast Asia, which caused a shortage of rice and sharp increases in its price. The increase in retail price revealed the incapacity of BULOG to purchase much padi and it was partly for this reason that in 1973, the village unit cooperatives (BUUD/KUD) were created, with the task of assisting BULOG in rice marketing and procurement activities.

The involvement of the BUUD/KUD in rice procurement was aimed, among other things, at competing with traders so that the possibilities for traders to get excess profits by lowering their prices below the floor price, would be reduced. BULOG itself has continuously been improved in its organization, management and the ability of its staff members to handle rice procurement activities, with the result that sharp fluctuations of rice prices were prevented (at least until the rice oversupply crisis of 1984-1985).

On the other hand, however, the KUDs have encountered many difficulties in management in competing with the private traders. In addition, before 1980, many BUUD/KUD were not provided with the drying floors needed to process padi, while wet-stalk padi was always priced below the floor price. Although in 1980 the government provided mechanical dryers for the cooperatives, the numbers were insufficient and not all KUDs received them. Hence, even prior to 1984, there were still many reports of farmers not receiving the floor price.\textsuperscript{34}

### The Problem of Bimas Arrears

Behind the success in increasing rice production, however the Bimas program has had a continuous problem of reducing credit arrears that have accrued ever since Repelita I. The total amount of the arrears has steadily increased. Table 3-6 on page 68 shows the distribution of Bimas credit for rice and arrears from 1971/1972 to 1982/1983.

One difficulty in analysing these figures is in comparing the total for each year. Every year, the figures have become larger because claims are still maintained. Yet, these figures also indicate, on the one hand, the difficulties facing by the government in claiming the credits from peasants in rural areas, and on the other hand, they show the lack of conviction among government officials in handling the claims, so that there is a suspicion that the arrears are not considered by the government as an important problem in rice policy implementation.

These arrears have occurred in part because of the system of Bimas credit.


\textsuperscript{34}Details on price policy can be found in L.A. Mears, 1981, \textit{op.cit.}, pp.396-417.

<table>
<thead>
<tr>
<th>Year</th>
<th>Distribution (billion Rp)</th>
<th>Repayment (bill.Rp)</th>
<th>Arrears (b.Rp)</th>
<th>% of Arrears</th>
<th>Farmers (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971/72</td>
<td>9.8</td>
<td>9.5</td>
<td>0.3</td>
<td>3</td>
<td>1,538</td>
</tr>
<tr>
<td>1972/73</td>
<td>15.3</td>
<td>14.6</td>
<td>0.7</td>
<td>5</td>
<td>2,071</td>
</tr>
<tr>
<td>1973/74</td>
<td>36.5</td>
<td>33.6</td>
<td>2.9</td>
<td>8</td>
<td>3,107</td>
</tr>
<tr>
<td>1974/75</td>
<td>53.1</td>
<td>48.3</td>
<td>4.8</td>
<td>9</td>
<td>3,603</td>
</tr>
<tr>
<td>1975/76</td>
<td>72.3</td>
<td>64.6</td>
<td>7.7</td>
<td>11</td>
<td>3,582</td>
</tr>
<tr>
<td>1976/77</td>
<td>71.3</td>
<td>60.7</td>
<td>10.6</td>
<td>15</td>
<td>3,004</td>
</tr>
<tr>
<td>1977/78</td>
<td>62.5</td>
<td>51.2</td>
<td>11.3</td>
<td>18</td>
<td>2,471</td>
</tr>
<tr>
<td>1978/79</td>
<td>60.3</td>
<td>49.5</td>
<td>10.8</td>
<td>18</td>
<td>2,151</td>
</tr>
<tr>
<td>1979/80</td>
<td>49.5</td>
<td>41.8</td>
<td>7.7</td>
<td>16</td>
<td>1,607</td>
</tr>
<tr>
<td>1980/81</td>
<td>50.1</td>
<td>39.6</td>
<td>10.5</td>
<td>21</td>
<td>1,520</td>
</tr>
<tr>
<td>1982/83</td>
<td>59.4</td>
<td>29.4</td>
<td>30.0</td>
<td>51</td>
<td>1,372</td>
</tr>
<tr>
<td>1983/84</td>
<td>23.5</td>
<td>11.0</td>
<td>12.5</td>
<td>53</td>
<td>563</td>
</tr>
<tr>
<td>1984/85*</td>
<td>1.4</td>
<td>2</td>
<td>1.2</td>
<td>86</td>
<td>44</td>
</tr>
</tbody>
</table>

Credit of Inmas began since 1977/1978

Situation on September 30, 1984.


distribution itself. Under that system, farmers who require credit have had to fill in a special form No.98-b personally or by collective registration through village officials. The form would then be sent directly by themselves to the village unit bank (BRI Unit Desa), after which they would receive the SPPB (Surat Perintah Pembayaran Bimas, Letter of Bimas Credit Disbursement).

This method was considered as one of the administrative weaknesses responsible for the credit arrears, since many cases of Bimas Fiktif arose, even as early as 1971.

Because the total amount of arrears amounted by 1981 to billions of Rupiah, the government issued Presidential Instruction No.10/1981, on the basis of which a team known as TKPPKPM (Team Koordinasi Peningkatan Pengembalian Kredit Program

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36 The term Bimas Fiktif applies to cases where a farmer (generally one of the more educated farmers) or local government officials registers several names of unidentified farmers, or registers several farmers without their agreement as Bimas participants, with the aim of collecting Bimas credit due to those farmers for their own personal purposes.
Massal, Coordination Team for Increasing the Repayment of Mass Program Credit) was established at the provincial and kabupaten levels headed by the Regional Secretary (Sekwilda = Sekretaris Wilayah/Daerah).

Apart from that, the government tried in 1982 to change the method of credit distribution through the introduction of a new system, BIMAS POLA BARU, in several kabupatens in Java. Under the BPB scheme, credit was to be distributed through farmers' groups themeselves. The form No.98-b now had to be signed by several officials, i.e. village head, extension worker, Chairman of the KUD, and the PPK (Pusat Pelayanan Koperasi).^37

However, the lengthy procedure for obtaining the credit merely created delays in its distribution. Very often the credit was not received by farmers until late in the planting season. Moreover, the regulation requiring that credit be given only to KUDs which were able to repay a minimum 60 per cent of the previous credit advanced, also created problems when various farmers' groups which had repaid their credits failed to receive further credit because other farmers' groups remained in arrears.

The Decline in Bimas Participation

Another problem facing the Bimas program was the fact that in 1977 Bimas participation began to decline while the area planted under the Inmas scheme increased substantially. This trend has continued up to the present time. This can be seen in Table 3-7 on page 70 and also in Table 3-6 on page 68 which reveals a continuous decline in the number of farmers receiving the Bimas credit. The decline in Bimas participation was partly due to denial of credit by BRI to farmers who had defaulted on previous loans.

By this time, moreover, there was less need for provision of government-subsidized credit to encourage farmers to adopt the new rice technology and HYV seeds, for their profitability had become widely known. The original purpose of the Bimas scheme had, in effect, been achieved. Other factors behind the decline of Bimas participation, however, were delays in fertilizer distribution and the higher price of Bimas fertilizers over that of private traders. This will be further explained in the next chapter.

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^37The bank was to distribute the credit to the KUD, which would further distribute it to the farmers' groups. However, the bank would grant such credit only to KUDs which were able to pay at least 60 per cent of the previous credit distributed to the farmers' groups. Thus, responsibility for the credit was now shifted directly into the hands of the farmers' groups. It was hoped that the gemeinschaft character of the rural society would minimize the credit arrears, since farmers with debts would be shamed before the other farmers in their groups if they refused to make repayment of the credits. This hope has not entirely been fulfilled.
Table 3-7: Bimas and Inmas of Padi: Area Harvested, 1969 - 1983 (000 Ha)

<table>
<thead>
<tr>
<th>Year</th>
<th>BIMAS</th>
<th>INMAS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>1,309</td>
<td>821</td>
<td>2,130</td>
</tr>
<tr>
<td>1970</td>
<td>1,248</td>
<td>905</td>
<td>2,153</td>
</tr>
<tr>
<td>1971</td>
<td>1,396</td>
<td>1,392</td>
<td>2,788</td>
</tr>
<tr>
<td>1972</td>
<td>1,203</td>
<td>1,966</td>
<td>3,169</td>
</tr>
<tr>
<td>1973</td>
<td>1,832</td>
<td>2,156</td>
<td>3,988</td>
</tr>
<tr>
<td>1974</td>
<td>2,676</td>
<td>1,048</td>
<td>3,724</td>
</tr>
<tr>
<td>1975</td>
<td>2,683</td>
<td>954</td>
<td>3,637</td>
</tr>
<tr>
<td>1976</td>
<td>2,424</td>
<td>1,189</td>
<td>3,613</td>
</tr>
<tr>
<td>1977</td>
<td>2,069</td>
<td>2,181</td>
<td>4,250</td>
</tr>
<tr>
<td>1978</td>
<td>1,960</td>
<td>2,888</td>
<td>4,848</td>
</tr>
<tr>
<td>1979</td>
<td>1,571</td>
<td>3,452</td>
<td>5,023</td>
</tr>
<tr>
<td>1980</td>
<td>1,374</td>
<td>4,142</td>
<td>5,516</td>
</tr>
<tr>
<td>1981 a&gt;</td>
<td>1,384</td>
<td>4,802</td>
<td>6,186</td>
</tr>
<tr>
<td>1982 a&gt;</td>
<td>1,296</td>
<td>5,047</td>
<td>6,343</td>
</tr>
<tr>
<td>1983 b&gt;</td>
<td>1,401</td>
<td>5,222</td>
<td>6,623</td>
</tr>
</tbody>
</table>

* INSUS is not included
a> figures are corrected
b> preliminary


The Role of the KUD in Rice Policy Implementation

In 1973 the government adopted a new policy of utilising a rural cooperative organization, known initially as BUUD, later as KUD, as a key element in the system of rice intensification and procurement. Its decision to do so followed the rice crisis of 1972, when it had been unable to purchase adequate stocks at a time of drought and severe shortages, not only in Indonesian but on the world market also. This policy was not entirely new, however. In 1969, the government had sponsored a pilot project for rice intensification in Yogyakarta. This project was an attempt to test the working of the four infrastructure schemes (Catur Sarana) needed by each such village unit. In order to provide the fourth of these, i.e. the distribution of production inputs and the processing and marketing of the products, a new cooperative organization was set up named BUUD.

The term "cooperative" was not used in the new organization in order to avoid giving an adverse impression to farmers who had had bad experiences with the failure of
former farmers' cooperatives, KOPERTA, during the early Bimas program. The BUUD was itself a federation of various KOPERTA, and the initial idea behind its establishment was to try once again to include the cooperative in agricultural development activities. It was expected that in the post-transitional period, the BUUD would be changed into a KUD. For the purpose of our discussion here, the term KUD will be used henceforth.

In 1973, the government made a decision to expand the number of KUD dramatically. This decision was motivated by three reasons: the success of the Yogya project, the rice crisis of 1972, and the government’s ideological commitment to a cooperative form of social organization. The Pilot project for rice intensification in Yogyakarta had proved successful in promoting the new type of cooperative among the farmers concerned, and its initiator, Prof. Soedarsono Hadisapoetro, was soon afterwards appointed Minister of Agriculture in 1972.

Moreover, because of the rice crisis in late 1972, in which BULOG failed to build up adequate stocks, the government decided to reform the system of rice marketing and procurement by involving the newly created KUDs in the system. In this new role, the KUD was given the task of purchasing wet padi or dry-stalk padi from the farmers at the local market price (in competition with private traders), processing it in the rice mills of the KUD and then selling the milled rice to BULOG.

The credit needed to purchase the padi was provided by the bank (BRI) which was also to supply the cooperatives with other credits to buy hullers and to provide the necessary training for its administrators. President Suharto later explained in 1976 that the involvement of the KUD in rice marketing and procurement activities was aimed at achieving two objectives: to enable the farmers to sell their padi at the floor price level, and to enable the cooperatives to develop the abilities needed for the marketing of the product.

The support of the government for the KUD was also based upon the ideological commitment of the Republic as set out in the 1945 Constitution. Article 33 of the 1945 Constitution stated that the Indonesian economy is to be based upon the family spirit (jiwa kekeluargaan), and the Explanatory Memorandum states explicitly that the

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40Lampiran Pidato Kenegaraan Presiden Republik Indonesia di Depan Sidang Dewan Perwakilan Rakyat, August 16, 1976, p.482.
organization best fitted to implement that idea would be the cooperative.\textsuperscript{41} The primary objective of KUD is essentially similar to that of other cooperative organizations. According to the Cooperative Law No.12/1967, which was used as the basic law of the KUD, cooperatives are a means to increase the welfare of people and to strengthen their economic position.\textsuperscript{42} A clearer statement on the objectives of the cooperatives is given in President Suharto’s August 17 speech in 1977.\textsuperscript{43}

The development objective is to increase the wealth equally. To achieve this objective, activities to increase production, equality in distribution of development results and activities in widening job opportunities, should be conducted simultaneously and in a balanced way. These activities can be carried out in a simultaneous and balanced way, if the economically weak group (golongan ekonomi lemah) is able to participate in development efforts. Thus, it is very important to create policies and actions to increase the ability of the group to participate in development programs. Cooperatives are a form of economic organization which have a social character. Thus, the cooperatives represent an organization which has great potential to increase the ability of the economically weak group in participating actively in development efforts and to facilitate all efforts to distribute the results of development equally.

The KUD is constituted, theoretically, as an organization for all rural people, so its objective is to increase their wealth. As a rural cooperative, the KUD was theoretically to be set up by the rural people themselves. In the first regulation on BUUD, Presidential Instruction No.4/1973, it was mentioned that BUUD was a transitional organization prior to the establishment of KUD, which was to be built up by and for the rural people.\textsuperscript{44} On the basis of this regulation, therefore, the board of the KUD was to be selected and appointed by its members, and the board was to give progress reports to its members, all these being done at meetings of the members which were considered the highest authority of the organization.

The government’s efforts to motivate the development of KUD were carried out step by step. During Repelita I, efforts were made to restore the position of cooperatives as economic and social institutions of rural people, because under the Old Order government they had become merely a political tool of various political groups.
seeking political support. This effort was translated into one main program, an educational program on cooperatives. This was done through various courses on cooperatives to cadres of cooperatives, teachers, cooperative extension workers, and courses in accountancy.

During Repelita II, a more deliberate effort was made than had previously been done to increase the role of the economically weak group in their business activities in order to increase their wealth. In this context, the government took three measures. First, it increased the education on cooperatives, especially on management. Second, it provided the necessary opportunities for cooperatives to carry out business activities; and, finally, it provided credit facilities. In this period, the government also provided the cooperatives with an increase in capital, guidance in business and organization, training and educational facilities, and the improvement of research on cooperatives.

During Repelita II, the government formally changed the status of the BUUD under Presidential Instruction No.2/1978. The character and function of the KUD were very considerably changed in this regulation. In the new regulation, the BUUD has been determined as the advisory body to the KUD, but its previous roles as a cooperative organization were transferred to the KUD. The differences between the original Presidential Instruction No.4/1973 and No.2/1978 on the position and role of BUUD and KUD can be summarized as follow:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization: a. BUUD was to be an economic organization of farmers prior to the establishment of KUD.</td>
<td>a. BUUD is a non-structural organization beside KUD.</td>
</tr>
<tr>
<td>b. BUUD is carried on to fuse primary cooperatives into KUD.</td>
<td>b. BUUD to be the &quot;pioneer, guide, motivator and protector&quot; of KUD.</td>
</tr>
<tr>
<td>c. BUUD carries out business activities.</td>
<td>c. BUUD prohibited from carrying out business activities.</td>
</tr>
<tr>
<td>d. BUUD board elected by members.</td>
<td>d. BUUD board to be appointed by executive body headed by the Camat.</td>
</tr>
</tbody>
</table>

46 "Pidato Kenegaraan Presiden Republik Indonesia Jenderal Soeharto di Depan Sidang Dewan Perwakilan Rakyat, August 16, 1975, pp.489-495.
Service: Bimas Farmers only.  
Function:  
   a. Provide guidance on agriculture only.  
   b. Provide credit for Bimas farmers.  
   c. Supplier and distributor of production inputs.  
   d. Processing and marketing of Agri-products  
   e. Members are all persons receiving the services of KUD.

Area: One village unit (600 to 1,000 ha. sawah)

In Repelita III, the government’s effort to develop the cooperatives was aimed at increasing the role and ability of the cooperatives, especially the KUD, in order that they would become the strongest economic force in the rural areas. Two programs were devised to implement the objective: a program for developing the organization of cooperatives, and a program for developing the business activities of cooperatives.49

Eleven years after its formation, it could be seen that the KUD had achieved some progress. The number of these cooperatives had increased from only 35, around Yogyakarta, in 1970 to 2,361 in 1973 and 6,579 in 1984 throughout all of Indonesia. The membership, according to official registrations, had also increased from 2.5 million in 1973 to 12 million in 1984 (see Table 3-8 on page 75). A big jump occurred between 1983 and 1984 when the membership increased by 26 per cent, and this was probably caused by the government’s determination to achieve a membership target of 12.5 million members in 1984.50 This target led local governments to recruit new members of KUD by whatever means they could.

If the membership figures above are reliable, it means that each KUD has on the average 1,824 members. However, data on KUD’s membership presented by the Central

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49 Ibid., pp.XI/4-5.  
Table 3-8: Development of KUD and Number of Members, 1973-1984

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of KUD</th>
<th>Number of Members (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>2,361</td>
<td>2,459</td>
</tr>
<tr>
<td>1978</td>
<td>4,444</td>
<td>3,116</td>
</tr>
<tr>
<td>1983</td>
<td>6,327</td>
<td>9,539</td>
</tr>
<tr>
<td>1984</td>
<td>6,579</td>
<td>12,009</td>
</tr>
</tbody>
</table>


Bureau of Statistics indicated that in Java, where KUDs were concentrated, there were 2,302 KUDs in 1983, and only 589 (25 per cent) of them have 1,000 members or more (see Table 3-9 on page 76). In other words, 75 per cent of KUDs in Java had less than 1,000 members in 1983. Some KUDs even had only as many as 20 members.51

Moreover, the total of 12 million members throughout Indonesia achieved in 1984 was still a small proportion of the 124 millions of rural villagers (23 million households) in that year.52 Moreover, most of the members did not actively participate in the KUD, and often did not even know that they were enrolled as members of the cooperatives.53 The small number who were actively involved were the better-off farmers. The lack of participation can be seen, for example, from the fact that most of the KUD's capital has come from government subsidies, not from membership fees.54

The government's effort to develop the business activities of KUD have also recorded some progress. At the end of Repelita I, there were 1,558 KUD involved actively in rice procurement activities and they were able to purchase 281.3 thousand tons of rice or its equivalent. During the Repelita II, the number of KUD involved in the activity increased to 2,125 with rice procurement amounting to 444.5 thousand tons.

51Biro Pusat Statistik, *Daftar Nama dan Alamat Koperasi Unit Desa (KUD)* 1983, Jawa.
52The Indonesian population was 147 million in 1980, and the number of households was 30 million. The population in village areas was 114 million in that year, while the rate of population increase was 2.21 per cent annually. Biro Pusat Statistik, *Statistik Indonesia, 1980-1981*; and for details on this problem, see also Soedarsono Hadisapoetro, "Supaya Diperhatikan Aspek Pembangunan Kelembagaan KUD," *Kompas*, August 6, 1984; and "Prof. Soedarsono Tentang KUD," *Kompas Editorial*, August 8, 1984.
Table 3-9: KUD Membership in Java, 1983

<table>
<thead>
<tr>
<th>Amount of Members</th>
<th>Number of KUD</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1,000</td>
<td>1,713</td>
</tr>
<tr>
<td>1,001-2,000</td>
<td>402</td>
</tr>
<tr>
<td>2,001-3,000</td>
<td>102</td>
</tr>
<tr>
<td>3,001-4,000</td>
<td>41</td>
</tr>
<tr>
<td>4,001-5,000</td>
<td>19</td>
</tr>
<tr>
<td>5,001-6,000</td>
<td>13</td>
</tr>
<tr>
<td>6,001-7,500</td>
<td>5</td>
</tr>
<tr>
<td>*7,501-</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,303</strong></td>
</tr>
</tbody>
</table>

*3 KUDs had 11,000 members; one had 12,000; two KUDs had 18,521 and 36,788 members respectively.


of rice equivalent. At the end 1983, out of a total of 6,327 KUD, 2,246 were involved in procurement activity and they purchased 970.1 thousand tons, while at the end of 1984, 2,291 KUD were involved in the activity with rice equivalent purchasing amounting to 2,046.4 thousand tons.55 The number of KUD involved in the distribution of fertilizer and pesticides, and the amount of these two production inputs distributed also increased (see Table 3-10 on page 77).

Since 1981, in order to increase the role of KUDs as rural cooperatives handling the needs of rural people, the KUDs have also been given other tasks by the government. Beside their roles in distribution of production inputs and purchase of rice, they have also been instructed to maintain floor prices of maize, mungbeans, soybean, cloves, peanuts, broiler chicken, and eggs. In addition, they also manage the *Candak Kulak* credit system, i.e. small credit for petty traders, and deal with the new and very important sugar cane (TRI = *Tebu Rakyat Intensifikasi*) program.

However, alongside the successes noted above, there have also been various weaknesses in the KUD, some of which were first reported as occurring in 1973 and apparently they are still prevalent today. In the first procurement activities undertaken

Table 3-10: Development of Stock and Distribution of Fertilizer and Pesticides by KUD, 1973/74-1984/85 (in 000 tons)

<table>
<thead>
<tr>
<th>Season</th>
<th>KUD FERTILIZER</th>
<th>KUD PESTICIDES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Stock Distribution</td>
<td>Stock Distribution</td>
</tr>
<tr>
<td>1973/74</td>
<td>1,623</td>
<td>332</td>
</tr>
<tr>
<td>1978/79</td>
<td>2,825</td>
<td>385</td>
</tr>
<tr>
<td>1983/84</td>
<td>3,647</td>
<td>697</td>
</tr>
<tr>
<td>1984/85</td>
<td>3,555</td>
<td>253</td>
</tr>
</tbody>
</table>

* Decline in amount of stock and distribution in 1984/85 due to data on the second crop season of that year not yet available.


in 1973, the KUD were ordered to buy dry stalk padi below the official floor price. Hence, many farmers refused to sell their padi to KUD, and local officials had to compel the farmers to sell to them in order to fulfil the rice procurement targets determined from Jakarta. In some areas it was even reported that soldiers were used in the efforts to force the peasants. In his analysis of the emergence of that situation, Arndt suggested:

...an understandable but unrealistic desire to protect the interests of urban consumers - and the government finances - by trying to bring the retail price of rice back to something like the mid-1972 level; coupled with the government's continuing determination to give top priority in the rice program to the requirements of its own military and civilian employees; a misguided zeal in Jakarta to create effective cooperative overnight - partly perhaps in the age-old hope of reducing distribution margins by cutting out the private middleman - and in the provinces to demonstrate that the BUUD could deliver the rice; and behind all these, a belief that market forces could be overruled or controlled by sufficiently determined government action.

The attitude of local government officials as indicated above created an uncontrollable situation in many regions. Hence the government issued an instruction on July 3, 1973 abolishing the national rice procurement target and allowing the KUD to

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buy and sell rice on the open market. The government announced that it would itself purchase rice for the national stockpile only in Java and South Sulawesi, and this was done only if the market price fell to the floor price. As a result, it was reported that development of KUD improved, i.e. in their abilities to compete with rice traders in buying padi from farmers at a small advantage. However, it seems that rice procurement targets remained and that compulsion to achieve the targets has subsequently been carried out, but in a more refined method.

On November 19, 1974, the government issued five basic policies on production and supply of food, including decisions to increase the fertilizer price and the price of rice as from February 1, 1975. The government explained that decisions to increase prices of fertilizer and rice were taken in order to reduce the cost of the subsidies on both commodities. However, one objective of the policies was also to lessen the influence of private traders in the rural rice market and to strengthen the role of the KUD.

These rice price and procurement policies did not yield satisfactory results, however. The KUDs still had difficulties in management as an intermediate between farmers and BULOG despite improvements in their organizations. Amongst complaints to the cooperatives were allegations that the rice price often fell below official floor price, and accusations that KUD boards were purchasing padi from farmers at low prices and then selling to BULOG at higher prices. These problems also seem still prevalent and the government apparently has no measures in hand to remedy such malpractices.

The management of KUD itself was run not by the farmers but mostly by local government officials. This kind of situation has persisted ever since 1973, when the government decided to expand the number of KUD dramatically. At that time, Peter McCawley reported that "most of the BUUD were simply official organizations formed upon instructions from above and run by local government officials." The same situation seems to continue up to the present.

In 1976, fertilizer consumption was reportedly decreasing and this was taken as an indication of the inability of KUDs to handle distribution of fertilizer, although it had been given a monopoly in distribution of the fertilizer. This was mainly caused by unqualified managers of most KUDs. Hence, in June 1977, the government reopened opportunities for private traders to become involved in distribution of fertilizer. Moreover, in August 1977, the government ordered the KUDs to sign contracts with the

58 P. McCawley, op.cit., p.6.
60 Indonesian Observer, April 16, 1975; Kompas, April 17, 1975.
61 Peter McCawley, "Survey of Recent Developments," op.cit., p.3.
distributors of fertilizer showing the price and tonnage of fertilizer received. This was done to protect the interests of both distributors and consumers.\(^2\) The problem now is that there are still complaints about delays in fertilizer distribution, which means that KUDs still have difficulties in improving their distribution mechanism, and still face problems in increasing the capabilities of their managers.\(^3\)

During the period 1976-1977, \textit{wereng} attacks resulted in a decline in rice production, which in turn resulted in a decrease in domestic procurement by KUD, so that BULOG had to increase the amount of rice imported. The decrease in domestic rice procurement in 1976-1977 continued into 1979, when a combination of \textit{wereng} and rats attacked large areas of sawah in Java, Bali and Nusa Tenggara Barat. However, these pests were not the only factor behind the decrease of procurement. It was also caused by an instruction by the Minister for Cooperatives that created confusion over the procurement price among the KUD. In this context Booth and Amina point out: \(^4\)

At the end of January, the Minister in charge of Cooperatives (who is also head of BULOG) issued a detailed directive which listed various quantitative and qualitative criteria to be used by KUD officials in determining procurement prices. To receive the full price of Rp 85 per kg, \textit{gabah} had to have a maximum of 14 per cent moisture content, 3 per cent dirt content, 3 per cent red, yellow or broken content and 5 per cent green or mildew content. \textit{Gabah} sold at the farmgate to traders or KUD agents would receive less than the official \textit{gabah} procurement price of Rp 85, the difference being taken up by transport costs and trade margins. The procurement price per kg was to be quite substantially reduced if the \textit{gabah} was wet, dirty or contained broken and empty grains. As the Director-General of Cooperatives acknowledged in mid-April, it was perhaps unfortunate that the KUD procurement price for good quality \textit{gabah} had been given so much publicity, as farmers naturally felt cheated when they received less for their sales, either because of the poor quality of their crop or because of other reductions due to transport costs and marketing margins.

In October 1978 in an effort to "upgrade" the standards of the KUD, the government introduced a new concept of a "model KUD". In this context, the government had previously selected 104 KUD (mostly situated in Java) out of 4,444 KUD throughout Indonesia to serve as the Model KUD. At the end of Repelita III, when the number of the KUD had risen to 6,546 the government designated 3,701 KUDs as Model KUD.\(^5\) To be a Model KUD, a KUD has to fulfil the \textit{tiga sehat} conditions of


\(^3\)On the lack of capability of KUD managers, see "Laporan Sekitar KUD: Kualitas Manager Merupakan Faktor Penting," \textit{Kompas}, September 19, 1984.


being *sehat mental, sehat organisasi*, and *sehat usaha* (three healthy conditions: mentally, organizationally, and in business activities). One of the criteria for evaluating its progress is through the ability of a KUD to recruit a minimum of 5,000 members. Again, with the fact that most of the KUDs have less than 1,000 members, this designation will create many unreal Model KUDs.

Furthermore, it was still reported that most farmers, especially the smaller ones, continued to prefer to sell their rice elsewhere rather than to the KUD.66 One reason for such action was that the farmers generally needed cash during the harvest time, while the KUD generally failed to make purchase at that moment because of delays in credit distribution from the bank. The farmers, therefore, had to sell their rice cheaply to private traders who were often the big farmers or even managers and staff of the KUD itself. Beside that, there was a problem of distance; in cases where farmers lived far away from the KUD office they refused to sell their rice to KUD because of the additional costs they had to pay for transportation.

In order to help the development of KUD, the government continuously provides financial assistance to the cooperatives through the development of various KUD facilities. In 1981, for example, the government provided funds to set up more than 1,000 warehouses with a capacity of 135 ton each. It also established more than 5,000 storage blocks of 20 tons capacity for each, and 11,500 local retail kiosks. In addition, Rp 15 billion was distributed in 1981 to the KUDs to build rice mills, mechanize dryers, drying floors, and fertilizer and pesticide warehouses.67 However, it is also reported that many of the retail kiosks were never used. A more detailed discussion of the actual working of particular KUDs in Malang residency will be given in Chapter Seven.

In summary, the colonial government began to get heavily involved in rice problems in 1933 through various efforts to increase production, the regulation of imports and exports of rice, and the maintenance of the rice price at a low level. These were just a clear indication of the growing importance of rice as the main agricultural commodity in Indonesia. Under Sukarno, various rice intensification programs were launched in order to increase production, but they failed to achieve their objectives because of weaknesses in administration of the program and lack of incentives to achieve the farmers' enthusiastic participation in increasing production.

The Suharto government has made various improvements in the programs to increase rice production. Farmers' demands for production inputs (fertilizers, seeds etc.)

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and a cost of living component between harvests have been tackled through low interest credits. The enthusiasm of farmers to plant padi was raised and maintained through the introduction of the new price policy in 1968-1970. In addition, many irrigation channels were improved, while agricultural extension was strengthened. The farmers, as a result, have been assisted in obtaining production inputs which have become easier, and the new rice technology also became widely adopted. It was not surprising, therefore, that production of rice increased continuously throughout the years 1970-1985.

Behind that success, however, there remained the fact that the rice intensification programs all had various administrative weaknesses which created many problems, and there were even allegations that the programs had failed to increase the welfare of small farmers. Among the problems afflicting the programs were billions of rupiahs of credit arrears, and the decline in Bimas participation. Many farmers decided to leave the rigid Bimas scheme and moved to the more flexible Inmas and Insus programs.

Other weaknesses in the implementation of rice policies can be seen also in the implementation of the KUD program. The KUD had initially been set up to assist the government in distributing production inputs, particularly fertilizers, and to help the farmers in processing and marketing their products. However, the rice crisis of 1972 made the cooperatives a rice procurement tool of the government, and this role has apparently become more prominent than the other roles. As a result, the KUD seems to be more a government agency than a farmers’ organization.

Apart from that, there are some other factors strengthening the above impression. First, many farmers have in fact no access to these cooperatives, and the cooperatives have failed to obtain support from them. Most of the farmers still prefer to sell their rice to private traders rather than to the KUD. Second, most of the KUD are dominated by elite members of the kecamatans, including local government officials, while the ordinary farmers generally have no role at all in the cooperatives. Unfortunately, the elite members dominating and running the management of the KUD are generally unqualified managers, so that there are many reports about weaknesses in their management.

Third, because most of the KUD’s capital and facilities come from the government and not from farmers themselves, most of the cooperatives’ activities are directed towards carrying out the government’s programs, such as maintaining the floor price of commodities other than rice (maize, soybean, cloves, peanuts), distributing credits for petty traders, and involvement in the sugar cane program. The government has, of course, claimed some progress achieved by the KUD: notably the increase in the numbers of KUD and their membership.

However, there is also a suspicion that the number stated is unreal. The target
system applied by the government has created many KUDs which have no activities at all and are just called "Sign Board KUD" (KUD Papan Nama) and at the same time most of their members do not know about the cooperatives and are not aware that they are members of them. The problems faced during the implementation of Bimas and KUD programs are mostly administrative rather than economic in character. Hence, the organization of Bimas and the KUD will be examined in the next chapter.
CHAPTER 4
Organization of Bimas and KUD Programs at National and Regional levels

Various government ministries institutions, and enterprises, both government and private, are involved in the Bimas and KUD programs. The leading roles in the programs, however, have been played by the Ministry of Agriculture and Ministry of Cooperatives. The Ministry of Agriculture has responsibility for implementation of the Bimas program and the Ministry of Cooperatives for the KUD program. It has been determined that the local government apparatus should take a role in the implementation of the programs in their regions. This chapter will describe the organizations responsible for implementation of the the Bimas and the KUD programs at both national and local levels. It will also describe the duties of the various organizations in planning, monitoring and evaluation of the programs.

It is worth noting at the outset, however, the share of the budget allocated to the financing of efforts to increase rice production by way of either the Bimas organization or agricultural extension (through BPLPP). From the budget, we can get an initial measure of how much importance is attributed to the programs for increasing food production, including rice, in comparison with other programs of the Agricultural Ministry. It can be seen from Table 4-1 on page 84 that the total budget of the Agricultural Ministry has increased by 38.8 per cent annually, and that the budget for programs to increase food production increased by 31.6 per cent annually during the period 1974-1983. The latter program is only one of several of the Ministry’s programs, which varied in number between 10 and 18 during that period; the budget for food production increase was, however, the biggest of these throughout that period. This shows the high priority given to the program.1

There are 13 bodies within the Ministry of Agriculture, including the BAKO BIMAS and BPLPP. Among these bodies, the Directorate General of Food Crops received the biggest budget throughout the period of 1974-1983, while the position of BAKO BIMAS varied between number two and four. Sometimes, as in 1974/1975, the

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Table 4-1: Budget Planned for Food Programs, 1974-1983, (mill.Rp)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Budget of Agri.Min.</th>
<th>Budget for Food Prod. Increase</th>
<th>% of No. 1</th>
<th>% of BAKO BIMAS</th>
<th>% of No. 1</th>
<th>% of BPLPP</th>
<th>% of No. 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974/75</td>
<td>15,535</td>
<td>5,394</td>
<td>34.7</td>
<td>2,632</td>
<td>16.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1975/76</td>
<td>28,787</td>
<td>7,420</td>
<td>25.8</td>
<td>3,500</td>
<td>12.2</td>
<td>3,922</td>
<td>13.6</td>
</tr>
<tr>
<td>1976/77</td>
<td>47,044</td>
<td>13,983</td>
<td>29.7</td>
<td>5,811</td>
<td>12.4</td>
<td>4,963</td>
<td>9.0</td>
</tr>
<tr>
<td>1977/78</td>
<td>54,676</td>
<td>17,260</td>
<td>31.6</td>
<td>7,210</td>
<td>13.2</td>
<td>4,030</td>
<td>7.5</td>
</tr>
<tr>
<td>1978/79</td>
<td>66,700</td>
<td>22,000</td>
<td>33.0</td>
<td>9,025</td>
<td>13.5</td>
<td>5,030</td>
<td>7.5</td>
</tr>
<tr>
<td>1979/80</td>
<td>85,918</td>
<td>23,000</td>
<td>26.8</td>
<td>9,640</td>
<td>11.2</td>
<td>5,560</td>
<td>6.5</td>
</tr>
<tr>
<td>1980/81</td>
<td>122,359</td>
<td>30,450</td>
<td>24.9</td>
<td>12,550</td>
<td>10.3</td>
<td>11,700</td>
<td>9.6</td>
</tr>
<tr>
<td>1981/82</td>
<td>155,185</td>
<td>36,000</td>
<td>23.2</td>
<td>13,367</td>
<td>8.6</td>
<td>17,550</td>
<td>11.3</td>
</tr>
<tr>
<td>1982/83</td>
<td>193,649</td>
<td>43,300</td>
<td>22.4</td>
<td>21,555</td>
<td>11.1</td>
<td>25,615</td>
<td>13.2</td>
</tr>
</tbody>
</table>

Notes: Agri.Min = Agricultural Ministry
BPLPP = Balai Pendidikan & Latihan Penyuluhan Pertanian (Educational & Training Centre for Agricultural Extension)

Source: Rancangan Anggaran Pendapatan dan Belanja (Pembangunan), Departemen Pertanian, various issues.

The budget for BAKO BIMAS was lower than that of the Directorate General of Forestry, but it was higher than the other bodies. Since 1976, however, the government has given more attention to the agricultural extension efforts, so that the budget for the agricultural extension body (BPLPP) was continuously higher than that for BAKO BIMAS (see Table 4-1 on page 84).² Yet, that did not mean that the food production increase program has been given less priority, because that body has also served the needs of the program.

The BAKO BIMAS at the National Level

At the national level, the government, in order to handle the rice intensification programs, established in 1969 an organization called the BADAN KOORDINASI BIMAS (BAKO BIMAS, Coordinating Body of Bimas).³ Up to now, there have been

²Ibid.
³This organization was established on the basis of Presidential Decision number 95/1969 under the name BADAN PENGENDALI BIMAS. On the basis of Presidential Decision No.6/1979, the name was changed to BADAN KOORDINASI BIMAS; and in 1983 (Presidential Decision No.62/1983) the name BADAN PENGENDALI BIMAS was restored.
three presidential decisions issued to improve the organization.\(^4\) The discussion below will be based on the structure and role of BAKO BIMAS as based on Presidential Decision No.6/1979 because that was the one in force when my research was conducted, and also because the new presidential decisions did not make many changes to the structure and role of the body, particularly at the local level.

Structurally, the BAKO BIMAS is under the Ministry of Agriculture. It is headed by the Minister of Agriculture and has played a role in formulating policies and giving guidance for the implementation of the Bimas program. For example, the decision by the Agricultural Minister on Annual Planning of the Bimas program is made by this body. The name of coordinating body is used to show that there are various ministers involved in the body under the coordination of the Minister of Agriculture.\(^5\)

The day-to-day operation of the BAKO is conducted by the SATUAN PENGENDALI BIMAS (SP BIMAS, Controlling Body of Bimas) headed by the Vice Minister of Food Crop Production (Menteri Muda Urusan Produksi Pangan). Thus it is he who had the most direct responsibility for the day-to-day management of Bimas operations and the trouble-shooting role in dealing with local problems and breakdowns. Several Director Generals, Assistants and Chairmen of Bureaus of the various Ministries, and also the President Director and Director of the government banks were involved in the SP BIMAS.\(^6\)

To assist the SP BIMAS in the daily operations of the program there is a secretariat headed by a secretary, the Director General of Food Crops who doubled also as the secretary of the BAKO BIMAS. The Secretariat included four bureaus: Administration, Planning and Programming, Supervision, and Credit and Production


\(^5\)Members of the BAKO BIMAS are the Ministers of Home Affairs, Public Works, Finance, Labour and Transmigration, Trade and Cooperatives (these two ministries: the Ministry of Labour and Transmigration and Ministry of Trade and Cooperative have since been divided into four ministries, i.e. Ministries of Labour, Transmigration, Trade, and Cooperatives.), Menteri Negara Penertiban Aparatur Negara/Deputy of BAPPENAS, Vice Ministers of Transmigration, Cooperative, and Food Crops, and Governor of the Central Bank (Bank Indonesia).

\(^6\)They are: Director Generals of Irrigation (of the Ministry of Public Works), Domestic Trades (of the Ministry of Trade), Cooperative (of the Ministry of Cooperatives), Basic Chemical Industry (of the Ministry of Industry), Monetary (of the Finance Ministry), Pemerintahan Umum dan Otonomi Daerah (of the Ministry of Home Affairs), General Information (of the Ministry of Information), Radio & Television, Assistant to the Coordinating Minister of Economic, Finance and Industry/Deputy of the Economic Section of the BAPPENAS, Secretary of the SESDALOBANG (Sekretaris Pengendalian Operasional Pembangunan, Secretary of Development Operation), Deputy of BULOG, Chairman of the Bureau of Statistics, Chairman of the Institution of Education, Training and Extension of Agriculture, Director of Credit of the Central Bank, and President Director of the Bank Rakyat Indonesia (BRI).
In addition, there is a Technical Team that assisted the Secretary of the SP BIMAS in the daily operations of the secretariat. Members of the technical team are staff members of several ministries involved in the Bimas program.

One of the duties of BAKO BIMAS is, as mentioned above, to make an annual plan for the rice intensification program. Generally, the plan includes area targets of intensification to be achieved by provinces, estimates of the use of fertilizers and pesticides, amounts of agricultural credit to be distributed, and guidelines for implementation of the program by regions. Guidelines for the plan come from the book of REPELITA in which plans or targets for the areas, and levels for rice production to be achieved within the period of five years, are laid down.

These national targets are further specified as targets for the provinces; the specification is made in a technical meeting between the BAKO BIMAS and delegations of the Bimas organization at province level, SPBP (Satuan Pembina Bimas Propinsi, The Provincial Body of Bimas Managers), represented by the Head of Province Diperta (Dinas Pertanian Tanaman Pangan, Food Crop Agricultural Office). In the meeting, according to some staff members of the BAKO BIMAS, instructions are given by the BAKO BIMAS to the SPBP of the provinces about targets that must be achieved by the regions, rather than a discussion of the ability of the regions to achieve the targets taking place. Bargaining, of course, occurs in the meeting, about any targets which particular provinces feel are beyond their capacity. However, for each reduction in area proposed by the provinces, the government tries to ensure that there is a compensatory proposal by other provinces to increase their production targets.

Alternatively, a reduction in the area target of one province should be compensated for by an increase in the target area in another provinces. The reason for this, is the fact, that the crucial objective is not achievement of target area but the rice

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7Presidential Decision No.62/1983 lays down that these bureaus have been expanded to eight: Administration (Tata Usaha), Planning (Perencanaan), Credit Distribution and Claim (Pengayuran dan Pengembalian Kredit), Supply & Distribution of Production Input (Pengadaan & Penyaluran Sarana Produksi), Food Crop & Horticultural Productions Control (Pengendalian Produksi Tanaman Pangan & Hortikultura), Cattle Breeding & Fisheries Production Control (Pengendalian Produksi Peternakan & Perikanan), and Statistics, Reports, and Evaluation (Statistik, Laporan dan Evaluasi).

8The specification is carried out by the Planning Bureau of the BAKO BIMAS. The BAKO also distributes various forms to the SPBP seeking information about their proposals regarding their areas and production targets. After the specification of targets and the proposals of the provinces have been received, there is a technical meeting to discuss them. This meeting is headed by the secretary of the SP BIMAS and attended by all heads of bureaus and sections of the secretariat and by the technical team. Invitations to attend the meeting are distributed also to the SPBP, which are usually represented not by the Governors but by the Heads of Diperta of the provinces. Before 1985, the technical meetings were always carried out in Jakarta, but in 1983, they were carried out in Pandalan, East Java and in 1984 in Semarang.
production target. This creates difficulties for the provinces, because it is difficult for them to agree about such compensation. However, there is a tendency among them simply to accept the stipulations of BAKO BIMAS (which is considered a representative of the central government) in order to maintain their reputation (nama baik) in the eyes of the central government. Whether or not they can, or will subsequently achieve the production target set for them, tends to be seen as a quite secondary issue. Any shortfall can be explained away later.

The results of the technical meeting continue to be discussed by the technical team of the BAKO BIMAS. The task of the technical team is, among other things, to systematize the proposals received during the meeting and to polish up a draft. The second draft from the technical team is then sent to a joint meeting (rapat gabungan) between the BAKO BIMAS and representatives of SPBP which is again represented by Heads of Provincial Diperta. The results of this meeting are again sent to the technical team for further polishing. The draft is then brought to the Minister of Agriculture, as chairman of the BAKO BIMAS, to be signed as a SK MENTERI PERTANIAN (SK=Surat Keputusan, Decision of the Agricultural Minister) as the blue-print for implementation of rice intensification programs for the coming year. This decision is then sent to each SPBP of the provinces.

A monitoring system for program implementation has been developed in the BAKO BIMAS, although it seems that there is no serious evaluation on the results of the monitoring. There are various reports that must be sent - weekly, fortnightly, monthly, mid-yearly and yearly - by the SPBP to the BAKO BIMAS. These reports generally include data on the area planted and development of production, the situation and stock of production inputs, and reports on agricultural credit. For each province and kabupaten, the BAKO BIMAS sends various kinds of forms that are used for the reports. The forms are completed locally and returned to Jakarta.

Beside these regular reports, monitoring is also carried out through SSB (Single Side Band Radio) from the provinces. This is done every Monday and covers the condition and development of the area of intensification, production inputs and credit. The data received from the SSB are used in the Rapat EKUIN (Meeting of Economic, Finance, and Industrial Ministers with the President) which is held every Wednesday at BINA GRAHA, the presidential office. In addition, there is a weekly telegram sent directly by the SATPEL BIMAS KABUPATEN (SPBK = Satuan Pelaksana Bimas Kabupaten, The Kabupaten Body of Bimas Implementers) to the SESDALOPBANG office, also at BINA GRAHA. The telegram is constructed in a uniform style and sent by every kabupaten by Friday of each week.

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Reports from the SPBP of the provinces are received by the Bureau of Supervision of BAKO BIMAS. However, the main job of the bureau, according to staff there, is simply to compile the reports and then present the accumulated data to the Secretary of the BAKO BIMAS and the chairmen of the Ministry of Agriculture, as data for cabinet meetings. Therefore, the bureau has been called by its staff a mere Biro Tusuk Sate (bureau to stab meat as satay) to describe its duties as the simply compilation of various reports from below.

This task of compiling all the reports from throughout Indonesia keeps the bureau quite busy. Therefore, one of the factors behind the lack of evaluation on program implementation is that there is no time actually to evaluate the provincial reports. The second factor perhaps is the lack of capability of staff members of the bureau to make such evaluation. Although some of them are university graduates at MA level, they have, mostly, no experience in local matters since they are recruited directly into the BAKO BIMAS office in Jakarta without prior appointment at local level.

The third reason is a tendency to avoid causing shock waves for the entire program by concealing the real situation. This causes a deterioration of the quality of the data put forward to the top level of administration because the staff often send up figures that they think their superiors want to believe have been reached. The staff members learn that they can get away with "padded" figures so long as they are not too outrageously wrong. The final reason for the lack of any real evaluation is the inability of BAKO BIMAS to coordinate the various ministries involved in the program. This is explained further in the following paragraph.

Actually, a monitoring system for program implementation has been developed by each office involved in the Bimas Program, covering not merely the Bimas program but also other programs in each office. For example, the Ministry of Agriculture has given the task to its subordinates at regional level of sending the weekly, fortnightly, and monthly reports on the execution of the various functions of the ministry. Similar tasks have also been given by other offices to their subordinates in the regions.

Stocks of fertilizer and their distribution, for example, must be reported by branches of PT PUSRI (Perseroan Terbatas Pupuk Sriwijaya) to their central office in Jakarta. Also, the stock and distribution of pesticides in regions must be regularly reported by branches of PN PERTANI (distributor of pesticides owned by the

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10 The Presidential Decision No.62/1983 has changed this bureau to the Bureau of Statistics, Report and Evaluation.

11 Interview, Ir. Yan Bastian, staff member of Bureau of Supervision of BAKO BIMAS, September 27, 1984.

12 The name PUSRI refers to the factory and distributor of fertilizer. The majority capital is owned by the government. Its factory is located in Palembang, South Sumatra.
government) to their central office in Jakarta. Furthermore, reports on pest attacks have been sent to the Directorate General of Plant Protection of the Ministry of Agriculture.

The BAKO BIMAS should, theoretically, receive all these reports from each office involved in the rice intensification program. However, as explained by the Deputy Secretary of BAKO BIMAS, many offices regularly fail to send the copies to BAKO BIMAS. According to him, this is a problem of coordination and in fact many of the offices do not want to obey the requirement to send copies of the reports to BAKO BIMAS. In his words, "they are more worried about their direct superiors than about the BAKO BIMAS". Although the BAKO is a coordinating body, it seems, if this case is typical, that the leadership of the Ministry of Agriculture is still unable to solve the coordination problems.

Therefore, program evaluations, as explained to me by one staff member from the BAKO BIMAS, are taken mostly from reports made by universities or other institutions which carry out research into program implementation, or through joint research between the BAKO BIMAS and the universities. In 1978, for example, joint research was undertaken with the Universitas Padjadjaran of Bandung producing one report titled "Survai Evaluasi Pelaksanaan Intensifikasi Padi dan Palawija Tahun 1971-1978". A perhaps more serious monitoring and evaluation exercise has been carried out by the Planning Bureau of the BAKO BIMAS. Because of its responsibility for planning, the Bureau makes its own evaluation on program implementation and its staff members have sometimes made visits to regions to seek more information.

The SATUAN PEMBINWA BIMAS PROPINSI (SPBP) at the Province Level

At the provincial level, the SPBP is divided into two bodies: the MUSYAWARAH PEMBINA BIMAS PROPINSI (MPBP, Conference of Bimas Managers), and the PEMBINA HARIAN BIMAS PROPINSI (PHBP, Executive of Bimas Managers). The former is headed by the Governor and has responsibility for the whole outcome of Bimas implementation in his province; the latter runs the day-to-day operation of Bimas and is

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13 Besides these two bodies, there are several other enterprises that have licenses to import and distribute fertilizers and pesticides. They are PT. Panca Niaga, PT. Aneka Niaga, PT. Lamtotoro Agung, CV. Jaya Niaga, PT. Cipta Niaga, and PT. Intrada.

14 Interview, Ir. Amrin Kahar, Deputy Secretary of BP BIMAS, Jakarta, January 5, 1984.

15 Interview, Ir. Darmo Gandagunawan, staff member of the Bureau of Supervision of BAKO BIMAS, January 9, 1984.

16 The survey indicated, for example, the lack of numbers and the poor capacities of personnel, as well as lack of facilities, as factors responsible for the leveling off of Bimas participation since 1976, along with the fact that only a small percentage of farmers actually know about KUD. Badan Pengendali Bimas & Universitas Padjadjaran, "Survai Evaluasi Pelaksanaan Intensifikasi Padi dan Palawija, 1971-1978," Unpublished Report Vol.1, 1978, p.65 & p.74.
headed by the Head of Provincial Diperta. To assist the PHBP, a secretariat is set up, located at the office of provincial Diperta. This PHBP is actually involved directly in handling implementation of Bimas, while the MPBP has tasks mainly concerning annual planning and is only involved in Bimas affairs if there are serious problems that are unable to be solved by the PHBP.

The SK MENTERI PERTANIAN, as mentioned above, establishes the guidelines for the Governors in planning the implementation of the Bimas program in their provinces. The target area for intensification determined for each province, as mentioned in the decision of the Agricultural Minister, is then further broken down into a set of targets for each kabupaten. This specification is the task of the MPBP. For this purpose, the Governor invites all the Bupatis and Chairmen of the PELAKSANA HARIAN BIMAS KABUPATEN (PHBK, the Kabupaten Daily Implementers of Bimas) to a meeting. Besides specifying the targets, the meeting is also required to prepare a draft for a SK GUBERNUR (Surat Keputusan Gubernur, Governor’s Decision) to set guidelines for the Bupatis. In the decision, target areas to be achieved by the kabupatens, are attached.

Targets for every kabupaten are determined on the basis of estimates of the abilities of each kabupaten, calculated for area and previous production of rice. Data used for the estimates come from reports sent by SPBK. In this case, the area and production targets are usually made the same as targets for the previous year. Therefore, a meeting on targets can be considered a routine meeting. Discussion occurs only if there are increases in the required targets of particular kabupaten which they feel are beyond their capacities.

As at the national level, however, the discussion does not provide an opportunity for rejecting the targets determined by the province. It is a forum for bargaining, although the usual result is that the targets are accepted by the kabupatens. As at the

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17 Members of the MPBP are divided into two categories: the Anggota Tetap (Occasional Members) and the Anggota Tidak Tetap (Regular Members). Occasional members of the MPBP consist of all Heads of KANWILs of the government ministries involved in the Bimas program; members of the MUSPIDA I; the Branch Chairman of BRI and Chairman of DOLOG. The regular members of the MPBP are Regional Directors of PN PERTANI and PT PUSRI, and the Manager of PUSKUD. PN PERTANI is a government enterprise that has the responsibility, among other things, for distributing and supplying pesticides. PUSKUD or Pusat Koperasi Unit Desa, is a federation of KUDs which represents the interests of the KUDs at the provincial level. At the national level there is INKUD (Induk Koperasi Unit Desa, literally “Mother of the KUD”) as representative of KUD at that level.

18 At this meeting, and in other meetings of the MPBP, the Governor is usually represented by the Head of the Bureau of Production Development of First Level Region (Kepala Biro Bina Pengembangan Produksi Daerah Tingkat I). All members of the MPBP are involved in the arrangement of the SK GUBERNUR, but the targets for the kabupatens are specified and prepared technically by the Secretary of PHBP, who is assisted by all Chairmen of PHBK of kabupaten, i.e. Heads of Kabupaten Diperta.
national level, there is a convention that failure to achieve a target in one kabupaten should be compensated for by the efforts of other kabupatens. However, the increase of targets is usually not far above the previous targets.

Monitoring and evaluation of the program are carried out by the secretariat of PHBP which receives various reports from the SPBK of Kabupatens. The weekly report from kabupatens is a report on the development and situation of the intensification areas. The report on the situation and stock of production inputs is made fortnightly. The monthly report comments upon area intensification development and distribution and payment of credit. In addition, there is also a weekly report received from the office of the Pembantu Gubernur. This is a report on the intensification area, pesticides and fertilizers from all kabupatens in the area of the Pembantu Gubernur.

All these reports will be compiled by the Secretariat and sent to Jakarta by telex every Monday as weekly reports from the province. The contents of the report include data on the planning and realization of Bimas and Inmas for Padi Sawah, Dry Field Padi (Gogo), Corn, Soybean, Peanut, Small Green Pea, Cassava, and Sweet Potato. For all these reports, the Secretariat of PHBP has prepared various forms, and thus the PHBK of Kabupatens just fill in the forms and sends them to Surabaya. The secretariat also has the task of evaluating program implementation. This is done every month by staff of the Evaluation Section in the office. These evaluations are based mostly on periodical reports from kabupatens. Sometimes, visits to the kabupatens are made by staff members of the Secretariat to check the implementation process.

The Secretariat, however, is not an institution that has the power to resolve problems uncovered during the implementation process. Each case is tackled by the office which has the task of handling it. For example, any lack of fertilizer found by staff members of the Secretariat during their visits to kabupatens, would be passed on to the Branch of PT PUSRI. Alternatively, problems in credit distribution would be reported to the BRI. This can be done by a telephone call or letter from the Chairman of the PHBP to the Branch Chairman of the factory and the BRI, but such reports should also be made known to the Governor. Thus, if the Chairman of the PHBP sends a letter of this kind to the PT PUSRI or to other institutions involved in the programs, he should send copies to the Governor.

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19 The administrative area of the Pembantu Gubernur, includes four or five kabupatens.
20 This report is sent through a special official who must come to the Secretariat of PHBP in Surabaya each Friday. The reports must not be sent by post because they must reach Surabaya on time and the SPBP allot travel expenses especially for this activity.
21 Generally, two persons go on each occasion to the Secretariat of the PHBK of kabupaten to collect information on problems found in the implementation process and evaluate them in reports for Chairmen of the SPBP Interview, Ir. Taufiquurrachman, Staff member of the Secretariat of SPBP, Surabaya, February 20, 1984.
If an unexpected problem is discovered by the SPBK, reports to the province would be made by the Bupati as well as the Head of Kabupaten Diperta to the Governor and the Head of Province Diperta. Reports on pest attacks or lack of production inputs in certain areas, for example, are received by the Governor from the Bupati and by the Head of the Provincial Diperta from the Head of Kabupaten Diperta. Thus, the Bupati would not directly report a problem to the Head of Provincial Diperta as Chairman of PHBP, because the latter is not the Bupati’s superior. Furthermore, decisions and methods for solving the problems could not be directly communicated by the Head of the Provincial Diperta to the Bupati. They have to be signed first by the Governor and sent by the governor’s office to the Bupati. The draft and content of the decision, of course, are in fact made by the Head of the Provincial Diperta who is assisted by the secretariat of the SPHBP; but the formal hierarchy has to be maintained.

The SATUAN PELAKSANA BIMAS KABUPATEN (SPBK) at the Kabupaten Level

It is important to clarify briefly at the outset, the structure of kabupaten administration. The Bupati, in administering the kabupaten, is assisted by a Regional Secretary (SEKWILDA) who leads and coordinates several sections in the kabupaten office. These are called Bagian and each of them is led by a Head of Section called Kepala Bagian. According to the Decision of the Home Affairs Minister No. 130/1978 the number of sections is eight: Government Affairs; Law, Organization and Management; Finance; Economics; Development; Social Welfare; General & Public Relations and Protocol; and Personnel. In some kabupaten such as Malang, there are nine sections, because the Section of General & Public Relations and Protocol has been subdivided into the General and Protocol Section and the Public Relations Section.22

Among these sections, the Economic Section is required, inter alia, to handle the implementation of the Bimas and the KUD programs. There are three subsections in the Economic Section: Pembinaan Perekonomian Rakyat (Development of the People’s Economy) handling the KUD’s affairs, Pembinaan Prasarana Perekonomian Rakyat (Development of Facilities for the People’s Economy) handling the Bimas Program and other agricultural development programs, and Perusahaan Daerah & Perbankan Daerah (Regional Enterprise and Bank).

There are also several Kantors (offices) and Dinas Daerah (regional services) operating in a kabupaten. The Kantors are divided into two categories: the Kandep and the Kantor. The Kandep (abbreviation of Kantor Departemen) are branches of the

22This is based on Kabupaten Regulation (PERDA=Peraturan Daerah) No. 2/1983.
23It also handles the Sugar Intensification Program (TRI).
central government ministries at the kabupaten level. They are subordinate to the Kanwil (Kantor Wilayah, Area Office) at the provincial level. The Kantors are branches of some Directorate Generals in the Ministry of Interior at the kabupaten level. They are subordinate to the Directorates at the provincial level. In daily conversation, both the Kandep and the Kantor are called "Kantor."24

The regional services (Dinas-Dinas Daerah) of the kabupaten, as mentioned, are the technical offices (aparat pelaksana) which implement kabupaten policies. They are organs of the kabupaten and subordinate to the Dinas Daerah Propinsi (Provincial Dinas) at the provincial level. In their daily activities, the dinas are responsible to the Bupati but technically they are also responsible to Dinas at the provincial level.25 Among the dinas daerah that are involved in the program implementations are the Diperta, Plantation, Animal Husbandry, and Public Works. There are no kantors of the Directorates General involved in implementation of the two programs.

In addition to these governmental bodies, there are various other government and semi-government institutions and enterprises that are involved in implementation of the Bimas and KUD programs at the level of the kabupaten. Such institutions, among other things, are Sub-Dolog,26 the branches of the BRI (BRI Cabang), and branch offices of the distributors of fertilizers and pesticides.

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24Some Ministries of the central government which possess branches (Kandep) at the level of kabupaten are the Ministries of Education and Culture; Information; Transmigration; Cooperatives; Trade; Post and Telecommunications; and Agriculture. Each Kandep is led by a head of office called Kakandep (abbreviation of Kepala Kantor Departemen) who, technically and administratively, is responsible to Kakanwil (abbreviation of Kepala Kantor Wilayah or head of office) at the provincial level. In their daily activities, however, the Kakandeps are coordinated by and also responsible to the Bupati. Several Directorate Generals in the Ministry of Home Affairs that possess Kantors at the kabupaten level are Directorate Generals Agraria (Agrarian Affairs), Pembangunan Desa (Village Development), and Sosial Politik (Social and Political Affairs). Technically and administratively, these kantors are responsible to their Direktorat at the provincial level, while their daily activities are also coordinated by the Bupati. Employees of the Kandeps and Kantors are called pegawai pusat (central government employees). They are paid by the central government. Among the Kandeps that are involved in the Bimas and KUD programs are those of Information and Cooperatives.

25The structure of the dinas is regulated by a Decision of the Home Affairs Minister No. 363/1977. The dinas are Dinas Pertanian Tanaman Pangan (Kabupaten Diperta, Food Crops), Perikanan (Fisheries), Peternakan (Animal Husbandry), Kehutanan (Forestry), Perkebunan (Plantation), Perindustrian (Industry), Keselamatan (Health), Pekerjaan Umum (Public Works), Tenaga Kerja (Labour), and the Dispenda (Dinas Pendapatan Daerah= Regional Tax Office). Thus, at the kabupaten level there are two offices of agricultural affairs: the Kandep of Agriculture as an institution of the central government, and the Kabupaten Diperta as a local government institution. Employees of the dinas daerah are divided into three categories: the Pegawai Pusat Diperbantukan (the central government employees seconded to the dinas daerah), the Pegawai Pusat Dipekerjakan (the central government employees employed in the dinas daerah), and the Pegawai Daerah Otonom (the local government employees). Both Pegawai Pusat Diperbantukan and Pegawai Pusat Dipekerjakan are paid by the central government, while the Pegawai Daerah Otonom are paid by the local government.

26Sub-Dolog is a branch of DOLOG (Logistic Office) at kabupaten level.
The SPBK includes the MUSYAWARAH PELAKSANA BIMAS KABUPATEN (MPBK, Conference of Kabupaten Bimas Implementers) headed by the Bupati and the PELAKSANA HARIAN BIMAS KABUPATEN (PHBK) which runs the day-to-day implementation of Bimas and is headed by the Head of Kabupaten Diperta. The Secretariat is headed by a secretary who is appointed from the staff of the Kabupaten Diperta. He is assisted by a Deputy Secretary who is appointed from staff of the Economic Section of the Kabupaten Office.

The membership of the PHBK in Malang is divided into four groups: 1. Kelompok Pembantu Pimpinan Pelaksana Harian ("Group of Assistants to the Chairman of Daily Implementers"); 2. Kelompok Ahli/Tehnik (Experts and Technical Group); 3. Kelompok Penyuluhan/Penerangan Bimas (Bimas Extension and Information Service Group); 4. Kelompok Pengawas Bimas (Supervisory Group).

The tasks of SPBK are mostly administrative, although sometimes its intervention is needed to solve problems that cannot be handled by SATUAN PELAKSANA BIMAS of Kecamatan. Therefore, the groups above are actually not active, except the first group which is considered the real implementer of the Bimas program at kabupaten level. It is the group which has responsibility in monitoring and evaluating the program.

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27 Among the members of the MPBK are members of MUSPIDA II. The chairman of PHBK has three deputies i.e. the Heads of the Plantation Office, the Animal Husbandry Office, and Fisheries Office.

28 They include the Head of the Economic Section in the Kabupaten Office, the Chairman of the Kabupaten BRI, the Chairman of the Cooperative Office, the Chairman of Sub-Dolog, the two Chairmen of the Brantas River Irrigation Offices in Malang and Kepanjen Sections, the Chairman of PUSKUD Representatives, and the Inspector of Plantation Enterprise XXIII (PTP XXIII).

29 This group is headed by the Dean of the Faculty of Agriculture of Brawijaya University, a government university in Malang. His deputy is the Principal of the Agricultural High School at Malang (SPMA = Sekolah Pertanian Menengah Atas). The secretary of this group is the Head of the Economic Section in the Kabupaten Office, while his deputy is Head of the Agricultural Development Project in Ngantang (the name of one kecamatan in Malang). Members of this group are officials from the Branch of the Agricultural Research Centre, the Branch of the Pest Research Centre, Laboratory of Animal Diagnostics, and officials of the PERUM SANG HYANG SERI (seed enterprise). The function of this group is to provide technical suggestions, for example, in planting methods or in ways to counter pest attacks.

30 It is headed by the Head of the Information Office who is assisted by an official from the Kabupaten Diperta as a deputy. Members of this group consist of an official from Radio Republik Indonesia, the Head of Public Relations in the Kabupaten Office, an official of the Kabupaten Diperta, one of each from the Animal Husbandry, Plantation, and Fisheries Offices. This group has the task of providing information necessary for Bimas implementation.

31 This group is headed by an official of the Public Prosecutor’s Office. Its secretary is an official of the Economic Section in the Kabupaten Office. Members of the group are Military and Police Officers, officials of the Sub-Directorate of Politics and Social Affairs in the Kabupaten Office, of the BRI, the Cooperative Office, the Kabupaten Diperta, Plantations, Fisheries, and Animal Husbandry Offices.
implementation, and in making the necessary decisions, in the name of the Bupati. Thus, among the four groups, the first group is the most active group in the implementation process of Bimas program.

Meetings of PHBK are always attended by members of the first group and the meetings take place in the office of one, and then another member of this group, in rotation. The Head of the Kabupaten Diperta, in the name of the Bupati, leads the meetings. The arrangements for the meeting are not the same for every kabupaten. In Malang, meetings are held monthly on the first Wednesday of the month. In Jember Kabupaten, the meeting is also held every month, but in Kediri it occurs twice a week. It very much depends upon how much attention is given by the Bupati to the Bimas program. In Malang, the Bupati rarely attends the meetings, and during the survey, he attended the meetings only twice (see Chapter Five).

The other groups involve themselves only if there are problems which cannot be handled by the first group, but such cases are rare. The expert team, for example, is rarely asked for its suggestions because technical problems can usually be handled by officials of the Kabupaten Agricultural Office (Diperta). Or, in the case of difficulties, the officials of Kabupaten Diperta prefer to seek suggestions from their superiors at province level. This is because members of the expert team are quite unknown by most staff members of the Kabupaten Diperta.

Members of the Information Group are in fact made up of people who have no background in agriculture. Thus, information for farmers is mostly provided by agricultural extension workers (PPL) at the level of kecamatan. The Supervisory Group also rarely takes actions against malpractices or scandals that occur during the implementation process. Many financial scandals in Bimas and KUD are not remedied, and during my research only ten village officials and ten staff members of BRI Unit Desa were sent before the courts (see Chapter Five).

On the basis of targets determined in the SK GUBERNUR, the MPBK will further determine targets for each kecamatan. In this context, the Bupati gives instructions to the Chairman of the PHBK, i.e. the Head of the Kabupaten Diperta, to work out the targets in detail. Technically, this task is carried out by the Secretary of the PHBK: in this he is usually assisted by the Sections of Statistics and Production in the Office of the Kabupaten Diperta. Part of the task is to estimate the need for seed. In addition, with the help of the Subsection of Pembinaan Prasarana Perekonomian Rakyat of the Economic Section in the Kabupaten Office, the Secretary makes plans regarding the need for production inputs for the coming year. He also estimates the water supply required for irrigation with the help of the Water Irrigation Section in the Public Works Office, although these estimates are usually similar for each year.
When such plans for the kecamatan targets have been prepared, a meeting of the MPBK is held to discuss the plans and to prepare a SK BUPATI (Bupati’s Decision) that will serve as a guideline for the implementation of the rice intensification program in the kabupaten. This is also a routine job for the organization, and targets for kecamaatans are usually based on, and similar to previous targets. Around the time of implementation, the Bupati invites all camats and village headmen to hear explanations of the policy and ways of implementing it. There is no further determination of targets at the kecamatan level. The Satuan Pelaksana Bimas Kecamatan and Desa (village) are expected merely to execute the policy.

Implementation of the program is linked with the tasks of each office, but the leading role is in the hands of the Kabupaten Diperta. The Kabupaten Diperta, for example, has responsibility for the supervision of agricultural extension, the area of intensification and protection against pests; the BRI for the distribution of agricultural credit; the Cooperatives Office (Kantor Koperasi) for developing the KUD; the Irrigation Section of the Public Works Office for Water Irrigation Management; the Information Office for handling information services for the programs; and Sub-Dolog for rice stock activities and preventing sharp fluctuations in the rice price. Officials of each office, therefore, possess two kinds of responsibilities, on the one hand, to the Bupati both as a Chairman of the SPBK and as the sole administrator of the kabupaten, and on the other hand to their own superiors at the provincial office.

To manage the Bimas program and other tasks, the Kabupaten Diperta, for example, has four sections in its office, i.e. Statistics, Production, Plant Protection, and Agricultural Extension. Each section receives regular reports from staff at the kecamatan level. Beside that, once a month the Head of this office conducts a meeting with all the staff of his office and at the kecamatan level. Further explanation of the monitoring system in the office will be presented in the section on SATLAK BIMAS KECAWANAT below.

The Kantor Koperasi (Cooperatives Office) as an agency of the Ministry of Cooperatives at the level of the kabupaten has the duty of supervising cooperative organizations, including the KUD. There are four sections in the office: the Binagram (Pembinaan Program or Programming Development Section) Binor (Pembinaan Organisasi, Organization Development Section), Binus (Pembinaan Usaha, Business

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32 Data on agricultural development in the kabupaten, such as registrations of agricultural production per year and per kecamatan and other data can be obtained at the Statistical Section. The production Section has the responsibility for developing agricultural production and planning ways to maintain a certain level of production or increase it. If in one kecamatan there is a pest attack, this problem will be handled by the Section for Plant Protection. The Agricultural Extension Section, in addition, is a section which coordinates the work of extension workers at the kecamatan level.
Development Section), and Penyuluhan Koperasi (Cooperative Extension Service Section). The office has its own monitoring system and some of its staff are placed in each KUD in order to help the KUD and also to run the monitoring system. This will further be clarified in the section on the KUD below.

The Kantor Penerangan (Information Office) at the kabupaten level, has the task of spreading information about the Bimas and KUD programs and the whole government development program. This office has subordinates at the kecamatan level, i.e. Kantor Penerangan Kecamatan, headed by Juru Penerangan (Jupen). Actually in each office at the kabupaten level there is a public relations section which is required to give information about programs handled by the office. To coordinate such information, the Information Office heads up a central body consisting of the public relations sections of each office. The body is named BAKO HUMAS (Badan Koordinasi Hubungan Masyarakat, "Coordinating Body of Public Relations Office"). However, as mentioned above, most information on the Bimas program is given by agricultural extension workers living in the kecamatan.

The Sub-Dolog office, as mentioned, has responsibilities particularly to monitor and evaluate rice prices and rice stocks. The monitoring and evaluation are reported to DOLOG in Surabaya every ten days. Apart from that, this office also monitors the prices of soybean and corn. To assist the work of the Sub-Dolog in monitoring, a Price Monitoring Team (Team Monitoring Harga) of the SPBK also makes a check each day on the rice price. There is no branch of Sub-Dolog at the kecamatan level. Its food stock activities at the rural level, for example, are carried out through the KUD.

The Secretariat of SPBK has its own system of monitoring, but most of the data come from reports from each office involved in the Bimas. The major task of the Secretariat consists of the compilation of reports from various offices involved in the program, from the office of the Pembantu Bupati, and from the Camats for the needs of the Bupati or for regular reports to the SPBP. As at the national and the provincial levels, the offices have the job of sending copies of their reports to the SPBK. These are received by the Economic Section of the Kabupaten Office. However, as at national and provincial levels, it is also a fact that not all reports are actually sent to the Kabupaten office. Hence, more complete data may be found in the various offices involved in the programs because they have developed their own monitoring systems.

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33 The Sub-Dolog offices are of three types, A,B, or C, according to the workload of each office. The workload is based on the population numbers, area and agricultural potential of each kabupaten in which the office is situated. Sub-Dolog of Type A will operate in kabupaten with the highest workload, continuing through to Type C at the lowest. In Malang, the Sub-Dolog is of Type A as are those in 8 other kabupatens in East Java, i.e. Kediri, Jember, Probolinggo, Banyuwangi, Mojokerto, Madiun, Surabaya, and Tulungagung. Sub-Dolog of Type B in East Java are found in Bojonegoro, Bondowoso, and Madura.

34 Administrative area of the Pembantu Bupati includes four or five kecamatans.
The SATUAN PELAKSANA BIMAS KECAMATAN (SATLAK) at Kecamatan Level

The kecamatan is the level at which the real coordination of Bimas implementation takes place, although the most basic action occurs, of course, at the village level. The head of the kecamatan, the Camat, is the official to whom the Bupati assigns the responsibility for implementation of rice policy, not the village headman. The Bupati, in addition to receiving reports from the Head of the Economic Section and from the Pembantu Bupati, also monitors the implementation process by visiting kecamatan offices, or invites the Camat to meetings of regional heads (RAPIMWIL = Rapat Pimpinan Wilayah) and other official meetings. Other kabupaten officials simply come to the kecamatan for monitoring activities in connection with development programs.

The Camat is Chairman of the SATUAN PELAKSANA BIMAS KECAMATAN (SATLAK BIMAS KECAMATAN, The Kecamatan Body of Bimas Implementers). In this task he is assisted by Mantri Pertanian (Head of the Diperta office at kecamatan), who is appointed Manager (Ketua Harian) of the SATLAK. The Mantri Polisi (Deputy Camat) serves as Secretary of the organization. The implementation process is monitored by the Camat through meetings of SATLAK BIMAS or by visiting the villages.

Targets determined by the kabupaten for the kecamatan are discussed at the meetings and also various problems faced in the implementation of the program. For the monitoring of program implementation, the SATLAK BIMAS KECAMATAN is required to send regular reports to the SPBK. Copies of the reports are also sent to the Pembantu Bupati’s office. These are sent by the Camat, but the data for the monitoring are obtained from various institutions involved in the program at the kecamatan level. As at the kabupaten level, implementation of the program is part of the task of each office involved in the program at the kecamatan level. In some kecamatans, however, these meetings were not always attended by heads of offices, and this reflected the

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35 Members of the SATLAK include members of the MUSPIKA, Juru Pengairan (Head of Public Works Office in the kecamatan), Juru Penerangan (Head of Information Office) PPL (Penyuluh Pertanian Lapangan, Agricultural Extension Worker), Head of BRI Unit Desa (branch of the BRI at the kecamatan level), PPL Disbun (Extension worker of Dinas Perkebunan, Plantation Office), and Chairman of KUD. Since the kecamatan is the lowest level in the hierarchy of national government, it has vertical offices of several central government ministries, although not all have branches at that level. Those which do include Education and Culture, Religion, Health, and Post and Telecommunications. The Ministry of Health is even represented at the village level; but the Post and Telecommunications Office is not found in all kecamatans.

36 In some kecamatans in Malang, meetings of the SATLAK BIMAS KECAMATAN are held every week in the kecamatan office. The meetings are often headed by the Camats themselves, except when there are other activities demanding their attention (such as meetings with the Bupati), when they are represented by their deputies (Mantri Polisi).
inability of the Camats to coordinate them in the task of program implementation (problems of coordination will be discussed on Chapter Five).

The day-to-day operation of the Bimas program is handled by the Mantri Pertanian as Manager of SATLAK BIMAS KECAMATAN. Yet, in fact, the most active people in the body are the extension workers (PPL), whose role involves not only spreading information on new technologies, but also handling matters of credit and KUD. It is the PPL who is, in fact, most often questioned by the Camat about any problems faced in the implementation of the Bimas program, not the Mantri Pertanian who actually has a lower educational level than the PPL and is himself mostly involved in the administrative tasks of his office.37

The PPL who has responsibility for agricultural extension, including the development of the Farmers' Group, works in an area called WKPP (Wilayah Kerja Penyuluhan Pertanian, or "Work Area for Agricultural Extension Service"). One PPL is responsible for one WKPP in an area in which there are 16 Farmers' Groups. This means that one PPL has responsibility, in theory, for the extension of information about new varieties and better farming methods to between 3,600 to 6,400 farmers in his WKPP.38

Reports on the implementation of the Bimas program are made according to set procedures in which all offices involved in the program send their reports to their

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37 The job of the Diperta at the kecamatan level is coordinated by one Mantri Pertanian, called Mantan, who is responsible mainly for the administration of the office at that level. There are two other agents of the Diperta in the kecamatan: the PPL and the PPH (Petugas Pengamat Hama, Pest Inspector). However, structurally they are not subordinate to the Mantan. They are coordinated by the Kabupaten Diperta but not employees of the office. They are appointed by two different projects in the Ministry of Agriculture. The PPL is appointed as an employee of the NAEP (National Agricultural Extension Project) which is established by the BPLPP. This is a project of the Directorate General of Food Crops sponsored by the World Bank. The PPH is an employee of the BPTP (BALAI PROTEKSI TANAMAN PANGAN, "Plant Protection Office"). Thus, these two staff are employees of the central government and they are categorized as Pegawai Pusat Dipec kerjakan (seconded) to the Kabupaten Diperta.

38 Several WKPPs (generally three or four cover the area of one kecamatan) are subordinate to one WKBPP (Wilayah Kerja Balai Penyuluhan Pertanian, "Work Area of the Office of Agricultural Extension Service") which covers the area of the Pembantu Bupati. This generally includes four to five kecamatans. Each WKBPP is led by two PPMs (Pengulas Pertanian Madya, "Senior Agricultural Extensionist"): a PPM Programmer who has responsibility for making programs for the PPLs, and a PPM Supervisor who supervises the work of the PPLs in their WKBPP. The PPM is, in turn, coordinated by PPS (Pengulas Pertanian Spesialis, "Agricultural Extension Specialist") who has an office in the Kabupaten Diperta. Furthermore, the PPS works under the coordination of the Head of the Agricultural Extension Section in the office of Kabupaten Diperta, although structurally he is subordinate to the Balai Informasi Pertanian (Agricultural Information Office) at the provincial level which, in turn, is subordinate to the BPLPP. The PPH, on the other hand, is coordinated by SOP (Stasiun Operasi Pengamatan, "Observation Station"). In Malang, the station is generally in the same office as the WKBPP. At the kabupaten level, these offices are coordinated and headed by the Head of the Plant Protection Section in the Kabupaten Diperta Office.
superior at kabupaten level as well as to the Camat. The Mantri Pertanian, for example, makes a weekly report to the Head of the Kabupaten Diperta. The PPL also make a weekly report to the Senior Agricultural Extensionist (PPM) who, in turn, reports to Agricultural Extension Specialist (PPS). The Pest Inspector (PPH) reports on problems of pests to the observation station (SOP).

If there is a serious problem, a report can be made regardless of the regular procedures. The Mantri Pertanian and the PPL, for example, can send a report directly to the Section of Plant Protection in the Kabupaten Diperta Office if they find pests attacking in one area and such attacks are unknown as yet to the PPH. The Head of the Kabupaten Diperta also invites his staff, including the Mantri Pertanian, the PPL and the PPH to a monthly meeting. The data from the monthly report are used by the Head of the Kabupaten Diperta mainly for meetings of the SPBK. Data concerning credit distribution and payment are reported by the Head of BRI Unit Desa at kecamatan. Furthermore, data on irrigation will be provided by the Mantri Pengairan (an irrigation official at kecamatan level) who gets the data from the Kuwoxo (Head of Irrigation Section at Village Headman's office).

The SATLAK BIMAS DESA at Village Level

The village headman (Lurah or Kepala Desa) is Chairman of the SATUAN PELAKSANA BIMAS DESA (The Village Body of Bimas Implementers), and is supposed to be responsible for the implementation process to the Camat. To perform his task, the Lurah is assisted by the Pamong Tani Desa (Head of Agricultural Section at Village Headman's Office). However, in actuality, all members of the village administration (Pamong Desa) are involved in the Bimas implementation process.

The position of the Lurah and other members of the village administration, is crucial for the Bimas program. While the Camat is the ultimate coordinator, the Lurah is the real implementer of the Bimas program. It is the Lurah who is involved actively in Bimas implementation, and faces the day-to-day problems of the implementation process, and who tries to find solutions to these problems. From the Lurah, the Camat obtains the Bimas data for his reports to the Bupati. It is also to the Lurah and PPL, that farmers come seeking solutions to their agricultural problems, such as the need for agricultural credits, production inputs and irrigation problems. The Lurah has the authority to sign letters of recommendation for agricultural credits.

In addition, the position of the Lurah and other village administrators, is also important in developing farmers' groups and mobilizing farmers' participation in agricultural development programs. There are many cases in which farmers' groups are not well developed due to the reluctant of the village administrators to support the groups. Distribution of irrigation water to farmers is also in the hands of the village administrators. Any failure or obstacles to its distribution will affect production levels.
Organizations for the Implementation of KUD

As mentioned in Chapter Three, the KUD is one of four infrastructures needed for the village unit in agricultural development activities. At the local level, therefore, development of the cooperatives, as a part of the Bimas program, is placed under the responsibility of the regional heads of each level: from the Governors down to the Camat. Technically, it is under the supervision of the vertical office of the Ministry of Cooperatives: the Kanwil Koperasi at provincial level, and the Kantor Koperasi at kabupaten level.39

The Kantor Koperasi at kabupaten level, as mentioned, has four sections: Binagram (Bina Program, Program Development Section), Binor (Bina Organisasi, Organisation Development Section), Binus (Bina Usaha, Business Development Section) and Penyuluhan Koperasi (Cooperative Extension Service Section). The Section Binagram is required to make plans on development of KUDs, e.g. to specify targets for membership that should be achieved by KUDs each year.

The target is determined by the KANWIL KOPERASI of the provincial level, based on the national target set by the Ministry of Cooperatives. According to the Head of the Cooperatives Office in Malang, the membership target of KUD for Malang Kabupaten for 1982 was 83,000 and for 1983 was 140,000. This increase was due to shifting the target numbers from other kabupatens which did not have the capacity to achieve targets determined for them by the province. Up to June 1983, KUD membership amounted in total to 94,000, and one of the causes of the failure to achieve the target was the weaknesses of the extension service.40 Detail on problems of KUD membership can be found in Chapter Seven.

To provide extension services, the Cooperatives Office in Malang has appointed ten PKLs (Penyuluh Koperasi Lapangan, Cooperative Extension Workers), working under the coordination of the Penyuluhan Koperasi Section. The PKL is a replica of PPL from the Agricultural Office, but differs from the PPL, appointed at kecamatan level in that the PKLs are placed within the Cooperatives Office in Malang. The small number of PKLs and their location have resulted in poor capacity to provide the extension services needed by 31 KUDs throughout Malang Kabupaten.

Moreover, the quality and capacity of the PKLs to perform their tasks effectively has to be doubted. All of them are young people, just graduated from Senior High School, with three months training on cooperatives. They still need time to increase their experience in order to provide the necessary extension services for most members of

39There is no vertical office of this ministry at Kecamatan level.
40Interview, August 8, 1983.
KUDs at village level. Compared to their counterparts, the PPLs, they are most inferior in terms of effectiveness.

The *Binor Section* has the job of assisting the KUDs in developing their organization and supervising the organizational development of the cooperative, while the task of the *Binus Section* is to develop and supervise the activities of KUD organizations. The staff members of these two sections are actually insufficient to do their jobs effectively; most of them are involved in administrative tasks within their offices, and it is only heads of these sections who actually make visits to KUDs.

Monitoring of the development of KUDs and of the problems faced by them is carried out in various ways in each kabupaten. In Malang, the Cooperative Office invites managers of all KUDs, the PKLs, Chairmen of the PPK, PAU, and BKO to a weekly meeting every Monday.41 Because there is no subordinate of the Cooperative Office at the kecamatan level, there are on the spot checks made by staff members of the cooperatives office who visit each KUD, especially around the end of the fiscal year (February till March). In Kediri, in addition to weekly reports from the KUDs, monitoring is done through the SSB (Single Side Band Radio). All KUDs in Kediri have had radios distributed. In Jember, the monitoring is carried out merely through weekly reports and on-the-spot checks.

At this weekly meeting, reports on development and problems faced by each KUD and PPK, BKO and PAU are proposed. The reports seem, however, to be considered more as data for the Head of the Cooperatives Office for his report to the province, than as problems that should be evaluated and solved there and then. The actual implementation of KUDs shows much evidence of managerial weaknesses, financial corruption, and other malfunctioning, all of which restrain the farmers from participating in the KUD; but no actions are taken to remedy these weaknesses. Apparently, the attention given by the Head of the Cooperatives Office and his staff members is aimed more towards the problem of how to achieve targets set by the province and to develop KUDs as rice procurement agencies, than to ensuring that the KUDs provide benefits to farmers.

Presidential Instruction No.2/1978 lays down that the kecamatan has been the centre for development of KUD, and thus it is at the kecamatan level that the real

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41 PPK = *Pusat Pelayanan Koperasi* (Centre for Cooperative Service) is an organization which has the task of assisting KUDs in their business activities, e.g., in distributing fertilizer from PUSKUD to KUD, or providing guidance to KUDs in using their credits. PAU = *Pusat Administrasi Usaha* (Centre for Administration) has the task of assisting KUDs in carrying out their administration. BKO = *Badan Kontak Organisasi* (Body of Contact Organization) is established to help the KUDs in developing their organization and management. These three institutions are set up as projects of the Kanwil of Cooperatives.
action regarding KUDs takes place. Unfortunately, as mentioned, the Cooperatives Office has no branch at kecamatan level, so supervision of KUD is given mostly to the Camat and various other groups interested in the KUD.\footnote{The Camat has been instructed to develop the KUD under a joint decision of the Minister of Interior and Minister of Trade, No. 192 Tahun 1979 and No. 593/Kpb/X/79.} The power of the Camat over KUD matters can be seen in his right to intervene in selection of the Chairman of the KUD or to take any other actions necessary to help the development of the cooperatives.

The power of the Camat and other members of MUSPIKA over the KUD, is often used by them to intervene in the management of the KUD; this gives them a chance to use the finances of the cooperatives for their own purposes, through cooperation with the board of the KUD. Thus, in actuality, the groups most advantaged in making use of the KUD are simply the Camat, members of MUSPIKA, and board members of the KUD. Many cases of involvement in financial scandals of the KUD by these three groups have been reported.

This has occurred because of two main factors. First, there is a lack of supervision by the Bupati, as well as by the staff members of the Cooperatives Office. The Bupati, although he has responsibility for developing the KUD, seems to give little or no attention to cooperative affairs and seems to accept simply at face value the reports from the Camats. The Head of the Cooperatives Office very rarely or never makes visits to the KUD, while his office lacks the personnel to perform the tasks of supervision adequately. Weekly meetings conducted by the Cooperatives Office, as mentioned above, constitute a forum where development and problems of the KUDs can be reported, but without any requirement to make any further checks on the reliability of the reports.

Secondly, there is a lack of farmers' participation in the KUD, mainly due to the fact that KUD is actually a top-down project and not a real farmers' organization managed by the farmers. Hence, there is no real public supervision over the management of KUD. As mentioned in Chapter Three, most farmers do not know the benefits of the KUD, and even do not know who are members of KUD's board or what are the activities of the cooperatives. Some of them who are registered as members of KUD are not really aware of their membership because they are automatically registered as members when they take out their Bimas credits. More important than that is the fact that after their registration they still do not know anything about the management and development of the KUD of which they have become members. The KUDs have been dominated solely by elite members of the kecamatan, but most farmers have no access to it. Further details on this matter can be seen in Chapter Seven.
In summary, as two important national programs, Bimas and KUD have involved many government and non-government bodies. At the national level, the BAKO BIMAS, a special organization set up to implement the Bimas program, has involved at least seven ministries under the coordination of the Agricultural Minister. In addition, eight government and private companies have also been involved in the program with the task of supplying production inputs.

At the local level, the BAKO BIMAS has its agencies from provincial down to village level. At each level, the regional head is appointed as Chairman of the agency. Also, in the implementation of KUD, the regional heads at all levels are designated as supervisors. This appointment indicates the importance of these programs, and also shows a strong wish that through the direct involvement of these regional heads in the programs, the central government’s most powerful machinery of control will be involved in the rice program, so that its objectives will be achieved and any obstacles minimized.

The facts reveal that Bimas has been successful in increasing rice production, although the KUD has only made slight contributions to rice procurement activities. However, these facts also reveal the dominant position of the central over the regional authorities. Production and area targets of Bimas, and membership targets for KUDs are determined by the centre, and there is no choice for the regional authorities but to accept those decisions. This target approach affects the attitude of lower officials, who then adopt all the methods necessary to achieve the targets determined by the centre, even though they run into resistance from the farmer in the process. The facts also show that coordination among those involved in the program is still very difficult to achieve, and that some heads of offices are reluctant to accept the leadership of regional heads as program coordinators at the local level. Even at the national level, this lack of coordination is also found. This affects the reliability and availability of data in the BAKO BIMAS office and its agencies at local levels.

From the working of the BAKO BIMAS and its agencies at the local level, and from that of offices handling the KUD implementation, it seems that monitoring and evaluation have not been given serious attention. Therefore, many weaknesses in the implementation of these programs have never been remedied. Although there are regular reports from below, it is doubtful that these reports are given serious attention. This occurs because the numbers of personnel in the monitoring and evaluation sections at all levels are not sufficient, and they also lack adequate experience and technical know-how to do their jobs. Apart from that, there is often a tendency to conceal the real facts discovered by an evaluation, so long as the situation is not too serious, in order to avoid causing disruption within the program. However, the most important factor behind the lack of serious monitoring and evaluation is, perhaps, the opinion of the officials that as long as the main objectives of the programs can be achieved, i.e. the required rice
production increase and procurement targets reached, the other objectives can be ignored.

Thus, reports on delays in fertilizer distribution or, for example, on the inability of agricultural extension workers to provide service for all or most of the farmers, or on financial corruption in KUDs and other weaknesses in the implementation of the two programs, tend to be given little or no attention. From the perspective of the farmers, it seems that the large sums of money allocated in the budget plans have been disbursed mostly for financing the officials and administrators of the programs rather than to serve the interests of the farmers. Details on the kinds of problems observable in the implementation of these two programs can be found in Chapters Six and Seven.
CHAPTER 5
Problems of Implementation and the Role of Kabupaten Instansis

The last fourteen-year period of rice policy implementation in Indonesia, between 1970-1984, reveals some interesting features. As mentioned in Chapter Three, although rice production increased steadily every year, participation of farmers in Bimas has shown a declining trend, while on the other hand, participation in Inmas and Insus has increased. Also, while new technologies in agriculture have spread widely among farmers, there has been an unequal income distribution among the rich and the poor farmers.

Development of the KUD itself also indicates some deviations from the original stated objectives, when the cooperative was started by the government in 1973, which were to help farmers in obtaining production inputs, especially fertilizers, and also agricultural credits. While the KUD are not yet able to serve farmers' interests as originally intended, they have become the locus of elite group competition for access to resources serving their own interests, in a way which has made them important local institutions in the working of national rice policies.

The trends discernible, and results of the rice intensification and KUD programs have, to some degree, been brought about by the actions of those responsible for their implementation in the regions, that is, local government officials and central government offices at regional level. This chapter will give a general description of the problems found in implementation of Bimas and KUD in Malang Kabupaten. It will also analyse the work of various government offices (instansis) in the kabupaten in implementing the two programs.¹

Rice Production in Malang

One of the big achievements of the Bimas program has been increased rice production. During Repelita I (1969-1974), rice production at the national level increased by 4.5 per cent p.a. (as mentioned in Table 3-4 on page 58 in Chapter Three). In Repelita II (1974-1979), however, the rate of increase slowed to 3.6 per cent p.a.

¹In order to protect informants, the names have been given fictional names.
largely because of extensive wereng infestations in 1976-1977. During the Repelita II, there was a decrease in area harvested from 8.51 million hectares in 1974 to 8.36 million hectares in 1977, because of these attacks. Rice production continued to increase, however, although slowly between 1974-1977. In the following years, from 1979 to 1983 it increased very rapidly, by on average, 7.7 per cent p.a.

In East Java, there were some unusual features in the overall picture of rice production. From 1970 to 1974, rice production increased faster than the national average at 5.1 per cent p.a. (see Table 5-1 on page 107). In 1975, production decreased partly because of wereng and drought; then again a sharp decrease of production occurred in 1977 and 1978 when the wereng attacked many padi areas. From 1979 to 1981, extremely good weather and better application of farming methods raised the production at the remarkable rate of 10.5 per cent p.a. The overall rate of increase of production from 1970 to 1981, was on average, 4.5 per cent p.a.

<table>
<thead>
<tr>
<th>Year</th>
<th>Area Harvested (million Ha)</th>
<th>Production (mil. ton)</th>
<th>Yield (qu/ha) (dry stalk padi)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>1.20</td>
<td>4.51</td>
<td>37.56</td>
</tr>
<tr>
<td>1971</td>
<td>1.22</td>
<td>4.66</td>
<td>38.13</td>
</tr>
<tr>
<td>1972</td>
<td>1.21</td>
<td>4.69</td>
<td>38.70</td>
</tr>
<tr>
<td>1973</td>
<td>1.32</td>
<td>4.92</td>
<td>39.18</td>
</tr>
<tr>
<td>1974</td>
<td>1.32</td>
<td>5.50</td>
<td>41.64</td>
</tr>
<tr>
<td>1975</td>
<td>1.33</td>
<td>5.38</td>
<td>40.49</td>
</tr>
<tr>
<td>1976</td>
<td>1.34</td>
<td>5.81</td>
<td>43.41</td>
</tr>
<tr>
<td>1977</td>
<td>1.31</td>
<td>4.47</td>
<td>34.06</td>
</tr>
<tr>
<td>1978</td>
<td>1.37</td>
<td>4.87</td>
<td>35.55</td>
</tr>
<tr>
<td>1979</td>
<td>1.40</td>
<td>5.25</td>
<td>37.56</td>
</tr>
<tr>
<td>1980</td>
<td>1.43</td>
<td>6.11</td>
<td>42.78</td>
</tr>
<tr>
<td>1981</td>
<td>1.52</td>
<td>6.93</td>
<td>45.63</td>
</tr>
</tbody>
</table>


Rice production in Malang Kabupaten also increased steadily, and what is interesting here is the fact that the rate of the increase is even much higher than the level of increase achieved by East Java overall, i.e. 8.0 per cent p.a. between 1970-1983 (see Table 5-2 on page 108). In 1974, there was a slight decrease of production due partly to rat attacks, but it rose again in 1975. As in many other parts of Indonesia,
wereng attacks in most sawah areas in Malang in the period 1976-1977 resulted in a decrease of production in those years. After 1978, however, production increased steadily, reaching a peak of 414,939 tons in 1981. A combination of rats and various other pests again reduced the production in 1982 and 1983.²

Table 5-2: Malang: Area Harvested, Production, Production Average 1970 - 1983.

<table>
<thead>
<tr>
<th>Year</th>
<th>Area Harvested (Ha)</th>
<th>Production (ton)</th>
<th>Production Average (qu/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>69,117</td>
<td>183,367</td>
<td>26.53</td>
</tr>
<tr>
<td>1971</td>
<td>64,924</td>
<td>228,532</td>
<td>35.20</td>
</tr>
<tr>
<td>1972</td>
<td>67,837</td>
<td>268,838</td>
<td>39.63</td>
</tr>
<tr>
<td>1973</td>
<td>71,550</td>
<td>296,228</td>
<td>41.41</td>
</tr>
<tr>
<td>1974</td>
<td>74,423</td>
<td>271,674</td>
<td>36.02</td>
</tr>
<tr>
<td>1975</td>
<td>79,244</td>
<td>329,100</td>
<td>41.53</td>
</tr>
<tr>
<td>1976</td>
<td>77,058</td>
<td>328,498</td>
<td>42.63</td>
</tr>
<tr>
<td>1977</td>
<td>71,460</td>
<td>313,566</td>
<td>43.88</td>
</tr>
<tr>
<td>1978</td>
<td>72,435</td>
<td>345,723</td>
<td>47.73</td>
</tr>
<tr>
<td>1979</td>
<td>71,726</td>
<td>372,690</td>
<td>51.96</td>
</tr>
<tr>
<td>1980</td>
<td>73,313</td>
<td>376,632</td>
<td>51.37</td>
</tr>
<tr>
<td>1981</td>
<td>78,273</td>
<td>414,939</td>
<td>53.01</td>
</tr>
<tr>
<td>1982</td>
<td>72,166</td>
<td>384,058</td>
<td>53.22</td>
</tr>
<tr>
<td>1983</td>
<td>70,884</td>
<td>389,924</td>
<td>55.01</td>
</tr>
</tbody>
</table>

Source: Diperta of Malang Kabupaten

The Impact of the Rice Intensification Program

The increased rice production in Malang, on the one hand, was a result of the government rice policies in introducing the use of new technologies in padi planting and the better farming methods through the Panca Usaha Tani, as well as the application of the new price policy for rice since 1970. On the other hand, the increase of production has been stimulated by the awareness of farmers themselves of the advantages of planting the high yielding varieties, and the application of the Panca Usaha Tani methods, as demonstrated by extension workers. This happened particularly after 1974, when the farmers began to be more aware of the benefits of the new technologies and the new methods.

However, as also occurred at the national level, the rice intensification program in

²Interview, the Head of Malang Diperta, January, 19, 1984.
Malang did not only provide good results; some negative impacts and problems have also been noticed. In this section, five problems were observed during implementation of rice policies in Malang; problems regarding acceptance of the high yielding varieties, problems in the adoption of new technology of rice planting, the decline in Bimas participation, problems of credit arrears, and effects on the income of farmers will be discussed.

Problems in Adoption of the High Yielding Varieties

The spread of the use of HYVs among farmers in Malang has been impressive and the seeds are planted not merely by those who joined the Bimas schemes, but also by many of those who did not. In 1980, the Bupati of Malang reported that in the dry season of 1979 and the rainy season of 1979/1980, ninety five per cent of farmers were using the HYVs, such as IR-34, IR-36, and IR-38. Another five per cent, according to the Bupati, were not required to plant the HYVs because their sawahs lie in upland areas above five hundred meters.\(^3\)

The percentage proposed by the Bupati may be too high, but during my investigation I saw that most of the farmers, including those who did not join the Bimas schemes (i.e. small farmers who own 0.2 ha sawah or less), have planted the HYVs as suggested by extension workers. These small farmers generally are not contacted by the extension workers, but they hear about the HYVs from their neighbours. Edmundson’s study in Desa Glanggang, Malang, also found that in 1971 only fifty per cent of farmers in the village were planting the HYVs, but by 1976 the number had increased to ninety per cent.\(^4\)

An attractive rice price, resulting from the government’s rice price stabilization, is one of the factors behind the increased motivation of farmers to plant the HYVs. Although many farmers, especially those who live far from the capital of kecamatan and KUD offices, do not know about the floor price and often sell their rice to rice traders below the floor price. They feel that the price level is still quite adequate and does not inflict a loss upon them. Many farmers who plant multiple crops (tumpang sari) now prefer to plant padi rather than palawija, because padi always yields a benefit and entails fewer risks in terms of price fluctuations, than palawija.

Apart from that, farmers in rice-producing areas have no other choice but to plant padi because the condition of their sawahs is suitable only for padi. Certainly there are some farmers who still maintain local varieties and refuse to plant the HYVs, but their


numbers are small. They are generally from the older generation who want to preserve the local varieties from annihilation because of a nostalgia for the times when they were young, a time when they and their parents ate the tasty and famous local varieties of rice.

**Problems in Adoption of New Technology in Rice Planting**

Adoption of the new technologies can be seen, among other things, in the increase in the amount of fertilizers used. As mentioned in Chapter Three, the use of Nitrogen fertilizer at the national level increased by an average rate of 20 per cent annually from 1969 to 1983; and consumption of P2O5 increased at an average rate of 35 per cent annually. In Malang too, the use of fertilizer also increased, although it remained below the 300 kilogram per hectare level recommended as a minimum standard. The increase was about 27 per cent over three years from 1975/1976 to 1979/1980, or about 9 per cent yearly (see Table 5-3 on page 110). If farmers cannot obtain the fertilizer in their villages, they will look for it in the kecamatan capitals or in the town of Malang. Certainly, there were still some farmers who refused to use fertilizer. The main reason for their refusal was their inability to buy the fertilizer. Their numbers, however, were very limited and most of them were small farmers.

**Table 5-3:** Malang: Use of Fertilizers in qu/ha under Bimas and Inmas schemes, 1975-1979/1980

<table>
<thead>
<tr>
<th>Planting Season</th>
<th>Urea</th>
<th>TSP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bimas</td>
<td>Inmas</td>
</tr>
<tr>
<td>Dry 1975</td>
<td>242</td>
<td>144</td>
</tr>
<tr>
<td>Rainy 1975/1976</td>
<td>256</td>
<td>200</td>
</tr>
<tr>
<td>Dry 1976</td>
<td>244</td>
<td>250</td>
</tr>
<tr>
<td>Rainy 1976/1977</td>
<td>100</td>
<td>159</td>
</tr>
<tr>
<td>Dry 1977</td>
<td>259</td>
<td>217</td>
</tr>
<tr>
<td>Rainy 1977/1978</td>
<td>287</td>
<td>231</td>
</tr>
<tr>
<td>Dry 1978</td>
<td>297</td>
<td>170</td>
</tr>
<tr>
<td>Rainy 1978/1979</td>
<td>276</td>
<td>226</td>
</tr>
<tr>
<td>Dry 1979</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rainy 1979/1980</td>
<td>235</td>
<td></td>
</tr>
</tbody>
</table>


The use of pesticides also has become widespread among farmers in Malang. They
generally follow the suggestions of extension workers about doses and methods to counter pests and rats. Some farmers still refuse to use the pesticide, preferring to use magic by inviting in the dukuns (sorcerers) to counter the rats and pests. However, their numbers are small and farmers who have already realized the benefits of the pesticides generally ridicule this attitude.

Much of the sawah in Malang has been irrigated by the government irrigation system. In 1981, out of a total of 57,167 hectares of sawah, 29,816 hectares were irrigated by the technical irrigation system (Pengairan Tehnis), 11,125 ha were under semi-technical irrigation (Pengairan Setengah Tehnis), and the area under simple irrigation systems (Pengairan Sederhana) was 12,125 ha. The remainder, a total of 1,913 hectares was irrigated by non-PU irrigation, and 2,021 hectares were rain-fed sawah (sawah tadah hujan).

The kabupaten government has allocated considerable funds for improvement and rehabilitation of irrigation channels. The percentage of expenditure on irrigation improvements varied from 11.7 per cent to 31.3 per cent of the total Ipeda expenditure during the period 1969 to 1980. The contribution of the irrigation improvements to the increase of rice production in Malang cannot be known exactly since there have been no studies on that topic. However, the results of a study on irrigation projects in Bondowoso and Jember, East Java, can be used as a basis for comparison with the case of Malang.

The study, which was made on the basis of 1974 data, concluded that "the net return to wet season paddy production under irrigation is 3.58 times the return of

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5 The dukuns gave them certain articles such as stones wrapped with white cloth to be planted in the four corners of their sawah, or dried coconut leaves that should be hung in the middle of the sawah.

6 The term technical irrigation system refers to "irrigation where all structures are permanent and measuring devices are supplied at each of the turnouts to monitor the flow of water into the canals." The semi-technical irrigation systems "provide permanent structures and gates at the turnouts to control flow of water but no measuring devices." The structures of the simple irrigation system "include a simple diversion weir with a control headgate, unlined main canal, a few secondary and tertiary unlined conveyance ditches, small diversion and turnout structures and a simple means of waste or drainage structures...Such structures are characterised by low initial cost but with relatively short useful life (5-10 years)." Anne Booth, "Irrigation in Indonesia Part I," Bulletin of Indonesian Economic Studies, Vol.XIII, No.3, March 1977, p.59 and p.64.

7 Non-PU irrigation refers to irrigation channels made by farmers and not by the government.

8Kantor Statistik Kabupaten Malang, Kabupaten Malang Dalam Angka, 1981, pp.95-97. Irrigation for most sawahs in Malang comes from three main rivers: Kali Konto, Kali Brantas, and Kali Lest. Kali Brantas which is met by Kali Lest at the intersection of Kecamatan Kepanjen, Gondanglegi, and Pagak, has been a water source for Karangkates Dam, the biggest dam in East Java.

9IPEDA, Iuran Pembangunan Daerah, Contribution for the Regional Development.
The contribution of the improvement of irrigation channels to the increase of rice production, according to Booth, comes about in two ways:

First, they allow more intensive or multiple cropping because cultivators are able to plant two or three crops requiring water per year whereas without guaranteed water supplies they could plant only during the rainy season. Secondly, guaranteed and controlled water supplies usually lead to higher yields per planting because the risk of crop failure due to inadequate rains is lessened.

In Malang, irrigation rehabilitation has enabled 23,396 hectares of sawahs out of the total 57,167 hectares in the kabupaten to be planted three times a year. It is this kind of increase in cropping intensity since 1970, the ability to obtain two or three crops of rice per year (in a few cases even more), that has made a very big contribution to the increase in output.

The Decline in Bimas Participation

The decline of Bimas participation in Malang, as in other parts of Indonesia began about 1976, about the same time as participation in Inmas and Insus programs increased significantly (see Table 5-4 on page 113). The production figures in Table 5-5 on page 114 indicate that most of the rice production increase in Malang came from Inmas and Insus. Government officials at both national and local level have generally stated that the main reason behind the decrease in Bimas participation and the shift of some farmers to Inmas and Insus programs is due to an increase in farmers’ ability to finance the working of their sawah by themselves; they no longer need credit from the government. This statement is correct as long as it is related to the larger farmers, who generally have no difficulties in financing the working of their sawah, but it is more questionable about the small farmers.

However, the farmers who had previously joined the Bimas but later quit the program gave at least five reasons for refusing to continue their participation in the program. First, many of them have had terrible experiences because the local authorities have compelled them to repay the credits advanced to them, even though they should have been freed from that obligation because of losses when their sawah were attacked by \textit{wereng}  \textit{(dipusokan)}. This coercive action resulted from weaknesses in the administration of the credit.

\begin{itemize}
\end{itemize}
Table 5-4: Malang: Planned & Actual Areas of Bimas, Inmas, Insus, 1970-1983 (Thousand Ha)

<table>
<thead>
<tr>
<th>Season</th>
<th>BIMAS Planned</th>
<th>Actual</th>
<th>INMAS Planned</th>
<th>Actual</th>
<th>INSUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>D. 1970</td>
<td>5.00</td>
<td>3.43</td>
<td>3.77</td>
<td>3.24</td>
<td></td>
</tr>
<tr>
<td>R. 1970/1971</td>
<td>18.00</td>
<td>18.47</td>
<td>5.76</td>
<td>5.48</td>
<td></td>
</tr>
<tr>
<td>D. 1971</td>
<td>6.25</td>
<td>3.93</td>
<td>4.33</td>
<td>4.33*</td>
<td></td>
</tr>
<tr>
<td>R. 1971/1972</td>
<td>18.61</td>
<td>19.73</td>
<td>5.77</td>
<td>5.77*</td>
<td></td>
</tr>
<tr>
<td>D. 1972</td>
<td>6.20</td>
<td>5.95</td>
<td>7.37</td>
<td>7.37*</td>
<td></td>
</tr>
<tr>
<td>D. 1973</td>
<td>6.65</td>
<td>7.13</td>
<td>13.30</td>
<td>13.30*</td>
<td></td>
</tr>
<tr>
<td>R. 1973/1974</td>
<td>35.35</td>
<td>35.35</td>
<td>2.50</td>
<td>2.50*</td>
<td></td>
</tr>
<tr>
<td>D. 1974</td>
<td>..Not Available.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. 1975</td>
<td>..Not Available.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. 1976</td>
<td>7.00</td>
<td>9.64</td>
<td>10.00</td>
<td>16.93</td>
<td></td>
</tr>
<tr>
<td>R. 1976/1977</td>
<td>25.00</td>
<td>22.98</td>
<td>22.50</td>
<td>22.87</td>
<td></td>
</tr>
<tr>
<td>D. 1977</td>
<td>7.00</td>
<td>8.59</td>
<td>10.00</td>
<td>12.69</td>
<td></td>
</tr>
<tr>
<td>R. 1977/1978</td>
<td>25.00</td>
<td>0.83</td>
<td>22.50</td>
<td>21.99</td>
<td></td>
</tr>
<tr>
<td>D. 1978</td>
<td>7.00</td>
<td>5.44</td>
<td>10.00</td>
<td>19.98</td>
<td></td>
</tr>
<tr>
<td>R. 1978/1979</td>
<td>25.00</td>
<td>20.66</td>
<td>22.50</td>
<td>8.59</td>
<td></td>
</tr>
<tr>
<td>D. 1979</td>
<td>7.00</td>
<td>0.26</td>
<td>10.00</td>
<td>21.63</td>
<td></td>
</tr>
<tr>
<td>D. 1980</td>
<td>5.00</td>
<td>4.60</td>
<td>17.00</td>
<td>21.39</td>
<td></td>
</tr>
<tr>
<td>R. 1980/1981</td>
<td>22.00</td>
<td>8.82</td>
<td>26.50</td>
<td>39.21</td>
<td></td>
</tr>
<tr>
<td>D. 1981</td>
<td>5.00</td>
<td>3.18</td>
<td>19.00</td>
<td>25.35</td>
<td></td>
</tr>
<tr>
<td>R. 1981/1982</td>
<td>21.50</td>
<td>8.56</td>
<td>27.56</td>
<td>37.26</td>
<td></td>
</tr>
<tr>
<td>D. 1982</td>
<td>4.00</td>
<td>1.49</td>
<td>20.00</td>
<td>22.36</td>
<td></td>
</tr>
<tr>
<td>R. 1982/1983</td>
<td>21.50</td>
<td>5.20</td>
<td>25.50</td>
<td>37.59</td>
<td></td>
</tr>
<tr>
<td>D. 1983</td>
<td>3.00</td>
<td>0.15</td>
<td>20.30</td>
<td>24.63</td>
<td></td>
</tr>
</tbody>
</table>


Second, because of various other administrative obstacles, delays in distribution of fertilizers have frequently occurred, the fertilizer often coming only after the planting season. As mentioned in Chapter Three, a new credit system (BPB) was introduced in 1982 to reduce arrears, as well as to satisfy the farmers. The new system, which laid down that credit was to be distributed through KUD, has in fact been another factor behind the delays in fertilizer distribution. This has further disappointed the farmers. A description of the causes of such delays, as seen from the KUD's perspective, can be found of the section on Tumpang and Pakisaji KUDs in Chapter Seven.

To overcome this obstacle, the government has issued a policy instruction that all
Table 5-5: Malang: Rice Production through Bimas, Inmas, and Insus, 1980/1981 - 1982 (ton)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bimas</th>
<th>Inmas</th>
<th>Insus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980/1981</td>
<td>51,814</td>
<td>189,057</td>
<td>103,101</td>
</tr>
<tr>
<td>1981</td>
<td>20,350</td>
<td>134,958</td>
<td>63,973</td>
</tr>
<tr>
<td>1981/1982</td>
<td>41,521</td>
<td>184,026</td>
<td>63,304</td>
</tr>
<tr>
<td>1982</td>
<td>12,030</td>
<td>118,583</td>
<td>59,210</td>
</tr>
</tbody>
</table>


farmers who have no arrears can be involved in Bimas scheme, and that fertilizer distribution must fulfil five conditions (Lima Tepat) as follows Tepat Jenis, Tepat Waktu, Tepat Tempat, Tepat Harga, and Tepat Jumlah (the proper kind of fertilizer, proper time of distribution, proper place of distribution, proper price and proper amount). But the instruction seems to have had little effect. The bank (BRI) has still maintained its policy that only KUDs which had repaid 60 per cent of the credit advanced to them were eligible for new credits. In other words, the policy of the government has not been carried out by the bank.

Moreover, the five conditions sometimes cannot be met by the staff of PPK or the KUD. It is all very well for the government to issue general policy instructions that fertilizer should be distributed at the right time and place and price and quantity, but the problems of implementing such instructions at the village level are quite another matter; and there appears to be very little effective follow-up to ensure that the policy is implemented.

The Bupati of Malang was aware of the obstacles to implementation of the instruction because of weaknesses in program coordination. In order to resolve the problem, as well as other problems of coordination, the Bupati has made various efforts either through formal or personal approaches to the heads of offices involved in Bimas and the KUD programs, but the problems remain. The personal approach has been made through individual discussions with officials, while the formal one was conducted during the formal meeting of the Satpel Bimas Kabupaten.

In these meetings the Bupati sometimes gave reminders to the heads of offices about the Bupati's authority as the person responsible for the success of the program.
implementation. But, as he himself recognized, coordination is still difficult to achieve, especially where it involves offices of the central government ministries in the region. However, it tends to be better now than in the period before the regional head was designated as the sole administrator in 1974.\textsuperscript{13} The fact that there were delays in fertilizer distribution throughout the time I was conducting my field work shows that the Bupati's actions had not been sufficient to overcome the problem. Furthermore, according to the Head of Kabupaten Diperta, although the Bupati knew about the above obstacles, he made no report about them to the Governor, because such a report would have damaged his reputation and would have been regarded as evidence of his inability to manage the kabupaten's affairs adequately.\textsuperscript{14}

Third, many farmers are not happy with the fertilizer distribution system. Before KUD was designated as distributor of Bimas credit, the fertilizers were distributed in the offices of the village unit bank, or in \textit{Balai Desa} (village government's office). When such fertilizers came to be distributed through the KUD, farmers had to obtain them from KUD kiosks which were not always close to their houses or farms. In both cases they had to bear the additional costs of transporting them so that many of them were reluctant to collect the fertilizer. The government has given credit to the KUDs to build shops in some villages in order to make them closer to the farmers, but in nearly all cases, these shops are still not opened.

Fourth, there were some cases where farmers refused to fill in form No.98-b (the registration form for Bimas participation) simply because they did not want to have to contact the village headmen (\textit{Lurah}) and the bank. Some farmers have had the experience that the \textit{Lurah} would always cut off some part of the credit before it was distributed to farmers. But when time came to repay, the farmers had to pay the full amount of the credit. There were also some cases of Bimas \textit{Fiktif}, especially in the early stage of the program, where village officials made use of the names of farmers or landless farmers in their villages who were then registered as Bimas participants without their knowledge. The village officials then took the money from the credit for themselves. Furthermore, some staff members of the village unit bank deceived the participants of Bimas by not giving any receipts to farmers paying the credits, and collected the money for their own use.

Fifth, the production inputs, especially fertilizer, are now becoming easier and cheaper to buy from private traders than from the KUDs. In February 1984, the price of Bimas fertilizers was Rp.90- per kilogram, while in private shops it was only Rp 83. The

\textsuperscript{13} \textit{Interviews}, the Bupati of Malang, August 3, 1983; and the Head of Malang Diperta, June 13, 1983.

\textsuperscript{14} \textit{Interview}, the Head of Malang Diperta, June 13, 1984.
lower price of fertilizer in private shops was caused, among other things, by the ability of traders to buy the fertilizer from its main distributors (PN. PERTANI, PUSKUD, PPK, or KUD) below the government price. This was made possible through personal contacts between staff members of these offices and the traders, resulting in deals benefiting the personal interests of both parties. Even the delays in fertilizer distribution that farmers often complained of, were partly due to this kind of manipulation, since it compelled the farmers to buy from the private traders. Finally, some small farmers who owned only 0.2 ha or less simply did not have the ability to repay their Bimas credits. Although the program had increased their income, it was still insufficient to repay their credit. Cases illustrating this problem can be found in chapter six.

The Problem of Credit Arrears

As mentioned in Chapter Three, the Bimas program ran into a serious problem of credit arrears. Ironically, but very significantly, it was a fact that although in individual terms, the majority of delinquents were farmers, in terms of the amount of money borrowed, it was civil servants, the military, teachers and village officials who had the highest percentage of arrears. Nationally, these groups had a total Rp 15 billion of arrears, involving 141,623 individuals in June 1983; while the farmers who had become delinquents numbered 2,328,671 with Rp 10 billion of arrears. This means that each delinquent farmer had arrears of only around Rp 43 thousand, while delinquents from the other groups had around Rp 106 thousand per individual. Among the farmers themselves, it was generally the rich farmers who were most numerous among the delinquents.

In Malang, data from the Kabupaten Office showed that there remained Rp.1,024,501,680- of credit arrears in June 1983, involving 33,112 delinquents. The largest number of the delinquents was farmers, who included 32,805 or 93.6 per cent of the total delinquents. From the amount of money borrowed, however, it was village officials who accounted for the largest amount of arrears (see Table 5-6 on page 117). It is known from the Table that the total amount of credit defaults by the "non-farmers" amounted to Rp.153,001,680., involving 307 people.

A team TKPPKPM was set up in Malang, headed by the Sekwilda, but it was not very active in conducting its tasks. In its daily activities, most of the work of the team was carried out by the Camats and the Satlak Bimas Kecamatan, and by the staff of

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15 Interviews with some staff members of PPK, KUD and extension workers (PPL).
17 Kompas, September 19, 1983.
Table 5-6: Malang: Arrears of Bimas & Inmas Credits, 1983

<table>
<thead>
<tr>
<th></th>
<th>No. of people</th>
<th>Amount of money (Rp)</th>
<th>Average (Rp)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers</td>
<td>32,805</td>
<td>871,500,000</td>
<td>26,566</td>
</tr>
<tr>
<td>Government Civil Servants:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teacher</td>
<td>13</td>
<td>641,000.</td>
<td>90,097.56</td>
</tr>
<tr>
<td>Others</td>
<td>28</td>
<td>3,053,000.</td>
<td>49,534</td>
</tr>
<tr>
<td>Military members</td>
<td>20</td>
<td>990,680</td>
<td></td>
</tr>
<tr>
<td>Village officials</td>
<td>197</td>
<td>129,129,000</td>
<td>655,477.15</td>
</tr>
<tr>
<td>Other groups (important figures in villages)</td>
<td>49</td>
<td>19,188,000.</td>
<td>391,591.83</td>
</tr>
</tbody>
</table>

Source: The Economic Section of Malang Kabupaten.

the Economic Section at the Kabupaten Office.18 There were two staff members in the economic section handling the problem of credit repayments, but they were frequently not present in their offices because of the many other tasks they had to do at the same time. Hence, it is not hardly surprising that during my stay in Malang, only ten village officials were actually brought to court.

Two points about the problem of credit arrears need to be stressed here for their relevance to policy implementation at the local level. First, it is a problem which has had only indirect implications for the primary objective of the Bimas program, i.e. increasing rice production. The reasons for seeking to collect the credit still owing to the government are related primarily to considerations of sound public finance and banking practice and social equity. The goal of increasing rice production is not significantly endangered by the problem of arrears, which in fact amount to a very small part of the total credit extended in Malang Kabupaten (Rp 1,024,501,680 in June 1983); moreover, arrears are a far lower percentage of the total credit extended in East Java than in West Java, where failure to repay credit is more widespread.

Second, it is the socio-political implications of the practice that are most significant: the fact that it is one of the most blatant abuses of the Bimas system and

18 The Sekwilda actually has little role in the implementation of rice intensification and KUD programs. He has no position in Satpel Bimas Kabupaten. In an interview with the Sekwilda of Malang, he explained that most of his duties are to manage the kabupaten administration, but not to get involved in program implementations.
one of the main reasons why it has achieved a bad reputation for corruption and waste. The fact that so many village officials and the richer farmers who have connections with them, have been the main beneficiaries of this form of abuse, underlines the accusation that Bimas has in practice had the effect - even though it was not the intended purpose - of transferring government funds primarily into the hands of the village elite, not to the peasants as a whole. The arrears problem is a symptom and symbol of the most undesirable feature of the Bimas system.

The Effects on per capita Income in Malang

According to the Kabupaten office, average per capita incomes in Malang increased between 1976 and 1982 by 19.4 per cent per year on a current price basis, and by 6.03 per cent per year based on constant prices (see Table 5-7 on page 118). How much of the benefit of this increase actually accrued to farmers? There are no studies specifically describing the income trends of farmers in Malang, but a study conducted in 1984 in some villages in East and West Java described the average rate of increase of farmers' incomes during the period 1976 and 1983 and can be used as a rough basis for comparison with the incomes of farmers in Malang.

Table 5-7: Malang: Per Capita Income 1976-1981, Based on Constant Price

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Per Capita Income (Rp)</th>
<th>% of Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>1,871,993</td>
<td>67,752.34</td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>1,888,327</td>
<td>70,517.88</td>
<td>4.1</td>
</tr>
<tr>
<td>1978</td>
<td>1,899,395</td>
<td>74,540.82</td>
<td>5.7</td>
</tr>
<tr>
<td>1979</td>
<td>1,916,357</td>
<td>77,863.52</td>
<td>4.5</td>
</tr>
<tr>
<td>1980</td>
<td>1,938,245</td>
<td>82,166.18</td>
<td>5.5</td>
</tr>
<tr>
<td>1981</td>
<td>2,048,029</td>
<td>90,705.57</td>
<td>10.4</td>
</tr>
</tbody>
</table>

Source: Statistic Office of Malang Kabupaten.

The study found that the increase of farmers' incomes on a constant price basis was between 41 to 78 per cent in upland areas, and between 13 to 73 per cent in lowland.
areas during that period. The improvement in the farmers' standard of living can be seen in a study made by Edmundson in Desa Glanggang, Malang. In 1976, according to Edmundson, most of the population in this rice-producing village seemed to have become more prosperous than they were in 1971. Furthermore, Edmundson pointed out:

Perhaps the most pleasing change seen in Glanggang between 1971 and 1976 was the fact that so many of the poorer class split bamboo homes had been replaced by cooler and more permanent brick structures. All the new homes being built were gedung construction and many of the old bamboo gedek structure had been converted to brick...Housing is one of the clearest indicators of economic wealth and by 1976 about 80 per cent of the villages were housed in brick homes.

Certainly, not all of that prosperity came just from agriculture, although most of the people in the village were farmers. The proximity of the village to Malang town enabled the villagers to obtain alternative jobs outside agriculture, which made a significant contribution to their wealth. The picture of Desa Glanggang can be accepted as fairly typical of the many rice-producing villages in Malang which have benefited from the increase in rice production, but it certainly cannot be considered as a general depiction of the economic life of all farmers in the kabupaten. However, it is also a fact that the general increase in incomes has widened the gap between the rich and the poor in the village areas. Edmundson writes in the same article that there was a degree of concentration of wealth in the hands of big farmers in Desa Glanggang.

During my visits to various villages, I got different answers from farmers when I asked them, "Has your life become better since the introduction of Bimas?" For most big farmers, life is certainly better now than before the Bimas. However, the answer from small farmers varied from those who said that their conditions of life are better now to those who felt that their living conditions were stagnant, neither worse nor better. Bimas has enabled the big farmers to restore houses, buy radios and television sets, buy more land, or even build rice mill units. The small farmers who felt that their life is better usually gave the answer that although the Bimas program had increased the production of their sawah, most of their income actually came from other activities, or from their children who were now able to provide a financial contribution to their parents. Details of such stories can be found in Chapter Six.

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20 This study classified the farmers into four categories: the landless labourers; those who own 0.25 ha land; who own 0.25-0.49 ha; and who own 0.50 ha. Yusuf Saefudin and Yuni Marisa, Perubahan Pendapatan dan Kesempatan Kerja, Bogor: Studi Dinamika Pedesaan, Yayasan Penelitian Survey Agro Ekonomi, September 1984, p.12.
22 Some 14 Km from Malang town and included in the area of Kecamatan Pakisaji.
The Development of the KUD in Malang

Eleven years after their establishment in 1973, the KUDs in Malang still faced difficulties in developing their organization, and most of them still could not be considered as organizations serving the interests of farmers. Certainly, there were some exceptions, but their numbers were still small. All 33 KUDs in Malang Kabupaten (not including those in Kotamadya of Malang) have been recognized by the government as Model KUD. As mentioned in Chapter Three, one of the criteria to become a model KUD is the ability of the KUD to recruit a minimum 5000 members.

In Malang, there were in fact only four KUDs with more than 5000 members in 1983: KUD Ampelgading of Kecamatan Ampelgading (6023), KUD Raga Separih of Kecamatan Gondanglegi (5014), KUD Pakis of Kecamatan Pakis (5110), and KUD Batu of Kecamatan Batu (5910). Most KUDs had only around 2000 members, and one KUD had only 230 members in 1983, i.e. KUD Minajaya of Kecamatan Sumbermanjing. Even with 2000 people as members, only a small proportion of the kecamatan population would have been recruited as members of the cooperative, i.e. around 400 households per kecamatan, or less than three per cent of the total on average.

The designation of the 29 KUDs as Model KUD was done simply by the Bupati giving instructions to the Head of the Cooperative Office in Malang Kabupaten to issue such a designation in order to show the provincial government that the local government in Malang Kabupaten had been able to develop nearly all KUDs in its area as Model KUD. It was little more than a formal gesture.

Although some KUDs have demonstrated their ability to recruit many members, we should be cautious about accepting the accuracy of the numbers of members, as mentioned in Chapter Three. Many of the "members" are registered in name only on the membership list without actually knowing their rights or obligations as members. The KUDs in Malang have usually taken Rp 1000 from each farmer accepting Bimas credit, and they consider this money as a saving (simpanan pokok), i.e. the kind of money that should be paid to KUD if someone becomes a member.

This is the simplest way to recruit "members" without any need to know the farmers' opinion on whether or not they want to be members of the cooperative. While the farmers know that the KUD has taken their money, many of them are not aware that they thereby become members of KUDs. Many of them have never made contact

24 Biro Pusat Statistik, Sensus Pertanian 1983, pp.84-86.
25 There were 441,841 households in Malang in 1982, which means that 31 kecamatans averaged 14,253 households at that time. One household had five members on the average. "Kabupaten Malang Dalam Angka," 1982, op.cit., p.22.
26 Interview, the Head of Bimas Section at Cooperative Office in Malang, August 5, 1983.
with the KUDs either to buy fertilizer or sell their rice, and they never knew what was done with their savings because the KUDs never gave them information on that; nor were they invited to the annual meetings which, in fact, were also very rarely held.

The KUDs in Malang have simply become institutions through which the kecamatan elites control the working of the government-ordained cooperative for their own financial benefit. This development is similar to that observed by Timothy Mahoney in Central Java. Such elites built a kind of oligarchy in the cooperative in which nearly all channels for farmers' participation were closed. The details of management of the cooperatives were known only to their staff members and there was little possibility for farmers to learn anything about the management. The annual meeting (RAT) which, according to regulations, is to be a place for the KUD board to give reports on all their activities over a one-year period to all KUD members, as mentioned, was rarely carried out. Or, if it is, the farmers invited to the meeting are selected and limited only to those who have good relationships with the members of the board. Thus, opposition to the board is minimized.

In addition, the KUD boards sometimes occupy their positions for a long period. If there is any change in the management, it usually occurs through a system of rotation. Members of the board remain but their positions on it are changed. In this respect, good relations between the board and the local government officials, who have the power to determine the board membership, are most important. Therefore, the support of the local government officials is critical for groups using KUDs as their arenas for competition.

Groups involved in this competition are usually associated with the three political parties: the PPP, the PDI, and Golkar. Apart from the three political parties, there are two other government sponsored groups that are usually involved in the competition for influence on the KUD boards, i.e. the PEPABRI (Persatuan Purnawirawan ABRI, Association of the Retired Army Members), and the KNPI (Komite Nasional Pemuda Indonesia, National Committee of Indonesian Youth).

All the above points lead to the conclusion that the ordinary members are not important to the board of the KUDs; in fact the latter may even be reluctant to ask farmers to become involved in the cooperatives. The fact that farmers are not needed by KUDs can be seen from the way the KUDs go about purchasing rice for the food stockpile. The KUDs generally buy most of their rice from rice traders, obtaining only a small part of it from farmers directly. As a result, the farmers still prefer to sell rice to traders. Their reasons are mainly economic: if they sell rice to KUD, they have to pay

for its transportation from their sawahs to the KUD warehouses, while traders usually come to sawah areas to buy the padi.

The KUDs generally explain this state of affairs by saying that they lack personnel to buy rice directly from sawah. However, while this may be true, there is also a profit motive behind this action. By buying rice from traders, the KUDs are able to benefit from the transportation fee paid by the Sub-Dolog, without having to go to the trouble of seeking out the rice themselves, and this method enables them to avoid the red tape generally involved in rice purchasing activities (for detail on this, see Chapter Seven).

The domination by elite groups in KUDs, the lack of mass control, and perhaps the lack of government control over the management of the cooperative, has given rise to many cases of financial corruption carried out by staff members of the KUDs. Various techniques are used for this manipulation and unfortunately, some local government officials and officials of the Cooperative Office have also been involved in this kind of mismanagement. Examples of this will be given in Chapter Seven.

**The Working of Kabupaten Instansis: A Description and Analysis**

**The Political system and Program Implementation**

The superior power of the centre over the regions, which was discussed in Chapter Two, influences the implementation of the rice intensification and KUD programs in various ways, and creates all sorts of problems, as discussed above. One of the consequences of this power is that there is a tendency for local officials to give higher priority to the interests of the central government rather than to those of the regions themselves, or even of the groups which are the targets of the government’s program. In the case of rice policy, the power of the centre is most clearly manifest in the way local officials react to the central government’s instructions to the regions to achieve national and regional rice stock targets. This is one of the reasons of the government’s success in increasing rice production.

The national targets for rice production, areas and stock of rice, have to be achieved by regions as mentioned in Chapter Four, and they are rarely able to express serious objections to determinations made by the centre. This situation emerges because the environment within which the Indonesian bureaucracy operates often compels the local government officials simply to accept the orders given to them rather

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28 *Interviews:* the Head of Malang Diperta, June 23, 1983; the Head of Kediri Diperta, February 5, 1984; Ir. Taufiqurrachman, staff member of Bimas Section in East Java Province Diperta, November 15, 1983; Ir. Amrin Kahar, Deputy Secretary of BAKO Bimas, January 1, 1984; and Ir. Dadi Mulyadi M.Sc., staff member of Planning Bureau of BAKO Bimas, September 27, 1984.
than to express their inability to carry out such orders. So they appear to accept all instructions from above although this may in fact be a very different matter from ensuring that the orders are actually implemented. The important thing for them is to pass on the relevant instructions or targets to their subordinates and to be able to report later that their implementation has been achieved successfully. It seems that there is fear among the regional officials that any questioning of the targets and instructions from above will hamper their careers, which are highly dependent on the approval of their superiors.

Achievement of the targets of Bimas and the KUD, and also other development targets, are among the main yardsticks applied by superiors in evaluating the success of local government officials in administering their regions and in implementing the programs. Therefore, in Indonesia, the term of "to achieve the target" (mencapai target), by which is meant that a certain region has achieved development targets determined by the central government, is one that gives rise to pride for most local government officials. Their careers, for the most part, depend upon the achievement of their targets, since pembangunan (development) has been made a primary political slogan of New Order Indonesia. Hence, every effort will be made to show that targets have been achieved without any need to give much attention to how the programs are actually implemented.

What are the priorities in the targets of rice policy and the KUD? It seems from the various cases arising in the course of implementation of Bimas and KUD programs, that the priorities are not so much to improve the conditions of small farmers or other rural villagers, but simply to increase overall rice production, and to help the government in collecting the rice needed for the national stock. As can be seen in the case of KUD, for example, the authorities seem to ignore the questions of where the KUDs buy their rice from, and ignore also the problem of whether the cooperatives are really giving any benefit to the farmers or not. An adequate stock of rice is important for maintaining political and economic stability. Thus the achievement of the target is considered the most important thing affecting the whole process of program implementation and the attitudes of the local government officials towards the rice program.

The lack of concern on the government's part for the farmers' interests is made possible by the pattern of power relationships between the centre and the regions, and between the superior and the subordinate officials. The system of official appointment

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29 It is very dangerous for someone to be accused as an obstacle to development or penghambat pembangunan. He can be categorized as a subversive element or member of the PKI, the former Indonesian Communist Party. This accusation is very similar to the charge of being Kontra Revolusi or Anti-NASAKOM during the Sukarno period.
in Indonesia's New Order, has created a higher degree of subservience of subordinates to their superiors. The appointment of the Governor and the Bupati are, as mentioned in Chapter Two, carried out by the central government.30

The power of the superior authorities which is built into the system, is not limited to the right to select and appoint their subordinates, but also to replace them with other persons, if necessary. This is strengthened by regulations and laws concerning the government civil service which mention the need for all government civil servants to give their loyalties to the government, which is then translated as loyalty to their superiors.31 Furthermore, the powers of the Governors and the Bupatis, as mentioned in Chapter Two, are not merely limited to their immediate subordinates, but also extend over many other posts such as the appointment and replacement of members of the DPRD from Golkar faction, and the determination of the leadership of various government-sponsored organizations such as KNPI and even the KUD boards.

The above mentioned system may on the one hand be effective in creating and maintaining stability in rural areas by reducing the possibility of opposition from local officials. For instance, the success of the government's rice policy probably resulted in some degree from the fact that the production targets set by the national government were accepted without question by the lower-level officials. This achievement was made possible by the availability of an obedient bureaucracy at the regional level.

On the other hand, this high degree of subservience of local officials does not mean that they lacked power to implement the programs. In fact they have a great deal of freedom to choose various ways to achieve successful implementation of the programs, so long as they do not disturb the achievement of priority targets proposed by the centre. The local officials have, in fact, considerable freedom to use any methods they wish, including threats, force and compulsion, to achieve the targets set. The Bupatis frequently threaten the Camats that if a program is not executed successfully in the kecamatan, this will affect their careers; or the Head of Kabupaten Diperta gives a similar reminder to the Mantri Pertanian and to PPL. Such cases are found not only in

30 Appointments of Camats are made by the Bupati himself from among kabupaten staff members, without any need for agreement from the DPRD II. The Village Headmen, although they are elected directly by rural people in an election, are selected from a list of candidates which must be approved by the Bupati, and their appointments are validated by him. Even today, there is a continuing effort to reduce the autonomy of the village authorities. Whereas the village headmen were previously paid by the village community through provision of tanah bengkok (appanage land) and were thus not categorized as government servants, some village headmen today are appointed as government employees and receive salaries from the government. In Malang, sixteen village headmen were appointed as government civil servants in 1982.

31 Law No.8/1974 on Pokok-Pokok Kepegawaian; Government Regulation No.30/1980 on Peraturan Disiplin Pegawai Negeri Sipil; and Presidential Decision (Keppres) No. 82/1971 on KORPRI.
Malang but also in other kabupatens. In Kediri, for example, the Bupati sent an official letter to all Camats requiring that the KUD must be developed successfully, saying also that any failure to do so would affect the careers of the Camats.32

The attitude of the Bupatis toward the Camats is automatically imitated by the latter or by the Mantri Polisi (Deputy of Camat) in respect of their subordinates and of the farmers also. Sometimes, I saw Camats or Mantri Polisi threaten the village headmen or other staff members of village government. In one kecamatan, the Mantri Polisi said angrily to an old Kuwowo, who came too late to a meeting in the kecamatan office:33

Why are you late in attending this meeting? I sent you an invitation two days ago, did you receive it? Do you know that your action can be considered as an obstacle to development, and do you know what is the sanction for that? Do you know that on the basis of regional law (Peraturan Daerah) No.15/1981 the Camat can discharge you as an official of the village government?

It seems, however, that most government officials need to use compulsion or threats in order to overcome obstacles to the implementation of programs or the achievement of targets determined by the centre as promptly as possible. There are many possible obstacles to the Bimas program, ranging from refusal to plant the HYVs (particularly in the early years of the program) to refusal to plant a particular kind of variety on a block basis (tanam serentak). Officials say that these obstacles arise because most farmers are uneducated and thus do not understand the objectives of development programs introduced for the benefit of all Indonesians by the government. Sometimes, according to officials, the farmers are induced by particular interest groups to hamper implementation of the programs.34 As one Mantri Polisi points out:

Compulsion and threats are used in accordance with the social situation and the condition of each area...but for my kecamatan, in ninety per cent of cases these methods must be applied because the people here have little awareness of the objectives of development and it is difficult to get them to participate in development programs.

Threats and coercion rather than bargaining and persuasion, will be carried out most effectively in a society in which opposition or criticism are considered taboo. The DPRD is, in theory, a channel for the people’s aspirations, but since this body is not designated as a place for criticism of, and opposition to the government, but as a partner

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33 Kuwowo is a staff member of the village headman, who has responsibility over irrigation water. In other parts of Java, he is also named Jogotirto or Ulu-Ulu.
34 The interest groups here refer to two political parties (PPP and PDI) or to ex-members of PKI (Indonesian Communist Party).
to the executive, it has lost its supervisory role over the executive.\(^\text{35}\) In addition, the proportional representation system, combined with the list system applied in the election system in Indonesia, prevents people from choosing representatives known personally to them.\(^\text{36}\) This is because it is not they who select the candidates, but the parties. Furthermore, one-third of the DPRD members are appointed by the government in order to safeguard the position of the government party, Golkar, in those assemblies.

The DPRD itself has various internal weaknesses, particularly the DPRD II in Malang. First, most members of the DPRD II live in the town of Malang or in kecamatan capitals, and thus rarely make contact with rural people. Because of this and also because they are not known by the masses, most of the people's aspirations have been channeled, instead, through the local government apparatus (especially through the extension workers, in the case of farmers). Secondly, the level of education of DPRD members is generally lower than that of the executive staff and this affects their performance and ability to exercise any authority over the executive. This also results in a lack of ability among most of the DPRD's members to understand the people's aspirations and this gives rise to an impression among the people that the main motivation to become a member of the assembly is just to get the salary it yields.\(^\text{37}\)

The only relatively effective tool as a channel for public aspirations is the press. In Malang, the Bupati and his staff pay serious attention to news reports in the press, such as Kompas and a local newspaper, Suara Indonesia. Negative reports on Malang in the newspapers will cause embarrassment to the Bupati not only in the eyes of the provincial authorities but also in the eyes of the public in Malang. The staff of the Bupati, as also of the Camats, are particularly worried if there is bad news about the outcome of their activities, because the Bupati will admonish them on such matters.

However, this does not mean that newspapers have no limitations in their ability to channel public aspirations to the authorities. Quite the contrary: the government has power to censor any news classified as "dangerous" to national stability or the authority (kewibawaan) of the government. These stipulations have forced the newspapers to be

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\(^\text{35}\) Chapter Two of Law No.5/1974 on Local Government states that local governments of the Province and Kabupaten include the Governor and the Bupati, together with the DPRD I and DPRD II. This means that the DPRDs are not merely legislative bodies, as their name implies, but are also associated the executive branch of local government. See Chapter IV, Article 13, Point 1; and also "Hasil Penelitian Kedudukan dan Kewenangan Lembaga Eksekutif dan Legislatif Daerah, Suatu Studi Tentang Faktor-Faktor Yang Mempengaruhi Penampilan Politik DPRD." op.cit.

\(^\text{36}\) For discussion on the use of these systems in Indonesia, see M. Budiardjo, Dasar-Dasar Ilmu Politik, Jakarta: Gramedia, 1977, p.206.

\(^\text{37}\) Among people in Malang there is a joke that members of the DPRD generally apply the "Five D", i.e. Datang, Daftar, Duduk, Dengar, and Duit (Come to sessions then register their names, take a seat, listen, and collect sessional allowances).
very careful in selecting news items, so as to avoid any ban by the government. Apart from that, there is no established habit of using newspapers and other mass media as channels of protest or aspirations among the public, particularly the rural people.

The weakness of the DPRD and the semi-impotency of the press have created a situation in which implementation of development programs has resulted in a serious lack of popular participation and control, and these have caused the bureaucracy to be nearly uncontrollable, except from within its own internal circles. An uncontrolled bureaucracy thus tends to work arbitrarily. Yet the emergence of various "deviations" in the implementation of rice intensification programs and the KUD reveals that the bureaucracy cannot be adequately supervised just from within the bureaucracy itself. Such supervision needs to be carried out also by the people, or the target groups at whom the programs are aimed, through their participation in program implementation. However, popular participation, although it is an important element in any program's success, may not be regarded as very important in a program in which the objective is not the interests of the people but the interests of the government itself.

Problems of Responsiveness and Accountability

Another result of such subservience is that officials at both the national and local levels tend to ignore the opinions of their subordinates or target groups when they make decisions. When the BAKO Bimas was preparing a draft for a new structure of the Satpel Bimas Propinsi and Kabupaten, one staff member of the BAKO Bimas who had the job of preparing the draft, explained to me that the idea for the new structure came from his superior. In order to make the draft, he simply relied on his memories of his discussions of Bimas problems with officials at the local level, on the basis of which he made a random choice of two kabupatens in Central Java to obtain any further information necessary.

According this official, the information he got from those two kabupatens was sufficient to represent the opinion of other kabupatens. He said that he deliberately did not visit any other regions because it would have raised difficulties for him in finishing the draft as fast as possible. In his view, if he went to many other kabupatens he would have received too much information or too many proposals from them and that would have delayed the finishing of the draft.38

I found a similar attitude also at the kecamatan level. At a meeting of Satpel Bimas Kecamatan in one kecamatan, there was a discussion on a problem about whether the Camat should attend the RAPIMWIL in the kabupaten office before or after the

38 The draft was approved as a new structure for Satpel Bimas Propinsi and Kabupaten and has been in force since April 1984, although until September 1984 it did not apply yet in those regions.
sarasehan (discussion meeting) with Kontak Tanis. All staff members of the kecamatan proposed that the Camat should attend the RAPIMWIL before the Sarasehan on the grounds that farmers always have many proposals and these would only create difficulties for the Camat in the RAPIMWIL. Therefore, according to them, it was better for the Camat to simply give the instructions he received from the Bupati, to the farmers in the sarasehan.

This sort of subservience has also created a situation in which the subordinates always try to make their superiors happy. This attitude has an impact on the quality of reports made by the subordinates. Many reports merely describe situations that are satisfactory, but they tend to conceal any bad things occurring in the course of implementation of a program, insofar as the problems are not too serious and will be able to be resolved later. This is done just to avoid causing any dissatisfaction among their superiors which may hamper the promotion of the subordinates. In Indonesia, these kinds of reports are called "Asal Bapak Senang" (ABS) reports.

Programs Assigned Priority; the Seriousness and Continuity of Supervision

This uncontrolled bureaucracy, as I have mentioned, tends to work arbitrarily, because there is no public control over its operations. One of the consequences of this situation has been a lack of serious supervision over the implementation of rice policy and the KUD, even though supervision over the course of the implementation process is a crucial precondition for any program's success. The problem of supervision is connected with the amount of attention given to the programs by officials. Here the role of the Bupati is crucial for the program's success, because as the head of the kabupaten, his attention and activity with regard to program implementation will affect the performance of his subordinates. A Bupati who gives much attention to a program usually succeeds in accelerating the implementation of the program because he becomes actively involved in the process; hence his staff will also give more attention to its effective implementation.

However, the attention of the Bupati is also affected by his degree of interest in a particular program; and in Malang, this interest is influenced by the priority given by the centre toward such a program and by the length of the program. A program given priority by the centre will also get much attention from the Bupati because it will usually attract more funds and facilities than other non-priority programs. On the other hand, a program which has been conducted for several years will be given less attention than a new program.

The attention given by the Bupati to a program can be seen inter alia in the ways he conducts checks on its implementation. The Bupati of Malang (at the time of this research) rarely made any direct personal checks on the implementation of Bimas and
KUD, and rarely attended the monthly meetings of the Satpel Bimas Kabupaten. In this, he differed from his predecessor who, according to kabupaten officials, gave instructions that the meetings be held every week, and always attended them.\(^{39}\)

During the 64 weeks of my research, the Bupati attended meetings of the Satpel Bimas Kabupaten only twice, in order to deal with particular problems that needed his intervention.\(^{40}\) The Bupati said he rarely attended the meetings because continuous or daily supervision on Bimas and KUD programs was no longer needed, since the programs had been carried out for some years by them and all members of the Satpel Bimas Kabupaten and Kecamatans knew their tasks properly. Continuous supervision, according to him, would only suggest a lack of confidence in the capabilities of his subordinates.\(^{41}\)

Some Camats explained that the Bupati usually made indirect checks on the implementation of rice policy and the KUD, or in their terms, the Bupati used a "sistem komunikasi berjembatan", that is, he checked on problems of program implementation only with his staff or with the Camats, but rarely checked rice policy implementation or the KUD program directly himself. This does not mean that the Bupati never visited the villages, however. In fact, he quite often made such visits, but generally to check implementation of other development programs, particularly the INPRES Programs.\(^{42}\)

The attitude of the Bupati toward Bimas and the KUD programs affected the attitude of most of his staff in the Satpel Bimas Kabupaten. The Head of Malang Diperta and Head of the Economic Section in the Kabupaten Office, the two most important officials in the implementation of the programs, very rarely made visits to

\(^{39}\) *Interview*, the Head of Plant Protection Section in Malang Diperta office, who was also the former Secretary of Satpel Bimas Kabupaten Malang, February 2, 1984.

\(^{40}\) At his first meeting, he solved a problem of coordination between the Diperta and Plantation office (*Dinas Perkebunan*). This involved a problem in which the area of the sugar intensification program (TRI), which comes under management of the Plantation office, had been extended beyond the area of rice. The Bupati gave instructions to Head of Plantation office to recheck the areas of TRI, and asked him to reduce the areas. At the second, the Bupati asked the Head of District Court about the possibility of bringing to the court various local government functionaries involved in credit manipulations. This problem needed cooperation between police, public prosecutor, the court and kabupaten office, which could not be handled merely by the Satpel Bimas Kabupaten.

\(^{41}\) *Interview*, August 3, 1983.

\(^{42}\) I often followed the Bupati’s visits to kecamatans and villages, and I found that most of the visits were carried out to attend opening ceremonies, or official ceremonies associated with the INPRES Projects. From the schedule of the Bupati’s daily activities in Public Relations Section in the kabupaten, it could be seen that most of his activities were involved with the INPRES Projects. Some kabupaten officials explained that the Bupati gave much more attention to the INPRES projects than to Bimas and KUD. According to them, the Bupati was known as one who always carried tools such as crowbars in his car to check the quality of roads or buildings implemented through the INPRES program.
kecamatans or villages to check the implementation of Bimas and the KUD, at least during my period in Malang; and this situation was confirmed by the Camats. According to the Camats, the two officials seemed to accept the reports given by their subordinates, and if there were any obstacles to the programs, they simply asked staff members of their offices to check it. This attitude arose not because they are too low in rank to have much authority in the villages compared with the Bupati but mainly just because of a reluctance to carry out the direct personal supervision over the implementation of the program. Factors behind this reluctance will be clarified in another section.

The Cooperative Office seems also to have lacked any serious commitment to supervising the development of the KUD. Meetings were held by the Head of the office with the CPNS every Monday morning, and occasional visits to the KUDs were carried out by staff members of the office, especially at the end of the fiscal year (February, March, and April), to check the management of the cooperatives. However, the adequacy of these checks must be doubted because the visits lasted only one or two hours for each KUD. This lack of seriousness in carrying out supervision has given rise to various types of deviations and financial corruption in the KUDs.

I often followed the visits of the staff members of the office to the KUDs. On these occasions, there were checks on the KUD bookkeeping, or questions about the KUD situations, or suggestions about how to solve problems. In one KUD, I heard the Head of one section in the Cooperative Office ask the chairman of the KUD about where he kept some Rp.400,000 (the balance of transactions made by the KUD and registered in its bookkeeping) because the official did not see the money in the safe deposit box. The chairman of the KUD answered calmly that the money was not in the box, but in the house of the KUD treasurer. The official explained that such an action was wrong and the money should be returned to the box. The chairman of the KUD and the treasurer nodded and the inspection was concluded with laughter and lunch. Other examples of KUD problems will be related in Chapter Seven.

There is a tendency among the officials of the kabupaten down to the village level to conceal problems and avoid their duties insofar as they are not known by the superiors. Some extension workers (PPL), for example, complained that their reports on lack of fertilizers or seeds often got no response from those responsible for distribution of these production inputs. The Camats and other officials, according to them, would always say, "Yes, the reports will be sent to the kabupaten office," or officials at kabupaten level would say, "The reports will be sent on to the province." But often

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43 CPNS = Calon Pegawai Negeri Sipil, Candidate of Civil Servant; i.e. an employee of the Cooperative Office seconded to each KUD.
there were no further actions. The situation would be different if officials from Jakarta or the Governor of the province suddenly discovered some problem during their on-the-spot checks, or if there was a serious and widespread problems such as the attacks of *wereng* reported by the press.

In such a situation, the kabupaten officials would take actions to remedy the problems very speedily. In this situation, coercion and threats are sometimes used against subordinates. Nearly all problems in the program implementation are handled with this kind of "shock therapy" method, which can itself be regarded as evidence of a serious lack of checking. Moreover, the discovery of billions of rupiah of credit arrears and similar discrepancies found in the planned and actual figures for Inmas in Malang from 1971 to 1974 (see asterisked figures in Table 5-4 on page 113) are other indications of the lack of seriousness in checking.

The reluctance of many officials to conduct direct checks and to give serious supervision to program implementation are caused by several factors. For the government officials at the regional levels, both Bimas and the KUD programs are merely two out of many development programs that have to be conducted simultaneously. Therefore, many of them complain about the heavy burden of their jobs. The Bupati, the Camats and several Office Heads, all say that they have too many duties to be handled at the same time. As a result, according to them, they are unable to concentrate on a particular program because so many different development programs need their attention.

Both Bimas and the KUD programs have been implemented for many years now, and have given rise to weariness among the implementers, because much of the work related to the programs has become routine. As explained by the Head of Dipertas of Malang and Kediri Kabupatenes:

> Many tasks of implementing Bimas have become routine. Reports from below, especially figures on area, are made by repeating the old figures, and the reports are just made by filling the columns in various forms prepared.

> The enthusiasm found at the beginning of the programs' implementation has decreased, according to the officials, because the challenges faced in the early stages have also decreased, and this also contributes to the emergence of this weariness.\(^{44}\)

\(^{44}\)One of the challenges arising early in the Bimas program was, for instance, the refusal of farmers to plant the new high yielding varieties in preference to the traditional types.
Lack of Facilities, Personnel, and Resources

Most of the offices implementing the Bimas and KUD programs lack adequate facilities and personnel, and most office heads complain about these problems. Official cars were sold to them in 1982, thereby becoming private cars, but without any subsidy for petrol and maintenance. Thus it can be understood that with their low salaries, they rarely make visits to kecamatans or villages. If they should go to the villages, there is a habit among them of asking the village headmen for some thousands of rupiah for petrol (in Indonesian terms: "Uang Bensin") even though the latter also generally lack official funds for this contribution.

The local government officials involved in the Bimas program have previously received, as an incentive, an allowance in addition to their salaries, ranging from Rp 15 thousands to Rp 30 thousands a month for each. However, this allowance was abolished in 1980; according to officials of Kabupaten Diperta, although this money was small in amount it was in fact important in maintaining the enthusiasm of the staff for the implementation of the program.45 On the other hand, the INPRES projects offer new chances for financial benefits for the kabupaten officials through tenders on new projects and gifts from contractors to them if the contractors hope to win the tenders. Although it is difficult to prove, rumours among officials and contractors mention that some money (uang pehcin) must be given to the officials to win the tenders.46

Although many tasks of implementing the program have become routine, there are others which still need to be carried out with serious commitment and unfortunately, in these matters, the program often suffers from a shortage of personnel. At the kabupaten level, for example, there was only one staff member for plant protection at the Diperta office in 1984, who had to go to each kecamatan, and only two personnel at the kabupaten office, as mentioned above, for handling the credit arrears. To coordinate and supervise the works of the PPLs, as mentioned in Chapter Four, there are only two PPMs in each WKBPP: the PPM Programmer and PPM Supervisor. In fact, many of these PPM Supervisors rarely visit the WKPPs to check the work of the PPLs, although they are given motorcycles. Most of their time is spent in carrying out administrative jobs, such as making the weekly reports to the Kabupaten Diperta, or arranging training for the PPLs.

45Interviews, the Head of Malang Diperta, June 13, 1983; and Secretary of Satpel Bimas Kabupaten Malang, May 30, 1983.
46Two staff members of BAPPEDA (Badan Perencana Pembangunan Daerah, Regional Planning Office) in Malang and one in Kediri explained that in most kabupatens there are groups of contractors which have close relationships with the Bupati and kabupaten officials. Tenders will always be won by members of these groups in rotation. The rotation is maintained just to camouflage the "relationship" between the kabupaten officials and the contractors. Certainly, these involve some money for gifts to the officials.
Apart from that, the PPM are also very busy compiling weekly reports from the PPLs, so that apparently they do not give much attention to the reports. At the Kabupaten Diperta level there is a Head of the Extension Section as superior of the PPMs and PPLs. He is assisted by four staff members who are also engaged in compiling weekly reports from the PPMs for the Head of the Diperta. Hence, there is little possibility for them to give serious attention to such reports and this also is a factor contributing to the unreliability of the reports.

The unreliability of reports is also aggravated by lack of facilities. In each kecamatan, there is one Mantri Pertanian and one Mantri Statistik, who generally make their weekly reports on the rice intensification areas on the basis of reports from the Carik Desa (secretary of village) and the Kuwowo. Very often their reports differ from those of the PPLs. Such differences occur because there is no common yardstick to measure the development of the areas, and it is done only on the basis of observations (pengamatan), while there is inadequate checking, or even none at all, into the reports from the Carik Desa and the Kuwowos.47

One Mantri Pertanian and one Mantri Statistik, most of them equipped only with bicycles, are insufficient for checking the intensification areas throughout the kecamatan every week. Thus, as was pointed out to me by one Mantri Statistik, "I just accept the reports of the Carik Desa." The PPL themselves also make their reports on the basis of their observations during their visits to villages. The existence of two different reports in one office, therefore, is often confusing, but the Diperta officials usually use the reports from the Mantri Pertanian as its basic report to the province.

The number of extension workers is also insufficient. Although the number of extension workers (PPL) who are responsible for providing guidance and information in agricultural techniques, increased from 49 in 1976 to 93 in 1983, they are still insufficient to provide the necessary service for all farmers' groups in their respective areas. As mentioned in Chapter Four, one PPL is responsible to give guidance for farmers' groups in one WKPP (i.e. 16 Farmer's Groups, involving 3,600 to 6,400 farmers). In fact, one PPL is only able to give guidance to 5 or 6 farmers' groups, totalling 2,000 to 3,000 farmers effectively. Therefore, many farmers have no contact at all with the extension workers, and where they do apply the new agricultural techniques, this is because they learned about them from other farmers.

The above situation arises because most of the PPLs are not provided with transportation and housing. Therefore, the farmers' groups which have generally been adequately developed are merely those located in the villages close to the kecamatan.

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47 Interviews, some Mantri Polisi and Mantri Statistik.
capitals where most of the PPLs live. Among the 93 PPLs in Malang Kabupaten, only 30 have been given motor cycles and receive subsidies for petrol and parts from their offices. The others have had to buy motorcycles for themselves, and ironically they were not even given any contribution toward petrol and parts. Due to the inability of the government to provide housing for the PPL, most of them then prefer to stay in the kecamatan capitals, or live in Malang town with their parents or parents in-law, hence quite far away from their job areas (WKPP). 48

This lack of mobility has resulted in lack of effectiveness of their work and in difficulty in meeting anyone except their chairmen (the Kontak Tanis) of the farmers’ groups. The lack of mobility is further aggravated by the attitude of the Camats, who often give the PPLs jobs beyond their main tasks of agricultural extension. They are often asked by the Camats to help the kecamatan in, for example, preparation of village competitions (Lomba Desa) and other such occasions, or in preparation of the celebration of Indonesian independence day every 17th August and other administrative tasks.

The Head of the Diperta of Malang Kabupaten urged the Camats at several meetings to free the PPLs from such other tasks and to give the administrative duties to the Mantri Pertanian as the official who was specially appointed to carry out the administrative duties of the agricultural office. But it is a fact that the Camats generally prefer to contact the PPLs rather than the Mantri Pertanian, because the Mantri generally have lower educational level than the PPLs. Other examples of this sort of situation will be given in Chapter Six.

The lack of personnel and facilities is also found in other offices. To give guidance to KUDs, the Cooperative Office recruited high school graduates as PKL, but their number is even smaller than the PPL. In Malang, there were only ten PKLs in 1984, and this number was certainly insufficient to provide guidance to 33 KUDs. 49 The number of Jupen of the Kantor Penerangan (Information Office) was also insufficient and they were burdened by various duties. In each kecamatan there were two Jupens only in 1984, who had the task of spreading information to rural people on various development programs, including Bimas and the KUD. Their various jobs included, for example,

48 In August 1984, several PPLs were moved to other kecamatans as part of the tour of duty carried out for the first time in Malang for the PPLs. They generally felt frustrated with this tour of duty because they must themselves pay for transportation and new housing in the new kecamatan. Hence, most of them decided to remain in their old kecamatans and go every day to their new WKPPs by motorcycle. This reinforced their immobility, but they had no alternative.

49 The lack of PKL was also found in Kediri and Jember. In Kediri, there were also ten PKL for 27 KUDs, and in Jember there was not one PKL for 76 KUDs in 1984. To do the jobs of the PKL, the Head of the Cooperative Office of Jember had appointed 8 staff and placed them in various kecamatans with the task of giving guidances to the KUDs. Interview, the Head of Cooperative Office of Jember Kabupaten, February 16, 1984.
organizing the *Kejar* (*Kelompok Belajar*, Learning Groups), a program of the Ministry of Education; organize the PKK and LKMD of the Ministry of Home Affairs; and organize groups of *Sipedes* (*Siaran Pedesaan*) of Radio and Television.\(^5\)

### Problems of Coordination

Weaknesses in monitoring and obstacles to the implementation of Bimas and the KUD are caused also by weakness in coordination among the various offices involved in the programs. These weaknesses still existed, despite an attempt to reduce them through the Law No.5/1974. The Bupati, according to the Law, as mentioned in Chapter Two, is the sole administrator of the kabupaten. This means that all offices in the kabupaten must be under his coordination. In fact, some vertical offices\(^6\) are relatively difficult for him to coordinate. Of course, the offices do not refuse the instructions of the Bupati openly, but they are sometimes reluctant to give regular reports to the kabupaten office and pay more attention to their departmental superiors, who will have greater influence over their career prospects.

In the case of Bimas and KUD, for example, the Economic Section of Kabupaten Office which has the task of compiling regular reports from the offices involved in the programs, finds it difficult, in fact, to get the reports, and not all data on the programs can be found in the section. Thus people who need to know this data must go to the offices involved in the programs. It seems that there is still a feeling among the heads of the offices that the Bupati is not their direct superior. Therefore, I sometimes saw the Head of the Economic Section confused, having to call angrily to the staff members of one of the offices to ask for data needed by the Bupati. The officials in Malang said that this weakness is caused by the "egocentrism" of the vertical offices.

The Camats, as mentioned in Chapter Four, also have difficulties in coordinating several offices, especially the vertical offices in kecamatans, due to such egocentrism. This is also aggravated by difference in ranking between the Camats and some heads of the vertical offices in the kecamatans. Some of them, in fact, have higher ranks than the Camats who, according to Law No.5/1974, are the sole administrators of the kecamatan. This difference gives rise to a reluctance by the heads of offices to recognize the superiority of the Camats. Hence, it is sometimes found that meetings on development programs carried out by the Camats were not attended by the heads of those offices, who were merely represented by subordinate staff.

Apart from that, difficulties in coordination are created by the Camats themselves. An example of this can be found in the kecamatan’s efforts to reclaim the Bimas credit.

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\(^5\) *Interview*, the Head of Propaganda and Agitation Section of Information Office of Malang Kabupaten, February 13, 1984.

\(^6\) Offices of the Central Government Ministries at regional level.
Sometimes these efforts were inadequately conducted, because at the time the claims were to be made, the head of the village unit bank (BRI) refused to come forward to lead the process, although the Camat and other members of the Satlak Bimas Kecamatan attended. The bank officials explained that their reluctance to attend on these occasions was because the Camats and members of MUSPIKA usually asked for payments for such activities. The bank, in fact, was given no authority by its superior, the BRI Cabang of Malang, to make such payments.

On the other hand, the Camats and the members of MUSPIKA have their own reasons for making these demands. They assert that credit distribution and collection are the duty of the BRI and not their job. The BRI, according to them, gave no reports on distribution of the credits to Satlak Bimas Kecamatan and thus the Camats and the MUSPIKA did not know about the amount of credit or to whom it had been distributed. Only when the problem of arrears was raised, would the bank then ask for their help. Hence, it was fair, they argued, for them to ask for payments.

Rewards and Sanctions

The declining enthusiasm of most local officials in implementing rice policy is not only because of the abolition of incentives, but also because promotions for them are difficult. This is especially experienced by those who are categorized as local government employees (pegawai daerah). For example, the Secretary of Satpel Bimas of Malang Kabupaten (MA in Agriculture), was still classified as a provisional civil servant (calon pegawai negeri) in the Kabupaten Diperta office 10 years after his appointment. In his position, he only receives 80 per cent of the standard civil service salary per month, and has no chance of promotion.

Therefore, he seems reluctant to carry out his tasks, and in one meeting with the Bupati, he was thrown out of the meeting because the Bupati was disappointed with his laziness as he was unable to finish many of his tasks. Also, when he attended a training course conducted by BAKO BIMAS in Jakarta, he spent most of his time there not attending classes, but looking for another job. However, he was not successful. When I left Malang in September 1984, he was still frustrated and still wanted to leave the Diperta office. This situation emerges because the regional government (the province) has limited capacity to appoint more employees while the need for more staff has increased. Apart from this, promotion for higher ranks is often hampered by red tape.

Furthermore, the emergence of deviations and obstacles in implementation of Bimas and the KUD is also caused by the lack of strict penalties for those guilty of rule

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52 This story was told to me by the Secretary of Satpel Bimas of Kediri Kabupaten who also attended the training course.
infractions in the implementation process; in fact, it can be said that there are simply no sanctions at all. In the case of *Bimas Fiktif*, as I have mentioned, no government employees involved in these cases have ever been sent to the courts, while in the case of credit arrears, there were only ten village officials sent to court from among 307 government employees who were in debt, although there was a special team (TKPPKPM) with power to handle the credit problems. Also, there has been no effort to investigate and to punish staff members of the SubDolog who manipulated the quality of rice (rendemen) for their own personal benefit, although that scandal was publicly known (See Chapter Seven for details of this affair).

In addition, in the cases of corruption in the KUDs, no action was taken to remedy the scandals. In the case mentioned where Rp 400,000 of the KUD’s money was kept in the house of the KUD Treasurer, there was no action from the Cooperative Office to prosecute or to charge the KUD board although this action was the kind of mismanagement leading towards financial corruption. Furthermore, there was no further action from the Cooperative Office staff to check whether the money was ever returned to the safe deposit box or not. In another case of financial scandal perpetrated by one CPNS, the Cooperative Office also took no action either to send the CPNS to court or to discharge him as a staff member of the office. The local cooperative office merely returned him to the Kabupaten Cooperative Office in Malang and replaced him with another CPNS. Similar cases of financial scandals in the KUDs can be found in Chapter Seven.

This lax attitude is made possible by the fact that there is no clear definition about what actions can be categorized as rule infractions in terms of the program implementation directives and what kind of charges can be made. For example, there is still confusion whether the delinquents who have not repaid Bimas credits will be considered as criminals or not (see also Chapter Six on Credit Arrear problems). Furthermore, although there are regulations providing for punishment, they are often difficult to apply because the pattern of relationships between superiors and subordinates is informal and personal. The above mentioned case of checking on the KUD, in which the check then terminated with laughter and lunch without any effort to return the money, is one example of the informal relationship between the superior and the subordinate.

The government has made various efforts to improve the quality of supervision over the work of the government bureaucracy, among other things, by establishment of the Inspectorate General from national down to kabupaten level. At the level of the province, there is the ITWILPROP (*Inspektorat Wilayah Propinsi*) to supervise the use of the provincial budget and budgets of development projects. At kabupaten level, there
is the ITWILKAB (Inspektorat Wilayah Kabupaten) with a similar task. It is widely known, however, that supervision made by the inspektorat is not very effective. There is no case in East Java in which the Bupatis or other heads of offices at the provincial and kabupaten level have been discharged by the Governor on the basis of reports from the ITWIPROP.

At Kabupaten level, some village headmen have been discharged because of financial scandals reported by the ITWILKAB to the Bupati. However, it is also widely known that a few thousand rupiahs given by the Camat or village officials to staff members of the ITWILKAB will save them from the charges. Apart from that, the weakness of the ITWILKAB also lies, according to one staff member of this body, in the low level of sensitivity, by most of the Itwilkab's staff members, towards cases arising, and the lack of mobility of the body due to lack of personnel. However, the main weakness of the body, as mentioned above, may lie in the relationships among the local officials. The Camats, for example, are of a similar level to those in the ITWILKAB and often they are close friends. There is a possibility that one day a Camat will be returned to the kabupaten office and appointed a staff member of the ITWILKAB. On the other hand, there is also a possibility that the staff of that body will later be appointed a Camat.

In conclusion, many of the difficulties and weaknesses in implementation of Bimas and the KUD programs can actually be referred to the overcentralized system of administration. The overcentralization of administration gives rise to a situation in which the interests of the centre rather than regions have to be given priority. This overcentralization is made possible by the 1974 Law on Regional Government which provides that the head of local government is the organ of the centre, and that the local representative body is merely the partner, not the supervisor of the executive.

In addition, other government regulations then determine that the appointment and career of the local officials is very much dependent on the centre. As a result, the main objective of the local officials in implementing the development programs is to achieve the priority targets determined by the centre, because that affects their careers and their future. In other words, the system has created a high degree of subservience to the centre in the regions, and of the subordinates to their superiors.

54 Interview, Head of Government Section of Malang Kabupaten, July 16,1983.
55 Interview, Head of Administration Subsection of ITWILKAB of Malang Kabupaten, February 13, 1984.
This subservience has created a situation in which local officials tend to ignore the opinions of subordinates and the interests the rural people. Hence, threats and coercion have become a part of their activities to achieve targets. These two methods can be applied effectively because opposition is prohibited and channels for the expression of the people’s aspirations are limited. As a result, the bureaucracy has been uncontrolled because there is a lack of popular participation in the program implementation.

The overcentralization of the administration gives rise also to a common attitude among the government officials of ignoring the problems of how the programs are implemented, as well as a wish to remedy the weaknesses found in the implementation of the programs. Thus, although the Bimas and the KUD programs have wrestled with lack of supervision, facilities, personnel, resources, and coordination which have at times hampered the implementation process, no effective action has been taken to remedy these weaknesses, even though they have already been well known to the officials. Action to remedy those weaknesses is not considered a high priority task, so long as the primary targets of increasing rice production and ensuring adequate rice stocks are achieved.
As I travelled to Tumpang, there were around sixteen passengers in the Daihatsu minibus I was riding, while the capacity of the small car was only eight passengers. In Pakis, the car stopped to take on a new passenger in front of a policeman who was riding his scooter. He looked at the car and acted unconcerned at the rule infraction, started his scooter and continued his journey. Perhaps many local officials have acted like the policeman when they have been making checks on Bimas and KUD implementation.

This chapter will describe and analyse the implementation of rice intensification programs in five kecamatans in Malang. Two kecamatans in the north (Tumpang and Jabung) and three in the south (Kepanjen, Sumberpucung and Pakisaji) of Malang Kabupaten have been chosen as objects of this study. The objective of this chapter is to provide some examples of how policy is implemented at kecamatan level, the third level of local government in Indonesia. After describing some general features of the kecamatans, an analysis of the results of the rice intensification program will be provided.

General Description of the Five Kecamatans

Kecamatan Tumpang lies around 20 kilometers to the east of Malang town. The road connecting Malang town to the capital of this kecamatan is relatively good and there is frequent public transport with Colts or Daihatsu minibuses. In 1982, Kecamatan Tumpang had 14 villages and 14,000 households. It is not an especially fertile kecamatan although it is one of the major rice production areas in the northern part of Malang; the area of dry land (tegal) is greater than the sawah area. The sugar and coffee are two major plantation commodities planted in Tumpang. The sugar area covered 707 hectares (the second highest after Pakisaji) and produced 40 tons in 1982; while the coffee area covered 102 hectares and produced 60 tons in 1982 (see Table 6-1 on page 141).

The total area is 64.80 sq.km., of which 3,579 ha are dry land, 1,688 ha are sawah,

Table 6-1: Plantations & Production in Five Kecamatans, 1982

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tumpang</td>
<td>707</td>
<td>102</td>
<td>60</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>Jabung</td>
<td>446</td>
<td>20</td>
<td>365</td>
<td>201</td>
<td>7</td>
</tr>
<tr>
<td>Kepanjen</td>
<td>340</td>
<td>15</td>
<td>8</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Sumberpucung</td>
<td>484</td>
<td>21</td>
<td>156</td>
<td>132</td>
<td>6</td>
</tr>
<tr>
<td>Pakisaji</td>
<td>750</td>
<td>33</td>
<td>8</td>
<td>4</td>
<td>0.3</td>
</tr>
</tbody>
</table>


766 ha are village areas, 26 ha free plantation, while the rest is forest. Yet rice production in Tumpang (17,885 tons in 1983) was higher than that of its neighbour, Kecamatan Jabung (13,776 tons in 1983), although it is lower than three other kecamatans (See Table 6-3 on page 143).

Tumpang is, also, a rather well-developed region with relatively good educational facilities compared to those of its neighbour, Kecamatan Jabung (see Table 6-4 on page 144), and there is even one private institute at tertiary level, the Institute of Teaching and Educational Science (IKIP = Institut Keguruan dan Ilmu Pendidikan) established by PGRI. The population is relatively dense, i.e. 914 per sq.km. in 1982, with a moderately high rate of growth of around 1.6 per cent annually between 1970 - 1980 (see Table 6-2 on page 142).

Kecamatan Jabung is a much poorer region, located approximately 20 Km from Malang town to the northeast. The area of the kecamatan is 126.80 sq.km, most of it consisting of dry land, i.e. 3,521 ha compared to 1,171 ha of sawah; 688 hectares are used for village areas; 393 hectares for plantation and 6,907 hectares were classified as forest in 1981. In this kecamatan there were 15 villages and 11,905 households in

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2 Ibid., pp.4-5.
3 Persatuan Guru Republik Indonesia or Indonesian Teachers Association.
4 Kabupaten Malang Dalam Angka, 1981 & 1982, op.cit., pp.3-4 & pp.4-5. Data of Kecamatan Office of Jabung shows some different figures on the use of land in the kecamatan. In 1981, area of the kecamatan, according to the office was 13,549 hectares. The area has been divided into 793.5 hectares for village areas, 1,170 hectares for sawah, 3,633 hectares for tegal, 9.0 hectares for plantation, and 7,929 hectares of forest. Kecamatan Jabung, Laporan Data-Data Kecamatan, Unpublished Report to Bappeda of Malang Kabupaten, 1981.
Table 6-2: Area, Population and Sawah Area of the Five Kecamats, 1982

<table>
<thead>
<tr>
<th>Kecamatan</th>
<th>Area (sq.km)</th>
<th>Population (sq.km)</th>
<th>Geogl. Density of Population (sq.km)</th>
<th>Rate of Popl. Increase 1970-1980 (% / Yr)</th>
<th>Sawah Area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tumpang</td>
<td>64.80</td>
<td>59,198</td>
<td>914</td>
<td>1.6</td>
<td>1,688</td>
</tr>
<tr>
<td>Jabung</td>
<td>126.80</td>
<td>51,051</td>
<td>403</td>
<td>1.5</td>
<td>1,171</td>
</tr>
<tr>
<td>Kepanjen</td>
<td>56.60</td>
<td>76,296</td>
<td>1,348</td>
<td>1.6</td>
<td>3,055</td>
</tr>
<tr>
<td>Sumberpucung</td>
<td>85.90</td>
<td>85,192</td>
<td>992</td>
<td>0.3</td>
<td>4,808</td>
</tr>
<tr>
<td>Pakisaji</td>
<td>44.65</td>
<td>53,949</td>
<td>1,208</td>
<td>0.6</td>
<td>2,295</td>
</tr>
</tbody>
</table>


The poor condition of the soil has the affect of making the level of rice production in this kecamatan the lowest of the five kecamatans (see Table 6-3 on page 143). Coffee and sugar, in this kecamatan, are also two main plantation crops. The area under sugar covered 446 hectares and produced 20 tons in 1982, while the area of coffee was 363 hectares and produced 201 tons in the same year (see Table 6-1 on page 141).

The capital of this kecamatan is not a centre of business activities and transportation to it is relatively difficult, although the main road is quite good. However, the roads to many villages are in very bad condition. Most of them are without asphalt, and many bridges are made from bamboo. The situation and condition of the kecamatan capital gives the impression that Jabung is one of the less developed and more isolated kecamatans in kabupaten Malang, especially in comparison with its more prosperous neighbours, Pakis and Tumpang. There were only 66 small shops in the kecamatan capital in 1980, and there was no cinema as in Tumpang.

The population density of this kecamatan is the lowest among the five kecamatans, i.e. 403 per sq.km., in 1982, but its rate of growth is relatively high, 1.5 per cent per annum between 1970-1980 (see Table 6-2 on page 142). Educational facilities

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6 There is very little public transport that directly connects Malang town with the capital of this kecamatan, only some ojeks (motorcycles which are used to carry passengers) or dokar (two-wheeled, horse-drawn carriages) that can be hired from a market in Kecamatan Pakis. Sometimes there are Colt or Daihatsu minibuses from the market but they are very rare.
Table 6-3: Production of Rice in the Five Kecamatan, 1970-1983 (tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Tumpang</th>
<th>Jabung</th>
<th>Kepanjen</th>
<th>Sumberpucung</th>
<th>Pakisaji</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>7,258</td>
<td>5,670</td>
<td>19,919</td>
<td>20,704</td>
<td>9,604</td>
</tr>
<tr>
<td>1971</td>
<td>7,954</td>
<td>6,120</td>
<td>22,544</td>
<td>20,444</td>
<td>11,156</td>
</tr>
<tr>
<td>1972</td>
<td>9,144</td>
<td>5,548</td>
<td>23,806</td>
<td>21,648</td>
<td>9,845</td>
</tr>
<tr>
<td>1973</td>
<td>9,531</td>
<td>9,945</td>
<td>26,095</td>
<td>23,633</td>
<td>12,087</td>
</tr>
<tr>
<td>1974</td>
<td>9,699</td>
<td>11,019</td>
<td>29,113</td>
<td>25,026</td>
<td>13,688</td>
</tr>
<tr>
<td>1975</td>
<td>10,969</td>
<td>8,418</td>
<td>30,962</td>
<td>27,539</td>
<td>12,968</td>
</tr>
<tr>
<td>1976</td>
<td>14,219</td>
<td>8,656</td>
<td>34,807</td>
<td>29,567</td>
<td>13,018</td>
</tr>
<tr>
<td>1977</td>
<td>13,350</td>
<td>10,032</td>
<td>32,691</td>
<td>30,587</td>
<td>13,096</td>
</tr>
<tr>
<td>1978</td>
<td>14,520</td>
<td>13,197</td>
<td>34,120</td>
<td>29,576</td>
<td>13,821</td>
</tr>
<tr>
<td>1979</td>
<td>16,320</td>
<td>8,046</td>
<td>36,770</td>
<td>34,059</td>
<td>11,538</td>
</tr>
<tr>
<td>1980</td>
<td>17,217</td>
<td>11,194</td>
<td>36,120</td>
<td>32,253</td>
<td>20,340</td>
</tr>
<tr>
<td>1981</td>
<td>17,958</td>
<td>11,157</td>
<td>36,450</td>
<td>38,629</td>
<td>21,839</td>
</tr>
<tr>
<td>1982</td>
<td>18,900</td>
<td>13,049</td>
<td>40,704</td>
<td>31,279</td>
<td>18,474</td>
</tr>
<tr>
<td>1983</td>
<td>17,885</td>
<td>13,776</td>
<td>39,743</td>
<td>34,146</td>
<td>19,418</td>
</tr>
</tbody>
</table>

Sources: Kantor Kecamatan Pakisaji and WKBPP of Kepanjen and Tumpang.

are also worse than those in the other kecamatans, especially at the high school level (see Table 6-4 on page 144). Therefore, those who want to continue their studies at the high school need to go to Tumpang or Pakis.

The other three kecamatans (Kepanjen, Sumberpucung and Pakisaji) are situated south of Malang town, Kecamatan Kepanjen being 18 Km away from Malang town. The town which is the capital of this kecamatan lies on the main road connecting Malang, Pakisaji, Kepanjen, Sumberpucung and Kabupaten Blitar. This is a prosperous region, with a fast developing town as its commercial centre. The town is also a stopping place for buses and minibuses connecting Malang and Blitar via Pakisaji and Kepanjen, or Blitar and Lumajang and vice versa.

Kepanjen is a densely populated rice-producing region with an extensive sawah area. It had the highest rice production of the five kecamatans under study (see Table

7There is a plan by the government of Malang Kabupaten to move the capital city of the kabupaten from Malang town to the capital of kecamatan Kepanjen. Hence, some offices at the level of the kabupaten have been located in the capital of the kecamatan, such as the Family Planning Office (BKKBN= Badan Koordinasi Keluarga Berencana Nasional, National Coordinating Body of Family Planning) and the RKPD (Radio Khusus Pemerintah Daerah, Radio of Malang Kabupaten).
Table 6-4: Number of Schools at the Five Kecamatan in 1982

<table>
<thead>
<tr>
<th>Kecamatan</th>
<th>Kindergarten</th>
<th>Elementary</th>
<th>Junior</th>
<th>Senior</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gov. Private</td>
<td>Gov. Private</td>
<td></td>
<td>Gov. Private</td>
</tr>
<tr>
<td>Tumpang</td>
<td>13</td>
<td>36</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Jabung</td>
<td>6</td>
<td>39</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Kepanjen</td>
<td>16</td>
<td>42</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Sumberpucung</td>
<td>17</td>
<td>66</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Pakisaji</td>
<td>12</td>
<td>32</td>
<td>5</td>
<td>-</td>
</tr>
</tbody>
</table>


Note: One government junior high school was newly opened in 1983 in Jabung.

6-3 on page 143). Plantation crops do not cover an extensive area. Sugar, for example, was cultivated on just around 340 hectares and the production was only 15 tons in 1982, the smallest area and production in the five kecamatan under study (see Table 6-1 on page 141), presumably because rice cultivation is much more profitable to the farmers than sugar.

The area of the kecamatan is 56.60 sq.km., of which 1,104 hectares are village areas, 3,055 hectares are sawah, 632 hectares are dry land, and 869 hectares are forest.® There are 18 villages and 15,791 households in the kecamatan in 1982. The density of its population is the highest among the five kecamatans, i.e. 1,348 per sq.km., in 1982, while the rate of population growth is also relatively high, i.e. 1.6 per cent per annum between 1970-1980 (see Table 6-2 on page 142).

This kecamatan also has the most advanced educational facilities of all five in the present study. All levels of education are found there, from the kindergartens to senior high school (see table 6-4 on page 144), and even an IKIP owned by Muhammadyah, a modernist Muslim Association.® Many students come to schools at Kepanjen from the nearby kecamatans such as Sumberpucung, Pakisaji and Gondanglegi.

Kecamatan Sumberpucung lies to the west of Kecamatan Kepanjen, 29 Km from Malang town. The capital of the kecamatan is located on the main road connecting

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Malang, Pakisaji, Kepanjen, Sumberpucung, and Blitar. It is a small town with some small shops along the main road, but it is also a rice-producing area, most of it being sawah. Rice production of this kecamatan was the second highest among the five kecamatans under study (see Table 6-3 on page 143). The area under plantation crops (particularly sugar, coconut and coffee), is relatively extensive in this kecamatan. The area under sugar was 484 hectares and produced 21 tons in 1982; coconut area covered 159 hectares with production of 158 tons of copra, while the area under coffee covered 156 hectares and produced 132 tons in 1982 (see Table 6-1 on page 141).

The total area of the kecamatan is 85.90 sq.km. of which 1,382 ha are village areas, 4,808 ha are sawah, 2,037 ha are dry land, 352 ha are forest and 15 ha are swamp areas. In the kecamatan, there are 12 villages. The density of population in this kecamatan is 992 per sq.km., (1982) and its rate of growth is the lowest among the five kecamatans, i.e. 0.3 per cent annually (see Table 6-2 on page 142), presumably because of substantial outmigration. The education is less developed in this kecamatan than in Kepanjen; there was no senior high school or tertiary institution (see Table 6-4 on page 144).

The town of Pakisaji which is the capital of the Kecamatan Pakisaji is situated only 11 kilometres to the south of Malang town and can be considered virtually a dormitory suburb. Its capital lies on the road connecting Malang town to Kecamatan Kepanjen and Blitar. Transportation facilities are, of course, very good. The condition of the main road connecting Malang town and the capital of the kecamatan is excellent and, as in Kepanjen and Sumberpucung, buses from Malang town to Blitar run from 5.00 a.m. till 11.00 p.m. every day. Besides buses, people of Pakisaji can also use bemos (motorized pedicabs) to or from Malang town, or they can take Daihatsu or Colt minibuses which connect Malang town and the capital of Kecamatan Kepanjen. Some people who have jobs in Malang town, such as kabupaten staff and teachers, live in this kecamatan.

There were twelve villages in this kecamatan, and 11,611 households in 1982. Pakisaji is a rather small kecamatan of around 44.65 square kilometres, of which 943 hectares of land were used for village areas, 2,295 hectares for sawah, and 1,139 hectares for dry land. Rice production in this kecamatan was lower than in Kepanjen and Sumberpucung, not because the fertility of its land is lower than the two other kecamatans (yields per hectare were almost the same), but because the total area of sawah in Pakisaji is much smaller than those of Kepanjen and Sumberpucung (see Table

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12 Ibid., 1982, p.4.
Coconut and sugar are the main plantation commodities in this kecamatan: coconut was planted on 126 hectares and produced 19 tons in 1982, while sugar was planted on 750 hectares (the widest area in the five kecamatan studied) with production of 33 tons in 1982 (see Table 6-1 on page 141).

The density of population in this kecamatan is high, 1,208 per sq.km. in 1982 but its rate of growth is relatively slow, i.e. 0.6 per cent yearly (see Table 6-2 on page 142). The development of schools has been slower in this kecamatan than in Kepanjen, presumably because of the region’s proximity to Malang town. There was no government school at junior and senior high school levels and only two secondary private schools at those levels (see Table 6-4 on page 144). Therefore high school students go to either Malang town or Kepanjen for their studies.

**Rice Production in the Five Kecamatans**

In this section, the trends in rice production in the five kecamatans and several factors behind these trends will be examined. Generally, rice production in the kecamatans has increased continuously since 1970. The differences among the kecamatans lie only in the extent and the causes of the increase.

**Kecamatan Tumpang**

In Tumpang, although the area of sawah is smaller than that of dry land, rice is nevertheless the primary commodity. Even before introduction of the high yielding varieties, Tumpang had a famous local rice variety called *Beras Tumpang*. Today, nearly all the sawah in this kecamatan is planted with the HYV. Up to 1979, rice production in Tumpang was increasing at an average rate of 12 per cent annually, with sharp increases in production in 1972, 1975 and 1976 (see Table 6-3 on page 143). One of the main factors behind the increase in rice production in 1972 was the rehabilitation of three irrigation channels in 1971. In 1975 and 1976, the level of production increased sharply, partly due to good weather, an increase in the area harvested, and better application of the *Panca Usaha Tani*. However, as in many other kecamatans, *wereng* attacks resulted in a fall in production in the years 1977 and 1978. By 1979, the *wereng* attacks had ceased and production increased in that year, due also in part to rehabilitation of three other irrigation channels, and relatively good weather.\(^\text{13}\) From 1979 to 1982 production increased by 5 per cent annually. The decline in production in 1983 was in part due to attacks of *tungro*, *butir hijau*, and *gondrong*.

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diseases.\footnote{14}

Most of the increase in rice production since 1976 apparently resulted from the Inmas program. However, no details about the extent of Bimas, Inmas, and Insus production can be found in either Kecamatan office or in the WKBPP, while in the Kabupaten Diperta there was no compilation of production data on an annual basis.\footnote{15} The kecamatan office was only able to present the planned and actual extent of Bimas and Inmas in hectares (see Table 6-5 on page 148), but those figures are adequate to show that the area under the Inmas scheme grew to be substantially larger than that under the Bimas program in the later years. In that Table it can be seen that the actual Bimas area decreased by an average of 13.5 per cent yearly from 1976 to 1982, while the actual area planted under Inmas increased by 30 per cent annually during the same period.

Apart from rice, two palawija crops (corn and cassava) also provide important commodities in Tumpang, although their areas and production are less than the areas and production of rice. Data from the WKBPP and Kecamatan office indicate that production of corn increased by 8.7 per cent annually from 1970 to 1983 (from 2,913 tons in 1970 to 6,455 tons in 1983) while production of cassava increased by 5.6 per cent yearly during the same period (from 1,819 tons to 3,250 tons). This fact gives an indication that many farmers in the kecamatan are dependent upon selling these crops as well as rice in the markets.

Kecamatan Jabung

Kecamatan Jabung as mentioned above, is a relatively unfertile kecamatan. Some of its area is hilly, and most of the sawah in the kecamatan is rain fed (sawah tadah hujan). There are only three villages in the kecamatan which are irrigated by technical irrigation channels: Sukopuro, Pandansari, and Sidomulyo, and they are the rice-producing areas in the kecamatan. Other villages are unfertile and without irrigation channels for their sawah. The rice area of the kecamatan is less than the area of palawija, especially corn. However, the rice intensification programs have been able to increase rice production to nearly twice the production levels of corn. Thus, while the

\footnote{14}Interview, PPM Programmer of Tumpang WKBPP, August 5, 1984.
\footnote{15}The staff in Diperta presented monthly reports from the WKBPPs in many books, which makes the compilation difficult and time consuming. When I asked one PPL of Tumpang, he showed me drafts of reports on Bimas and Inmas production from 1970 to 1983 that were written by him to be sent to Kabupaten Diperta. The drafts were made because the Diperta suddenly asked for the data from WKBPPs to be presented in an agricultural exhibition in Surabaya. Because the PPL had difficulty in finding the data in his WKBPP (in Tumpang) he decided to construct the data based on his estimation of the last yield average per hectare. This illustrates how difficult it is to get even the most basic information relevant to the success of the government rice policy at the kecamatan level. Data of this sort are not regarded as particularly important.
Table 6-5: Kecamatan Tumpang: Planned & Actual Areas of Bimas & Inmas, 1976-1981/1982

<table>
<thead>
<tr>
<th>Season</th>
<th>Bimas (ha)</th>
<th>Inmas (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned</td>
<td>Actual</td>
</tr>
<tr>
<td>D. 1976</td>
<td>800</td>
<td>630</td>
</tr>
<tr>
<td>R. 1976/1977</td>
<td>1,280</td>
<td>935</td>
</tr>
<tr>
<td>D. 1977</td>
<td>625</td>
<td>411</td>
</tr>
<tr>
<td>R. 1977/1978</td>
<td>1,250</td>
<td>1,007</td>
</tr>
<tr>
<td>D. 1978</td>
<td>410</td>
<td>323</td>
</tr>
<tr>
<td>R. 1978/1979</td>
<td>1,250</td>
<td>690</td>
</tr>
<tr>
<td>D. 1979</td>
<td>400</td>
<td>187</td>
</tr>
<tr>
<td>R. 1979/1980</td>
<td>800</td>
<td>370</td>
</tr>
<tr>
<td>D. 1980</td>
<td>250</td>
<td>90</td>
</tr>
<tr>
<td>R. 1980/1981</td>
<td>650</td>
<td>192</td>
</tr>
<tr>
<td>D. 1981</td>
<td>250</td>
<td>58</td>
</tr>
<tr>
<td>R. 1981/1982</td>
<td>680</td>
<td>178</td>
</tr>
</tbody>
</table>

R = Rainy Season
D = Dry Season

Source: Kantor Kecamatan Tumpang

The area of corn was 4,036 ha in 1983 and the area of rice was only 1,968 ha (see Table 6-6 on page 149), the production of corn was only 8,274 tons in 1983 compared to 13,776 tons of rice produced in 1983 (see Table 6-3 on page 143). Yet corn and cassava are two important palawija crops in Jabung. Their production had increased by 2.7 per cent and 0.9 per cent per year respectively from 1970 to 1983.\(^{16}\)

Production of rice in this kecamatan has increased from 1970 to 1976 by 7.5 per cent annually. According to an agricultural official (Mantri Pertanian) of Kecamatan Jabung, sharp increases in production in 1973 and 1974 were due to an increase in the area harvested (see Table 6-6 on page 149). The increase in the area of padi occurred when many farmers decided to plant padi after a fall in the price of palawija in 1972. The increase was also the result of the use of HYV and good weather at the time. In the period 1975-1976, wereng infestation reduced the level of production. A combination of wereng and tungro and drought again destroyed much sawah in 1979. Better farming methods following the Panca Usaha Tani guidelines contributed to increased production in 1977, 1978, and from 1980 to 1983.

\(^{16}\)Data from WKBPP of Tumpang.
Table 6-6: Area Harvested and Yield in the Five Kecamatan, 1970 - 1980 (hectare and ton/ha)

<table>
<thead>
<tr>
<th>Year</th>
<th>Pakisaji Area Yield</th>
<th>Kepanjen Area Yield</th>
<th>Sb. Pucung Area Yield</th>
<th>Tumpang Area Yield</th>
<th>Jabung Area Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>1679 6.0</td>
<td>4826 4.5</td>
<td>5210 4.2</td>
<td>1910 3.8</td>
<td>1620 3.5</td>
</tr>
<tr>
<td>1971</td>
<td>1968 6.2</td>
<td>4997 4.9</td>
<td>5154 4.3</td>
<td>1940 4.1</td>
<td>1700 3.6</td>
</tr>
<tr>
<td>1972</td>
<td>1674 6.2</td>
<td>5134 5.0</td>
<td>5130 4.5</td>
<td>1905 4.8</td>
<td>1387 4.0</td>
</tr>
<tr>
<td>1973</td>
<td>2075 6.4</td>
<td>5149 5.4</td>
<td>5075 4.9</td>
<td>1945 4.9</td>
<td>2210 4.5</td>
</tr>
<tr>
<td>1974</td>
<td>2236 6.5</td>
<td>5292 5.8</td>
<td>5165 5.0</td>
<td>1830 5.3</td>
<td>2119 5.2</td>
</tr>
<tr>
<td>1975</td>
<td>2022 6.6</td>
<td>4720 6.6</td>
<td>5080 5.8</td>
<td>2410 5.9</td>
<td>1603 5.4</td>
</tr>
<tr>
<td>1977</td>
<td>2194 6.8</td>
<td>5069 7.3</td>
<td>5236 6.3</td>
<td>2225 6.0</td>
<td>1672 6.0</td>
</tr>
<tr>
<td>1978</td>
<td>2355 6.7</td>
<td>5079 7.5</td>
<td>4764 6.8</td>
<td>2200 6.6</td>
<td>2062 6.4</td>
</tr>
<tr>
<td>1979</td>
<td>1605 7.2</td>
<td>5205 7.7</td>
<td>5199 7.2</td>
<td>2400 6.8</td>
<td>1642 4.9</td>
</tr>
<tr>
<td>1980</td>
<td>2761 7.4</td>
<td>5177 7.6</td>
<td>5059 7.1</td>
<td>2425 7.1</td>
<td>1696 6.6</td>
</tr>
<tr>
<td>1981</td>
<td>2928 7.6</td>
<td>4897 7.5</td>
<td>5981 7.0</td>
<td>2460 7.3</td>
<td>1617 6.9</td>
</tr>
<tr>
<td>1982</td>
<td>2331 7.8</td>
<td>4666 7.8</td>
<td>4753 ...</td>
<td>2662 7.1</td>
<td>1905 6.9</td>
</tr>
<tr>
<td>1983</td>
<td>2420 8.0</td>
<td>3816 7.7</td>
<td>5358 ...</td>
<td>2555 7.0</td>
<td>1968 7.0</td>
</tr>
</tbody>
</table>

Figures for Yield per hectare are based on Bimas figures.

Sources: Kantor Kecamatan Pakisaji and WKBPP of Kepanjen and Tumpang.

**Kecamatan Kepanjen**

South of Malang, Kecamatan Kepanjen is a rice-producing kecamatan, with most of its area under sawah. Most of the sawah is technically irrigated (1,910 ha); semi-technically irrigated sawah amounts to 126 ha; the non-PU irrigated sawah is 5 ha; and 14 ha were rain fed in 1981. A new dam still under construction, the Sengguruh Dam, is located in Desa Sengguruh.

Rice production in this kecamatan is the highest of the five kecamatans under consideration here (See Table 6-3 on page 143). From 1970 to 1979, the rate of increase in rice production was 8.5 per cent annually and from 1979 to 1983 was 1.6 per cent. However, by 1979 the level of production reached more than 36 thousand tons and even 40 thousand tons in 1982. The increase in production in 1971 was partly due to an increase in the area of Bimas, as much as 43.5 per cent. The production increases in 1973 and 1974 were also partly due to increases in Bimas area of 63 per cent and 45 per cent respectively. Average yield per hectare also increased from 5.0 in 1972 to 5.4 and

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5.8 tons in 1973 and 1974. A rise in productivity in 1975 led to a further increase in production, yielding 6.2 tons per hectare in that year.

In 1976 wereng attacked Kepanjen and caused a fall in production of 5 per cent. But from 1977 on, production increased continuously. This was partly due to an increase in the Inmas area and in its productivity per hectare. Although the area of Bimas decreased continuously after 1976, the productivity per hectare increased, reaching an even higher level than Inmas (see table 6-7 in page 150). Also, one of the important factors behind the increase of production was the ability of many farmers here to harvest three times a year. In addition, since 1980 there has been a further contribution by Insus to the total production of rice in the kecamatan.

Table 6-7: Kepanjen: Area harvested, yield, and production of Bimas, Inmas and Insus, 1970 - 1983

<table>
<thead>
<tr>
<th>Year</th>
<th>BIMAS</th>
<th>Area</th>
<th>Yield</th>
<th>Production</th>
<th>INMAS</th>
<th>Area</th>
<th>Yield</th>
<th>Production</th>
<th>INSUS</th>
<th>Area</th>
<th>Yield</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>1,232</td>
<td>4.5</td>
<td>5,543</td>
<td>14,376</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>1,769</td>
<td>4.9</td>
<td>8,666</td>
<td>13,878</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1972</td>
<td>1,405</td>
<td>5.0</td>
<td>7,025</td>
<td>16,781</td>
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<td></td>
<td></td>
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<tr>
<td>1973</td>
<td>2,300</td>
<td>5.4</td>
<td>12,420</td>
<td>13,675</td>
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<tr>
<td>1974</td>
<td>3,316</td>
<td>5.8</td>
<td>19,231</td>
<td>9,882</td>
<td></td>
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<tr>
<td>1975</td>
<td>3,315</td>
<td>6.2</td>
<td>20,553</td>
<td>10,409</td>
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<td></td>
<td></td>
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<tr>
<td>1976</td>
<td>3,008</td>
<td>6.6</td>
<td>19,852</td>
<td>9,587</td>
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<td></td>
<td></td>
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<tr>
<td>1977</td>
<td>1,989</td>
<td>7.3</td>
<td>14,520</td>
<td>18,172</td>
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<td></td>
<td></td>
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<tr>
<td>1978</td>
<td>2,029</td>
<td>7.5</td>
<td>15,690</td>
<td>19,117</td>
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<td></td>
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<tr>
<td>1979</td>
<td>1,450</td>
<td>7.7</td>
<td>10,860</td>
<td>25,910</td>
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<td></td>
<td></td>
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<tr>
<td>1980</td>
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<td>8,221</td>
<td>27,437</td>
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<td>462</td>
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<td>28,194</td>
<td>252</td>
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<tr>
<td>1982</td>
<td>932</td>
<td>7.8</td>
<td>7,266</td>
<td>28,001</td>
<td>625</td>
<td>8.7</td>
<td>5,438</td>
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<tr>
<td>1983</td>
<td>471</td>
<td>7.7</td>
<td>3,623</td>
<td>24,080</td>
<td>1,400</td>
<td>8.6</td>
<td>12,040</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Source: WKBPP Kepanjen.

Kecamatan Sumberpucung

Kecamatan Sumberpucung is also a major rice-producing kecamatan to the south of Malang. More than half of the area of the kecamatan is sawah, nearly all of it supplied with irrigation water, mostly by the technical irrigation system.\footnote{There were 2,684 hectares of sawah supplied by the technical irrigation system, 1,253 hectares of semi-technical irrigation system, and 867 hectares under simple irrigation system (pengairan sederhana). There is non-PU sawah and rain-fed sawah in the kecamatan. PU is Pekerjaan Umum or Public Works Office. The Non-PU sawah means that the sawah do not have irrigation channels made by the office. "Kabupaten Malang Dalam Angka," 1981, \textit{Ibid.}, pp.93-97.} Rice
production, as in other kecamatan, also shows a continuous increase since 1971 (see Table 6-3 on page 143). From the Table it can be seen that rice production increased by 6.4 per cent annually from 1971 to 1976. The production increase in 1973 was partly due to an increase in Bimas area of 21 per cent and an increase in the productivity per hectare under this scheme from 4.5 tons to 4.9 tons/ha (see Table 6-8 on page 151). Apart from that, although the area of Inmas decreased in that year by 26 per cent, the productivity per hectare increased from 3.9 tons to 4.2 tons/ha.

Table 6-8: Kecamatan Sumberpucung: Area Harvested, Productivity and Production of Bimas, Inmas, Insus, 1970-1983

<table>
<thead>
<tr>
<th>Year</th>
<th>BIMAS Area (ha)</th>
<th>BIMAS Yield (ton)</th>
<th>BIMAS Production (ton)</th>
<th>INMAS Area (ha)</th>
<th>INMAS Yield (ton)</th>
<th>INMAS Production (ton)</th>
<th>INSUS Area (ha)</th>
<th>INSUS Yield (ton)</th>
<th>INSUS Production (ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>3527</td>
<td>4.2</td>
<td>14,814</td>
<td>1683</td>
<td>3.5</td>
<td>5,889</td>
<td></td>
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</tr>
<tr>
<td>1971</td>
<td>1718</td>
<td>4.3</td>
<td>7,386</td>
<td>3436</td>
<td>3.8</td>
<td>13,058</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1972</td>
<td>2735</td>
<td>4.5</td>
<td>12,307</td>
<td>2395</td>
<td>3.9</td>
<td>9,341</td>
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<tr>
<td>1973</td>
<td>3312</td>
<td>4.9</td>
<td>16,229</td>
<td>1763</td>
<td>4.2</td>
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<td>4,575</td>
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<td>13,039</td>
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<td>5.2</td>
<td>14,726</td>
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<td>1977</td>
<td>2236</td>
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<td>14,089</td>
<td>3000</td>
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<td>1978</td>
<td>1622</td>
<td>6.8</td>
<td>11,028</td>
<td>3142</td>
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<td>18,539</td>
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<tr>
<td>1979</td>
<td>982</td>
<td>7.2</td>
<td>7,068</td>
<td>4217</td>
<td>6.4</td>
<td>26,991</td>
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<tr>
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<td>586</td>
<td>7.1</td>
<td>4,158</td>
<td>4248</td>
<td>6.2</td>
<td>26,340</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>402</td>
<td>7.0</td>
<td>2,815</td>
<td>5323</td>
<td>6.2</td>
<td>33,001</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td>....</td>
<td>....</td>
<td>4527</td>
<td>29,426</td>
<td>6.5</td>
<td>226</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>....</td>
<td>....</td>
<td>5128</td>
<td>32,306</td>
<td>6.3</td>
<td>230</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: WKBPP Kepanjen.

From 1976 to 1979, production increased by 10.2 per cent annually, but there was a decrease of 3.3 per cent in 1978 due to attacks by rats. From 1979 to 1981, production increased by 13.4 per cent and this was mainly due to the contribution of the Insus program. The total production for 1982 and 1983 cannot be calculated because data on Bimas production is not available for those years.

Kecamatan Pakisaji

The last kecamatan under consideration here is Kecamatan Pakisaji, a rice-surplus kecamatan which draws most of its rice from three villages: Glanggang, Permanu and Kebon Agung. Although rice production in this kecamatan is lower than that of Kepanjen and Sumberpucung, this is due to the fact, as mentioned, that the area under
cultivation in the kecamatan is smaller than in the two other southern kecamatans (see Table 6-3 on page 143), although the level of soil fertility of the three kecamatans is quite similar (see Table 6-6 on page 149 on yield per hectare.)

Further, compared to other food crops (palawija) produced by the kecamatan, rice still occupies an important position, in terms of calorie intake, for the population of Pakisaji. Other food crops include corn, peanut, soybean, cassava and sweet potato. The MRE of these crops was only 15 per cent of that of rice.

From Table 6-3 on page 143, it can be seen that the rate of increase of rice production in Pakisaji between 1970 and 1978 was around 7.4 per cent yearly. A sharp increase in 1971 was due to a combination of reconstruction of some irrigation channels in the kecamatan and good weather. The decrease of production in 1972, by as much as 12 per cent, was caused partly by an attack of walangsangit (noxious bug for rice plants) and rats, while the decrease and stagnation in 1975 and 1976 were the results of wereng. In 1979, pests again attacked Pakisaji, resulting in a decrease of production of 16.5 per cent.

The increase in Inmas participation in 1973 that contributed to increase in production (see Table 6-9 on page 153) might also have been accelerated by an increase in the activity of the Satlak Bimas Kecamatan in recovering Bimas credit repayments from farmers during 1972. The shift occurred because the delinquents want to avoid the repayment, and also because of the fact that up to 1975 many farmers were actually still dependent on the Bimas, especially during a crisis. This can be seen in the increase of Bimas participation in 1975 and 1976 when wereng pest attacked most padi areas in the kecamatan (see Table 6-9 on page 153).

An almost incredible increase of 77 per cent in rice production was reported in 1980 when, for the first time, the total output rose above 20 thousand tons. This was partly due to a combination of good weather and sharp increases in Inmas and Insus production. Although the rate of production increase between 1980 and 1983 was only around 6 per cent yearly, production was maintained at a higher level than in the pre-1979 period. A decrease in production in 1982, according to local PPL, was due to an attack of walangsangit and rats and difficulty in obtaining seed.

Most of the increase in rice production since 1980 has been the result of the Inmas and Insus programs which show an increasing trend toward greater participation by

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20. Production of these palawijas in 1983 were as follow: Corn was 317 tons; Peanut 31 tons; Soybean 23 tons; Cassava 4,350 tons; and Sweet Potato 108 tons. Production of Corn continuously declined by 3.4 yearly from 1970 to 1983, but production of Cassava increased constantly by 19.6 per cent yearly during the same period. Data from Kecamatan Office of Pakisaji.
Table 6-9: Pakisaji: Area of Bimas and Inmas, 1970 - 1983

<table>
<thead>
<tr>
<th>Year</th>
<th>Bimas (ha)</th>
<th>Inmas (ha)</th>
<th>Insus (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>514</td>
<td>1,165</td>
<td></td>
</tr>
<tr>
<td>1971</td>
<td>658</td>
<td>1,310</td>
<td></td>
</tr>
<tr>
<td>1972</td>
<td>787</td>
<td>887</td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td>92</td>
<td>1,983</td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>1,021</td>
<td>1,215</td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>1,550</td>
<td>472</td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td>1,226</td>
<td>758</td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>735</td>
<td>1,459</td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>720</td>
<td>1,635</td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>201</td>
<td>1,284</td>
<td>120</td>
</tr>
<tr>
<td>1980</td>
<td>424</td>
<td>2,012</td>
<td>325</td>
</tr>
<tr>
<td>1981</td>
<td>205</td>
<td>2,303</td>
<td>420</td>
</tr>
<tr>
<td>1982</td>
<td>58</td>
<td>1,733</td>
<td>540</td>
</tr>
<tr>
<td>1983</td>
<td>150</td>
<td>1,950</td>
<td>320</td>
</tr>
</tbody>
</table>

Source: Kantor Kecamatan Pakisaji.

farmers. Although figures presented in Table 6-9 on page 153 must be regarded as suspect, they detract from the fact that both Inmas and Insus have given much contribution to the production increase in this kecamatan. Inmas had successfully increased production by 57 per cent in 1980 and after that by an average 17.5 per cent yearly. In 1982, the Inmas production fell by 22 per cent due to pest attacks (see Table 6-10 on page 154).

The Insus program, on the other hand, achieved its production peak in 1980 when it produced a 183 per cent production increase on Insus land only (from 1,104 tons in 1979 to 3,120 tons-see Table 6-10 on page 154). Furthermore, between 1981 and 1982 the rate of increase was around 27 per cent. However, in 1983, Insus production fell by 40 per cent due to the failure after 1981, of the *Satlak Bimas Kecamatan* to pay the Insus premiums which made some farmers reluctant to join the program.21

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The Impact of the Bimas Program in the Five Kecamatans

This section will examine six issues involved in the rice intensification programs carried out in the five kecamatans. These include the responses of farmers toward the program and to better farming methods; the continuous decline of Bimas participation; the problem of credit arrears; farmers' access to agricultural extension; and the impact of the program on farmers' income.

Responses of Farmers toward Bimas Program and to Better Farming Methods

In terms of extending the use of high yielding varieties (HYV) among farmers, the government's Bimas program has been a success in all the five kecamatans. According to the Camats in the five kecamatans and extension workers (PPL) and from the impressions formed through personal interviews with farmers in the five kecamatans, it seems certain that most of the farmers have shifted from local varieties to the HYV. Also, the government has succeeded in ensuring the availability of production inputs such as fertilizers and pesticides. Most farmers now feel that it is easy to buy fertilizers and pesticides in private shops.
In the last month of my stay in these kecamatan (September 1984), for example, farmers were planting one kind of HYV called "Sadang". Farmers involved in rice intensification programs planted the sadang variety as proposed by the PPLs. However, nearly all other farmers, and particularly the small farmers, also began to plant this kind of HYV after they heard and saw that the new seed had good productivity and price. Thus, the market now seems favourable for most of the farmers, so most of them continue to plant padi. Those who had previously decided to plant sugar have decided to return to padi. Many sugar planters in rice producing villages have now returned to padi because sugar intensification (TRI) has raised many problems and often inflicted losses upon the farmers.  

The increase in productivity per hectare (see Table 6-6 on page 149) shows also that farmers have generally accepted the (Panca Usaha Tani) method. Thus, as explained by PPLs and Camats, the farmers even come to ask the PPL if there are any problems about planting or they ask about seeds most suitable for the next planting season. Of course, there are sometimes farmers who still make mistakes when they apply the Panca Usaha Tani, as in the use of the right doses of fertilizers and in efforts to eradicate pests. In addition, in the use of seed, farmers have generally bought the second or the third generation of HYV seeds, not the certificated seed of PT SANG HYANG SERI (the government enterprise producing seeds) due to the high price of the certificated seeds. In the farmers’ calculations, the high price of that seed will not produce a profit when the rice is sold.

The only obstacle in introducing the Panca Usaha Tani is found in the refusal of some farmers (only a few in number but especially the big farmers with more than 2.0 ha), to plant the types of seeds proposed by the extension workers. They choose by themselves the kind of seeds to be planted. Sometimes, although the farmers’ groups of which they become members, decided to plant padi in a certain planting season, they choose to plant palawija and thus refuse to follow the decision made by their own groups. The extension workers usually have no power to compel them to obey the group’s decision, hence sometimes they ask for the help of village authorities on those matters.

22Interviews with several sugar planters from villages of Glanggang, Permanu and Kebon Agung in Kecamatan Pakisaji; Jatigwii and Senggreng in Kecamatan Sumberpucung; Kemiri and Panggungrejo in Kecamatan Kapanjen; Kemantren and Jabung in Kecamatan Jabung; and Pulungdowo, Kambingan and Pandanajeng, October - December 1983.

23Price of the certificated seed in 1984 was Rp 325 per kilogram, and the non-certificated seed was Rp 300 per kilogram. Seed of the second and the third generation (that has been planted) was Rp 200 per kilogram.
since the decision is an autonomous one for the farmers’ groups. But the effectiveness of this action is dependent on the relationship between the PPL and the pamong desa (village government officials). In villages where the relationship is not good, the pamong desa sometimes ignore the request of the PPL.

Refusal of the farmers to plant the proposed seed has affected the effort of the tanam serentak system, i.e. simultaneous planting of padi on a block basis. The basic reason for such a refusal is actually economic. The farmers generally have their own calculations about the kinds of seeds to be planted or whether they will plant padi or palawija crops. The sanction, therefore, sometimes cannot be effectively applied if they can propose this economic reason as a basis for their refusal to comply with the group’s decision. Yet, since the number of those who refuse to participate in the tanam serentak is small, their actions do not have serious implications for the program implementations overall.

Farmers’ Access to Agricultural Extension

Progress in spreading the HYV and in teaching better farming methods does not necessarily mean that all farmers have access to the extension service. As mentioned in Chapter Five, the number of PPL is insufficient to provide service for all farmers’ groups, while there is also a lack of transportation and housing facilities. The LAKU program, during which the saung meeting is usually conducted, for example, is only carried out effectively for five or six farmers’ groups in three or four villages within each WKPP. As for other farmers’ groups, especially those who live far from the houses of the PPLs, the PPLs often come to meet only the Kontak Tanis in their houses to provide new information and guidance, but more especially just to get the signatures of the Kontak Tanis needed for their book reports. This practice is carried out on average

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24 In Desa Kemiri, for example, those who do not obey decisions of the farmers’ group would not be given supply of water to their sawahs.


26 In August 1984, several PPLs had been moved to other kecamatans as a tour of duty carried out for the first time in Malang. They generally felt frustrated with this because they must themselves pay for transportation and new housing in the new kecamatan. Hence most of them decided to remain in their old kecamatans and go every day to their new WKPPs with their motorcycles. This reinforces their immobility but they have no alternatives.

27 I often followed some PPLs when they visited villages to carry out the LAKU (Latihan dan Kunjungan, Training and Visit for and to Farmers’ Groups as one of the tasks of the extension workers). Sometimes, meetings with farmers are carried out in sawah where there is a small hut located in sawah called a saung. At such a saung meeting there are generally four or five farmers from one farmers’ group as well as the Kontak Tani as their leaders. During the meetings there are discussions on problems faced by the farmers about which the PPLs then provide guidance.
once a month.\textsuperscript{28}

In addition, as also mentioned in Chapter Five, the PPLs are often summoned by
the Camat to attend meetings in the kecamatan office or to assist the kecamatan in its
activities, so that their main jobs were disrupted. When I stayed in the house of one of
the PPLs around 17th August 1984, the kecamatan had been busy with many activities
to celebrate that independence day. The PPL was also involved and he was absent from
his duties for one week. In addition, they often have to work at other duties such as
supplying of pesticides, which actually should be the duty of the Mantri Pertanian.
Hence, when I went with one of the PPL one day to Desa Kebon Agung (only about 4
kilometers from the capital of Kecamatan Pakisaji where the PPL lives) I found a farmer
who did not know what the Bimas program was since he had never met the PPL.

The lack of mobility of the PPLs has made the development of farmers' groups
difficult. The difficulty in developing farmers' groups is also aggravated by several other
factors. First, in those groups in which some of the sawah owners live in other villages or
in Malang town, difficulties arise because the PPLs are not able to assemble them at the
saung meetings. The programs of the group, such as the tanam serentak program, are
thus often disrupted by their absence.

Secondly, many farmers' groups have tended to be passive if there is no motivation
and support from the village government officials. It is difficult for the PPLs to gather
the farmers for the saung meeting if there is a lack of support for the farmers' groups
from the village apparatus. Support from those officials for a farmers' group is
determined, among other things, by the relationship between the apparatus and the
Kontak Tanis as chairmen of the groups. If the village government apparatus,
especially the village headmen, have no sympathy with the Kontak Tanis, they will not
give their support to the development of the group. To overcome this problem, the
PPLs sometimes propose that the groups should make an arisan (rotating credit
association) such as I saw carried out in Dukuh Sidodadi of Desa Genengan in
Kecamatan Pakisaji.

Thirdly, the activity of a farmers' group is also affected by the economic condition
of its members. Members of a group tend to be actively involved if their economic
conditions are relatively similar.\textsuperscript{29} Fourthly, the activity of the farmers' group is also

\textsuperscript{28}According to their schedules, one PPL should visit two farmers' groups every day from
Monday to Friday. Saturday is used for meeting with, or attending training given by their
coordinators (the PPM) in the WKBPP office. The PPLs should make notes on problems found
during the visits to the farmers' groups. The notes should be signed by chairman of the groups
(Kontak Tani), and these should then be sent to the PPM as a weekly report. \textit{Interview, PPL of
Pakisaji, July 29, 1984.} The practice was also seen by myself.

\textsuperscript{29}Interviews two PPLs of Pakisaji, July 12 and 29, 1984.
influenced by the attitude towards them of the local government. The farmers' group in Desa Permanu, for example, which has previously been one of the best groups in Malang Kabupaten, has reduced its activity because the kabupaten has not paid the Insus premium for them since 1981. This step was also taken by the farmers' group in Desa Glanggang, which then resulted in the decrease in Insus production in 1983 as mentioned above.\(^\text{30}\)

Finally, the involvement of many small farmers in activities outside agriculture in alternative jobs has affected the development of farmers' groups. As elsewhere in Java, small farmers' lives are no longer dependent merely upon agriculture. Their activities in other fields, such as alternative jobs, have often hindered them from becoming actively involved in farmers' groups. Many small farmers told me that they have insufficient time to attend meetings of the farmers' group or to involve themselves in the activities of the group. However, there were actually several cases in which the small farmers have, intentionally or not, not been invited to the meetings. Many small farmers also explain that they do not know anything about the farmers' group because the extension workers have never met them and the chairmen of the groups have never invited them to a meeting.

The chairmen of the groups themselves seem to have a kind of understanding that farmers' groups are groups for the middle and big farmers only. Such an understanding has apparently been created by the local government apparatus. When the chairmen of the groups were asked "Why are Mbok Darsini or Pak Daim (the small farmers) not involved in the farmers' group or Bimas?" they generally answered that the small farmers who have less than 0.5 ha are not included in the Bimas or in the groups, or "because they (the small farmers) have only 0.1 ha or 0.275."

Development of the farmers' group is regarded by the government as one of the important programs in agricultural development in Indonesia because it is aimed not merely at increasing rice production but also at helping small farmers to solve their difficulties in working their land. One of the ways to increase rice production is through the INSUS program. This program needs a certain area of sawah in one compact block that is planted with only one variety during each season to minimize attacks from pests, especially the *wereng*.\(^\text{31}\) It is hoped that the farmers' groups can be developed to carry

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\(^{30}\)The premium was three rupiahs per kilogram of rice in 1981. The farmers' group of Desa Permanu produced 120 tons of unhulled padi (*gabah*) while the farmers' group of Desa Glanggang produced 118 tons through the Insus during that year. This meant that these groups should have received Rp 360,000 and Rp 354,000 respectively. *Interviews*, Village Headmen of Desa Permanu, and Desa Glanggang, June 27 and 28, 1983.

\(^{31}\)Determination of areas to be included in the INSUS should be carried out by the Camat, but, in practice, it is done by PPLs.
out such a program. In relation to the INSUS there are some other conditions. First, the area of sawah of the groups must be more than 20 hectares. Second, all members of the groups must execute a complete program of *Panca Usaha Tani*. Third, their sawah should have a good system of irrigation.

Certainly in the INSUS area there are some small farmers. They can obtain expenses to work their sawahs from the Bimas program, but if they do not want to do so they can borrow from their groups. The group's funds come from the contributions of their members, as much as 25 kilogram of unhulled rice for every harvest. Actually, this is a good policy for increasing rice production as well as helping the small farmers. Unfortunately, as I mentioned, there are various obstacles in developing the farmers' groups, and only a small number has been developed.

**The Decrease in Bimas Participation**

Farmers' participation in the Bimas programs in the five kecamatans has declined continuously, particularly since 1976. However, at the same time, participation in Inmas has increased (see Table 6-5 on page 148, Table 6-7 on page 150, Table 6-8 on page 151, and Table 6-9 on page 153).\(^2\) The reduction in the Bimas participation cannot be separated from results of the government rice policy itself and the work of Satlak Bimas Kecamatan, especially in its efforts to solve the credit arrears problem.

As mentioned in Chapter Five, the big farmers who own 0.5 ha sawah or more, now have the capacity to finance work on their lands without the need to take credits. Hence, when the government launched the Inmas, an intensification program without credit, most of these farmers then joined the program. In the five kecamatans, these big farmers have no objections toward the intention of the government to abolish Bimas program by 1985.\(^3\) On the other hand, many small farmers I interviewed said that although they actually still need the credit, they do not have the ability to repay it. This fact has forced them to quit the Bimas program.

In the five kecamatans I also met some farmers who complained about the work of *Satlak Bimas Kecamatan*, which are still pressing claims for credit from farmers who were freed from the duty to make repayment due to *wereng* attacks on their sawah in 1976-1977 (*dipusokan*). This action increases the reluctance of the farmers towards the

\(^2\) Data on Bimas and Inmas of Kecamatan Jabung are not available either at the Kecamatan office in Jabung or at WKBPP in Tumpang, see explanation in page 9. However, according to PPL of Jabung, a similar tendency in the decline in Bimas participation and an increase in Inmas are also found in Jabung. *Interview*, PPL of Jabung, July 20, 1984.

\(^3\) On August 1984, the government announced its intention to abolish the Bimas program by 1985, but the announcement then was corrected by the Minister of Agriculture, i.e. that the program itself would not be abolished and that the change would be conducted on the system of credit distribution.
Bimas program. In addition, their reluctance was increased by cases of deception of the farmers by some staff members of the village bank. One of the victims of such deception is Pak T (41) of Desa G, Kecamatan Pakisaji. Pak T said that he had repaid his credit to the bank but in fact he was still being pressed to pay by the Satlak Bimas Kecamatan. When the Satlak Bimas asked for the receipt, Pak T was unable to show it, but he persisted in saying that he had made the repayment to the office of the BRI Unit Desa in the capital of kecamatan.

In various cases of deception, there was, however, no action taken by the bank to remedy the malpractices of its staff members. In the case of Pak T, the staff member of the bank had been moved to another kecamatan on a regular tour of duty (not as a punishment). Only in August 1984, after the local daily, SUARA INDONESIA, published reports on the involvement of some BRI Unit Desa staff in credit manipulations, did the head of BRI in the Malang branch bring ten of these staff to court.34

Economic motives have also become one factor behind the reluctance of farmers to join the Bimas program. Apart from the fact that the price of production inputs is cheaper in the private shops than in the KUD, they also have to pay for the cost of transportation of the inputs from the KUD to their sawah. Pak G.P., a farmer of Desa Kebon Agung, explained that when he joined the Bimas in 1982, he had to spend about Rp 1,000- for transportation to bring his fertilizers from KUD warehouses in Pakisaji to Kebon Agung (around 5 kilometers). Hence, the cost of Bimas for many small farmers is higher than if their sawahs are worked by themselves outside the scheme.

Fertilizer distribution, despite some efforts to improve it, still faces some obstacles affecting the accuracy of its distribution. The new pattern of distribution of the fertilizer mentioned in Chapter Five is one of the causes of many cases of delay in fertilizer distribution to farmers. This contributes to the decline in Bimas participation. Pak L.B.S, a Kontak Tani in Desa Kebon Agung said that members of his farmers’ group had to wait for the Bimas fertilizers for two months and so they decided not to join the scheme. A similar statement was also made by Pak Tgm, a revolutionary war veteran who has been a farmer since 1950, who explained that frequently the distribution of the Bimas fertilizer (or as he called it, mes) was very late. For example, he said that in 1984, fertilizers were not distributed until near the harvest time. Pak Tgm also decided not to join the Bimas again.

34 The ten persons came from several kecamatans.
The Problem of Credit Arrears

Efforts to claim the arrears of Bimas credit have been carried out quite successfully in all five kecamatan. In 1984 the money still owing amounted to more than Rp 199 million in these kecamatan (see Table 6-11 on page 161, but it was only 13.6 per cent of total credit advanced. However, the activities of the Satlak Bimas Kecamatan in handling the arrears problem give rise to an impression that there is a lack of coordination among members of the body, and a common view in the regions that their claim activities are not really important to the government.

Table 6-11: Amount of Bimas Credit and Its Repayment at August 1984
(Cumulative from 1970, in Million Rupiah)

<table>
<thead>
<tr>
<th>Kecamatan</th>
<th>Amount of Credit (Rp)</th>
<th>Repayment (Rp)</th>
<th>Balance (Rp)</th>
<th>Percentage Repaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tumpang</td>
<td>333</td>
<td>307</td>
<td>26</td>
<td>8.5</td>
</tr>
<tr>
<td>Jabung</td>
<td>274</td>
<td>237</td>
<td>37</td>
<td>15.6</td>
</tr>
<tr>
<td>Kepanjen</td>
<td>264</td>
<td>192</td>
<td>72</td>
<td>37.5</td>
</tr>
<tr>
<td>Sumberpucung</td>
<td>657</td>
<td>609</td>
<td>48</td>
<td>7.8</td>
</tr>
<tr>
<td>Pakisaji</td>
<td>133</td>
<td>117</td>
<td>16</td>
<td>13.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,661</strong></td>
<td><strong>1,462</strong></td>
<td><strong>199</strong></td>
<td><strong>13.6</strong></td>
</tr>
</tbody>
</table>

Source: "Laporan Likuiditas Bimas Yang Telah Direalisasi Per Musim Tanam, Keadaan per Tanggal 15 Agustus 1984," of BRI Unit Desa in Each Kecamatan.

Not all claims have been successfully pressed because of the stubbornness or inability of farmers to repay their credits. On the other hand, however, it is also caused by the lack of determination on the part of the bank (BRI) to make any claim, which then gives an impression that there is a lack of coordination within the Satlak Bimas Kecamatan in administering the activity between the BRI and other members of the Satlak Bimas.

Since the problem of credit arrears is generally regarded as a national matter and the duty to make the claim is given to the Satpel Bimas and is not just a task for the bank to carry out, there are many cases in which the village unit bank asks for the help of the Camat to summon the delinquent to come to the office of the bank to make the payment at a time determined by the bank. However, the bank has sometimes been
careless about the time, and thus the kecamatan office has had to repeat the summons. This has caused annoyance to the Camat and his staff because, according to them, the prestige of the kecamatan will be diminished.33

In addition, although the government has issued the INPRES No.10/1981, a Presidential Instruction to Satpel Bimas in regions on Guidance about claiming the Bimas credits, it seems that the problem of credit arrears is not considered an important issue at the local level. The INPRES itself has a weakness that creates doubt among members of the Satlak Bimas Kecamatan in taking necessary actions against the delinquents. The sanctions to be applied to the delinquents who intentionally refuse to pay their debts are still not clear. There is no certainty whether or not the delinquents will be treated under the provision of the criminal law, or in what other way.

The uncertainty has often given rise to arguments between Camats and Police Commanders of the five kecamatans, who come together in the Satlak Bimas Kecamatan, about the way to treat the delinquents. While Camats want to treat the delinquents as criminals, the Police Commanders have generally rejected this approach. The uncertainty about sanctions has also given rise to an impression among the kecamatan staff that these claims are not a serious matter and this has created a lack of determination to execute that task.

This lack of determination can be seen in the differences in the amount of attention given by the kecamatan officials to handling the credit problem and claiming the IPEDA land tax. It seems that they pay more attention to claiming the land tax which benefits the kabupaten budget rather than to the Bimas credit repayments. While the deputies of the Camat in the five kecamatans have a fixed schedule in claiming the land tax (two days in a week), they have no fixed schedule for claiming the Bimas credit.

The Satpel Bimas Kabupaten itself also seems to lack determination in this matter. Although the kabupaten has laid down that a TKPPKPM team will come to the kecamatans every week, the order has sometimes not been obeyed by the team itself. This was partly due to a lack of personnel to carry out the task (as mentioned in Chapter Five, there were only two staff members in the team who had the task of visiting the kecamatans) and also because there was no checking or continuous supervision from the chairman of the team over his subordinates. The Camats have complained that often the delinquents from the kecamatan have been ordered to go to the kabupaten office, as ordered by the TKPPKPM team, but there were no staff in the kabupaten office to handle their cases there.

The list of delinquents mentioned in Chapter Five indicates that most of the

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35 Interview, the Mantri Polisi of Kecamatan Kepanjen, September 19, 1983.
money owed was in the hands of government officials. However, apart from the ten village headmen brought before the court, no government officials or army members in arrears have been sent to court. Apart from the uncertainty over sanctions, this fact indicates the lack of determination of the kabupaten officials to tackle the problem.

It should be emphasised, however, that from the point of view of the kecamatan level officials, failure to recover the Bimas credits has not adversely affected their primary objectives of increasing rice production. It may sometimes give rise to difficulties when BRI refuses to advance credit to a farmers’ group which is in arrears, but in general they regard this as a problem of the higher levels of the government’s financial administration, not as a problem of great concern to them.

Impact of Bimas Program on Farmers’ Incomes

In terms of their income, many farmers, especially those who have more than 0.5 ha sawah, recognize that they have become better off since they became involved in Bimas. Some of them have even able to restore their houses, a few even to buy tractors, to hire more sawah, or to establish rice mill units. I met many of them who told me of the benefits they received from joining the Bimas program. I quote here the stories of two of them. One farmer in Desa Sukopuro at Jabung has been able to buy 3.25 ha sawah since he joined the Bimas program. He began his activity in agriculture by renting 0.6 ha in 1961 (before implementation of the Bimas program). He said that the production of his sawah had increased from 3.5 tons to 5.0 tons after he joined the Bimas and thus he was able to buy more land.

Another farmer who previously had no sawah before he joined Bimas in 1966, is Pak Al of Desa Bokor at Tumpang. In 1965, he used to hire 0.70 hectares of sawah. After two years of involvement in Bimas, the production of his sawah increased by an average 3 or 4 tons per hectare. Today he owns 3.0 hectares. Apart from the sawah, he also had, in September 1984, one rice mill unit with a capacity of 4 to 5 tons a day and a pig breeding farm with 50 pigs.

Although they have had an increase in income, not all farmers have been able to save the additional money they have earned. Most of these are small farmers who own 0.2 ha or less, which provides insufficient income for their subsistence, so that they are forced to find alternative jobs. The main cause of this is that the ownership of small plots of land does not allow a marketable surplus beyond the family’s subsistence requirements. Pak Rdi, one of several small farmers I interviewed, has only “Sa’Cetet” of sawah.36

From 1971 to 1974, Pak Rdi joined the Bimas program and experienced some

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36 This term is used to describe a very small plot of approximately 0.10 hectare.
benefits from it. But after that, he decided to cease his involvement in the program, because the benefits were not sufficiently great to enable him to repay the credit; moreover his sawah was attacked by wereng. The total production of sawah by Pak Rdi was only around 700 Kg if the season was good. Hence, what he produced was used merely for consumption. Fortunately, his son is sometimes able to get a job working in the sawah as an agricultural labourer as well as selling tikar (palm leaf matting). Thus, the rice intensification program has increased the incomes of many farmers, but only to a lesser degree for the smaller farmers, since the program has in general been accessible mainly to big farmers. They are the group who have enjoyed most of the benefits.

To sum up, most farmers in the five kecamatans have planted the high yielding varieties, and this can be seen as a proof of the success of the government in proposing the new varieties to the farmers. This success is supported by facts that the HYV have good productivity and that the market seems favourable for most of the farmers. The spread of the new varieties has resulted in the continuous increase of rice production, although the increase cannot be separated from the government’s success in introducing the better farming methods through the Panca Usaha Tani.

Success in spreading the HYV and the better farming methods, however, does not necessarily mean that all farmers have had the same degree of access to extension services. Due to the limitation in numbers and the mobility of extension workers, only a small number of the farmers are really able to meet those workers. Farmers’ participation in applying the better farming methods and in planting the new varieties is mostly motivated by their own initiatives after they had heard and seen the practices of other farmers.

The immobility of the extension workers (PPL) is mainly caused by their lack of numbers and facilities, and also the fact that they are burdened with other duties outside agriculture imposed upon them by the Camats. In each kecamatan there are, on the average, two PPLs who are supposed to provide guidance to 16 farmers’ groups. In fact, each PPL is only able to give guidance effectively to five or six farmers’ groups. The majority of the PPLs were not provided with transportation by their offices, so they have had to buy motorcycles for themselves. Those who buy their own motorcycles are not even given subsidies for petrol and maintenance. Moreover, they are also not provided with housing; hence most of the PPLs live in the capital of their kecamatans or in Malang town, remote from most of the farmers.

This immobility has also caused difficulties in developing farmers’ groups, although such a difficulty could not be separated from other factors. Absentee farmers have very often created difficulties, also, in developing the groups, because they usually fail to attend meetings and fail to become involved in activities of the groups initiated
by group leaders or by the PPLs. Support from *pamong desa* is crucial in developing farmers' groups because in fact many of the members remain passive if no motivation is provided by the village apparatus. In some villages, the village headmen refused to support the farmers' groups because they were in conflict with leaders of the groups. In this situation, it is difficult to develop a group.

The other factor affecting the performance of farmers' groups is the economic condition of its members. In groups where their members are roughly similar in their wealth, the groups are usually well developed. Finally, the small farmers have particular obstacles in their efforts to become involved in the groups' activities. Because of their secondary activities in jobs outside agriculture, which are necessary to provide additional income, many small farmers are not able to join in the activities of the groups. However, the attitude of the government apparatus has created an impression among the leaders of the groups that their organizations are set up just for the sake of the middle and the big farmers. Therefore, many cases have occurred in which the small farmers were not invited to participate in the group activities.

Twenty years after its introduction in 1965, the farmers' participation in Bimas program is tending to decrease. Fortunately, the decline has been compensated by the increase in Inmas and Insus participation so that the decline has not disturbed the government's efforts to increase rice production. In fact, production has continuously increased. Several factors have contributed to the decline of Bimas participation. First, the ability of the big farmers to finance their rice cultivation has increased, so most of them have decided not to continue their participation in the rigid Bimas program and prefer to join the less restrictive Inmas program.

Second, there has been an inability on the part of most small farmers to make repayments of their Bimas credit. This forces them to withdraw from the program even though they actually still need the credit. Third, some weaknesses in administering the program remain, and there is no action to remedy the weaknesses. Among the weaknesses are inadequacies in the administration of the credit repayment, financial corruption involving members of the *Satlak Bimas Kecamatan*, and delays in fertilizer distribution.

In attempting to resolve the problem of credit arrears, the *Satlak Bimas Kecamatan* in the five kecamatan have made some progress. However, their activity still indicates a lack of coordination among members of that body, especially between the bank and other members. Also, their activities leave the impression that credit arrears are not an important issue at the local level. There is no fixed schedule in activities for claims and no punishment given to the delinquents.

The Bimas program has, in fact, increased the income of farmers. However, data
from the five kecamatan indicate that most of the benefits of the program are being received by big farmers. The small farmers, despite some increase in their incomes, still have no marketable surplus and are still forced to find alternative jobs for additional income. For them, it can be said that life remains much the same as it was before Bimas.

From the perspective of policy implementation, it can be concluded that in carrying out the Bimas program, the government has failed to give much attention to the interests of the majority of farmers, i.e. the small farmers. As mentioned above, no action has been taken by the government to eliminate various weaknesses in program implementation, such as lack of facilities for extension workers, delay in fertilizer distribution, sanctions against those who are deliberately involved in credit arrears, particularly officials, and in a greater equality of income distribution.

Therefore, it seems that after the HVYs had come to be in common use, the wereng attacks had been overcome, and the production of rice much increased at the end of the 1970, then the later workings of the government's rice policies at the local level (the Satpem and Satlak Bimas, PPL etc.) have not been particularly important at all in the further increase of rice production since about 1980. The various institutions and processes which have brought about that increase were already in place and have not been working much better lately than they did earlier. The most important factor in the increase has been the demonstration effect among the farmers of the introduction of new and higher yielding varieties of rice, coupled with wider knowledge of new cultivation practices, as taught by the handful of PPLs.
CHAPTER 7

Development of KUD in the Five Kecamatans

In this section I shall examine the development of KUDs in the five kecamatan. These KUD cooperatives are regarded as an integral part of the rice policy implementation process since they are conceived as an organization which serves as a channel for the distribution of agricultural inputs (especially of fertilizer in the early stages of the rice intensification programs) from the government to farmers, and as a farmers' marketing organization (especially for rice, but also for various other commodities such as sugar, corn and soybean). The KUD system was set up by the government in 1973 and it was intended that the cooperatives would be utilised by the farmers as their own organizations.

According to government regulations, it is laid down that KUD should be run by farmers and should serve the interests of farmers. Management of the cooperative is undertaken by a board which is chosen by the members at an annual meeting. At this meeting, the members also choose members of the Supervisory Body which has the task of supervising the management of the cooperative. Thus, this meeting is considered the highest authority to which the board is held accountable by the members. A manager is appointed by the board to run the business activities of the KUD.

The regulation also determined that the profits from the business should be distributed to its members; that the welfare of the members should be given high priority; and that there should be open management. At the level of the kabupaten, the cooperative office has the task of developing the KUD under the coordination of the Bupati, while the Camats are supervisors of its development at kecamatan level.1 But are all these regulations in fact effectively implemented by the KUDs in the five kecamatans? What are the roles of the Cooperatives Office and the Camats in developing the cooperative? The discussion below provides the answer to these questions.

It will be seen that in many cases, the KUDs in the five kecamatans do not function as effective instruments for advancing the major aims of the government rice policy. While they are generally successful in their rice procurement and business

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activities, they have failed to serve the interests of farmers and are just dominated by some members of the elite in the kecamatans.

**KUD "AGUNG" of Tumpang**

The officially stated objective of the KUD, as mentioned earlier, is that it should be an organization run for and by farmers. However, from the very beginning, the KUD of the rice-rich Tumpang area has been dominated by a few members of the Kecamatan elite, i.e. local government officials and a few wealthy villagers associated with them, and has became an arena for groups, competing to dominate the cooperative organization, to tap the various forms of financial resources provided by the government for their own personal purpose, manipulating support from their own groups in the process.

Some members of the KUD's board are government officials in the kecamatan or retired government officials and ex-servicemen. Others are farmers, but they are always rich farmers who own more than 0.5 ha sawah and who also pursue other business activities. In terms of their party affiliations, we can find among them representatives of all three parties: Golkar, PPP and PDI. The political struggle between these groups for control of the KUD is one of the most interesting features of this KUD's story.

In Tumpang, unlike other KUDs in Malang Kabupaten, the KUD has been dominated by Golkar since it was established in 1973. This has been a great success for Golkar in eliminating the influence of the PDI in the cooperative, since PDI actually had strong support in the kecamatan before the emergence of Golkar. Moreover, the KUD has been dominated since 1981 by rich farmers from one village only, all of whom are members of Golkar.

In August 1973, when the Camat of Tumpang was instructed by the Bupati to establish a BUUD, he simply appointed all the members of the former KOPERTA board (who were mostly members of Golkar), as members of BUUD's board. An election to choose new members of the board, in accordance with the new KUD regulation, was carried out in 1974, but Golkar members were still a majority in the board (see Table 7-1 on page 169).

In 1975, the intervention of PEPABRI (an association of retired army staff which

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2 KOPERTA (Koperasi Pertanian), was a form of farmers' cooperative established during the Bimas Gotong Royong period in 1968, but it was abolished in 1973 due to the failure of the organization to serve as a farmers' organization when many of its board members were involved in financial corruption.

3 Mangoen was a retired Wedana, while Handoyo was a farmer and also a dalang of wayang kulit.
### Table 7-1: Boards of KUD "Agung" Tumpang, 1973 - 1984

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<tr>
<td><strong>Chairman</strong></td>
<td>Mangoen *</td>
<td>Handoyo *</td>
<td>Salwani **</td>
<td>Salwani **</td>
</tr>
<tr>
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<td>-</td>
<td>-</td>
<td>H.Munafi #</td>
<td>Kartono +</td>
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<tr>
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<td>-</td>
<td>-</td>
<td>A.Azizi +</td>
<td>-</td>
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<tr>
<td><strong>First Secretary</strong></td>
<td>Sunarto*</td>
<td>Sawandi *</td>
<td>Sunarto *</td>
<td>Handoyo *</td>
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<tr>
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<td>Sawandhi *</td>
<td>-</td>
<td>-</td>
<td>Supri #</td>
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<tr>
<td><strong>First Treasurer</strong></td>
<td>Djatun +</td>
<td>Djatun +</td>
<td>Sukardi +</td>
<td>Suwarno **</td>
</tr>
<tr>
<td><strong>Second Treasurer</strong></td>
<td>A.Syukri #</td>
<td>A.Syukri #</td>
<td>Handoyo *</td>
<td>H.Munafi #</td>
</tr>
<tr>
<td><strong>Manager</strong></td>
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<td>Triatmojo +</td>
<td>Triatmojo +</td>
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<tr>
<td><strong>Second Assistant</strong></td>
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<table>
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<th>1984 -</th>
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<tr>
<td><strong>Chairman</strong></td>
<td>H.Salami *</td>
<td>Udiono *</td>
</tr>
<tr>
<td><strong>First Chairman</strong></td>
<td>H.Soekirno **</td>
<td>H.Salami *</td>
</tr>
<tr>
<td><strong>Second Chairman</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>First Secretary</strong></td>
<td>Sagimun *</td>
<td>Syarief #</td>
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<tr>
<td><strong>Second Secretary</strong></td>
<td>Danarto #</td>
<td>Handoyo *</td>
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<tr>
<td><strong>First Treasurer</strong></td>
<td>Suwarno **</td>
<td>Salbani #</td>
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<tr>
<td><strong>Second Treasurer</strong></td>
<td>Samijo +</td>
<td>-</td>
</tr>
<tr>
<td><strong>Manager</strong></td>
<td>Muzaqqi */ Sunarko *</td>
<td>Syarief #</td>
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<td>Murali #</td>
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<td>Sunoto *</td>
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<tr>
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<td>Sunarto *</td>
<td>Samlanto #</td>
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<tr>
<td><strong>Second Assistant</strong></td>
<td>-</td>
<td>Ponimin +</td>
</tr>
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</table>

Source: KUD "Agung" Tumpang

is closely linked with Golkar in the BUUD began when Salwani (a retired Army lieutenant) was elected as the new chairman. Golkar at that time placed three of its

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4PEPABRI, Persatuan Purnawirawan Angkatan Bersenjata Republik Indonesia, is an Association of Retired Army staff. Among its activities is assistance for its members in seeking jobs after retirement.
members including Salwani in the BUUD (the others were Sunarto and Handoyo). PDI at this period had two persons on the board (Sukardi and Triatmojo), while PPP had one (H. Munafi). By 1978, although Golkar was still able to maintain a degree of influence in the BUUD through the position of Salwani, Handoyo, Suwarno and Sujono, the PDI seems to have successfully maintained the influence it had established since 1975, by retaining four of its members on the board (Kartono, A. Azizi, Insani and Munardji); the PPP also had two (Supri and H. Munafi). The success of PDI became apparent when it was able to create a new position on the board, i.e. the Third Chairman, which was then occupied by one of the PDI members (A. Azizi).

On April 9, 1979, the BUUD became a KUD and at that time the PPP made a political manoeuvre by making a proposal to the Camat that Insani be replaced on the grounds that he had an illness that made him unfit to do his job. This manoeuvre was successful and two of PPP’s members were appointed members of the Supervisory Body (Karim and Wardoyo). However, the PPP’s efforts to take the position of first secretary that was previously occupied by Golkar, proved unsuccessful because the Camat and Salwani (as members of the selection committee) preferred to appoint Handoyo (a member of Golkar). Yet, this period proved to be the beginning of an increase in PPP’s activity in the KUD and the beginning of the decline of PDI’s influence.

At the Annual Meeting (RAT, Rapat Anggota Tahunan) in 1981, a young teacher from Desa Wringinsono and a member of KNPI, H. Salami, was elected Chairman of the KUD. Apart from maintaining the power of Golkar, the election of Salami was considered the starting point for domination of the KUD by rich farmers from one village only, i.e. Desa Wringinsono (apart from Salami, there were four other members who came from the village, i.e. Muzaqqi, Sunarko, Sagimun and Sunoto) who all are members of Golkar. Prior to 1981 there was no one village dominating the KUD.

In 1983, the manager (Muzaqqi) was replaced by Sunarko, because there was an accusation that Muzaqqi was involved in financial corruption involving a sum as large as Rp 14 million. This accusation was made by a member of the Supervisory Body (Suryadi, Chairman of AMPI at the kecamatan), but no action was taken by the Chairman of the KUD or by the Camat either to charge Muzaqqi before a court or to examine the bookkeeping of the KUD. The only action taken was the replacement of

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5 Munardji was appointed Chairman of the Supervisory Body replacing Sujono, who moved to Malang town.
6 The Annual Meeting usually just elects the chairman of the KUD who then sets up a committee including the Camat, Head of Organization Development Section of the Cooperatives Office, and some other persons, to choose members of the board as a kind of indirect election.
7 AMPI = Angkatan Muda Pembaharuan Indonesia, Youth Group for Indonesian Reformation which is also backed by Golkar.
Muzaqqi by his friend from the same village, Sunarko. Suryadi resigned from his position as a member of the Supervisory Body in protest.\(^8\)

The inability of Suryadi to counter the financial scandal in the KUD, points to a more general phenomenon of powerlessness on the part of all the Supervisory Bodies of the KUDs in preventing such financial scandals. Unless they can gain the support of the Camat, there is little they can achieve by themselves. There seems to be three reasons for this lack of power. First, the Supervisory Body generally has insufficient authority in law to take any action to remedy a scandal, especially to counter the authority of the Camat. Similar cases can be found in other KUDs.

Second, some members of the boards and members of the Supervisory Body come originally from similar groups or from similar villages. Thus, personal relationships between them and feelings of "esprit de corps" have prevented the Body's members from taking the necessary action regarding mismanagement by staff of the KUDs. Third, most of the members of the Supervisory Body have insufficient knowledge of management, accounting and bookkeeping to check the management carried out by the boards of the KUDs.

The domination of the KUD by rich farmers has created a situation in which the cooperative has been used to make them wealthy. For example, Sunarko used a rice mill unit which he owned personally to process padi before it was sold to his KUD. Sunarko did not merely sell his rice to the KUD of Tumpang but he also sold it on the open market; he was then accused of buying rice from the farmers when its price was below the floor price and later selling it to the KUDs at a high price. This rumour was again used by the PPP by way of appeal to the Camat to discharge Sunarko as manager of the KUD. This appeal was successful and at the Annual Meeting in April 1984 Sunarko was replaced by a member of PPP, Syarief, who also held another position as First Secretary (see Table 7-1 on page 169).

At this Annual Meeting, Udiono, retired Pembantu Bupati of Tumpang and also from Golkar, was appointed chairman, but he died 3 months after his appointment. Salami as the Second Chairman, took over the position. Udiono was strongly supported by the Camat and his candidacy was even proposed in the meeting by the Camat. This action conflicted with the KUD regulations that someone who was nominated as a member of the KUD board must be a member of the cooperative. Udiono at that time was not a member of the KUD. When this problem was put to the Camat, he said that

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\(^8\)Suryadi told me that his resignation was motivated by frustration because his objective to clean up the KUD received no response from the Camat. *Interview*, August 6, 1984.
he would be responsible for his decision.\footnote{This was explained by H. Salami who, together with the Camat, Head of Organization Development Section of the Cooperative Office of Malang and some other figures, had been selected by the RAT as members of a committee to elect members of the board. \textit{Interview}, August 6, 1984.}

Thus, the regulations laid down by the government were simply by-passed, since the Camat knew he would have the support of the Bupati in the matter.

Though leadership of the KUD was still in the hands of Golkar members, the Camat seemed to offer more chances for members of PPP to obtain positions on the board of the cooperative than for PDI's members, i.e. he was playing off PPP against PDI to weaken the latter. This can be seen from Table 7-1 on page 169 which shows that in 1984 PPP had placed five of its members on the board compared to only one from the PDI.

According to some informants in Tumpang, the Camat appointed in 1982 had a close relationship with the important figures of the PPP in the kecamatan. This Camat originally comes from Madura, an island in which the majority of the population are strong supporters of PPP, so there is a strong possibility that he was sympathetic to the Muslim party. This supposition is strengthened by the fact that Suryadi, Chairman of AMPI in Tumpang and an ex-member of the Supervisory Body of the KUD, complained to me that the Camat acted in an unconcerned way about the development of the AMPI and KNPI in the kecamatan.\footnote{\textit{Interview}, August 6, 1984.} The attitude of the Camat was confusing because while he strongly support Udiono as chairman of the KUD, he also gave his sympathy to the PPP. However, it can be surmised that his support for Udiono was just to give the impression to the Bupati that he was a Golkar supporter.

Despite this intergroup competition, the KUD nevertheless made some progress in its business activities. The KUD of Tumpang has five units handling its various activities: TRI (Sugar Intensification Program), food stock, rice-mill, distribution of Bimas credit, and Candak Kulak credit. The TRI Unit has succeeded in increasing the number of farmers involved in sugar cultivation under the TRI system from 20 in 1976 to 223 in 1983, while the area planted has increased from 10.5 ha in 1976 to 30.5 ha in 1983 throughout the kecamatan area.\footnote{This note is given by a member of staff of KUD Tumpang.}

The Food Stock Unit also increased in terms of the size of its contract with the Sub-Dolog.\footnote{The amount of the contract was increased from 500 tons in 1978 to 1,500 tons in 1982 while the amount of credit from the bank was increased from Rp 17.5 million in 1978 to Rp 42 million in 1982. This increase shows the confidence of both the Sub-Dolog and the bank in the ability of the KUD. \textit{Notes} provided by Manager of the KUD.} But despite the increase in Food Stock activities, the manager of the KUD
was still making rice purchases as far afield as Kabupatens Ngawi and Lamongan whenever there was not a sufficient stock of rice in Tumpang to fulfil the KUD’s contract with the Sub-Dolog (see also notes on KUD Pakisaji). In addition, the profits obtained by the KUD from its activities also increased impressively, i.e. from Rp 590 thousand in 1977 to Rp 8,244 million in 1982. So the participants in this KUD, drawn from a very narrow group, stood to gain very substantial benefits from it.

Who are the people who have enjoyed the progress and financial benefits made by the KUD? Apparently the only ones to know the full amount of the profit (SHU = Sisa Hasil Usaha) and the other financial benefits of the cooperative were those who actually attended the annual meeting, and those who have enjoyed the benefits are perhaps only the Camat, members of the MUSPIKA and the KUD staff. H. Salami explained to me that most of the KUD budget was spent on the salaries of the KUD staff. Furthermore, according to him, each Camat has always asked for 5 per cent of the benefit for the UDKP, or kecamatan budget. The Camats even tend to use the finances of the KUD for their own personal purposes. Once, a Camat asked for three trucks of sand to be used for his housing construction, while the members of MUSPIKA often asked for money for petrol and Rp 5,000 for each visit to the office of the KUD. These requests “sangat merepotkan KUD” (create headaches for the KUD), complained H. Salami.

Many farmers I met during my visits to villages around the kecamatan explained that the KUD staff do not become actively involved in rice purchasing during the harvest time. Hence, the farmers are reluctant to sell their rice to the KUD, especially as they need transportation to bring the rice to the KUD warehouse. Instead, they sell their rice to agents of private rice-mills who come into the sawah to buy the rice even though they know that the price at the KUD is sometimes higher. The most important reason given was that most farmers need the cash urgently at that time, but the KUD has usually no capacity to provide cash at the time of harvest for reasons explained below. The big rice mills in the kecamatan which are willing to pay cash are owned by four Chinese rice traders. This problem is not merely faced by the farmers in Tumpang but also by those who live in other kecamatans.

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13 Quoted from a blackboard in KUD Tumpang.
14 The KUD staff, except for the manager and the Supervisory Body members, are divided into two categories. Those who were categorized as activists received salaries of Rp 30,000 per month in 1984. These were the First Chairman, the Second Secretary, and the Treasurer. The less active received Rp 20,000 and Rp 15,000 per month. They were the First and the Second Assistant. The salary for the Manager was Rp 30,000 a month, while that for the Supervisory Body members was Rp 15,000 per three months in 1984.
15 UDKP = Unit Daerah Kerja Pembangunan, Unit of Job Area for Development. This is an institution set up to discuss development projects needed by the kecamatan. At village level, the institution is called LKMD, while at kabupaten level there is BAPPEDA.
16 Interview, August 6, 1984.
The KUD itself has encountered various problems in its food stock activities. First, the KUD usually has no capital to purchase rice, so when it tries to obtain credit from the BRI, the credit very often comes only after the harvest, when much of the rice has already been purchased by rice traders. This occurs because of the complicated procedures which involve agreement by various offices such as the Cooperative Office and the Logistic Office (Sub-Dolog), before the bank agrees to give credit. All this complexity gives rise to numerous opportunities to create delays which enable traders to exploit the market situation because of the farmers’ need to sell their crops immediately.

Although the Tumpang KUD and other KUDs have reported this problem to the Cooperative Office and Sub-Dolog, no action has ever been taken to remedy this bureaucratic obstacle. By selling the rice to traders the farmers have found it hard to obtain the floor price laid down by the government and very often they have had to sell at a lower price. Moreover, many farmers told me that they had never heard about the floor price scheme, because there was nobody, neither staff members of the KUDs nor kecamatan officers, who provided information to them about the price level.

Secondly, quite in contrast with the financial success of the Tumpang KUD, it surprisingly has no rice-processing unit, so that the Sub-Dolog has sometimes refused to accept rice from the KUD because it is considered to be below quality. This results in financial losses to the KUD; consequently the KUD decided to cooperate with rice traders in food stock activities in preference to Sub-Dolog, in order to minimize the risk (see also notes on the KUD of Kepanjen).

Beside the food stock problem, farmers also complain about delays in fertilizer distribution. This delay is not merely caused by delays in shipment from the PPK, but also by regulations in the Bimas program itself, e.g. about the way Bimas credit is to be distributed within the BPB system (see notes on the decrease in Bimas participation in Chapter Five). Insofar as the KUD is concerned, the system has not yet been carried out properly because the KUD does not yet have the ability to make close contact with all the farmers.

Furthermore, the KUD has insufficient facilities to take a role as a distributor of government credit. It lacks the managerial skills needed to distribute the credit and its facilities for the long-term storage of fertilizer are inadequate. A long period of storage will make the fertilizers lumpy and unable to be sold, yet the KUD still has to pay for them. This technical problem was confirmed to me by the Head of the Malang Diperta.

The KUD has insufficient staff to accept the repayment of credits from farmers.\textsuperscript{18} As a result of these problems, when I visited the KUD, there were 50 tons of fertilizers in its warehouses that could not be distributed to farmers because the BRI and the Camat had prohibited their distribution until 60 per cent of farmers' groups in the kecamatan had paid back their previous credits. Up to the end of my research, the Camat was still continuing his efforts to reclaim these credits and the fertilizer was still stored in the godown.

The KUD board, on the other hand, complained about the farmers' refusal to buy production inputs at the KUD kiosks, while at the same time recognizing that the location of the kiosks, in places far from the villages, was faulty.\textsuperscript{19} According to the KUD staff this was caused by difficulty in finding land near the villages. They considered that this was due to the refusal of the farmers to support the KUD.

Some of these lands were in fact sold to other buyers for religious purposes, for example the establishment of mosques. Apart from the fact that the kiosks have been built too far from their houses and sawahs, the farmers have found that most of the kiosks have never been opened since they were built. The explanation of the Carik (Secretary) of Desa Slamet (about five kilometers from the KUD office) may give a clearer picture of the situation:\textsuperscript{20}

I am not a member of the KUD, and the cooperative has never taken my money for a contribution. I do not know who are members of the KUD board and I do not know what are the purposes of the cooperative. In this village there is one kiosk of the KUD, but its doors have always been closed since it was established.

The fact that this man was a leading member of the pamong desa and did not have close contact with the KUD suggests that ordinary members of the village community in the kecamatan would have been even more remote from it.

The staff of the KUD claim they are insufficient in number to manage the kiosks. Hence, there was a proposal from the KUD to hand over the kiosks as an activity for the PKK. This is an utterly different kind of women's association, however, and has made no response to that proposal. Again, these last two problems are found not only in Tumpang but also in other kecamatans.

\textsuperscript{18}In 1984, there was only one woman staff member in the Section of Credit who had the duty of administering distribution and repayment of credit. The staff member was paid only Rp 15,000 a month (around A$ 15) for her task of visiting villages to collect the repayment. A similar situation was found in the other KUDs.
\textsuperscript{19}KUD Tumpang, \textit{Ibid.}, p.5.
\textsuperscript{20}Interview, August 4, 1984.
Development of KUD Jabung

Like the KUD of Tumpang, the KUD in the much poorer kecamatan of Jabung is also dominated by members of the kecamatan elite. But it differs in that whereas the former has been continuously controlled by members of Golkar, the KUD of Jabung has been dominated by members of the PPP. Since 1983 the leadership of the KUD has been taken over by a member of PEPABRI, but the majority of the members of the KUD board are still PPP members. This domination of the KUD by members of the PPP has given rise to rumours that the cooperative was no more than a family firm. This KUD is also an example of the lack of attention by the Government towards the development of the KUD in a non-rice producing area.

The BUUD of Jabung, like those in other kecamatans, was established in 1973. As the first members of its board, the Camat appointed some former members of a farmer cooperative board, *Koperasi Konsumsi* (established in 1956). At that time, the leadership was in the hands of a member of PDI, Susetyo, but all other members of the board were from PPP (see Table 7-2 on page 177).

In 1974, a member of PPP and former member of the supervisory body of the KUD, H. Muktari, was appointed chairman of the KUD. This appointment was the starting point of Muktari domination of the KUD from 1975 till 1983, which was the reason why the cooperative came to be widely regarded by the people of Jabung as merely the family firm of H. Muktari. His strong influence can be seen, for example, in the structure of the KUD board, in which the majority of members were from PPP and were friends of Muktari himself, especially from his village, Sukopuro. This structure resulted in the fact that many members of the cooperative did not know how the KUD was managed since they never received any accounting from the board regarding its operations; moreover, the board rarely even conducted annual meetings.

The above situation gave raise to suspicions that some members of the board were involved in financial corruption. In 1974, for example, the secretary of the KUD, Jamsari, was killed in a car accident. This gave rise to rumours and suspicions that the BUUD board was involved in financial scandals, because all evidence of the transactions of the cooperative, including its accounts and even lists of BUUD members, were "lost" after the death of Jamsari. These suspicions were strengthened when the manager, Susetyo, committed suicide in 1975.

The Camat of Jabung and some people in Jabung explained that the reason for the suicide might have been fear on Susetyo's part that the scandal would be discovered by

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21 Jamsari was a former secretary of the *koperasi* in 1956 and 1967. H. Manufa was a former treasurer of the *koperasi* in 1956 who then became chairman of it in 1967. H. Muktari was a former coordinator of the *koperasi* in 1967.
Table 7-2: Boards of KUD Jabung, 1973 - 1984

<table>
<thead>
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<th></th>
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</tr>
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<td>H.Muktari #</td>
<td>H.Muktari #</td>
<td>H.Muktari #</td>
</tr>
<tr>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>Bahrum *</td>
</tr>
<tr>
<td><strong>Secretary</strong></td>
<td>Jamsari #</td>
<td>H.Sunito #</td>
<td>Bahrum *</td>
<td>Khasiyat #</td>
</tr>
<tr>
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<td>H.Manufa #</td>
<td>H.Manufa #</td>
<td>H.Abdul #</td>
<td>H.Abdul #</td>
</tr>
<tr>
<td><strong>Ass. Treasurer</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Rof #</td>
</tr>
<tr>
<td><strong>Supervisory</strong></td>
<td>H.Muktari #</td>
<td>Saptadi #</td>
<td>H.Djuned #</td>
<td>Masdari #</td>
</tr>
<tr>
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<td>-</td>
<td>-</td>
<td>Samadi #</td>
</tr>
<tr>
<td><strong>Manager</strong></td>
<td>Kusnidar #</td>
<td>Susetyo +</td>
<td>H.Manufa #</td>
<td>H.Djuned #</td>
</tr>
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</table>

<table>
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<tr>
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<th>1984-</th>
</tr>
</thead>
<tbody>
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<td>Manan **</td>
</tr>
<tr>
<td><strong>Second Chairman</strong></td>
<td>Masdari #</td>
<td>Fazlani #</td>
</tr>
<tr>
<td><strong>Secretary</strong></td>
<td>Suwandi #</td>
<td>Subardi *</td>
</tr>
<tr>
<td><strong>Treasurer</strong></td>
<td>Bahrum *</td>
<td>Wahab *</td>
</tr>
<tr>
<td><strong>Ass. Treasurer</strong></td>
<td>Kasman #</td>
<td>Iskandar #</td>
</tr>
<tr>
<td><strong>Supervisory</strong></td>
<td>Suradi #</td>
<td>H.Muktari #</td>
</tr>
<tr>
<td><strong>Body</strong></td>
<td>Wahab *</td>
<td>H.Sunto #</td>
</tr>
<tr>
<td><strong>Manager</strong></td>
<td>Rafiq #</td>
<td>Maruli #</td>
</tr>
</tbody>
</table>

Source: KUD Office of Jabung

the authorities. Before the death of Susetyo there had been an investigation by the Cooperative Office into the management of the BUUD. In the course of this investigation it was found that Rp 6 million worth of food stock had been corruptly handled by the BUUD board. This scandal was the reason given by the Cooperative Office for stopping distribution of food stock credit to this KUD until the debt was totally repaid.22 In August 1984, the secretary of KUD Jabung explained that the amount of the debt was only Rp 900,000.23

Up to 1983, the KUD was badly managed. For example, it had no lists of its members and no registration of profit. Apart from this, during the period of his

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22 Apparently, according to some people in Jabung, Susetyo’s fear was also aggravated by the fact that he was a son of a member of the Communist party (PKI) who was killed in a massacre in 1965.

23 Interview, Subardi, Secretary of KUD Jabung, August 11, 1984.
chairmanship, H. Muktari was also able to prevent any intervention by the Camat and the Cooperative Office in the management of the KUD. Until 1979, no annual meeting was ever held by the cooperative. When one was finally held in 1979, it was just a ceremony to strengthen the position of H. Muktari and his supporters from the PPP, on the board of the cooperative. From 1979 to 1983, no annual meeting occurred and in 1981, Khasiyat, the Secretary, escaped from Jabung to a place unknown with around two million rupiahs of the cooperative's funds in his pocket. Some people in Jabung guess that Khasiyat returned to his kampung in South Sumatra.

The ability of the KUD under H. Muktari to avoid conducting the annual meeting is evidence of the inability of the Camat and the Cooperative Office to intervene in the management of this KUD in this situation. This powerlessness was due to at least three factors. In the first place, the Camat and some staff members of the Cooperatives Office, who have the task of supervising the development of the KUD, have often been also involved in the financial scandals of the KUD board members. It was reported by some members of the board that transfers of money from the KUD to government officials often occurred. This practice was followed in order to make all "business" of the KUD run more smoothly.

Secondly, it seems that there has been a lack of interest from kabupaten-level officials in the development of the KUD. Since Jabung is not a potentially rich rice area its contribution to food stock is small. Therefore, unlike the close attention given by officials to other KUDs in the main rice producing areas, the development of the KUD in Jabung tends to be ignored by them. During my stay in Malang, officials of the Cooperative Office often made inspections to other KUDs, but not to Jabung KUD.

Thirdly, it seems also that the lack of attention by officials in the KUD, was due to a deliberate attempt to weaken an organization in which Golkar had a lesser role than other parties (PPP in the case of Jabung). The Head of the Cooperative Office in Malang categorized the KUDs in which PPP or PDI members have a majority seat in the KUD's board as "KUD Rawan" (literally, "anxious," i.e. a trouble spot) which means that such KUDs are in the wrong hands; hence efforts to replace their boards should be made.

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24 H. Muktari is village headman of Desa Sukopuro. He is around 60 and has been a village headman for about 15 years. The biggest house in the rice producing desa is his property. In his house there are some surat penghargaan (letters of recommendation), among other things, from President Sukarno for his achievement in developing the Koperasi Konsumsi in 1960. He is actually not a "conservative" man in front of the government. As a supporter of NU he does not refuse the development programs of the government. Even in 1982, he accepted the initiative of the KNPI in establishing an electrical network in his desa that makes Sukopuro one of the four desas in Jabung which enjoys electrical power.
In 1983, through the intervention of PEPABRI, the chairmanship was taken from H. Muktari. A chairman from PEPABRI in Jabung, Manan (a retired warrant officer in the army), was appointed as chairman of the KUD. In this new board, the membership from Golkar was increased. Yet there was still no improvement in the management of the KUD. It still had no lists of its members, for example, and no registration of profit. In September 1983, when I asked a member of the KUD board about the management of the KUD, i.e. lists of membership, development of profit etc., he was unable to present them.

His inability to do so was not because he wished to conceal the information, but simply because the KUD did not have all the data. When I asked for it, he became confused and busily began to open a lot of files in his desk and cupboards, assisted by two staff of the KUD. Finally he admitted that the KUD actually did not have all of that information. When I returned to the KUD in August 1984 (after a change in the board), his statement was confirmed by the new secretary who said that until 1983, nobody knew about that information and this had made his task very difficult. In 1984, an annual meeting increased the number of board members from Golkar and reduced the number of members from PPP, but the PPP still retained its majority on the cooperative board.

The domination of the KUD by one person associated with a particular group resulted in a situation where most farmers in Jabung received no benefit at all from the KUD. Even the farmers in Sukopuro, the village of H. Muktari, had a cynical expression when I asked them what benefit they had obtained from the KUD. One of them, Pak Mlm, of Desa Sukopuro said cynically:

> KUD here does not do anything for its members and its board is not active. Sometimes a distribution of fertilizer from the KUD has occurred but only if there is a report about lack of fertilizer. If there is a lack of fertilizer in this village, nobody takes the initiative to make such a report to KUD, so there will be no distribution of fertilizer.

**Development of KUD in Kepanjen**

As in Jabung, the KUD of Kepanjen is also dominated by one person. But whereas in Jabung such domination was achieved by a member of PPP, in Kepanjen the KUD has been dominated by one retired army officer, a member of PEPABRI who is strongly backed by Golkar. Therefore Golkar, and especially the PEPABRI, has had a majority of members on the KUD’s board. In addition, unlike in Tumpang and Jabung, no farmers have become members of the board in the KUD of Kepanjen. They are either government civil servants or ex-servicemen. And the most interesting feature of the

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25 Interview, September 29, 1983.
KUD is the way in which it cooperates with rice traders in food stock activities like other KUDs, as will be outlined below.

The BUUD of Kepanjen was established in February 2, 1973, and became a KUD on January 1, 1980. As in other kecamatans, its first board was appointed by the Camat. During the years 1973 - 1975, the board of the BUUD failed to hold an annual meeting. The first annual meeting in 1976 was conducted after strong demands were made for the replacement of Manager Arnoto, who was accused of involvement in a financial scandal. This meeting appointed Sunoto, a retired Lieut.Col. of the Army, as a new chairman of the cooperative (see Table 7-3 on page 181).

The appointment of Sunoto was the starting point for his domination of the KUD up to the present day. Although annual meetings have occurred five times since 1976, there have been no significant changes in membership of the cooperative board. Some members have permanently occupied their positions for many years, right down to the present. It is important to note that the majority of members on the board of the KUD are members of Golkar.

The domination of the KUD by Sunoto has resulted in difficulties in developing teamwork between himself and some of his colleagues in the KUD. This has been caused by his attitude towards intervening in all the problems of the cooperative which fall within the competence of his colleagues. In 1978, for example, Sunoto made a proposal at the annual meeting to replace the manager of the KUD (Sukarno) because in his opinion, Sukarno lacked the ability to manage the cooperative, whereas in Sukarno's opinion, Sunoto was a very ambitious man who wanted to dominate the KUD management.

Sukarno was replaced by Nadzri, a retired army officer. However, Nadzri also failed to cooperate successfully with Sunoto. He too accused the latter of being a chairman who was always intervening in the management of the KUD. Such intervention, according to Nadzri, had undermined his position as manager of the cooperative because Sunoto had taken action appropriate to a manager of the KUD. Hence, Nadzri withdrew from his position in 1980 and was replaced by Witono, who also

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26 M. Sadiko was a former staff member in the Kecamatan Office in Kepanjen who then became village headman of Desa Cepoko Mulyo. Djamsari (who died in 1979) and Kartono were both retired army officers while A. Sukoco was a staff member of the post office and Ramadi was head of an elementary school in Kepanjen. Arnoto was a businessman and also one of the leaders of *Pemuda Marhaenis* (a youth organization of the Indonesian Nationalist Party, PNI) who later became actively involved in the KNPI and AMPI of Kepanjen. Witono was staff member of the Transmigration Office in Malang; Sumirah was the widow of an army officer; Pribadi, Gunawan, Manan, Aslam, Suradi, and Darnowo, all were retired army officers; Sukarno was a Post Office employee pensioner; Miss Tini was an activist in AMPI.

27 *Interviews* Sunoto and Sukarno, September 22 and 24, 1983.
### Table 7-3: Boards of KUD of Kepanjen, 1973 - 1984

<table>
<thead>
<tr>
<th>Year</th>
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<th>Deputy Chairman</th>
<th>Secretary</th>
<th>Treasurer</th>
<th>Supervisory Body</th>
<th>Manager</th>
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<tr>
<td>1973-1976</td>
<td>M. Sadiko +</td>
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<td>Sunoto **</td>
<td>Sunoto **</td>
<td>Sunoto **</td>
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<tr>
<td>1976-1978</td>
<td>Sunoto **</td>
<td>-</td>
<td>Witono *</td>
<td>Sumirah *</td>
<td>Sumirah *</td>
<td>Suhdi **</td>
</tr>
<tr>
<td>1978-1980</td>
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<td>-</td>
<td>Manan **</td>
<td>Sumirah *</td>
<td>Sumirah *</td>
<td>Sumirah *</td>
</tr>
<tr>
<td>1980-1981</td>
<td>Sunoto **</td>
<td>-</td>
<td>Tini *</td>
<td>Sumirah *</td>
<td>Sumirah *</td>
<td>Sumirah *</td>
</tr>
<tr>
<td>1981-1982</td>
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<tr>
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<th>Secretary</th>
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<th>Supervisory Body</th>
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</tr>
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<tbody>
<tr>
<td>1982-1984</td>
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<td>-</td>
<td>Tini *</td>
<td>Sumirah *</td>
<td>Pribadi **</td>
<td>Aslam **</td>
</tr>
</tbody>
</table>

**NOTES:**

Chairman: - ** = PEPABRI
Secretary: Tini * + = PDI
Treasurer: Sumirah * # = PPP

Source: KUD of Kepanjen

made a similar complaint about the leadership of Sunoto. In 1981, Witono withdrew from his position and was replaced by Suradi.

Sunoto seems to have had sufficient power to be able to avoid control by the Supervisory Body, the Camat and the Cooperative Office. According to various informants in Kepanjen, before 1982 money belonging to the KUD was often borrowed by Sunoto or other staff without receipts and they were generally not repaid; but nobody publicized this malpractice. Only after Darnowo (a retired army officer of the same rank as Sunoto) became a member of the Supervisory Body in 1982, did any action against Sunoto occur.

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In 1983, Darnowo discovered that as much as Rp 6,700,000 of the KUD’s money was missing. He suspected that several members of the board (whom he refused to mention by name) had used the money without any receipts. He sent a report on the findings to the Cooperative Office, but it met with no response and the office maintained silence on the financial scandal. A rumour then arose that the silence of the Cooperative Office was due to the fact that as much as Rp 200,000 had been given by Sunoto to the Office.29

The silence of the Cooperative Office resulted in a request by Darnowo to withdraw from membership of the Supervisory Body in early 1984. As his successor, the Camat appointed Arnoto (former manager of the BUUD in 1973-1974) to be the new chairman of the Supervisory Body. The appointment of Arnoto shows that the Camat actually did not pay any attention to his record, since he was a person accused of corruption when he became the manager of the KUD in 1973-1974, nor to the problem of the KUD as a whole. As in other kecamatans, the Camat seems to have connived at developments within the KUD until a serious problem occurred which required his intervention (see notes on KUD Sumberpucung). Sunoto himself had no objection to Arnoto and when I stayed in Kepanjen, Sunoto came nearly every day to Arnoto’s house to discuss problems facing the KUD.

Yet there were some improvements in the management of the KUD under Sunoto. For example, there are improvements in bookkeeping, registration of members and profits (SHU) as well as regular meetings of the KUD board.30 When Sunoto replaced M. Sadiko in 1975, for example, the cooperative had a debt as high as one and a half million rupiah to the BRI, because it could not repay the food stock credit, and it also owed for 60 tons of fertilizer.

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29This rumour is confirmed by Arnoto (Manager in 1973-1976) and also by Darnowo. The transfer of money from KUD to officials of the Cooperative Office is not limited to efforts to avoid control of the management of the KUD but extends also to the problem of helping the KUD receive credit from the bank. This occurs when the KUD makes its balance of payment report to the Cooperative Office. Due to the fact that most of the KUDs lack skilled staff, they usually ask for the help of the Cooperative Office in making their balance of payment. For this help, some money should be paid to the staff of the office. According to some staff of KUD Kepanjen, the transfer of money was needed so that the cooperative office could arrange for the balance of payment so that the KUD retained its profit. This is needed to enable the KUD to be classified as a KUD possessing sufficient credibility to receive further credit from the bank. Eligibility for credit will be advantageous for the KUD in terms of good evaluation from the authorities regarding performance of its board, and also in terms of the possibility of using the credit for the needs of the KUD or personal interests of its board. As an example, they said that in the last two years, the KUD had actually operated without profit, but the cooperative office still recorded a profit within the balance of payment, so the KUD was still eligible to receive the credit. This practice is found also in other KUDs.

30Meetings of the board occurred every Thursday; meetings between the manager and staff every Monday; plenary meetings of the board and manager and staffs once every three months; and checking on management of the KUD by the Supervisory Body was also executed once in every three months. KUD Kepanjen, "Laporan Pertanggung Jawab Pengurus KUD Kepanjen Tahun Kerja 1982." Unpublished Report, p.7.
The fertilizer was sold by the KUD but no money was sent to the bank. This occurred because the profits were used improperly. During the M. Sadiko period, there was no bookkeeping, while the use of profits was determined by the Camat. According to Arnoto, manager of the BUUD under Sadiko, there was a profit of six million rupiah in 1974; however, as much as Rp 400 thousand of that money was taken by the Camat for his own purposes, and the balance was donated to various mosques and other social institutions. However, the KUD's debts had been fully paid by the management under Sunoto.

As in other KUDs, it would be hard to say that the KUD of Kepanjen, on the basis of its membership, has been widely accepted by farmers as their own organization. There were only 838 members in 1983 while the total number of farmers in the kecamatan was 10,893. As in other KUDs, the members have been recruited merely from farmers who take the Bimas credit. Also many farmers in Kepanjen stated to me that they did not obtain any benefits from the KUD. There has been, for example, no distribution of profits to the members of the KUD and only those who are invited to the annual meeting would know the size of the profit.

As in other KUDs, meetings have been effected by inviting the Kontak Tanis only, one Kontak Tani being considered the representative of ten farmers. It is widely known that Kontak Tanis do not automatically represent the opinions of farmers. Many farmers' groups, are inactive; and Kontak Tanis, as chairmen of the farmers' groups, have never contacted members of their groups. Therefore, information about the profits of the KUD and other information from the KUD have generally not been received by the majority of its members. In all five KUDs I investigated, it is widely known that the annual meeting is a mere formality held just to comply with the regulations.

The profits of the KUD, according to Sunoto, have been reinvested. He gave the example that, in 1983, the KUD established some warehouses in Kepanjen which cost around twenty eight million rupiah, without any credit from the government. For this purpose, he used three million rupiah from profits and twenty five million rupiah from the food stock credit.

To repay this credit, Sunoto has used as much as ten million rupiah of his own

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31 Interview, Arnoto, manager of BUUD Kepanjen 1973-1975, September 14, 1983. If the suspicion of Arnoto's involvement in the financial corruption cited above is correct, it means that some percentage of the profits was also taken by him.

32 Interview, Tini, Secretary of KUD Kepanjen, September 12, 1983.

33 As a comparison with other KUDs, see Kompas, "KUD Lebih Menyerupai Jawatan," September 21, 1984.

34 He refused to take the credit in order to give the impression that his KUD was able to build the buildings without aid from the government.
money, and borrowed as much as thirteen million and two million rupiah from the
PUSKUD and a Chinese trader respectively. To repay this debt, Sunoto had a plan to
cooperate with rice traders for handling the food stock in 1984 and 1985. The problem
here was that the decision to make the reinvestment was not known by the KUD
members and therefore Sunoto had given no accounting of his action to them. As
explained by Sunoto, the decision was taken by the board of the cooperative only.

Cooperation with rice traders in food stock activities has occurred regularly since
the cooperative was established in 1973 and, as in other KUDs, it is made necessary by
several factors. First, the KUD lacks experience, staff and facilities to compete with the
greater experience of rice traders in this activity. The KUD of Kepanjen has cooperated
with many rice traders, but there were three Chinese traders in particular with whom
the cooperative usually made contracts in relation to food stock.

From this activity, the cooperative benefited from the interest on the loan, that is,
two per cent per month for six months, and from the transportation fee, two rupiah per
kilogram from Kepanjen to Sub-Dolog warehouses in Malang in 1984. The traders, on
the contrary, will also benefit from the other transactions they make with the local
farmers who generally have to sell their rice to them below the floor price, and from the
freedom not to pay sales tax.

Secondly, as in other KUDs, the Sub-Dolog often refused to accept rice from the
KUD on the ground that the rice from the KUD is below the quality control standards
set by the office (they called it rendemen, i.e. conversion of milled rice from stalk padi).
Determination of the rendemen was carried out by two testers, PT. SUCOFINDO and
PT PAN ASIA. The process of testing was carried out without supervision by KUD
staff. Thus, there was a suspicion that results of the test had been manipulated by the
testers for the benefit of the Sub-Dolog.

This suspicion was enhanced by the fact that some transfer of money (called uang
pelicin) had to be made between the KUD and the Sub-Dolog staff for the rice to be

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35 Interview, Sunoto, Manager of KUD Kepanjen, September 22, 1983.
36 In the cooperation with rice traders, the KUD provides the traders the money taken from
food stock credit (Kredit Pengadaan Pangan). The traders then seek the rice wherever it could be
found (although it should have been readily available in other kecamatans or other kabupatens).
The traders will send the rice, in the name of the KUD, to Sub-Dolog warehouses.
37 The amount of the transportation fee differs between one KUD and another. This depends on
the distance between each KUD and Sub-Dolog warehouses. KUDs which are located far from
the warehouses receive more fees than those which lie close to the warehouses. This difference causes
speculation by some KUD managers in food stock activities although the KUDs are located in
non-rice producing kecamatans. The KUDs of Kasembon and Ngajum, for example, will receive
seven rupiah per kilogram for the rice they sent to Sub-Dolog. Their managers then make
contracts with traders in rice producing kecamatans particularly with those who stay near the
Sub-Dolog warehouses. Or, the managers will wait for trucks carrying the rice near the
warehouses then buy the rice and send it to the warehouses.
accepted by the Logistic Office.\textsuperscript{38} Those who have the ability to carry out such a transfer of funds and who are in the habit of doing so were the rice traders. Hence, according to Sunoto, it is better to use them for this purpose because this will reduce the possibility of losses if the rice is refused by Sub-Dolog; at the same time, the KUD would be able to get some benefit without the need to do much work. Expenses for the \textit{uang pelicin} were included under the heading of "man fee" in the bookkeeping of KUD Kepanjen.

Finally, the cooperation with the rice traders is facilitated by the attitude of the government itself, in that it tends to ignore the problem of the sources from whom the KUDs buy their rice. The fact that KUDs are allowed to buy rice as far afield as other kecamatan and even other kabupaten areas (see footnote 36), means that there is no instruction for the cooperative to buy the rice merely from farmers within their areas of operation (kecamatan). This fact also indicates that the cooperative is not just established to give service to the farmers in its area (which most of them in fact have failed to do), but especially to help the government make rice purchases to fulfil the national rice stock.

**KUD of Sumberpucung II in Ngebruk**

There are two KUDs in Sumberpucung, since the area of the kecamatan is too large to be covered effectively by only one. These have been named KUD Sumberpucung I and II. The focus of this study is KUD Sumberpucung II, the office of which lies in Desa Ngebruk. The more effective development of this KUD and some interesting problems faced by it, especially in the last three years, are the basic reasons for its choice as the focus of this study.

This KUD was also dominated, before 1984, by a small group of elite villagers in Sumberpucung. Here the PEPABRI was not able to penetrate the KUD until after an internal conflict which terminated the control of the dominant group in 1983. This conflict provided an opportunity for the local government to intervene, and it then took over the management of the KUD, making it the only KUD in Malang Kabupaten which is officially run by local government officials. The conflict is also interesting as an illustration of the way in which the Camat attends to KUD affairs. It also represents a case where the corruptor goes free while the honest man is punished.

\textsuperscript{38} Arnoto explained that he, in 1975, had asked his friend to give some money to the Sub-Dolog staff when rice from his KUD was refused for the reason that the rice was below quality. After the transfer of money, the same rice had been accepted by them. According to Sunoto, the money of \textit{uang pelicin} has been increased from twenty cents per kilogram in 1973 to be two rupiahs per kilogram in 1984. Even the \textit{tukang timbang} (man who operates rice scales) has to be paid in order to avoid the reduction of weight intentionally made by the \textit{tukang timbang}. 
The troubles that occurred in 1983 in this KUD are of particular interest because this was one of the best-managed KUDs in the kabupaten. Moreover, attempts were made by various officials to deal with allegations of corruption; and the attempts were made in accordance with the regulations and through the appropriate channels. But political considerations relevant to the power relationships prevailing within the kecamatan created insuperable obstacles to the would-be reformers.

The cooperative had been dominated, ever since its establishment in 1973 as a BUUD, by H. Misan and his colleagues. H. Misan is one of the richest farmers in his village. His assets, together with his level of education, which is relatively good, have enabled him to be actively involved in kecamatan affairs and have thus given him a chance to be, at the same time, one of the most respected persons in Sumberpucung. The other leading men in the group were Drs. Suwarno, Dr (medical) Fadjri, and Pratomo.

While this KUD has been dominated since 1973 by the group of H. Misan, other people have moved on and off the KUD board; but these four powerful figures managed to retain their positions continually from 1973 to 1983 (see Table 7-4 on page 187). However, an internal conflict developed between Misan and Fadjri in 1983, which ended the power of those two leaders of the KUD, leaving only Suwarno and Pratomo.

Under the management of H. Misan, the KUD had achieved some progress.

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39 He has around 4.0 hectares of sawah. Although he is not the richest farmer, he is included in that small number of farmers in his village who have more than 2.0 hectares of sawah. Two other farmers in his village, Dukuh Kebonsari in Desa Senggreng, have around six and seven hectares of sawah. In 1984, there were only around five to seven farmers in the village who had 2.0 hectares or more of sawah. Beside that, Misan also has a rice mill (huller) and rice warehouses.

40 He is a graduate from PGA (Pendidikan Guru Agama), Religious Teacher School at the level of Junior High School.

41 Drs. Suwarno comes from a farmer’s family in Sumberpucung. He got his Master’s degree from Universitas Brawijaya in Malang. Although he has around 4.0 hectares of sawah in Sumberpucung (mostly an inheritance), most of his time is spent in the KUD. Since 1982 he has occupied the position of chairman of PUSKUD of the East Java Province in Surabaya, the highest position in the cooperative organization at the province level. Beside that, Suwarno has also two medium-sized rice warehouses in Sumberpucung. Fadjri is not a farmer. He is a medical doctor graduated from Universitas Airlangga in Surabaya and he was sent to Sumberpucung in 1975 as a dokter INPRES and remains in the kecamatan until today. He has (as many other kecamatan officials and teachers in the kecamatan) rented two hectares of sawah, but his life is mostly dependent upon his activity as a medical doctor. In 1982, Fadjri was appointed Chairman of BKO in Malang. Pratomo is a village headman of Desa Ngebruk. He originally comes from Jakarta and was born there. He joined the Indonesian Army during the independence war and was sent to Malang in 1948. He retired as an army officer in 1953 and decided to remain in Ngebruk where he married a woman of the village. As a village headman, Pratomo has 3.5 hectares of bengkok sawah and two other hectares which he bought in 1971.
<table>
<thead>
<tr>
<th>Year</th>
<th>Chairman</th>
<th>First Chairman</th>
<th>Second Chairman</th>
<th>First Secretary</th>
<th>Second Secretary</th>
<th>Third Secretary</th>
<th>Treasurer</th>
<th>Manager</th>
<th>Supervisory Body</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-1975</td>
<td>H. Misan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Suwarno*</td>
<td>Pratomo**</td>
</tr>
<tr>
<td>1975-1977</td>
<td>Ismet**</td>
<td>H. Misan*</td>
<td>-</td>
<td>Riwani+</td>
<td>Asnowo#</td>
<td>-</td>
<td>-</td>
<td>Herman*</td>
<td>Pratomo**</td>
</tr>
<tr>
<td>1980-1982</td>
<td>Suwarno*</td>
<td>H. Misan*</td>
<td>Fadjri*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Hadiman#</td>
<td>Pratomo**</td>
</tr>
<tr>
<td>1982-1984</td>
<td>Suwarno*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Pratomo**</td>
</tr>
<tr>
<td>1984-</td>
<td>Suwarno*</td>
<td>Suawito*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Pratomo**</td>
</tr>
</tbody>
</table>

**NOTES:**
- * = Golkar
- # = PPP
- + = PDI
- ** = PEPABRI

Source: KUD Ngebruk of Sumberpucung.

including continuous increases in profits from 1973 to 1982. The KUD has also been able to develop eight kinds of activities, called *unit usaha*. These included the food stock operations, sugar (TRI), shops, a rice mill, *Kredit Candak Kulak*, transportation, distribution of production input, and cattle breeding. The activities of the TRI and food stock operations, sugar (TRI), shops, a rice mill, *Kredit Candak Kulak*, transportation, distribution of production input, and cattle breeding. The activities of the TRI and food

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42In 1982, for example, the KUD was able to make a profit of around Rp 16 million. This was the highest profit it made between 1973 and 1983. KUD Sumberpucung II, "Laporan Pertanggung Jawaban Pengurus Koperasi Unit Desa Sumberpucung II, Tahun Kerja 1982 Pada Rapat Anggota Tahunan", *Unpublished Report*, February 10, 1983, and also from notes on the KUD profits given by the KUD staff.
stock units have been the major sources of profit.43

On the other hand, the domination of the KUD by the local elite has resulted in most farmers being unable to participate in the organization or to enjoy its benefits. Moreover, their domination has also involved the use of the cooperative by these elite members for their own interests and enrichment, rather than for the ordinary farmers. The interests of the local elite in the KUD were revealed in the fact that they involved themselves in business contracts with the cooperative.44 These activities, although not prohibited by law or by the cooperative’s regulations, certainly provided profits for only some members of the KUD board.

The disruptions within the KUD have arisen not merely from the elite villagers dominating the body in order to enrich themselves, but also from those who have power in the kecamatan. The KUD, for example, has also had to put aside some of its funds (like many other KUDs) for various contributions to the needs of kecamatan officials. In the TRI program, the cooperative had to provide a contribution to the kecamatan office at the rate of one rupiah per quintal of sugar. In 1982 when production of sugar was 214,256 quintals, this meant a contribution of over Rp 200,000 to the kecamatan.45

In addition, there were contributions for village headmen and the heads of the sugar farmers’ groups. These contributions were at the rate of two rupiahs and seven rupiahs per quintal respectively. In its INSUS activities, the KUD had to provide a rupiah donation to the Satpel Bimas Kecamatan. In 1982, for example, that donation was Rp 287 thousand.46 Apart from that, as in other KUDs, the KUD also had to make a donation for UDKP and social activities. These involve, for example, farewell parties for the Camat or commanders of the military and police, donations for the establishment of a new office for a village headman, for elections, and for the anniversary celebrations of the military and police.

The internal conflict in the KUD that led to the fall of H. Misan and his group dominating the cooperative arose out of a problem in the sugar intensification program.

43In 1982, for example, the activities in food stock produced a profit of around Rp 24 million gross while the sugar provided Rp 30 million gross profit. KUD Sumberpucung II, 1982, op. cit.
44In food stock activities, for example, several of the KUD board were included. Haji Fuzan and Subari two staff of the KUD, have made a contract to send rice to Dolog as well as one Chinese rice trader in Sumberpucung, Kang Sioe. In 1982, Fuzan and Subari sent 19 tons and 30 tons of rice to Dolog in Malang respectively, while Kang Sioe had sent 610 tons in the same year. KUD Sumberpucung II, 1982, Ibid., lampiran 10. H. Misan himself has rented his warehouses to the KUD, and also used his rice mill to process rice for the cooperative. In addition, Suwarno also rented his warehouses to store rice for the KUD. KUD Sumberpucung II, 1982, Ibid., lampiran 13.
46KUD Sumberpucung II, Ibid., lampiran 20 and 23.
(TRI). The conflict began when H. Misan, as First Chairman of the KUD, cancelled a decision by Fadjri in August 1983, to discharge Arso as a staff member of the KUD. Arso himself was a staff member of the Cooperative Office in Malang who was seconded to the KUD as a CPNS where his job was to handle all TRI matters. The discharge was signed by Fadjri (the Second Chairman of the KUD) in the name of Suwarno, who could not be actively involved in the KUD, since he spent most of his time in Surabaya where he was a Chairman of the PUSKUD.

In the middle of 1983, Alimin, a member of the KUD’s Supervisory Body conducted a check on the management of the cooperative. He found that some Rp 130 million had been misused. This represented funds of the TRI section headed by Arso. Alimin became suspicious when he found that the number of farmers who had joined the TRI program did not match the amount of money that had been distributed by the BRI Unit Desa to the KUD for TRI farmers.

This practice of claiming funds for more than the area really planted has become known as the use of "Areal Fiktif". The misuse of the fund was reported by Alimin to Fadjri, who then took action to discharge Arso. The action of Alimin was not endorsed by Pratomo, chairman of the Supervisory Body, and this disagreement soon divided the board into two groups: the Misan and the Fadjri groups.

The conflict between Fadjri and Misan was actually a mixture of a personal conflict and a political problem. For some years, Fadjri had been in disagreement with Misan on the matter of how to manage the TRI program. Fadjri suspected that there was a deal between Misan and some staff members of the KUD, particularly those who ran the TRI section, to use the funds of the program improperly, but he had no proof of that. Various meetings had been called by Fadjri to remind staff members of the KUD to manage the program carefully, since it was considered an important government program and because many cases of mismanagement in the implementation of the TRI program had been found in other KUDs.

Fadjri worried that such mismanagement would also occur in the KUD and would lead to a decrease in the good performance of the cooperative. Hence, when Alimin reported his findings, Fadjri took what he described as harsh measures against the corruptors to give them a lesson. Thus, in addition to Arso, whom he had already discharged, he ordered four other staff, who had also been involved in the affair (Asnowo, Haji Fuzan, Suri and Sardi), to repay the funds they had used in the six month period or they would be reported to the police.

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47 This practice often found also in the Bimas programs for rice as the Bimas Fiktif.
48 Interview, Fadjri, July 16, 1984.
H. Misan, however, felt that the action of Fadjri was too tough, particularly as it was made without consultation with him (although Fadjri stated that some discussions with Misan had occurred prior to the "punishment"). I myself was given the impression in the course of discussions with other people in the kecamatan, that the counter-action of Misan in cancelling the decision by Fadjri was taken in order to protect Asnowo and Haji Fuzan, who were family relatives of his in Sumberpucung.

The cancellation, moreover, also aroused suspicions that Misan and the others in his group, including Pratomo, were involved in these corrupt transactions. Although the amount of money misused by Misan and Pratomo was not exactly known, from a report at the annual meeting (RAT) in 1983, it was stated that Arso had used Rp 36 million, Haji Fuzan Rp 31 million, Asnowo Rp 41 million, while two other staff members (Sardi and Suri) had used Rp 4 million and Rp 6 million respectively.

The affair was then published in the local Malang newspaper, SUARA INDONESIA, which had interviewed Alimin. When the scandal became publicly known, the PEPABRI conducted a manoeuvre to change the board of the KUD, especially to topple Fadjri from his position. This was done by making proposals to the Camat and also to the Bupati in Malang that the KUD board be replaced. The organization also spread a rumour that Fadjri was a member or supporter of the PSI (Partai Sosialis Indonesia, the Indonesian Socialist Party which was banned by Sukarno in the early 1960s), this being an effective way of arousing suspicions against him in some circles, including Golkar.

According to some informants in Sumberpucung and Kepanjen, the PEPABRI had for a long time wished to place its men in the KUD, but it had always been blocked by Fadjri. The appointment of Sukardi, Chairman of PEPABRI of Sumberpucung, as First Secretary in 1982 was successful through the lobbying of Suwarno, after Fadjri had previously refused to agree to it. Fadjri himself explained that he personally had no objection to any members of the PEPABRI participating in the KUD, provided they had the capacities necessary to run the cooperative. His refusal, according to Fadjri, was based on the fact that most of the men proposed by PEPABRI as staff of the KUD did not, in fact, have the necessary qualifications. Hence he suspected that PEPABRI just wanted to dominate the KUD.

The effort of the PEPABRI to change the board of the KUD and to place its nominee on the KUD board was successful. The Bupati of Malang ordered the Pembantu

51 When I was in Kepanjen I also heard such a rumour from Darnowo, a former member of the Supervisory Body of KUD Kepanjen and a member of PEPABRI in Kepanjen.
Bupati in Kepanjen, Sanoto, to take over the management of the KUD. This official then established a new board, under his own chairmanship, in order to resolve the problem and settle the internal conflict within the cooperative. The majority of the new board consisted of local government leaders of Sumberpucung.\(^{52}\)

What is interesting here is that no action was taken there by the village unit bank or by the extension workers of Dinas Perkebunan (\textit{PPL Disbun}, extension workers of the Plantation Office) to prevent such corruption. They must have known about the mismanagement because they would have had to conduct a check on the areas registered on the registration forms and put their signatures on them before the credit was distributed to farmers. Therefore, there was also a suspicion in the kecamatan that the \textit{Mantri BRI} (chairman of the village bank) and the PPL Disbun were also involved in the scandal. This was strongly supported by the fact that the problem became known only after the report of Alimin to Fadjri, while at the same time a new Mantri BRI refused to become involved in the mismanagement.\(^{53}\)

This episode and the story of the KUD’s earlier development has several interesting features. First, it is significant that the Camat rarely or never made any check on the management of the KUD, although he is officially designated as a \textit{pembina} (supervisor) of the cooperative and responsible for its development. In addition, he intervened in the case only when it was publicised in the newspaper. Either he had received no prior information about TRI mismanagement or he knew of it but took no action, until it became unavoidable. This is an illustration of the lack of determination on the part of the Camat in supervising the program. In the implementation of the program, continuity of supervision and serious commitment in undertaking it are crucial for success.

Many examples show that the failure of programs is not caused merely by weaknesses in the planning and monitoring systems but also by a lack of serious and continuous supervision. There may be a good plan and system of monitoring (for example, reports on the program development may be conducted periodically), but a weakness is sometimes found in the lack of commitment in the supervision. Insufficient attention towards reports, for example, can be interpreted as lack of serious supervision by those who are responsible for it. This will produce failure in the programs or serious obstacles for them. In the case of the KUD, the lack of serious supervision by the Camat can be regarded as contributing to the occurrence of the mismanagement.

\(^{52}\)Musrofi was Camat of Sumberpucung, Purnomo was the \textit{Mantri Polisi} of Sumberpucung, Sudito, village headman of Desa Senggreng. All the village headmen in Sumberpucung have been appointed as assistants of the KUD board (See Table 7-4 on page 187).

\(^{53}\)Prior to the finding of the mismanagement, there was a transfer of personnel in the BRI Unit Desa of Sumberpucung.
Secondly, it is also clear from this case that the farmers generally had no voice with regard to the problems that arose in the cooperative, although it is often declared that the KUD is a farmers' organization. Thus, it is a fact that farmers have generally stood outside the cooperatives and have allowed the problems to be solved by the management of the KUD itself without feeling any need to intervene.

Thirdly, it can happen that someone who has given good service to his organization will get no reward but even suffer because his work does not conform with the will of the local authorities. Alimin, Fadjri, and the new Mantri BRI are all examples in this case. Alimin was discharged as a member of the Supervisory Body of the KUD on the charge that he made a serious error in giving an interview to the local newspaper so that the affair became known to the public in Malang and throughout East Java. (It was said to have brought shame to the kecamatan.) He was called to the kecamatan office and reprimanded by the Camat, and then forced to withdraw from his position in the KUD. Fadjri, apart from being discharged as the Second Chairman of the KUD, was also removed from his job as Chairman of the BKO by the Bupati. Although no action was taken against the new Mantri BRI, whose action in the matter had contributed to the revelation of the corruption, he did not receive any reward for his service in helping Fadjri expose the scandal.

On the other hand, this was a case where none of the guilty persons except Misan, who had been ousted from the KUD, were punished. No action whatever was taken against Arso himself; he was allowed to return to his office in the Cooperative Office in Malang without any effort to charge him in court or to discharge him as an employee of the office.

The KUD of Pakisaji

Although the KUD of Pakisaji is also dominated by members of the kecamatan elite, here we have a story of domination by its manager and not its chairman. The domination resulted here in group conflict between Golkar and PDI. As in the case of the KUD of Kepanjen, where the KUD was dominated by non-farmers, the KUD of Pakisaji is also dominated by government civil servants and retired army members.

From its establishment in 1973 until 1981, the KUD was dominated by its manager, Wardjono (from PDI). His experience as former chairman of the KOPERTA gave him sufficient experience to run the KUD. Also, his position as a member of DPD

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54 Interviews, the Camat of Sumberpucung, August 6, 1984; and Alimin, July 31, 1984.
55 Sartomo was a village headman; Tamrin as a staff member of Bank Pasar; Sudjono was Village Headman of Desa Karangpandan; Nirman was a trader; Sardi was a pensioner of Information Office; Marno was a teacher; Ruskandi was a retired Camat; and Sapto were was a retired Army member.
(Dewan Pimpinan Daerah, Local Leadership Council) of PNI Malang enabled him to establish good relationships with the Camats of Pakisaji.\textsuperscript{56} The strong domination by Wardjono in that period, however, resulted in a lack of checking of the management of the KUD. Various financial scandals were reportedly perpetrated by Wardjono and some of his colleagues in the KUD.\textsuperscript{57}

**Table 7-5: Boards of KUD Pakisaji, 1973 - 1984**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>First Chairman</strong></td>
<td>Rasyid **</td>
<td>Sartomo #</td>
<td>Sukarman #</td>
<td>Hadri **</td>
</tr>
<tr>
<td><strong>Second Chairman</strong></td>
<td>Tamrin +</td>
<td>Sudjono **</td>
<td>-</td>
<td>Sukarman #</td>
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<tr>
<td><strong>First Secretary</strong></td>
<td>Sudjono **</td>
<td>Nirman #</td>
<td>Marno +</td>
<td>Marno +</td>
</tr>
<tr>
<td><strong>Second Secretary</strong></td>
<td>-</td>
<td>Marno +</td>
<td>Sardi +</td>
<td>-</td>
</tr>
<tr>
<td><strong>Treasurer</strong></td>
<td>Nirman #</td>
<td>Tamrin +</td>
<td>Ruskandi +</td>
<td>Muryono #</td>
</tr>
<tr>
<td><strong>Manager</strong></td>
<td>Wardjono +</td>
<td>Wardjono +</td>
<td>Wardjono +</td>
<td>Haris M. *</td>
</tr>
<tr>
<td><strong>Supervisory Body</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Sulandra **</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sudjono **</td>
</tr>
</tbody>
</table>

**NOTES:**

* = Golkar
** = PEPABRI
# = PPP
+ = PDI

Rasyid and the chairmen of the KUD after him, had no capacity to prevent the defalcations carried out during Wardjono’s managership and they might also have been involved in them.\textsuperscript{58} At the end of 1981, some KUD members, particularly those from PEPABRI, took the initiative to report their suspicions to the Bupati, since the Camat and the Cooperative Offices had failed to take the necessary action to tackle the

\textsuperscript{56}Wardjono was an ex-soldier during the struggle for Indonesian independence in 1945. After he retired from the army he established a coffee factory in Malang and became director of the factory.

\textsuperscript{57}In 1980, for example, he was suspected of using money from TRI transactions for himself. The suspicion occurred when Wardjono made a report that money received from sending sugar to PG Kebon Agung was only Rp 350,000 while in the estimation of some KUD members the money should have been around Rp 17 million. It was also found in the bookkeeping of the KUD that there was no registration of money taken from farmers as their savings, simpanan pokok. In 1981, 1300 farmers had established Rp 1000 per person in savings and this meant that around Rp 1.3 million had been manipulated by Wardjono.

\textsuperscript{58}Interview, Sulandra, former Chairman of Supervisory Body of the KUD and now Chairman of the KUD, September 22, 1983.
problems. The Bupati ordered the Camat to call the annual meeting of KUD members. He then persuaded the meeting to take the decision to discharge Wardjono. The meeting was held under tight control by army and police officials and was also attended by DPRD II members of the PDI and PPP factions.  

The effort to discharge Wardjono was successfully carried out and Hadri, a civilian, but also chairman of an army cooperative organization, PRIMKOPAD (Primer Koperasi Angkatan Darat), was appointed the new Chairman of the KUD. The nomination of Hadri was actually not accepted by most members of KUD, but strong support from the PEPABRI and Golkar, through the Bupati and the Camat, resulted in his appointment. This marked the beginning of military intervention in the KUD. Wardjono himself was later replaced by Drs. Haris, a graduate of Universitas Brawijaya, Malang, and subsequently a lecturer in economics at Universitas Merdeka, also in Malang.

However, an internal conflict between Hadri and two members of the Supervisory Body of the KUD (Sudjono and Sapto) (see Table 7-5 on page 193 resulted in the refusal of these two men to involve themselves actively in the KUD. At the beginning of 1983, Sudjono and Sapto retired from their positions on the Supervisory Body leaving only Sulandra, a retired captain of the army, who was then elected as the new chairman of the KUD in March 1984. The appointment of Sulandra then gave rise to a rumour that the KUD of Pakisaji had just conducted a formal election by electing someone from the internal circle of the KUD, or in their words: "memilih orang yang itu-itu juga."

The domination by members of the local elite in this KUD has not always produced negative effects; much has depended on the abilities of those who have managed the cooperative. The ability of the KUD staff in running the cooperative can be seen, for example, in their capacity to manage food stock credits (Kredit Pengadaan Pangan) which is entrusted to KUDs able to participate in food stock activities.

59Interviews with Sulandra, September 22, 1983; and Radi, staff member of the KUD, September 15, 1983.

60Interviews with Subandi Wardi (teacher), Khusin (Information Officer at the Kecamatan, and Hasim Tohari (farmer) on 10 and 12 September 1983.

61According to them, there was no official appointment of them as members of the Supervisory Body because they have no official letter of appointment (Surat Pengangkatan). They were only informed informally that they were appointed as members of the Body. Beside that, they knew that KUD had been run down by mismanagement and they felt they had the power to stop it. Interviews, November 1 and 7, 1983.

62Sulandra retired from the army in 1976, and then become a farmer in Pakisaji. He has 1.8 hectares of land, most of it planted with padi. Sulandra was elected as a Kontak Tani Teladan (Model of Contact Farmer) in Malang Kabupaten and had been appointed as representative of Kabupaten Malang in Mimbar Sarasehan Kontak Tani Nasional (National Conference of Contact Farmers) in Lampung, 1982, and in Banjarmasin, 1983.

63Interview, Alimin, a teacher of Sumberpucung, July 31, 1984.
Although there had been some decrease in the credit distributed between 1977/1978 (Rp 15 million) and 1976/1977 (Rp 12.5 million), followed by stagnation from 1978/1979 to 1981/1982 (Rp 10 million respectively), there was no occasion on which the Cooperative Office had stopped or cancelled the distribution of credit, as occurred in other KUDs. In addition to the food stock activity, KUD Pakisaji has also carried out various activities such as the TRI, a rice-mill unit, chicken breeding, simpan pinjam and candak kulak credits and Transportation. Some of these activities have brought financial benefits to the KUD.

Obtaining the financial benefits and distributing them to KUD members are two quite different propositions. Apparently many farmers in Pakisaji who have registered as members of the KUD know nothing about these benefits and have never received any distribution of them. Most of them, as in other KUDs, have never been invited to attend the annual meeting, except for a small number selected by the KUD’s board. As Pak Sulandra said:

Although farmers are registered as members, they do not feel like members, because anyone who obtains (Bimas) fertilizer is automatically a member of the KUD. They are never invited to the annual meeting.

Moreover, other benefits to the cooperative have also not been felt yet by the farmers, apart from those who live near the KUD office or in the same village as the staff of the KUD. In the food stock activities, for example, the KUD has bought most of its padi from rice traders and not from farmers directly. Hence, as explained by one village headman: “The KUD is not the property of farmers, but farmers are the property

64 Data from Cooperative Office of Kabupaten Malang.

65 The decrease and the stagnation indicate that there was no improvement in the capacity to handle food stock activities. Interview, the Head of Binagram Section of the Cooperative Office of Malang Kabupaten, August 10, 1983.

66 Activity in the TRI has now became a priority in this KUD because it provides many financial benefits. As an example, the benefit to the KUD from the TRI in 1982 was Rp 41.7 million and it had increased in 1983 to Rp 44.6 million. In the same period, benefits to the KUD from food stock activities were Rp 4.5 million in 1982 and Rp 1.4 million in 1983. The KUD has been involved in transportation of sugar from sawah to sugar factory, which has provided some increases in benefits to the KUD, from Rp 2000 in 1982 to Rp 2.0 million in 1983. The KUD has one rice-mill with a capacity of 8 tons per day; two machines of pemisah kulit padi with a capacity of 1.5 tons a day and two dryers with a capacity of 5 quintals a day. However, the benefits from these activities had decreased from 4.0 million in 1982 to Rp 1.4 million in 1983. Chicken breeding did not produce any benefit because there were only 10 breeders who were actively involved in the KUD and they are all small breeders with a maximum of 1000 chickens. The activity of the KCK has indicated a sharp improvement in which government credit of as much as Rp 1.0 million in 1982 had been increased to be Rp 7.0 million in 1983. Quoted from “Laporan Pertanggung Jawaban Pengurus KUD Pakisaji Tahun Buku 1982 & Tahun Buku 1983,” Unpublished Report, pp. 13, 16-17; and from interviews with staff of the KUD of each section, July 9-15, 1984.

67 Interview, July 29, 1984.
Farmers also complain about the delay in fertilizer distribution. But beside the kinds of problems noted in the section on KUD Tumpang, there was also another form of mismanagement here that affected the delay of distribution in Pakisaji. According to a PPL in Pakisaji, some farmers came to his house in 1982 asking for fertilizer. Together with the Camat they checked the fertilizer stock in the KUD warehouse and found that the warehouse was empty. They then went to PPK office in Malang and were given the information that the PPK had sent 18 tons of fertilizers to KUD Pakisaji several weeks before.

Hence, the PPL and the Camat concluded that the KUD had sold the fertilizers on the free market. The Camat himself failed to take any action to remedy this manipulation, however, because he had a Rp 600 thousand debt to the KUD which had still not been paid, even when he later returned from the kecamatan to the Kabupaten Office. Fortunately, the PPK was prepared to send more fertilizers to Pakisaji. The PPK itself, according to some kabupaten staff, still owes Rp 3 million to the PUSKUD in Surabaya in 1984, due to its inability to send money for fertilizer distributed to the KUDs in 1981/1982. Hence, PUSKUD has sometimes simply cancelled further distribution of fertilizer, which has in turn affected the timing of their distribution to farmers.

To sum up, from the stories of these five KUDs, several conclusions can be drawn here. First, farmers in fact have no role at all in the KUDs, and the cooperatives have been dominated in each case by a handful of elite members of the kecamatan from various groups who have then been vying with each other to dominate the management of the KUDs. Hence, most farmers have not had access to the KUDs and they have not obtained much benefit, if any, from their existence.

Second, due to this elite domination, all of the KUDs have failed to execute a system of open management and this has resulted in financial scandals regarding board members.

Third, the annual meeting, which is intended to be an arena for farmers' participation, is in fact conducted merely as a formality, because those who are invited are selected farmers only. Apart from that, some KUD boards have intentionally not arranged an annual meeting at all, since it is widely believed that, even without such a meeting, the boards will be permitted by the authorities to run the KUD.

Fourth, most members of the Supervisory Body have no capacity to supervise the

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68 Interview, July 29, 1984.
KUDs' management, which then aggravates the financial corruption within the KUDs. This is caused by lack of knowledge about cooperative management among members of the Supervisory Body, and by personal and informal relationship between them and the other members of the KUD board.

Fifth, the cooperation of the KUDs with rice traders in food stock activities gives an indication that the cooperative is set up primarily to serve the interests of government in building up the national stock of rice, but tends to ignore the interests of farmers.

Finally, the Camats and officials of the cooperative office have in fact not given serious attention to the development of the cooperatives as institutions to advance the common interests of all of farmers; in fact, they have often been involved in mismanagement of the KUDs. There is also the fact that development of KUDs in the non-rice producing area has in general been ignored by the government, although Golkar seemed to be making an effort to dominate those KUDs.
CHAPTER 8

Conclusion

In Chapter One, various general questions were posed which have relevance to our investigation of rice policy implementation in Indonesia, such as the means by which the government's overall policies have been translated into effective action at the local level, the ways in which officials at various levels have functioned in relation to these programs, the obstacles to their implementation, the responses of the farmers concerned, and so on. It is hoped that the last three chapters have thrown some light on these questions in varying degrees; but it is worth emphasizing in conclusion several factors which are particularly important in Indonesia's circumstances.

The character of the regime and the pattern of power distribution between the national and regional levels seem to be especially influential elements in any explanation of the workings of the administrative system here. Other studies of policy implementation in the Third World have already emphasized this point, as mentioned in Chapter One, and it seems to me to be one of the most important general conclusions to be drawn from this study. Solutions to the problem of how to improve public policy implementation in Indonesia are not likely to be found through purely "administrative" reforms; i.e. the problems are not capable of being resolved simply by the application of better principles of public administration and public policy formulation or implementation. They must be sought in relation to the working of the broader political system itself, and especially in the distribution of effective power between the central and local authorities.

The Suharto government has been able to accumulate far greater power in its hands than any previous Indonesian government. On the other hand, it has not yet been very successful in translating its enhanced political authority into more effective administrative capability; there are many things it just has not been able to accomplish. The regime has been able to weaken the opposition parties, the local representative bodies, and the press. More importantly, it has also been able to make local government bodies highly dependent on the centre, politically, administratively and financially. The central government was successful in pushing through the 1974 law on local government which enabled it to carry out direct supervision and tight control over most regional
government activities. This was also made possible in part by the power of the central government to appoint regional heads from compliant members of the *pamong praja* corps and military officers, in most cases, without much regard for the preferences of the DPRD.

Various other stipulations were also introduced that ensured the subordination of low-level local officials to higher-level central government officials. Moreover, the budgets of the regional government have also been kept heavily dependent on subsidies from the centre. And in the political sphere, the central government has introduced various regulations prohibiting local officials from becoming members of political parties, while at the same time requiring them to support the government-backed party, Golkar. Yet this does not mean that the central government had the capacity to exert direct and effective control over all the activities of the *pamong praja* and other local officials. It is true that the government’s success in increasing rice production has been due mainly to its much greater ability since 1970 to require local government officials to execute the instructions of the central government in such matters, including the use of both persuasion (*perintah halus*) and blatant coercion upon the peasants to induce them to accept the new HYV technology in rice cultivation. However, the failure to achieve various other policy objectives (e.g. the promotion of cooperatives, the strengthening of small farmers as well as rich ones) and the weaknesses in administration of the program at the local level are due in part to the sheer inability of the higher-level central government officials to exercise effective supervision over the actions of their subordinates or to ensure that their actions conform fully with the government’s intentions.

In implementing its rice policy the government has, it seems, primarily given attention to the over-riding objective of increasing rice production. This was of paramount importance in order to reduce the inflationary pressures of the 1960s, to eliminate the need for costly imports of rice and to ensure that ample rice was available at moderate prices for the urban communities whose political loyalty to the New Order regime was critical in its early years, especially the armed forces, the civil servants and various other important groups of urban dwellers, such as students and the technocrats. So it has been essential for the government to meet the expectations of these groups for reasonable rice prices; hence the need for adequate stocks of rice to meet unexpected shortages or sudden price rises, which in the past have given rise to speculation, hoarding and attempts to corner the market.

This situation has created a tendency for the central government to give only secondary consideration to the views of the farmers themselves, and to disregard some of the other administrative problems that have arisen in the course of implementation of various rice policy programs, so long as the production targets can be achieved. The local
officials themselves, because their careers are dependent upon their superiors, tend also to be unresponsive to the interests or expressed views of the farmers themselves. Yet as we have seen in Chapter One, the responsiveness of local implementers of government policies to their target constituencies is normally considered one of the most important factors underlying the success of any policy's implementation.

The importance of this factor, responsiveness to the target groups in the implementation of public policies, has been stressed by various writers on public policy implementation in the Third World. For example, in explaining the failure of the military regime in Brazil to open up resettlement opportunities for squatters, Perlman argues that its resettlement schemes failed because the government disregarded the needs of the squatter inhabitants and their living conditions. Likewise, a study of public housing policy in Kenya by Frederick and Nelle Temple condemns it because most of the benefits of that policy were enjoyed by the middle- and high-income groups, although the policy was ostensibly aimed at helping the poor to rent or buy the houses. In Mexico the failure of a rural development program was due in part to ignorance on the part of local officials regarding the demands of low-status groups, because these officials simply gave attention to the central government's orders, which put priority on stability and the maintenance of political support from important sectors of the society, rather than on the aspirations of the low-status groups. Similarly, we can say that many of the problems of public policy implementation (in various fields) have been due to the inclination of low-level officials to be more concerned with making a good impression upon their superiors and never appearing to contradict or oppose them (the ABS phenomenon) than with standing up for the interests of their target group in the community. In Indonesia, because the fate of the local officials lies in the hands of central government, there is a tendency for them to report simply whatever will keep their superiors happy, even to conceal the truth if it is likely to create difficulties or discontent with or for their superiors. Hence, the many "Laporan ABS", which say only what the superior officers want to hear and serve the primary object of enhancing the careers of the local officials by making it seem that all is well at the local level. Reports of this kind have resulted, among other things, in the serious unreliability of information about the Bimas and KUD programs available at the higher levels of the administrative hierarchy.

1Janice Perlman, "The Failure of Influence: Squatter Eradication in Brazil", in M.S. Grindle (ed), op.cit.
3M.S. Grindle, "The Implementor: Political Constraints on Rural Development in Mexico", in M.S. Grindle (ed), Ibid., pp.197-223.
In addition to the shortcomings created by the local officials’ lack of responsiveness to the "target groups" to which various public policies are meant to be directed, another problem which deserves attention is their sheer lack of accountability. This is an important element in effective public policy implementation, but it has rarely been given sufficient attention in discussions of policy implementation in Indonesia, where it is simply assumed that subordinate officials are accountable to their superiors and effectively supervised by them. As was mentioned in Chapter One, such accountability could be required either in the form of regular reports to superior officers, or through accountability to a local representative body. However, in the former case, what matters most is the quality and reliability of any such reports, since they will be used by higher-level government planners to evaluate the impact of their policies. Thus, the real situation brought about by the implementation process ought to be presented in all such reports in order to enable top-level decision-makers to make accurate assessments of what is happening at the grass-roots level. But here again the ABS mentality has had adverse consequences for effective policy implementation in Indonesia.

Another factor that has contributed to the unreliability of the information reported upwards by subordinate officials has been the lack of serious supervision by the superior officers responsible for the implementation of Bimas and KUD programs. However, an even worse result from their lack of commitment to that task has been the sheer inability of the government to reduce the corruption that has been widely associated with the Bimas and KUD programs. This corruption has not only adversely affected the performance (and the moral authority) of the lower-level officials, but has also reduced the willingness of the farmers to join the programs.

This lack of commitment to any effective, vigorous supervision over such programs derives, inter alia, from the inability of higher government officials to exercise any effective control over the actions of local officials who manipulate the government’s policies and financial resources or their own personal ambitions and benefits. It also derives in part from the fact that administratively there have been too many development programs for local officials to implement simultaneously; and this kept them so busy they have failed to concentrate effectively on any particular program. Apart from that, amongst all these various programs they are responsible for implementing, there have been some, such as INPRES programs, which have given greater incentives to the local officials than have the rice policy programs, so that they have been more attractive to them and more thoroughly executed. Moreover, because the rice policy programs have now been carried out for many years, many of the officials have lost interest in them and treat them in a rather formalistic, routine fashion.

The considerable formal power of the central government over its subordinate
authorities does not in itself guarantee that the tasks of coordinating the implementation of various government policies will necessarily be carried out easily or well. One of the factors behind the failure to coordinate the various agencies and offices involved in the program implementation is the considerable fragmentation of tasks. As Edwards has pointed out: "Fragmentation implies diffusion of responsibility, and this makes coordination of policies difficult." In the implementation of the various rice policy programs, numerous agencies have been involved. Thus, notwithstanding the fact that the central government has made the Bupati and the Camat the "sole administrators" within their regions, they still have great difficulty in coordinating the various agencies and offices involved in the Bimas and KUD programs, especially the vertical offices of the central government (instansi) at the regional level. This provides further evidence that the authority of the regional heads cannot be assumed to have been exercised merely on the basis of the formal decisions made by the central government.

The local government authorities, as we have already seen, are the key instruments in the implementation of rice policy. Policy analysts are generally agreed, as mentioned on Chapter One, that a bureaucracy must have well qualified personnel who are able to work efficiently; but at the local level in Indonesia this has not always been the case. Nakamura and Smallwood mention that the competence of the bureaucracy is an important factor underlying the success of policy implementation. However, as many policy analysts have recognized, bureaucracies in developing countries frequently lack qualified and efficient personnel.

In Indonesia, the government has made various efforts to increase the number of well-qualified personnel in the local government offices involved in the Bimas and KUD programs, and has carried out various training courses to increase their skills. However, these efforts have still not been sufficient to cope with the demand for an adequate number of personnel and a more efficient local bureaucracy. Also, on the matter of resources, it seems that the central government has not given much attention to this in the implementation of rice policy. We can see from the way rice policy programs were implemented that the enthusiasm of officials to carry out those policies declined after the government abolished the Bimas program incentive payments in 1980. Furthermore, many extension workers have in fact not carried out their tasks effectively because they have lacked facilities such as housing in the rural areas or transportation.

We have seen that administrative obstacles such as red tape and corruption have constituted serious limitations upon the government's efforts to overcome the problems

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5 Nakamura and Smallwood, op.cit., p.56.
adversely affecting the implementation of the Bimas and KUD programs. The government itself always gives as one of the reasons the excuse that its efforts to solve these problems have been hampered by lack of funds. This excuse must be questioned, since Indonesia has had abundant government revenues during the oil boom period, particularly since 1974. The excuse is commonly given simply to shift attention away from the fact that the government has not given any real priority to efforts to make the bureaucracy more efficient at the local level.

Finally, the implementation of Bimas and KUD programs has also suffered from the government's disregard for adequate rewards, incentives and sanctions for its local policy implementers. These two matters are also critical to effective implementation of government programs. Adequate incentives for local officials are important to maintain their enthusiasm in implementing the programs. However, many local officials involved in the Bimas and KUD programs have been hampered in obtaining promotion by bureaucratic red-tape. On the other hand, the sanctions against those who break the rules and become involved in corruption have in fact very rarely (or never) been carried out firmly. This has given many officials the opportunity to become involved in corrupt practices; and many cases of such corrupt practices that can be seen in the implementation of rice policy programs, especially in the KUD program, seem to have been tolerated by the government, without any serious attempts being made to remedy or prevent them.

It is obvious that all the problems observed in the process of the implementation of rice policy have been caused, on the one hand, by the excessive amount of power wielded by the central government vis-a-vis the local communities. Yet despite their great power, the government officials have not been able to handle all of those problems. On the other hand, the centralized system of rice policy implementation has also caused the policy to suffer from a lack of popular participation, especially in the case of the KUD program. Various suggestions might be put forward about how to overcome the administrative and technical problems within these programs; but from both an administrative and a political point of view, attention needs to be concentrated above all on the problem of how to increase the farmers' participation in the programs, and their capacity to exercise a greater degree of supervision over it.

Greater participation by the farmers in the implementation of those programs is particularly needed, not only to overcome the lack of adequate supervision from above over the program implementation, but also to achieve the growth-with-equity objective of the government, which has often seemed to be ignored in the implementation of rice
policy. As Cheema and Rondinelli point out:®

Greater equity in the distribution of income and wealth ... required wider participation in the economic, social, and political processes through which wealth was generated and distributed.

If it is to increase the farmers' participation, there will have to be some willingness on the government's part to reduce its own interventions in the program implementation process. The farmers, for example, should be given greater freedom to choose the rice varieties and even the commodities they want to plant. However, government intervention is still needed in order to maintain the rice price at levels that are suitable to induce farmers to continue to plant padi. Government intervention in the KUD programs also needs to be minimized. At present, as mentioned in the previous chapters, there is a widespread popular impression that the KUDS are just government agencies (Jawatan Pemerintah) and not real cooperatives. This is because most of the KUD activities simply revolve around the government's programs. Hence, the impression has already become widespread among farmers that the KUD is simply an organization introduced and sponsored by the government. This impression needs to be modified or abolished.

In this respect, the government should give the farmers greater opportunities to set up and manage the KUDs by themselves. If they are reluctant to do so, the government could play a part in providing information to them about what a KUD is and does, or what benefits would be obtained if they joined one. The role of the government is then simply to improve the managerial skills of KUD managers and boards, not to harness them as agents in the rice purchase or credit distribution policies.

As this study has revealed, one of the weaknesses found in the implementation of the KUD program (also in the Bimas credit program) has been the inadequacy of supervision of the program. Effective supervision has not been carried out by the Supervisory Bodies (Badan Pengawas) of the KUD boards as constituted at present, and also not by the Camats, since they have had neither a direct interest in the cooperatives nor the time to devote to them.

Effective supervision should best be carried out by members of the KUD itself; but for that purpose they would have to be real members, not just "formal" members as in the present situation. These "formal" members have emerged because local officials have needed to achieve the membership targets set by the central government. If the KUDs were to be reestablished at the initiative of the farmers themselves, they could feel that the organization is owned by themselves, and then their own supervision over KUD staff could be expected to be carried out effectively and actively by them.

However, a greater part of the task of supervising the KUD and the Bimas programs could also be given to the public. In other words, participation of the public in rice policy program implementation should be increased. This study has indicated that the supervision carried out only by government officials has not been sufficient to purify the programs of various malpractices and corruption, or to enable the small farmers to enjoy the benefits of the program. This kind of supervision can only be carried out if the local representative body (DPRD) is given a greater role as the supervisory body over the local executive, and given the freedom to voice the aspirations and criticisms of the people. The position of this body would have to be changed from its present subordinate position as a junior partner of the local executive, which would thus lose some of its power, to a more nearly equal position as a real representative body.

But greater decentralization of power is not in itself the whole answer to the problems mentioned above, because a complete decentralization of authority over local level policy implementation to the regional authorities and DPRDs might result in little more than vesting even greater powers in hands of local officials, who might not necessarily be committed to the successful implementation of central government policies. But what can be said here is that the pendulum has been allowed to swing too far in the direction of reducing the powers of the DPRDs since 1960 and strengthening the position of pamong praja. In order to allow it to swing back at least some way towards greater autonomy for the DPRD - e.g. in such matters as scrutiny over the financial affairs of the kabupaten and kecamatan officials - there needs to be a more effective requirement of real disclosure to the DPRD of accounts and more effective public accountability by officials who handle public funds, as well as provisions for greater accountability of officials responsible for the implementation of government programs, so that the DPRDs do not function simply as a rubber stamp, as at present.

The regional press could also have an important role to play in some parts of the country in reporting on the implementation of government policies at the local level and investigating any malpractices or deviations that occur. There is no doubt that local officials do give serious attention to any such press reports because they know they could affect the career prospects of the officials concerned. Hence, it is necessary to allow greater freedom for the press to report the real facts about program implementation, without being subjected to threats or repercussions, either to the newspapers or the journalists or their informants. Press reports could be utilized as one of the most effective (and least expensive) monitoring systems upon program implementation.

For the government to concede that degree of autonomy and freedom at the local government level would, of course, entail a very substantial change in the character of the political system: but it need not necessarily involve a major transfer of powers from
centre to regions, although it would represent a step in that direction and the limits may have to be defined very carefully. Above all, it would require putting much more trust in the capacity of the local people to manage their own affairs, which should also increase their self-confidence that they can do so - and at the same time create a feeling among them that the government's programs are intended for their benefit, not just for the officials. Such a transfer of greater responsibility to the local level could be achieved without sacrificing the overall political stability of the nation, which has by now been securely established for many years. Moreover, it will increase the maturity of the local people and the local government authorities in serving both national interests and national unity better. However, it should also be stressed that since the implementation of an elaborate, ambitious rice policy program also involves many complex administrative and technical problems at both the national and regional level, it is almost impossible to separate the latter from the overall political issues mentioned above.

Finally, greater attention might also be given to the possibility of enhancing the role of the agricultural extension workers (PPL); this study wants to propose an improvement in PPLs' capability to play a wider role as the main agents or spokesmen of the farmers in channelling their interests and demands up the administrative hierarchy. As shown in Chapters Five and Six, the PPL has been considered one of the main channels of communication with farmers, either to show them new techniques or seed types or to report difficulties and problems facing them. Their discussions with the farmers frequently range more broadly than just agricultural problems to cover also other kinds of social problems. The personal relationships built up between them could enable them to establish valuable links as spokesmen for the farmers. The latter are not accustomed to coming to their local DPRD members to report their difficulties or to discuss ways to overcome any problems confronting them, for most of the DPRD members, as mentioned in the previous chapters, are not known personally to the farmers. Hence, it could be advantageous if the PPL were given a more effective role as spokesmen for the farmers' interests in communications with the regional authorities and DPRD.

Because the PPLs are employees of a government department, the Agricultural Ministry, it is also worth noting an alternative possibility of improving the roles played by various government departments (instansi) at the local level as the government's main channel of communication with farmers and other target groups in the community. It is a fact that the staff members of these various "vertical" offices have often proved more effective at delivering services to the farmers than have the staff members of the local government agencies themselves (dinas daerah). The Cooperative Office and Information Office are two examples of such vertical offices which are directly involved in providing services for farmers; hence their staff members at the local level (the PKL of
the Cooperative Office and the Juru Penerangan of the Information Office) also have opportunities for direct contact with the farmers. It is true that their services have hitherto had various limitations, but what might be done is to provide for a greater role for such officials (or others) and more incentives and facilities for their staff members in order to enable them to improve their services. By opening up to the farmers (particularly in the more remote rural areas) greater opportunities for access to a diversity of administrative hierarchies (a state of affairs which has been only a relatively recent development in the history of modern Indonesia), at least something might be achieved to reduce their complete subordination to the pamong praja and pamong desa, which currently tend to work in collusion to monopolise power and the effective control over the implementation of government expenditure programs below the kabupaten level.

To summarise, in this study I have tried to stress the need to formulate policies which have better goals, by which I mean policy objectives which give higher priority to the increase of welfare for the bulk of small farmers and other disadvantaged groups in the rural areas, not just to the local elites and officials. I believe that at the national level there are still a lot of individuals in government circles and the various departments who have a basically populist ideology and want to see their ideals implemented. There is, in fact, still room for them to become involved in the formulation of better policies through the authority they exercise in the various government offices. Above all, I believe that what is needed here is the will to formulate and then implement better and more practicable policy objectives.
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