



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

A. T. BIROWO

Rural Development Planning and Implementation

INTRODUCTION

Rural development efforts have been designed during recent years using indicators (for example, income, food availability, literacy, calorie intake, health facilities and so on). It has been possible to construct dividing lines between segments of the population using such social indicators. A common concept has been the poverty line or, more elaborately, the relative poverty line and the absolute poverty line. Closely related to these concepts are attempts to define what, in a given society, are the basic necessities for a segment of the population in order not to fall below the poverty line. The concepts are interrelated and many attempts have been made to list those needs (basic needs, basic human needs etc.) which have to be satisfied if an individual or a group of individuals is to be above the poverty line.

The first attempts to define basic needs were made by ILO and IBRD. The strategy of the latter emphasizes growth and the direct alleviation of poverty. The distribution of the benefits of growth is supposed to be guaranteed by the governments concerned. Direct distribution programmes should provide everyone with a minimum of food, housing, health and so on. This will mean more assistance which is more orientated to target groups of poor in the poorest countries. Such programmes are calculated to reduce the worst misery at the least cost and with the greatest speed. The ILO approach also aims at satisfying non-material needs such as human rights, participation and autonomy. ILO stresses the redistribution of assets, income and power. This implies modification in income distribution and changes in the structure of production. At the World Employment Conference in 1976, this strategy was recommended to be adopted by each country.

To-day, there is a rather broad consensus that more emphasis should be given to rural development activities. However, when looking more thoroughly into this, it is apparent that different people will interpret rural development in their own way. This means that a whole range of activities are named as rural development but which may have a content of great variation. Programmes could be very comprehensive, attempting to cover a

wide spectrum in the rural society. Similarly, there may be projects that are very sharply focused on only one aspect, for example, increased food production. Even though it may be true to state that most planners agree upon poverty eradication as the key objective of rural development, there are various opinions on the methods by which this will be achieved.

IBRD has made great efforts to elaborate a thinking and a policy on rural development. In 1971 it initiated investigations to gain its own experience of past and on-going projects in Africa (IBRD, 1975). The intention was to find ways of designing projects that would 'reach' large numbers of the rural population and require low financial resources and trained manpower per person reached by the project. The investigations indicated that very few rural development projects existed which simultaneously emphasized the three major aspects of rural development projects: improving living standards, mass participation and making the process self-sustaining. The IBRD views rural development as a strategy designed to improve the economic and social life of the poor.

Development is about human beings. It is about great numbers of poor people most of whom are living in rural areas. They are dependent upon agriculture, not for livelihood only but for survival in many instances. Their poverty ranges over a wide spectrum: malnutrition, hunger, disease and poor health, ignorance, laborious methods of agricultural production, isolation (through their living in remote areas without access to road, schools and alternative employment). It should be emphasized that increased food production is only one single factor for development. Admittedly the focus on production has been there for a long time. The argument has been the need for food of a world population which is growing very fast. Food and population have been at the top of the list of priorities.

As to production, it should be borne in mind that the world has proved that as a whole it can produce the amount of food that is needed for the global population. Secondly, it should be recognized that no hungry or poor people have money to buy these essentials that will meet their most urgent needs. Food is also produced by fishing. Frequently, production takes place in close association with forestry, altogether forming a complex rural life system based upon subsistence. In this system agriculture competes for scarce resources of labour, skill, time, cash, etc. To these people development will certainly mean different things (safe drinking water, better schooling facilities, money to buy food, improved health facilities, as well as specific wants by groups or individuals). This will introduce another dimension of poverty, namely lack of participation. Full participation of the poor is vital if the process of development is to be self-sustaining. Nowadays, participation is also included in most development projects. The problem is, however, that those who are supposed to participate are excluded from most of the decision-making since they have no control of or access to the existing power system. Instead, this system will obviously stifle any initiatives that poor people may have had or might have taken. This introduces still another dimension of poverty, namely the lack of power.

Rural development is a process of change in societies, whereby poverty will be reduced and the creativity and existing knowledge of the poor fully utilized. The poor should have access to the resources of society and the environment and be encouraged to achieve control of resources that are introduced – at reasonable costs – from outside their rural environment in order to make available resources more productive of amenities, services and goods required and wanted by the poor and their governments. There has been no common understanding of what rural development is or how it should be organized in order to attack the problem of poverty. This disappointing fact may stem from an unclear understanding of the problem area itself and of the analysis required. Rural development takes place in a political context and it means nothing but a social transformation in rural areas by which poverty will be eradicated through attacking the existing power structure. This has not been conspicuous in past development thinking which has assumed a social framework that will change without conflict. Transformation means that those without power must gradually gain it to achieve some basic needs at the expense of those who already possess considerably more than basic needs. The concept of rural development should only be used if it is defined in a clear and functional way and will attack the roots of the problem: why is there poverty? The problem area is complex and a variety of measures may be undertaken. These must be properly organized and integrated. In this paper, more attention will now be placed on the Indonesian experience in rural development efforts.

POLICY ISSUES IN INDONESIAN AGRICULTURAL AND RURAL DEVELOPMENT

Agricultural policy issues for Indonesia in this and the next decade are centred around three problems. First, how to maintain the rate of rice production increase of the past two years while speeding up the rate of increase in non-rice food production. The policy issues involve decisions concerning subsidies for input prices and output prices as well as marketing policies in general. Appropriate policies for increasing corn production will be especially important to ensure an adequate supply of this crop for the growing livestock industry.

The second important problem is how to increase export earnings from cash crops to offset the prospect of the decline in oil export revenues. The current export earning of these crops was US \$ 1.4 billion in 1978 and is expected to reach US \$ 3 billion in 1983 and US \$ 6.5 billion in 1988. The cash crop subsector was neglected until the 1970s but the Government is now involved in major replanting, rehabilitation and new planting projects so that these earnings can be attained. The most serious problems in the cash crop sector are related to the lack of qualified technical and managerial personnel and the extreme shortage of extension workers.

Finally, there are the problems of unemployment and underemployment. Although manufacturing industry has grown rapidly in recent years this

sector is still too small to contribute significantly to general employment. The problems of unemployment and under-employment are closely related to poverty in Indonesia, especially in the rural areas. While the investment programme in the estate crops sector is expected to create jobs for some additional 130,000 staff and 2.2 million smallholders and to raise the income of some 4 million rural families, the challenge is still much bigger. With a population growth of 2.3 per cent per annum, the labour force increases by 3.2 per cent, or between 1.5 million to 2.0 million entrants every year.

RURAL DEVELOPMENT PROGRAMMES

At present, several departments have special programmes to help the poor or economically weak groups. These include the Departments of Agriculture, Industry, Mining and Energy, Manpower and Transmigration, Trade and Co-operatives and Public Works, Public Health, Social Services and Finance.

Since almost half of the Departments have special programmes for the poor, and in reality the whole Cabinet must implement the general equity programmes since 1979, it is almost impossible to isolate these special programmes. The two important sectoral departments, Agriculture and Industry, have some overlapping in carrying out the programmes for the rural poor. If the incomes of the poor are derived mostly from agricultural activities, then the agriculture department may help by introducing some programmes in agricultural education and extension. However, in many instances their income may be derived more and more from non-agricultural activities, that is from trading, handicraft or small scale industries. This means that the Department of Industry and perhaps also the Department of Trade and Co-operatives, should have more means to help or to encourage their development.

In the beginning of the third five-year plan, when a special State Minister of Co-operatives was appointed, it was declared that co-operative organization would be used to achieve equity. This declaration marks the beginning of increased governmental assistance to the co-operative in the form of more subsidy, easier credit and preferential treatment in rice procurement and in fertilizer distribution. But this government action has raised serious doubts about the success of promoting the co-operative cause. There are four characteristics of co-operative organization which should be distinguished:

- (a) the co-operative as an ideology;
- (b) the co-operative as a tool of economic policy;
- (c) the co-operative as part of community development; and
- (d) the co-operative as a business enterprise.

In Indonesia the four characteristics tend not to be carefully separated with the result that each group promotes its own interest by using another for

purposes of its missionary zeal. For example, the leaders of the co-operative movement are pushing co-operation as an ideology and accusing the government of not having sufficient political will to promote it. On the other hand, the government, even though it says that the co-operative must become a sound economic organization, nevertheless always uses it as a tool for implementing government economic policy. In 1973 it was used to implement the government rice procurement policy and now it is used to help achieve the equity objective. Indonesian economists in general usually adopt the view that a co-operative is nothing but a business enterprise. They argue that there are three types of economic organization: state enterprise, private enterprise, and the co-operative, and each has the right to exist. In their view the co-operative must be able to compete with the other two economic organizations. This is the so-called capitalistic view where, as in the United States or Scandinavian countries, the co-operative enterprise competes well with other businesses. Perhaps the most appropriate view is the last one which considers co-operation as part of community development. This is related to the basic spirit of community among people in rural areas. If this view is adopted, the only way to measure the success of the co-operative is by the degree to which it strengthens the spirit of co-operation.

There are two reasons why the rural co-operative has failed in the past: first, it has been unrealistically assumed that the farmer always prefers a co-operative rather than some other organization; second, that it is capable of serving all members of the village community. The second assumption is unrealistic if we remember that the co-operative as a business enterprise can best serve only the farmers who own 0.7 hectare of sawah or more, which is the minimum size for a farmer's level of subsistence. In most villages in Java this constitutes less than five per cent of the rural population.

The transmigration programme is always linked with land and agrarian reform. This means that transmigration is seen as a means of solving population pressure in Java-Bali and, at the same time, as a programme to move the landless farmer to the outer islands. In the Sukarno period (1945–65), there was a Ministry of Co-operative, Transmigration, and Community Development which indicates the very close relationship of the three. Recently the Ministry of Transmigration was changed to the Ministry of Transmigration and Manpower, implying that transmigration is now considered as a means to increase the mobility of manpower from one region to another and not necessarily involving only Javanese farmers. It is hoped that transmigration can become an important way to speed up regional development in the outer islands.

However, despite the government's vigorous attempt to achieve better results in the transmigration programme, it is difficult to avoid the impression that it has become a routine organization. Targets were set high but non-achievement is very common. Overall the achievement during the period 1969/70 – 1980/81 has been rather satisfactory (87 per cent), but the very high target of the third five-year plan of 500,000 families had only achieved about 20 per cent toward the middle of the plan period. Transmigration is recognized as one of the most difficult government

programmes at the present time. There are three reasons for the apparent difficulties. First, it involves over half a dozen governmental agencies which are difficult to co-ordinate. Second, the outer islands have never become attractive places for the young people of Java. On the contrary, there is still a tendency for young people from the outer islands to be attracted to Java. Thirdly, there has been an apparent lack of imagination and dynamism in tackling the problem. For example, in order to draw skilled and energetic transmigrants to pioneer the opening up of new settlement areas, especially at the initial stage, there is a great need for an incentive system and the provision of special facilities. There is surely a need to create and increase the spirit of urgency in carrying out the transmigration programme.

The development of rural industries is now considered by many writers as a promising way to achieve equity. It is called rural non-farm employment, a topic which is being studied more carefully in many developing countries. In Indonesia the government has attempted to promote these small-scale rural industries, for example, by setting up BIPIK, a special agency to provide technical and managerial guidance (1974) and PPIK (Centre for the Development of Small-Scale Industries) in 1977. In 1979 the government started to build several 'mini industrial estates' to provide infrastructural facilities for small-scale industries. A special preferential credit system is provided through KIK (Small Investment Credit) and KMKP (Credit for Working Capital). But the problems are still numerous. The chronic complaint of small-scale industries had been and still is the lack of funds. A comprehensive survey in Central Java in 1974 found that the problem of credit, marketing, and the purchase of raw materials are all closely related. Credit is needed mostly to purchase raw materials which have to be purchased in the open market. The marketing of the products is not efficient because small-scale industries are in a very weak position and hence rely more on the middlemen or the merchants. Many of them also require consumption credit which is usually considered inseparable from production credit. For the cottage and small-scale industries, the household and the business is difficult to distinguish, so that it is very common that the Bank would provide credit for living costs. Further, the study found that without exception all businesses, big and small, considered capital shortage as the most serious constraint to growth. But it is interesting that there is a tendency for the constraint to increase with the growth of the industries. On the other hand, the difficulties of finding raw materials tend to be greater for the smaller industries than the bigger ones. This indicates the real need for co-operation among small-scale industries in order to obtain inputs and to market their output.

The government has for years attempted to develop co-operation among small businessmen. If there is a successful co-operative, with a strong and loyal membership, then it is easy for the government to aid the officers of the co-operative. But so far co-operation has not worked well. On the one hand, membership is low and loyalty is weak because the co-operative cannot provide good services. Most prospective members would join a co-operative if it was a means of obtaining credit. If these small

businessmen do not work together in a co-operative organization and instead compete with each other in obtaining raw materials and in marketing their products, then they will become an easy target for the middlemen.

THE CAUSES OF THE FAILURE AND SUCCESS OF RURAL DEVELOPMENT

There are both failures and successes in the implementation of rural development programmes. One of the difficulties in evaluating the programmes is that it is not easy to distinguish between agricultural and rural development. There is a tendency to confuse or to use the two terms interchangeably or at best to combine the two terms. By combining the terms agricultural and rural development we usually hope that both the production aspect and the distribution aspect are considered.

Many writers on rural development now define rural development as the effort to improve the living standard of the rural poor. For example Uma Lele (1975) defines it as: 'improving living standards of the mass of the low-income population residing in rural areas and making the process of their development self-sustaining'.

From this definition we can conclude that the emphasis is not just on how to increase agricultural or food production, but on how to increase the welfare of the rural poor and how to make the process self-sustaining. Of course, in reality, the effort to increase their living standards will involve their own efforts to increase agricultural and food production, including livestock and fishery. This is understandable if the process of this development is going to be self-sustaining. In other words, if the rural poor are to improve their living standards, their main livelihood, that is agriculture and agriculture related activities, must be sustained and strengthened. Even if in the beginning, some kinds of subsidy or external assistance are needed for the low-income population, this assistance should not be expected to continue forever. But in order for this to happen, the rural economy must be moving and must widen its scope beyond the usual limited borders. This means that there must be an expanding market for the commodities produced by the low-income population.

The achievement of these objectives certainly requires government policies that provide continuous incentives to rural production, an efficient administrative system and appropriate institutional arrangements. If the traditional institutional arrangement guarantee the effectiveness of certain production and marketing systems, then this must be maintained and even strengthened. From past experiences, the success of certain programmes depends upon:

- (a) good co-ordination and good leadership;
- (b) patience in the programme implementation and
- (c) good co-operation between government and private organizations.

The presence of good leadership is very important in each project and with this leadership, co-ordination with other government agencies is made easier. Since strong leadership is crucial, it is absolutely necessary to identify the right and capable leaders for each project. The second element of success is patience in the implementation of programmes, and especially when this is orientated to the achievement of fixed targets; otherwise then there is a likelihood that whatever the success achieved, it is not going to be satisfactory. Finally, it is necessary to realize that government agencies have very limited capacity to undertake rural development programmes by themselves. They must rely on the support, co-operation and participation of private organizations. With active participation there will be a guarantee that the programmes will be sustained, even if the government agencies pull out from the rural areas. In fact it is perhaps a prerequisite for the programme to identify local private organizations as a counterpart to the government agencies, before the programme is started. These are the organizations which are expected to run the programme after it is considered to have reached the self-sustaining stage.

It is logical to conclude that without the above conditions for success, any programme of rural development will fail. If co-ordination and leadership are poor, if there is too much obsession to achieve certain physical or numerical targets, and if there is no hope of local private support for the programmes, then certainly any programme is doomed to fail.

Perhaps, however, we can be more specific on this and present some signs which may give rise to the possible failure of projects. Some of these signs or characteristics are as follows:

- 1 The project which is imposed from above and is not developed from below.
- 2 The project which has no possibility of surviving without continuous government subsidy.
- 3 The project which has no connection with the human development of the rural population.

It is clear that the above characteristics of 'bad' projects are self-evident and, it seems, can be easily avoided. However, experience has shown that more often than not, these 'bad' characteristics can be found again and again. The question is then, why? What are the reasons, for introducing such projects? One of the reasons is that government agencies everywhere have the tendency to formulate projects from behind the desk, because they must propose these projects every budget year. If they do not receive sufficient information from the field, then 'behind the desk projects' are easiest to formulate. These type of projects, however, will eventually fail.

PERSPECTIVES

There are three options available to government to solve the poverty problems in rural areas. The first is growth-orientated policies to increase

the productivity of labour in agriculture. Included in this policy are agricultural intensification, transmigration, rural public works and so on (Birowo, 1981). This policy, if efficiently implemented, means that it will automatically increase the productivity of land and capital which are limited in their supply. This growth-oriented policy has been implemented since the beginning of Repelita in 1969 through a variety of subsidy systems for credit, fertilizer and other agricultural inputs.

The second set of policies are the so-called equity-orientated policies designed to help stimulate economic activities in the rural areas. These include the village subsidy programme, the subsidy to Kabupaten and others which are better known as the INPRES programme. These programmes have succeeded in improving rural infrastructures such as roads, small irrigation dams and bridges; although admittedly these rural infrastructures do not specifically help the rural poor.

The third set of policies are equity-orientated policies which involve policies to distribute assets and incomes. These types of policies are indeed the most difficult to implement because they involve the need to change the existing power structure in the rural areas. Land and agrarian reforms have been attempted since the early 1960s but the result has been disappointing. In view of the growing number of landless and near-landless, which means an increasing percentage of under-employment, this equity-orientated policy should emphasize creating more rural employment and improving the incomes of the poor.

From the foregoing analysis it appears that the challenges to eradicate poverty in rural areas are very great indeed. Even if the overall economy grows at a respectable level and equity-orientated policies achieve significant results, we will still find a large number of people below the poverty line in the year 2000. In the year 2000 there will still be wide diversity of richness and poverty among regions and many resource poor regions will still be sparsely populated, while the people who remain will still be poor. It is impossible to depend solely on the government to alleviate poverty. There is a real need to be convinced that prosperity, happiness and peacefulness in rural areas cannot be 'granted' by the government. The people themselves must act. The criteria for success in human development are not the satisfactions of material requisites of wellbeing, even though those are very important, but on the ability of rural people to play their own role in determining their destiny.

REFERENCES

- Birowo, Achmad T. and Hansen, Gary E., 'Agricultural and rural development: an overview', in Hansen, Gary E. (ed.), *Agricultural and Rural Development in Indonesia*, Westview Press, Boulder, Colorado, 1981, pp. 1-30.
- Bengtsson, Bo (ed.), *rural development research: the role of power relations*, SAREC, Stockholm, 1979.
- Moebiyarto, Sayogyo and Tjondronegoro, S., 'Poverty, equity and rural development', in Moebiyarto (ed.), *Growth and Equity in Indonesian Agricultural Development*, Indonesia

- Yayasan Agro-Ekonomika, Yogyakarta, 1982.
IBRD, *Rural Development Sector Policy Paper*, World Bank, Washington, 1975.
Uma Lele, *The Design of Rural Development: Lesson from Africa*, World Bank, Johns Hopkins University Press, 1975.

DISCUSSION OPENING – LIEM HUY NGO

It is a great honour for me to be able to comment on the paper of Dr Birowo. First I would like to start with a general observation that some aspects, orally presented by Dr Birowo, were not covered by his paper. But I am grateful to him, because through his oral presentation some questions relating to his paper were clarified.

Dr Birowo's paper covered 3 main areas:

1. The objectives and different concepts of rural development to tackle rural poverty.
2. Based on the Indonesian experience, some policy issues in agricultural and rural development, such as, the Co-operatives Development Programme, the Transmigration Programme, the Rural Industrialization Programme and various factors determining the success and failure of these government programmes and projects.
3. The perspective of policies in solving rural poverty based on options which are growth-orientated and equity orientated.

These three areas were clearly described and analysed by Dr Birowo.

Since many fundamental aspects found in Dr Birowo's paper, for instance those relating to social indicators, poverty line, basic needs concept, Indonesian development programmes and their causes of success and failure, have already been discussed implicitly or explicitly in the last sessions of the Conference and/or in the discussion groups and since time is limited, I would like to focus my remarks on a few points which are, in my view, not explicitly elaborated in Dr Birowo's paper and oral presentation. These points are also very important in the planning and implementation of rural development programmes and especially in the achievement of the equity goal.

Focusing on the rural poor target groups.

I agreed with the author when he mentioned that 'it is apparent that different people will interpret rural development in their own way'. These different interpretations of rural development have somehow consequences in the design, planning, implementation and even evaluation of rural development programmes/projects. Rural development is not only to focus on the satisfaction of basic needs and eradication of rural poverty but its programmes should also focus on the target groups – on the rural poor. In the planning process, the rural poor has been seen usually as a homogenous group. This is not true. Technological and institutional change and growing population have enforced the heterogeneity of the rural poor. Within the

group (small tenants, small fishermen, agricultural and non-agricultural landless farmers, near-landless farmers) may exist a certain competition for access to a fixed amount of farmland. Identification, planning and implementation of different projects for the rural poor require information and knowledge about the composition of the rural poor, that is their socio-economic situation, their perceptions, their needs and behaviour, their relation to a given system. This information will not be limited only to the rural poor as target groups but also to the other groups with which they interact (for example landlords, middlemen, dealers, public employees, professionals).

The author is right in mentioning that the poverty problem is complex. I believe that we have to understand more about the complexity of rural poverty. This includes the identification of different problems, constraints and their inter-relationships which hinder the target groups to access to physical, economic and socio-political resources. Here I think you have a gap between economic theory used at the macro level and the situation at the micro level. The realities and situation at the micro level can explain the behaviour, the rationality of the rural poor, why they do not participate in the development process, why they are resistant to government programmes and projects, why they are adverse to change and so on. Experiences in the past showed that their resistance to development efforts led them to adopt certain behaviour which is sometimes not understandable for planners 'behind the desk' (using the author's expression) and/or which cannot be included in certain econometric, simulation models. This means that in order to obtain growth and equity, target-group-orientated and employment-orientated rural development programmes should be adopted. It seems that the realization is more likely to be achieved if efforts are concentrated at the regional level – taking into account both the macro and micro level.

Co-operation with non-governmental organizations.

I will not concentrate any discussion on the factors affecting the successes and failures of rural development programmes and projects. These factors are well pointed out by the author in his paper. I agree with Dr Birowo about these factors.

The most interesting thing which was pointed out was the fact that the success of certain programmes depends on good co-operation between the government and the private non-governmental organizations. It is not usual – at least in rural development literature – to hear that good co-operation between government and NGOs is one of the major factors affecting the success and failure of rural development programmes and projects. But Dr Birowo did not describe clearly the role of these NGOs. In some instances, the rural poor lost confidence in the government because they did not benefit much from its development programmes. In this situation NGOs can serve as a bridge to get back the confidence of the poor.

The role of NGOs is supposed to be not only to run the government programme after it is considered to have reached the self-maintaining stage – as mentioned by the author – but NGOs can also mobilize the poor and attend to their needs.

The experiences of these NGOs with the grassroots, their flexibility in developmental works and their skills in some sectors covering basic needs such as health, nutrition, education, housing, certainly can be used in the identification, planning, implementation and evaluation of the development programmes/projects. However, in the process of co-operation, one has to consider the fact that the non-governmental organizations are not a homogenous group; they differ from each other by size, area of activities, linkages and – very important – they have different ideologies. Therefore it is difficult to identify areas of co-operation not only between government and NGOs but also among the NGOs themselves.

Since I understand that delegates from various NGOs involved in developmental works are also present at this Conference, it would be useful if Dr Birowo could elaborate more the experiences of co-operation between the government and private organizations and clarify – if possible – what the types of private organizations are, what is their role in rural development and what are the problems perceived, at least from the view point of the government, regarding this co-operation. This co-operation is not an easy task. It requires a sincere political will from the government side. The sincerity should not stay only at the national level; but it also has to go down to the local level where these private non-governmental organizations operate.

Organizational structure and institutional arrangements

Dr Birowo has stressed, in his oral presentation, the overall organizational structure and the planning and implementation mechanism based on the Indonesian Five Year Plan and some rural development programmes. However, he did not elaborate how this structure and these mechanisms affect the decision-making process, local level participation and the target groups.

The co-ordination problem between the different agencies – as pointed out by the author in his discussion of the transmigration programme in Indonesia – is only the consequence of the organizational set-up. Very often decentralization is proclaimed by the central government. But in analysing working relationships and the interactions of planning, as well as in studying the relationships between the administrative staff and the project staff, one could raise the question as to whether central government is really willing to distribute power to local government. The success and failure of efforts in rural development are not decided by a country's type of political régime and its ideological motivations. Rather the key to this most important problem is to be found in organizational structure and institutional arrangements.

Finally, I would like to congratulate Dr Birowo for his efforts in presenting to us the very practical and realistic issues of rural development planning and implementation in Indonesia.