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Neo-Liberal Strategies of Government through Community: The Social Development Program of the World Bank in Indonesia

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Abstract

For more than two centuries experts both inside and outside the state apparatus, at home and abroad, have engaged in the practice Foucault called “government:” the attempt to reform human conduct by calculated means. In this spirit the World Bank’s social development team in Indonesia set out to make community development planning more participatory and transparent, to relieve poverty, manage conflict, empower villagers, and reform the state apparatus from below. Their strategies are neo-liberal. Rather than regulate conduct directly, they set conditions, structure a field of possible of actions, and use incentives to foster new habits of entrepreneurship and responsibility, competition and choice. The program the team devised has been implemented in tens of thousands of Indonesian villages with one billion dollars of loan funds. It has been adopted as a “golden arches” or franchise model, and replicated from Timor to Afghanistan. I examine the origins of the program and situate it in the context of post-Suharto reform. I explore the experts’ diagnoses of what was wrong with Indonesian society, and their prescriptions. How did they attempt to render problems such as poverty and violence technical and manageable? What were the contours of their intervention, and its limits?
In this paper I examine an approach to global government that has come, at the turn of the millennium, to occupy a prominent place in the programming of the World Bank under the heading Social Development. This approach combines a neo-liberal stress on competition with concepts of participation and empowerment earlier promoted by NGOs. Its aim is extraordinarily ambitious: to transform society or, as one expert put it, to “get the social relations right.” I focus on the work of the social development team of the World Bank in Jakarta, prominent players in the emergence of this new form of government, and pioneers in turning concepts into a program of intervention.

The scope of the program the social development team devised for Indonesia is enormous. In phases one and two (1998-2003), the team’s flagship Kecamatan (sub-district) Development Program (KDP) was implemented in tens of thousands of villages across the archipelago, one in three. With its offshoots, it absorbed one billion dollars of loan funds. It accounted for more than half of World Bank lending to Indonesia in 2001-2003. To accomplish its transformatory goals, it by-passhed Indonesia’s standard planning and disbursement systems, substituting its own rules and the labor of up to 4,200 consultants supplied through private-sector contracts. These consultants, almost all of them Indonesian, operated as a loyal, parallel bureaucracy, answerable to the Bank and KDP’s official sponsor, the Central Planning Agency. Explaining the reasons for the by-pass strategy, the project designers observed that “KDP did not allow local governments to meddle much in the project. The risks of misguided government takeovers were too high.” Further, they argued that contract workers were more flexible, and could be hired without inflating the civil service pay-roll. Not until phase three of KDP (2005-2008), after the virtues of its approach had been confirmed, did the social development team attempt to integrate KDP delivery and normalize its rules as part of the regular legal and administrative system. Rather than attempt to reform the state apparatus directly, the team envisaged its principle point of intervention as

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1 A version of this paper was presented at the Hauser Colloquium: Globalization and Its Discontents, New York University School of Law, October 18, 2005. It will appear as a chapter in my book *The Will to Improve: Governmentality, Development, and the Practice of Politics*, Duke University Press, 2007. Funds to support research and writing related to this paper were provided by the John D. and Catherine T. MacArthur Foundation program on Global Security and Sustainability and by Canada’s Social Science and Humanities Research Council. Special thanks to Scott Guggenheim for being a thoughtful and engaged interlocutor.

2 See the World Bank's Social Development websites in Washington and Jakarta, especially the sections on Community-Driven Development and Conflict Prevention and Reconstruction. The sub-category labeled Community-Driven Development was a 7 billion dollar portfolio at the Bank in 2004. For a critical review by Bank staff, see (Mansuri and Rao 2004).

3 This expression appeared in (Woolcock 1998:187).

4 (Guggenheim 2004:2, 8). Further phases and offshoots of the program were scheduled to receive 25% of all World Bank lending to Indonesia in the period 2004-2007, and were a cornerstone of the Country Assistance Strategy (World Bank 2004a:ii).

5 (Guggenheim et al. 2004:2).

6 (Guggenheim et al. 2004:9).

7 (World Bank 2003b).
“communities.” Indonesian communities had, the team argued, natural capacities for self-management that were damaged by the military-dominated regime of President Suharto known as the New Order (1965-1998), and should be restored. Empowered communities, the team proposed, would be able to plan their own projects, manage conflicts, and reform the state apparatus from below.

The program pioneered by the social development team in Indonesia was quickly declared “best practice,” and replicated. By 2005, there were clones of KDP in the Philippines, East Timor, and Afghanistan. Indeed, this eventuality was anticipated by the program designers in 2001, who spotted its potential to become a “Golden Arches” or “franchise model.” In Aceh post-tsunami, KDP was one of the primary vehicles for aid delivery not only by the Bank, but by several bilateral donor agencies that found it convenient to operate through KDP’s tried and tested system for the rapid, large-scale disbursement of funds. The social development team’s goals for social transformation in post-conflict or post-disaster situations were especially ambitious. The experts imagined building upon a clean slate not just physically but socially – constructing a new society in which the delinquent structures of the old order would not intrude. Under the label “Community-Driven Reconstruction,” they devised strategies to take advantage of vacuums in state capacity to instill new practices that, in normal times, officials might oppose. They envisaged an “opportunity to re-define the social and institutional relationships that led to the conflict in the first place.” They planned to use the incentive of access to Bank funds as leverage to reform populations, and to reform a weakened state-apparatus that needed rapid and tangible reconstruction to establish its credibility. Under disaster conditions, they reasoned, ruling regimes lose their capacity to dictate the terms of donor assistance, enabling experts to rebuild society according to their own prescriptions. Yet the experts recognized a limit to this approach: when a project is designed as “an island of integrity outside state structures, there is a risk of low government ownership undermining sustainability in the long term.” I was struck by a passage in a World Bank bulletin concerning Aceh: “Don’t forget the Government.”

**Government**

The World Bank’s social development program in Indonesia exemplifies the kind of intervention Foucault described as “government” – a term he used in a specific sense. It refers to the attempt to shape

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8 In 2001-2, a Bank staff member from Washington was already investigating its replicability (Edstrom 2002).
9 (Guggenheim, Wiranto, Prasta, and Wong 2004:4)
12 (Cliffe, Guggenheim, and Kostner 2003:1).
13 The approach is described in (Cliffe, Guggenheim, and Kostner 2003). The Bank duly noted that its activities in conflict zones might be opposed on “nationalist” grounds (World Bank 2005c:41).
human conduct by calculated means. Distinct from discipline, which seeks to reform designated groups through detailed supervision in confined quarters (prisons, asylums, schools), the concern of government is the well-being of populations at large. Its purpose is to secure the “welfare of the population, the improvement of its condition, the increase of its wealth, longevity, health, etc.” To achieve this purpose requires distinctive means. At the level of population, it is not possible to coerce every individual and regulate their actions in minute detail. Rather, government operates by educating desires, and configuring habits, aspirations and beliefs. It acts on actions. It sets conditions, “artificially so arranging things so that people, following only their own self-interest, will do as they ought.” Note that government in this sense is not the preserve of “the government” or the state apparatus. Programs of government are devised by transnational donors, NGOs, and a host of other authorities. Nor does the term government equate with governance or “good governance” – the concern to make institutional regimes transparent and accountable. As it happens, “good governance” is one objective of the World Bank program I examine in this paper, but not all governmental programs have this goal. They are equally concerned with matters such as agriculture, public health and conservation.

Government requires a rationale that identifies problems, and links problems to solutions in a systematic manner. It depends upon the practice I call “rendering technical,” a shorthand for what is actually a whole set of practices concerned with representing “the domain to be governed as an intelligible field with specifiable limits and particular characteristics … defining boundaries, rendering that within them visible, assembling information about that which is included, and devising techniques to mobilize the forces and entities thus revealed.” In examining the World Bank’s social development program through the optic of “government,” I expose its diagnoses of what was deficient in Indonesian society, its calculations about what had to be optimized, and the tactics it employed. What kind of analysis, I ask, enabled the Bank experts to render problems of poverty and violence technical and manageable? Through what chain of reasoning did they conclude that social relations – rather than political-economic relations – were the critical arena for expert intervention? And how did the processes and relations excluded from the team’s analysis seep in to shape what the program became?

As my questions indicate, my goal in this paper is not to evaluate the program in terms of its effects. To do this would require the empirical examination of what happened as the program intersected with diverse forces across the archipelago – a significant research project beyond my current scope. I argue that the Bank’s social development program merits critical scrutiny because whether or not it succeeds or fails to achieve its goals, the emergence of this particular approach to “government” is – as Foucault insisted – itself a historical event. Even if things do not work out as laid down in programmers’

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16 (Foucault 1991a:100).
17 (Scott 1995:202) citing the “preeminent governmentalist” Jeremy Bentham.
18 (Rose 1999:33).
schemes, these schemes are not simply utopias “in the heads of a few projectors.” They are not “abortive schemas for the creation of a reality. They are fragments of reality.” They “induce a whole series of effects in the real.” They “crystallize into institutions, they inform individual behavior, they act as grids for the perception and evaluation of things.”\textsuperscript{19} They signal new ways in which social, political and economic processes can be bounded and dissected. They make certain kinds of intervention thinkable, and suggest new tactics.

The Bank’s social development program for Indonesia drew upon notions of participation and empowerment, key arenas for attempts to “conduct conduct” since the 1990s, when development agencies responded to the critiques of NGOs by adopting their language and their techniques. More specifically, it drew upon a governmental strategy named by Nikolas Rose “government through community,” a strategy that holds particular attraction for neo-liberal development regimes. In the next section I explain what I mean by “government through community,” before examining the World Bank’s Indonesia program in some detail. To end, I return to the world this program would transform, to reflect on its exclusions, and its limits.

**Government through Community**

“[I]n the institution of community,” writes Rose, “a sector is brought into existence whose vectors and forces can be mobilized, enrolled, deployed in novel programmes and techniques which encourage and harness active practices of self-management and identity construction, of personal ethics and collective allegiances.”\textsuperscript{20} Government through community, Rose stresses, creates something new. It is not concerned simply with imposing state control over a given socio-spatial arena such as a remote village or urban slum, in the manner explored by James Scott.\textsuperscript{21} Rather, community becomes a way of making collective existence “intelligible and calculable.” Issues are “problematicized in terms of features of communities and their strengths, cultures, pathologies.” Solutions take the form of acting upon community dynamics.\textsuperscript{22}

At the heart of government through community is a paradox. Rose puts it thus: “Community is to be achieved, yet the achievement is nothing more than the birth-to-presence of a form of being which pre-exists.”\textsuperscript{23} Community is assumed to be natural, yet it needs to be improved. Communities have the secret to the good life (equitable, sustainable, authentic, democratic – however the good is being defined), yet experts must intervene to secure that goodness and enhance it. To contain the paradox, attempts to govern through community often elide what currently exists with the improved versions being proposed, making

\textsuperscript{19} (Foucault 1991b:81-2).
\textsuperscript{20} (Rose 1999:176).
\textsuperscript{21} (Rose 1999:176, 189; Scott 1998).
\textsuperscript{22} (Rose 1999:136).
\textsuperscript{23} (Rose 1999:177).
it unclear whether talk of community refers to present or future forms. They locate the model for the perfected community in an imagined past to be recovered, so that intervention merely restores community to its natural state. Or they argue that they are not introducing something new, merely optimizing what is naturally present. Even when the object of desire – the authentic, natural community – is found to be intact, experts on community argue that it is vulnerable to degeneration because it lacks the capacity to manage change. It is the paradox of community that makes it an exemplary site for governmental intervention: experts do not direct or dominate, yet they always have work to do.

Although the theme of loss of community and the need to remake it appeared repeatedly in both metropoles and colonies from the nineteenth century onwards, Rose cautions that “the community appealed to is different in different cases: differently spatialized and differently temporized.”24 In the governmentalization of community under neo-liberalism in Euroamerica at the turn of the millennium, he argues, the community referred to is “not primarily a geographic space, a social space, a sociological space or a space of services, although it may attach itself to any or all such spatializations. It is a moral field binding persons into durable relations. It is a space of emotional relationships through which individual identities are constructed through their bonds to micro-cultures of values and meanings.”25 It emerged as neo-liberal regimes moved away from the idea that they had the responsibility or the capacity to define the good life and shape the citizenry according to an overall plan.26 Instead, populations were re-imagined as forming so many natural communities – ethnic, religious, linguistic, territorial, professional, ideological, gendered, aged, and life-style based. Such communities were assumed to regulate the behavior of their members according to their own values. Thus the task of government shifted. It was no longer to plan, but to enable, animate, and facilitate. It was to devise appropriate constitutional frameworks for recognizing diverse communities, then set them free to find their own destiny within a strategic field Rose describes as autonomization and responsibilization.27

In the same period, development regimes in the global south shared the frustrations of the Euro American regimes described by Rose: the perceived failure of state planning, social engineering, and the comprehensive management of political and economic life. This conjuncture stimulated interest in community as a self-generating formation capable of governing itself. Communities of various kinds were made up, autonomized and responsibilized.28 In the distinctly neo-liberal formulation of the World Bank, communities of poor people were encouraged to take on responsibility for their own improvement by

24 (Rose 1999:172).
25 (Rose 1999:172 emphasis in original).
26 (Rose 1999:135).
27 (Rose 1999:174, 178).
28 Responsibilization is exemplified by the Grameen bank and its duplicates, which require people to form groups and take collective responsibility for loan repayments.
engaging with markets, learning how to conduct themselves in competitive arena, and making appropriate choices.

To govern through community requires that community be rendered technical. It must be “investigated, mapped, classified, documented, interpreted.”\textsuperscript{29} It takes expertise to reveal a community’s characteristics through specialized techniques. In the global north, favored techniques in the 1990s were attitude surveys and focus groups, the latter used initially as a tool for market research. In the global south beginning in the 1980s, the arch-technique for knowing “local” communities and rendering them technical was participatory rural appraisal (PRA). This technique assumed, as it constructed, communities as bounded units. It invited “communities” to reveal their geographies, histories, livelihood strategies, and institutions in the form of maps, diagrams, charts and lists, using templates experts supplied. The technique screened out the role of prices, laws, and militaries. If these forces appeared at all, it was in the surreal and disembodied form of arrows pointing in from the edges of the village maps or diagrams taped to the walls of meeting halls after a participatory planning meeting. They could not take center stage. Instead, PRA directed people to turn to “their own” communities to solve their own problems, presumed to be preeminently local in origin. Its premise was that people who were stimulated to reflect on the (containerized, local) conditions of their lives would arrive at new understandings that “empower the poor as social actors to embark on locally managed change.”\textsuperscript{30} Through the same exercise, officials, development consultants and other high-status outsiders were expected “to gain satisfaction, fulfillment and even fun, from disempowering themselves and empowering others.”\textsuperscript{31} In PRA the process of consultation was itself the principal intervention. It was designed to foster new desires, new ways of thinking and acting. It simultaneously created communities, responsibilized them, and emphasized their autonomy.

Groups were another form of community in the global south rendered technical in the 1990s. The exchange between two people chatting informally about a water distribution problem as they walk home from the fields, approaching the topic indirectly and in a joking manner because they are kin and want to avoid a fight, may be critical to the management of water in their village. But informal practices of this kind, embedded as they are in finely calibrated and intimate relationships, can barely be described, let alone improved. To construct an arena of intervention, experts had to identify or create groups that could hold meetings and prepare plans. Only then could social forces be enrolled and calculations applied. In this spirit, groups were made visible, formalized and improved where they already existed, crafted where

\textsuperscript{29} (Rose 1999:175).
\textsuperscript{30} (Green 2000:69 emphasis in original). Green provides a useful critical analysis of empowerment and participation in theory and practice.
\textsuperscript{31} (Chambers 1998:xvi). For Chambers, the frontiers of improved development in the 1990s were practical and institutional – not political or economic. They centered on personal attitudes.
they were absent, or resuscitated where they were disappearing. They could then be funded, counted, evaluated, licensed, legitimated, and replicated on an industrial scale. In 2001, development experts enthusiastically announced “remarkable advances in group formation” resulting in “some 408,000 to 478,000 groups emerging with 8.2-14.3 million members in watershed, irrigation, microfinance, forest, and integrated pest management, and for farmers’ research.” They proposed a “new typology” to describe the evolution of groups through three stages, and a scheme through which they could be evaluated and ranked according to their “degree of maturity.” The latter was defined “in terms of their potential for self-defining and self-sustaining activity.” This was a state to be brought about by combining the existing capacities of communities with “inputs from government and voluntary agencies.” Thus groups were envisaged as natural, but “institution building,” “local participation” and the upgrading of “social capital” were matters for experts to arrange.

Not all communities that caught expert attention in the 1990s were spatially contained. Networks also became technical. Development experts examined transnational networks linking NGOs north and south, social movements, and donors. They dissected the components of these networks, investigated their effectiveness, their communications, hierarchies, and tensions. They worried over how networking could be instrumentalized, accountability increased, and the “social learning” engendered through networks captured and replicated.

Following the collapse of the Soviet bloc in 1989 and the demise of some of the military regimes in the global south that had been backed by the US in Cold War mode, civil society at large became the community of concern. Although critics of this approach argued that “successful civil societies develop their own systems and structures, norms and sanctions, over hundreds of years: by and large, they take care of their own strengthening,” civil society-strengthening became a domain of expertise. The deficit of civil society, its putative absence, distortion or immaturity, had to be rectified. Civil society became a thing to be designed and promoted, “grown from ‘the outside,’” a project to be accomplished by training and capacity building. As civil society was rendered technical, it was bounded and defined. Its components were listed and prioritized according to both moral criteria (what was be supported or rejected) and instrumental ones – which components of civil society had the capacity to be effective in pursuit of specified ends. Experts devised techniques for improvement and set them out in detail,

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32 Elinor Ostrom’s work on crafting institutions was an important influence.
34 For these authors, the neo-liberal agenda to promote entrepreneurship through group formation was explicit. They argued that the purpose of support was to make groups independent, because “creating dependent citizens rather than entrepreneurial citizens reduces the capacity of citizens to produce capital” (Pretty and Ward 2001:220).
35 See (Brown and Fox 1998).
37 (Howell and Pearce 2000:78).
manual style, complete with diagrams, lists, classificatory schemes, alternate strategies, and instructions.³⁹

Donor programs to improve civil society were extraordinarily ambitious. Their target was not just delinquent components of the population (farmers, women, the poor, for example) but “society” imagined as a whole. Experts constructed a model of society made up of three sectors – state, market and civil society – and set about reforming each of these “sectors” internally, and brokering the relations between them. They made plans to create enabling environments, devise appropriate laws and regulations, facilitate dialogue, and foster processes of consultation. They monitored the performance of the state apparatus, and they monitored “civil society organizations” to ensure they were accountable to their members, especially given the risk that donor funding would attract unscrupulous leaders.⁴⁰ Yet in the attempt to optimize what naturally exists, the paradox of government through community re-emerged. There was a risk of governing too much – of creating something alien and inauthentic – a tension amply reflected in donor attempts to rebuild civil society in Indonesia after Suharto’s resignation in 1998.

The Problem of Governance Post-Suharto

Post-Suharto, as donors initiated programs to strengthen civil society, they stepped up their sponsorship of NGOs, renamed “civil society organizations” (CSOs). Yet they soon became aware of the limitations of the “NGO sector” as a vehicle for reform, and diagnosed NGOs as unrepresentative and opportunistic – mere creatures of donor intervention. Further, New Order practices and perceptions also proved intransigent, as did New Order officials, many of whom still held key positions. To address the challenge of empowering the poor and creating a vibrant civil society, the World Bank’s social development team took a different approach. It would not focus on the state apparatus, or on “civil society organizations.” Instead, it would focus on society at large, especially the rural poor in tens of thousands of villages. In so doing, it would link the reform agenda directly to the Bank’s declared mandate of poverty reduction.

Poverty, the Bank team argued, was “actively maintained by the difficult and almost non-existent access that communities have to higher level decision-making on development priorities and resources; the formal bottom up planning mechanism is ineffective and non-responsive to community needs; government gives neither incentives nor rewards for communities with good organizing performance.”⁴¹ Although the Bank’s social development team did not suggest that inadequate planning and failures of governance were the only source of poverty, they were the only sources taken up as the basis for the team’s very large and expensive anti-poverty program. The exclusion of refractory relations – unequal

³⁹ For a striking example, see (Blair 1997).
⁴⁰ (Bebbington and Riddell 1997:110-11; Blair 1997; Edwards, Hulme, and Wallace 2000:9).
relations of production and appropriation foremost among them – was intrinsic to the construction of communities as sites of intervention. Village welfare, the team declared, was linked to the “ability to influence investment decisions and set community priorities” through “deliberative institutions – public discussion and exchange” which enabled people to evaluate alternatives and make choices.\textsuperscript{42} One Bank study noted that villagers were relatively successful in solving problems of a social nature, especially those within their local arena, but “economic factors are largely beyond villagers’ control.”\textsuperscript{43} Taking the lead, it would seem, from villagers, the Bank team set unsolvable economic problems aside, and focused on planning.

The team conducted detailed ethnographic studies of village life and came to the conclusion that the corruption, greed and paternalism of the New Order regime had been deeply damaging. The New Order’s imposed consensus, backed by a rhetoric of family, had made contestation illegitimate. It had caused previously cohesive, capable, creative rural communities to become disorganized. Villagers had become passive, ignorant of their rights, accustomed to corruption, and diminished in their capacity to mobilize their own resources. Yet, according to the team, their still-extant cultural norms and the natural cohesion that stems from physical proximity and smallness of scale offered the prospect that self-managing communities could be restored. Further, they could, in Rose’s words, be “mobilized, enrolled, deployed in novel programmes and techniques.” Specifically, the team proposed that restored rural communities could provide the backbone of an invigorated civil society that would exemplify good governance in autonomous local institutions and practices. The discursive framing of rural communities as capable but impaired renewed attempts to govern through community that had been tried before in Indonesia in the late colonial period. The distinctive feature of the Bank’s program, a century on, was the neo-liberal stress on competition and choice, key themes of the Bank’s Country Assistance Strategy.

The Country Assistance Strategy

The World Bank’s Country Assistance Strategy (CAS) for Indonesia (2001-2003) was phrased in a very different language from the CAS of the New Order. It explicitly engaged with the problem of governance, and discussed the many past and present failures of the ruling regime.\textsuperscript{44} These were topics generally avoided in previous decades, when donors applauded Indonesia’s steadily increasing Gross Domestic Product and improved health and education indicators, and turned a blind eye on regime-sponsored violence, corruption and authoritarian rule.\textsuperscript{45} The CAS discussed various causes of poverty. No longer was the focus on deficient farming techniques or the lack of infrastructure. Yet the CAS retained

\textsuperscript{42} (World Bank 2002c:13).
\textsuperscript{43} (World Bank 2002c:3).
\textsuperscript{44} There was also frank recognition of corruption within Bank projects. See (Guggenheim 2004).
\textsuperscript{45} (Guggenheim 2004; Woodhouse 2002).
the key feature exposed by James Ferguson in his study of development discourse as an “anti-politics machine;” critical scrutiny of relations of production and appropriation were still excluded from its analysis. The CAS only identified problems and deficiencies that could be rectified by technical interventions of the kind Bank experts might supply.

Governance, stated the CAS, was “Indonesia’s key medium-term development challenge.”

Hence it was governance that had to be rendered technical: parsed into its components (corruption, lack of accountability, transparency, and rule of law), each of which could be rectified by design. To emphasize that the focus on governance was not an imposed, World Bank agenda, the CAS referred to development partners, including civil society organizations, who requested Bank support in this area.

It thus constructed a discursive terrain which positioned the Bank not as a coercive force, attempting to use its control over funds to dictate how people should live, but rather as a reservoir of expertise to assist indigenous reformers who had set their own agenda.

The techniques through which the Bank proposed to achieve good governance were neo-liberal. Specifically, the CAS argued that good governance could best be promoted in a climate of competition that rewards performance. Their approach conformed rather closely to the governmental approach characteristic of advanced liberalism in Euroamerica which, according to Rose, is

not a matter of ‘freeing’ an existing set of market relations from their social shackles, but of organizing all features of one’s national policy to enable a market to exist, and to provide what it needs to function … All aspects of social behavior are now reconceptualized along economic lines – as calculative actions undertaken through the universal faculty of choice. Choice is to be seen as dependent upon a relative assessment of costs and benefits of ‘investment’ in the light of environmental contingencies … And the paths chosen by rational and enterprising individuals can be shaped by acting upon the external contingencies that are factored into calculations.

Indonesia’s decentralization program that went into effect in 2001 presented an opportunity for the Bank to insinuate calculation and choice at multiple spatial scales. In place of standardized national programs evenly spread, a hallmark of the New Order, Indonesia’s provinces, districts, subdistricts and villages would have to compete for Bank support. The competition was designed to conduct conduct in quite specific ways. At the provincial level, the Bank would “seek to support reform-minded, pro-poor leaders and performing governments, through on-going supervision, project preparation, and sub-national dialogue. Selection criteria and a short-list of areas would be reviewed with the central government, to seek agreements on 2-4 provinces in which the Bank could initiate deeper engagement through consultations with local governments and civil society, and through provincial public expenditure

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46 (World Bank 2001a:6).
48 (Rose 1999:141-2).
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To receive Bank support, that is, candidate provinces must first demonstrate that they had absorbed appropriate values or, better still, had autonomously arrived at a position that was reform-minded, and pro-poor. They must be “performing,” according to Bank standards. Selected provinces would then become eligible for a further intensity of World Bank expert supervision, including scrutiny of their accounts.

Why would a province’s senior officials volunteer to submit to World Bank tutelage or, indeed, compete for the role of tutees? Access to Bank money was the “external contingency” that enterprising leaders would learn to factor into their calculations. The CAS did not stress the persuasive power of cash, however, perhaps because money might complicate the idea that being “pro-poor” is a characteristic of authentic leaders, a group needing only to be encouraged and supported by the Bank and other pro-poor reformers in collegial partnerships. It hints at bad faith, dancing to the donor’s tune, a problem integral to the project of “building” civil society, as I noted. Through the CAS, the Bank sought merely to assist in the birth-to-presence of responsible, autonomous, self-governing communities.

The attempt to foster competition between provinces, restated and intensified in the 2004-2007 CAS, was in tension with the Bank’s “overarching goal … to reduce poverty and vulnerability.” It was markedly at odds with the rights-based approach to development strongly advocated by the UNDP in the same period, which argued for higher public spending to meet the health, education and other basic needs of the poor, with a focus on the poorest provinces. Caught in this contradiction, the Bank could not support only a few “performing” provinces. In the CAS, neo-liberalism and poverty-reduction were brought into alignment by deflecting the principles of autonomization and responsibilization downwards. Through its “community-driven development” programs, the World Bank would “empower communities so that poor everywhere have an opportunity,” even if they happened to live in districts or provinces where authorities were “reluctant to undertake reform.” What was proposed, in this neo-liberal vision, was equal opportunity to compete for funds, not equality of outcomes. Moreover, access to this opportunity required conforming to strict conditions – structural adjustment, in effect, all the way down to the villages.

Empowering communities fell within the social development team’s remit. Before the CAS was written, the team had already devised a program that would give “teeth to the reform agenda laid out in

49 (World Bank 2001a:28).
50 (World Bank 2001a:ii).
51 (BPS, BAPPENAS, and UNDP 2004).
52 (World Bank 2001a:28, 26). The role of the social development program in ensuring access to “development” in the context of Bank-enforced competition and “selectivity” was further emphasized in the subsequent CAS (World Bank 2004a:28). A Bank study of decentralization recommended a role for the central government in defining standards that lower levels of government must meet, pushing responsibility downwards (World Bank 2003a). The proposition that properly designed decentralization would make political and administrative elites more accountable, rather than intensify the authoritarian tendencies of “predatory networks of patronage” is critically examined by (Hadiz 2004).
the CAS and Indonesia’s decentralization program by turning broad principle into a program of action.” They saw the Kecamatan Development Program (KDP) as both a program of action and a policy argument. Their goal was to use “facts on the ground” to show that properly designed community empowerment programs lead to higher returns, greater benefits for the poor, and more sustainable outcomes.” They would demonstrate how to do development better. In the following sections, I explore the history, goals and modus operandi of this project in some detail.

**Optimizing Social Capital or “Getting the Social Relations Right”**

The nexus of research and programming that became KDP was initiated in 1996, when Indonesia was selected as one of several sites in which to study social capital and test its impact on development. Members of the social development team in Jakarta were involved in promoting the concept of social capital at the Bank throughout the 1990s. For them social capital was a means to engage the attention of Bank economists, and open a space for researching the social dimensions of development thus far neglected. Responding to the work of James Ferguson and other critics who had stressed development’s closed discourse and structure of knowledge, they were concerned to show that development discourse could be changed by reformers working within development institutions. Further, a change in discourse could produce new policies and projects with better, pro-poor outcomes. They argued that their position “in the belly of the beast” allowed them to translate new concepts into project design in ways that were not possible for outsiders. Significantly, the concept of social capital enabled them to constitute community as a terrain of technical intervention.

Drawing upon Robert Putnam’s definition of social capital as the “features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions,” Bank social experts used the concept to identify the social relations that animate communities – relations otherwise intangible and amorphous. These relations, they argued, could be measured according to various indices, correlated with desirable ends such as good governance and economic growth, and subject to econometric analysis. Social capital, in their version, had a feature consistent with the strategy of government through community I described earlier: it was naturally present, yet potentially deficient. Analysis of social capital thus enabled social development experts to identify a new task. They should create social capital where it was lacking, protect residual pockets of social capital from unwitting destruction, and experiment with deploying social capital to new ends.

53 (World Bank 2001b:3).
54 (World Bank 2001b:5).
55 (Bebbington, Woolcock, Guggenheim, and Olson 2002).
56 (Guggenheim 2004:34).
In the early stage of World Bank thinking about social capital the emphasis was on quantity. Social capital became “yet another ‘thing’ or ‘resource’ that unsuccessful individuals, families, communities or neighborhoods lack.” In later work Bank social experts identified different kinds of social capital, tracked their distribution within and between social groups, and sought ways to promote the optimal balance. Social capital was parsed. It became linking, bonding and bridging capital. Some social groups were found to have too much of one, not enough of another. Too much bonding and not enough linking made social groups too tight – crime families, clans, and ethnic enclaves were often cited examples. Bridging capital named the vertical links between poor people and the patrons, experts, NGOs and officials who could help them. The recognition that social capital, in the wrong quantities and combinations, had “downsides” opened the terrain of social relations to ever-more refined analysis and intervention.

For Putnam social capital promoted “the efficiency of society.” But efficient for what, and for whom? Critics of the Bank approach to social capital argued that Bank experts defined efficiency primarily in relation to commerce. Improved social capital meant more trust and transparency, and better links between villagers and the markets from which they were purportedly disconnected. John Harriss, for example, argued that Bank deployment of social capital served as a “very convenient screen” for neo-liberal market agendas, appearing to address social issues while leaving power relations and inequality intact. I concur with Harriss that the Bank’s approach left fundamental power relations intact. Yet I want to take this observation further to explore the terrain of governmental intervention social capital opened up. As I see it, the Bank’s social development team in Jakarta were not conspirators, pursuing a covert but dogmatic and singular goal. By optimizing social capital or “getting the social relations right,” they thought they could supply village infrastructure more efficiently, alleviate poverty, promote economic growth, foster good governance, and enhance local capacities for conflict management – diverse ends that, separately and in combination, they thought would benefit the nation overall, and the poor in particular. Theirs was a multi-faceted agenda that took them deep into the minutiae of village life. It required the Bank to go ethnographic.

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58 (Harriss 2002:97).
59 (Woolcock 1998).
60 (Woolcock 1998) makes these arguments at length. I find his argument circular: prosperous societies have good stocks of social capital; poor, unequal and violent societies have low stocks, and little prospect of increasing them. As with material capital, those who have shall receive more (Woolcock 1998:155, 182). See (Fine 1999; Hart 2001; Watts 2001) and especially (Harriss 2002) for critiques of the Bank’s use of social capital.
61 (Harriss 2002:110).
The Ethnographic Turn

The Bank team’s empirical investigation of social capital in Indonesia proceeded through two studies, Local Level Institutions phase one (1996/7) and phase two (1998/9). The principal finding of these studies was that top-down development under the New Order had caused a “lamentable loss of traditional mechanisms of social control,” especially at the village level. The studies confirmed, however, that autonomous local institutions continued to exist in Indonesian villages, and these institutions had the capacity to mobilize village resources for collective purposes. The strongest capacity was situated at hamlet level, where physical proximity, relative social homogeneity and kin ties created “natural” communities. In contrast, capacities were weak at the village level since the village was a standardized administrative unit that had been imposed under the New Order. Villages were often physically dispersed and socially fractured. Their administrators were oriented towards implementing top down policies and pleasing their superiors, New Order habits that continued to be intact in many rural areas in the period of reform.

According to the studies the main groups active at the hamlet level were formed for religious purposes, social service, or credit. Within their customary fields of operation, these groups “set up special committees to plan out and implement projects and events, and often make regular work plans with their respective groups. They also raise funds, mobilize labor, carry out collaborations and mediate conflicts.” These natural communities already undertook “nearly the same range and scope of projects that government and development agencies” pursued. Further, these communities had “mechanisms that would allow members to challenge leaders and to call for reflective “breaks” should disputes remain unsettled.” Thus Indonesia’s communities already had – or could have, with appropriate facilitation and incentives – everything good governance and village development required. To rectify deficiencies, the studies proposed, best practices already present in some villages could serve as models or guides for authentic, endogenous improvement.

The studies paid significant attention to the relationship between villagers and the state apparatus. They found this relationship troubled. They diagnosed that local capacity was undermined by distrust, by a disconnect between community and the state, and by the limited space for civil society involvement in the provision of services. In particular, the routine procedures for vetting annual applications for village development funds were inept and unresponsive. Yet the studies discovered positive examples, confirming that “effective groups could take advantage of project schemes that provided them with funds, clear accountability rules and the space to implement their own projects without interference.” Strong

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62 (Guggenheim 2004:37).
63 (Evers 2000:8).
64 (World Bank 1999:15).
65 (Guggenheim 2004:21).
groups had strong leaders, and they formed alliances with civil society groups operating at the district level. They were assisted by officials, the best of whom already played “roles of conflict mediation, coordination, facilitation, and problem solving together with community leaders and village-based extension workers.”67 The improved model, that is to say, already existed. All the experts had to do was to document it, replicate it, and make some adjustments.

The Bank’s Local Level Institution studies should be read in relation to the discursive formation of which they were a part. They were part of a development discourse that is, as James Ferguson pointed out, *sui generis*. Their purpose was not to increase the stock of scholarly knowledge. It was to diagnose deficiencies and delineate a technical field. The findings had a project telos. They were simultaneously the product of empirical research, and blueprints for KDP. Indeed, the first phase of KDP was well into the planning stage before the findings of the first study were compiled, so the writing was in part a retrospective justification for interventions already underway. The problems identified were those for which the social development team had, or was attempting to devise, technical solutions. More specifically, as I noted earlier, the governmental strategy that works through community requires that authentic, capable communities still exist, or can be restored. It is this feature that enables experts to position themselves as midwives, assisting in the birth-to-presence of natural communities, rather than as ethnocentric outsiders imposing their views about how Indonesian villagers should live. For this reason the studies had to confirm the presence of actually existing community capacity. This finding, from the team’s perspective, also set their initiative apart from standard rural development projects that failed to respect village ways.68

The tight relation between what the studies researched and the kinds of solutions they anticipated yielded the conclusion that the way for villagers to improve their condition was by reforming local level governance, beginning with improved planning and control of projects and resources close to home. The fact that villagers were indeed dissatisfied with the existing project planning system was confirmed through focus group discussions.69 The policy argument embedded in KDP, neo-liberal through and through, was that improved wellbeing was within the grasp of responsible communities that made appropriate choices.

**The Kecamatan Development Project (KDP)**

The design for KDP responded to the problems identified by, and indeed already implicit in, the Local Level Institution studies. Its objective was not only to alleviate poverty but to inculcate habits of transparency, accountability, efficiency, and the rule of law. These were the habits empowered rural

67 (Guggenheim 2004:22).
68 (Guggenheim 2004:22-3).
communities should adopt to govern themselves, and should also demand of officials at supra-local levels. Yet popular demand for accountability, the team recognized, had to be created. Their ethnographic studies showed that too many rural Indonesians passively maintained New Order routines. They opted for stability, loyalty, and customary standards of acceptable behavior, including the diversion of a share of project resources to officials.\(^7^0\) Their resistance to the abuse of power was indirect. It took the form of avoiding contact with official programs, and refusing to hold village office or pay village fees.\(^7^1\) Yet according to the team’s studies, villagers behaved differently when they had contributed their own labor and resources to hamlet-based collective endeavors, or when they were given clear control over funds and the right to decide on their own priorities.\(^7^2\) The desire for accountability, the experts concluded, could be stimulated by project design and clear “rules of the game,” a central feature of KDP.\(^7^3\)

The template for KDP was simple. It provided block grants of US$60,000 to US$110,000 to sub-districts, where a committee adjudicated between competing proposals for infrastructure projects (local roads, water, irrigation) or for small enterprise credit proposed by groups of villagers.\(^7^4\) A quota of the projects had to come from groups of women. Poorer sub-districts were given priority, on principle and because the relative neglect of these sub-districts meant that modest infrastructure investments would yield high returns. The team considered the emphasis on common facilities to be pro-poor, because the poor would capture benefits in improved transportation, time saving, and water quality. The poor would also benefit from millions of days of paid labor in construction projects, especially significant at a time of economic crisis. The evaluation of KDP in phase one showed that it exceeded its material targets: 31,000 rural construction projects selected and managed by villagers were completed, at costs up to 23 percent below the average for state-managed projects, and 25 million work days were generated.\(^7^5\) Targeting credit programs to the poorest proved more problematic, because KDP, following the practice of other micro-credit programs, insisted on lending only to viable enterprises with limited credit risk, who could pay market interest rates. Repayment of loans was also low (45 percent).\(^7^6\)

As the social development team stressed, the innovations of KDP lay not in its activities, rural infrastructure and credit, which were conventional, but in the mechanisms of project planning and delivery. Indeed, one observer who studied the project in 2002 concluded that the objective to raise rural incomes had actually been dropped, due to the difficulty of measurement and “the primacy of the

\(^7^0\) (Evers 2000:47, 53). See also (Gupta 1995).

\(^7^1\) (Evers 2000:57).

\(^7^2\) (Evers 2000:49; World Bank 1999:51).

\(^7^3\) (Evers 2000:60).

\(^7^4\) Block grants had been used before, under the New Order and during the 1997-98 crisis, but without such tight control (Guggenheim 2004).

\(^7^5\) (World Bank 2001b:6; World Bank 2002b:6-8, 20-1).

\(^7^6\) (World Bank 2002b:8, 24).
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overarching objective – creating participatory institutions and processes.”77 Every technical feature of KDP was designed for a transformative purpose. Project funds were to serve as leverage. In order to access these funds, villagers had to subscribe to a very detailed set of rules that obliged them to form committees, hold consultations, and interact with each other in new forums and new ways.78 The rules were elaborated in manuals, checklists, information sheets and other documents. They were also presented verbally and reiterated constantly by the army of consultants and facilitators (over four thousand) hired by the project to work at village or sub-district level, and by selected residents – a man and a woman from each village who received training and stipends for their work on project implementation.79

There was a rather obvious tension between KDP’s claim to be building on the social capital naturally present in Indonesian communities, and the detailed specification of nationally standardized KDP rules. As Guggenheim observed “KDP could not function without its operational manual, disbursement system, poverty targeting criteria, and innumerable “coordination teams” … KDP villages twenty kilometers from Jakarta use the same formats, planning cycle, and facilitator structure that villages in the jungles of Papua do.”80 How then did KDP support “local forms of organizing” and “local adaptation and ownership”?81 The claim came down to the way KDP granted villagers responsibility and choice within the project framework.

KDP’s structures were designed to conduct conduct. Neither the ends they sought to achieve, nor the means, were up for debate. The social development team argued that KDP’s detailed rules and constant monitoring were necessary because of the complexity of the social terrain they aimed to transform. Their ethnographic studies showed that villages had the potential “to become self-managing actors in development programs” but warned against overly romantic assessments. “Most villages are not egalitarian, harmonious units, but conflictive and highly stratified entities with internal problems of exclusion, corruption, and conflict of their own.” In view of the high risk of elite capture, procedures must be designed to prevent it. KDP set out to correct the deficiencies of past projects that “simply “gave” resources to villages with no planning structure for negotiating through these problems” and watched “their funds slip through village fingers with little return for the investment.”82

The routing of funds was key to KDP’s reversal of New Order-style development business-as-usual. The block grant funds were sent directly to a bank account in the sub-district, cutting out the many layers of bureaucracy through which “leakage” normally occurred. Villagers were informed about the

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77 (Edstrom 2002:2). (Guggenheim et al. 2004:6) still listed poverty alleviation as KDP’s prime objective.
78 (World Bank 2001b:3).
79 (Guggenheim et al. 2004:9; Woodhouse 2002:3; World Bank 2001b:13).
80 (Guggenheim 2004:38).
81 (Guggenheim 2004:39, 40).
82 (World Bank 2001b:4-5).
exact funds potentially available to them, and encouraged to select projects from a menu of options. This procedure gave them autonomy, responsibility, and choice.\textsuperscript{83} Each village that elected to apply for project funds had to present its proposal in the appropriate format, and explain how it met KDP criteria of being pro-poor. The sub-district committee that adjudicated between competing proposals was comprised of villagers, facilitators and officials. Its task was to select the best proposals, those with the best plan, thereby rewarding “performance.”

Once a proposal was accepted, villagers had to monitor to ensure that contracts for construction were awarded competitively, and materials met quality specifications. Transparency rules required project implementers at the village level to hold open public meetings to account for how the money was spent, and answer questions.\textsuperscript{84} There was a complaints procedure to handle breaches of the project rules. Independent NGOs and journalists were contracted to monitor the project, and publicize its successes and failures. Their job was to draw attention to cases of corruption, and to the efforts of villagers to get corrupt individuals convicted.\textsuperscript{85} Sanctions were built into the project cycle, well publicized, and followed through. Corrupt facilitators were fired, some officials went to jail, and “non-performing” sub-districts were cut from the program.\textsuperscript{86} Through micro-practices such as these KDP set out to “chip away at the fortress of monopoly power and impunity.”\textsuperscript{87}

\textbf{Techniques for Corruption-Reduction}

The anti-corruption strategy of KDP was not an add-on. It was integral to the objective of the project.\textsuperscript{88} Every step in the project process was designed to prevent corruption within the project, and to establish new habits that would carry over into other arena. The anti-corruption strategy occupied a seven page annex in the KDP Phase Two project appraisal document.\textsuperscript{89} Corruption was also the subject of special ethnographic studies, case reports, and experiments. It too was rendered technical, parsed into components for remedial intervention.

Two approaches to corruption can be discerned in KDP. One approach treated corruption as a problem of culture. The Bank’s ethnographic studies and case reports showed that corruption was accepted as normal. Funds were routinely siphoned as a reward for public office.\textsuperscript{90} Villagers were driven to complain only when they deemed the balance inappropriate – when too much money was extracted from a project budget, and not enough shared with other claimants. This cultural norm, the experts

\textsuperscript{83} (World Bank 2002b:15).
\textsuperscript{84} (World Bank 2002b:54).
\textsuperscript{85} (Guggenheim 2004:7).
\textsuperscript{86} (Woodhouse 2002:18).
\textsuperscript{87} (World Bank 2002b:54).
\textsuperscript{88} (Woodhouse 2002:1).
\textsuperscript{89} (World Bank 2001b).
\textsuperscript{90} (Evers 2001:15-6; World Bank 2004c).
argued, emerged historically in the distorted context of the New Order, when development assistance was understood as a gift. Villagers were told they should be grateful for gifts, however small, and not ask too many questions. When corrupt parties were confronted, KDP studies showed that villagers were mainly interested in having the money returned so the project could be completed. They were not interested in prosecution or other forms of punishment.

To the Bank’s social development team, the finding that corruption was accepted by villagers flagged a problem in need of correction. They proposed that KDP village facilitators should attempt to change defective cultural precepts through moral argument, explaining to villagers why corruption should not be tolerated. They should discuss corruption openly and consistently, shining “a bright light” wherever it occurred. Nikolas Rose describes this strategy as “throwing a web of visibilities, or public codes and private embarrassments over personal conduct,” adding “we might term this government through the calculated administration of shame.” For the strategy to work, it is necessary to create the conditions in which a perpetrator does in fact experience shame. Such conditions, the Bank experts thought, might already exist in embryonic form. They tasked ethnographic researchers to identify “key opinion makers, channels of information, and the forums where communities discuss among themselves local forms of anti-corruption action.” Once these makers, channels and forums were identified they could be optimized to achieve the results – transparency, empowerment – desired not only by outsiders, in this case the Bank, but also by communities already engaged in “anti-corruption action” of their own. Ethnographic “thick description” of corruption cases could also be used to reveal how social norms entered into incentive structures.

In addition to researching the norms and practices already present, the Bank’s corruption experts recommended teaching villagers techniques to reformat their local knowledge as a tool of surveillance. KDP’s village facilitators should be trained to map local power structures, record the names of key players such as village office holders and elite families, and list their kinship and other links. In this way, the practice of tracking power and making networks explicit – a standard research tool of anthropologists – would be devolved. Responsible villagers would learn to reveal to themselves how power works in their own communities, and devise pre-emptive measures finely tuned to local details. They should also forward information to sub-district level facilitators, who could use it to reduce opportunities for elite manipulation and capture.

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91 (World Bank 2002b:52).
92 (Evers 2001:14).
94 (Rose 1999:73, emphasis in the original).
95 (Guggenheim 2002:4).
96 (Woodhouse 2002:6).
97 (Woodhouse 2002:21, 41).
The second approach to corruption in KDP treated it as a problem of rational choice. From this perspective, corruption is not a personal failing. It is a rational response to a given structure of incentives and disincentives. It occurs wherever the benefits of corruption outweigh the costs, or, from the victims’ perspective, the costs of protest outweigh the benefits. In this spirit, a Bank social research expert analyzed the cost benefit equations for each step of the project process for the different parties involved. Based on the findings, the consultant proposed adjustments to the reward structure to close loopholes, increase the risks, and reduce the benefits from corrupt behavior to the point where such behavior would no longer be rational.

Bank experts also worked on changing the cost-benefit equation from the perspective of the victims. Their studies showed that the victims of corruption often had quite complete knowledge about how, when and by whom project resources were stolen, but the costs of protest were too high for them to use the information. Costs included harassment or intimidation by the perpetrators or by police and other officials; being accused of giving the village a bad name, reducing prospects of receiving development funds in future; the cost of transportation to make repeated visits to the city to present information to the police and prosecutors; and time and energy spent in a legal process that few believed would produce any result. To change this equation, the Bank team experimented with the use of informal or customary settlement procedures, which they thought might be more effective and less costly for the complainant, both socially and financially. Researchers also documented cases where “poor people have been able to use the justice system successfully to defend their interests and rights.” From this analysis they identified the enabling conditions for successful village action, and devised schemes to replicate them.

KDP also piloted a program of legal assistance to support village groups wishing to take a corruption case to court. In its usual, comprehensive fashion, the team set guidelines for legal aid lawyers, who should be volunteers committed to public service, not individuals seeking private gain. They should abide by agreed “rules of the game” which included breaking from the customary practice of paying off the judges.

An experiment designed to test the cost-effectiveness of alternative techniques to reduce corruption within KDP was perhaps the most explicit example of the social development team’s commitment to honing techniques to reform society with economy and efficiency. The experiment posed this question: if good governance is to be the product, what is the most efficient way to produce it? To answer the question, the team proposed controlled tests of four anti-corruption methods, to be run in 2500 to 3000 villages, the results to be measured by statistical analysis. The methods were: 1) generating more attendance at project meetings, to test whether more participation resulted in better projects; 2) an

98 (Woodhouse 2002:4-9).
99 (Woodhouse 2002:38).
100 (Evers 2001; Woodhouse 2002).
102 (Evers 2001:5-8).
anonymous complaint system, to reduce the social costs of complaint and risk of intimidation; 3) offering incentives for high quality, low budget projects; and 4) undertaking super-intensive audits, to see whether the costs of auditing were balanced by better outcomes.  

**Brave New Worlds?**

KDP’s design was unabashedly governmental. It set conditions to reform desires, and act on actions. It exemplified not only the will to empower, but a highly developed strategy for bringing its version of empowerment to millions of rural Indonesians. In terms of reformed desires, it claimed to have some evidence of success, as villagers started to demand efficiency, effectiveness, and accountability from the state-apparatus, augmenting transformation through a “multiplier effect.” Yet the “true test of KDP’s success or failure,” according to team leader Scott Guggenheim, would be the carry over of changes introduced by the project “into other areas of community decision making.” Since KDP was designed to transform society, the uptake of its practices and ideas, rather than the number of bridges built or funds dispersed, would be the crucial measure.

As a quantitative measure of uptake, KDP anticipated that project procedures which had proven effective would be packaged and sold. The goal – becoming a reality by phase three – was for KDP to become a “Golden Arches” or “franchise model,” in which “participating districts would “buy” the rule book and staff training/management procedures … with the project funding the full cost of the technical assistance, but a decreasing share of the kecamatan grants.” A second measure of uptake was qualitative. Bank social experts envisaged their intervention as a vast experiment. Despite their calculations, they did not claim to know in advance exactly what the effects would be. Thus they monitored the changes seeded by KDP through village studies and field visits, and used this data to make changes in the program design.

To dramatize the ways in which KDP transformed peoples’ understandings and practices, Guggenheim retold a story recorded by a KDP researcher. The events transpired on the island of Sulawesi where, on “a brilliantly clear morning” a group of villagers spied a pile of lumber delivered for the construction of a bridge by the Public Works Department. They asked about the quantity and price, insisting that KDP rules about transparency and accountability be followed. Unsatisfied with the response, village elders met. The next morning, a “quiet delegation of villagers standing atop a large pile of wood wrapped in an enormous white cloth” protested at the district parliament. They were led by the

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103 (Guggenheim 2002). The eventual sample size was 600 (Guggenheim, email 29 Oct 2005).
104 (World Bank 2000b:9).
105 (Guggenheim 2004:33).
106 (World Bank 2001b:20). In 2004, 40% of districts opted to provide matching grant funds to KDP. Acting on actions, the team proposed to make matching contributions from districts a requirement for those districts to retain access to KDP funds after an initial three year period (Guggenheim et al. 2004:12, 16).
village head, who explained to the bemused parliamentarians: “This is the cloth we use to wrap our dead … and dead is what this project is. We would rather have no bridge and no wood than go back to the corrupt ways of the New Order. From now on we only want projects that involve us in decisions. If KDP can do it, other projects can do it too.” And with those words, the story goes, “the villagers got back on their trucks and went home.”

I find this tale telling on many counts. For the KDP team, it served to confirm their mandate: rural Indonesians appreciated the project, and what it had done for them. Further, the mandate was direct – more direct than a consultation with “civil society” as represented by NGOs, or a parliamentary debate. For Guggenheim and other members of the team, villagers’ satisfaction with the project was KDP’s main **raison d’etre**. Then, there was the cultural authenticity conveyed by the symbolism of the white cloth – evidence that Indonesian villagers had absorbed a better way of living, and made it their own. There was the meeting of elders that led to considered, responsible action. There was the presence of the village head at the protest, signaling that he was not colluding with the contractor, the typical New Order scenario. The delegation was quiet and orderly. It conducted a protest directed at the appropriate authority. These are the characteristics of the kind of empowerment KDP sought to produce. The villagers in Guggenheim’s narrative made their point, then went home. They acted autonomously and responsibly **within** the limits experts prescribed.

Reactions to KDP from the Indonesian state-apparatus, and its willingness to take on a billion dollars of US dollar debt to finance the project, indicate KDP’s regime-friendly character. Although the by-pass model caused some officials to avoid involvement in KDP because it cut them out from their customary share of project resources, others reportedly welcomed it. **108** Supporters claimed to understand and value the participatory, bottom-up process, and wanted to replicate it. **109** Perhaps the officials who spoke in these terms knew how to please the donor. Perhaps KDP provided sufficient benefits for officials to offset the frustration of lost income. Villagers who received high quality infrastructure projects that met their needs were a satisfied constituency. In the early years of post-Suharto reform, the repeated failure of state-sponsored development projects was a problem for administrators and politicians alike. Their job security depended upon being able to lay claim to at least some success, especially success of the measurable, visible kind KDP-funded roads and bridges provided. Despite its by-pass procedures, KDP was still a project of the Government of Indonesia, one which strengthened the claim of the regime to govern in the interest of the people and promote their wellbeing. Further, as I explained earlier, donors operating in a decentralized environment could choose their “partners,” cutting off troubled or “non-

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**107** Story collected by Enurlaela Hasanah, retold by (Guggenheim 2004:1-2).

**108** (Evers 2001:10).

performing” provinces, districts, and sub-districts. Officials who co-operated with the consultants hired to deliver KDP acted within a field of possible actions that was structured in calculated ways.

According to Guggenheim, KDP in its early phases operated “below the radar screen” of officials who saw it as a rather ordinary infrastructure project, and did not understand the social transformation it aimed to provoke. Alternatively, they might have believed that KDP’s transformations would not run very deep, or could be reversed. Thus the threat to entrenched interests posed by KDP was insignificant. After the project ended and its huge and intrusive monitoring apparatus was disbanded, old practices would resume, as the brave new world the project aimed to create disappeared from view. The social development team was all too aware of the fragility of its interventions. “It remains an open question,” stated Guggenheim, whether reformed village and sub-district councils “can avoid slipping back into the authoritarian traditions of rural politics.”

The architects of KDP were also aware of the limits posed by its standing as a “development” program, financed and managed by a Bank. It did not, they stated, “replace in any way the need for a more fundamental restructuring of state-society relationships in Indonesia.” Yet they proposed no strategies to accomplish that “more fundamental restructuring.” Instead, they focused on the conduct of villagers and their capacities to plan and demand better “development.” Their version of development continued, that is, to operate in the manner of an “antipolitics machine” that reposes problems of poverty and powerlessness as “technical “problems” responsive to the technical “development” intervention.”

The processes excluded from KDP’s field of intervention were evident in the documents – in the diagnosis of problems and solutions – and also from what was not in the documents. The voluminous documentation of KDP included no discussion of how empowered rural subjects might come to demand not only better infrastructure projects, or better governance, but access to land, fair prices and fair wages. Despite its promising title, the KDP study entitled Village Justice in Indonesia did not discuss how the poor might change the structures of inequality that surround them. It focused, rather, on procedural matters – on villagers’ access to “the justice system” and, more specifically, the measures needed to help poor people prevent corrupt officials from stealing project funds. The exclusions of “social development” also shaped the team’s approach to conflict management, a program that developed as an extension of KDP.

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110 Discussion of KDP at a seminar at the World Bank in Jakarta, in which I presented a paper on “Government through Community,” September 2002.
111 (Guggenheim 2004:33).
112 (Guggenheim 2004:33).
113 (Ferguson 1994:270).
114 (World Bank 2004c).
Conflict Management

In the period of reform post-Suharto Indonesia was beset with conflict, often violent, over valued resources – land, forest, jobs, and many others. This conflict took the form of struggles between communities differently positioned through waves of migration, and through processes of class and identity formation. It took the form of struggles between villagers and state-agencies or state-backed corporations over state-claimed land. Often it involved unruly officials and the military intent on plunder. Violent conflict of these kinds highlighted the failure of governmental strategies to optimize the welfare of populations. It suggested to social development experts that there was more work to do. Yet conflict – especially violent conflict in which the ruling regime was implicated – was awkward terrain for donors. State complicity was difficult to discuss with the “host” regime, still less to address. This was so whether the violence was direct, as in the all-out attack of the Indonesian military against separatists in Aceh, or indirect, when officials, political parties, and corporations protected their interests by employing thugs and arming militias.

State-sponsored violence challenged the positioning of Indonesia’s ruling regimes (the New Order and its successors) as development “partners” committed to govern according to law and expert prescription. It reminded donors that the ruling apparatus as a whole, or some members of it, had an interest defending the status quo. Donors that protested against abuses risked to be expelled. This was the fate of the Dutch aid agency in the 1980s when it criticized the New Order’s human rights record. Large multilaterals such as the World Bank, Asian Development Bank and the IMF could not easily be expelled, but they nevertheless avoided head on confrontations. Criticism of the regime, if any, was framed diplomatically as policy dialogue. To continue to make loans, the donors had to assume that their “partner” was dedicated to the public good. When the regime’s deficiencies were obvious, the key was that officials expressed the desire to change.

In Indonesia the end of Suharto’s rule made it possible for both officials and donors to recognize that all was not well under the New Order and to renew commitments to improvement. Eruptions of violence conflict were described diplomatically, as symptoms of the transition from an authoritarian to a democratic system, arising in the vacuum between the collapse of the New Order, with its centralized control over the apparatus of coercion and administration, and the emergence of institutions to support the rule of law. In addition to diplomacy, donor involvement in conflict management was limited by another requirement. Donors could only intervene in arena they could effectively frame in technical terms, and for which they could identify deficits they were equipped to fill. Officials, military men, militia bosses and gangsters operating as knowledgeable agents but seeking unacceptable goals – plunder, domination, revenge or execution – were difficult to position as deficient subjects. But villagers

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experiencing the confusion of rapid change could be so positioned, making rural communities a prime site for donor attention.

In conflict management, it was again the social development team of the World Bank associated with KDP that led the field with careful ethnographies of the causes and contexts of violence, and the identification of entry points for technical interventions. “Conflict,” the social experts declared, was “a necessary catalyst to, and an inevitable by-product of, development,” especially where “poverty and lack of opportunity underscore the need for change, and where, conversely, otherwise desirable periods of economic growth themselves become a force for realigning class structures and (potentially) re-imagining the basis for group identity.” Inheriting the mantle of trusteeship from the nineteenth century the team’s task, as they understood it, was not to eliminate the source of conflict – economic growth that realigns class structures. It was to devise techniques to manage conflict “in constructive ways.” 116 Since they viewed conflict as a normal social process they focused their attention on social relations, especially the everyday social relations connecting and dividing groups of villagers. Their goal was to set conditions under which rational actors would be encouraged to channel collective energies into development activities, and eschew violent mobilizations that undermined both security and economic progress.

The team initiated its work on conflict with another series of ethnographic studies. These studies set out to examine conflict in a new way. Rather than focus only on the large scale violence in places such as Kalimantan, Maluku and Sulawesi where thousands died and tens of thousands were displaced in the period 1998-2002, they set out to examine what was happening in “non-conflict” or low-intensity conflict areas. One of the provinces selected to represent this category was Lampung in southern Sumatra. The studies found that conflict in “non-conflict” Lampung was pervasive, taking the form of vigilantism, banditry, lynching, extortion by armed militias, and cycles of vengeance. They found that the outcome of violence in both the high-intensity and low-intensity cases was similar: conflict deepened ethno-religious segregation, caused the withdrawal of police, government services, and development programs, and created no-go zones in which there was no investment or economic growth. Unemployed youths, their studies showed, were prime candidates for recruitment into gangs and militias. A vicious cycle linked violence to economic stagnation. They also found that the triggers and pathways of violence were essentially the same in the low and high-intensity provinces. Only the specifics of the conjunctures and levels of escalation varied. For the social development team, this finding pointed away from a focus on the unique causes of exceptionally serious violence towards a focus on endemic problems within rural society, problems of a kind that social scientists could diagnose and resolve.

A second key finding of the Bank ethnographies was that structural factors alone did not account for violent outbreaks. Ethnic diversity and economic inequality were present everywhere in Indonesia, the

116 (Barron et al. 2004b:1).
Bank researchers argued, but they did not always result in violence. Some conflicts escalated while others did not, for reasons that should be explored. Further, they proposed, explanations of violence that focused on structural factors such as ethnicity were out of touch with contemporary social theories that treated identities as constructed and dynamic. Through careful examination of the perceptions of parties involved in violent conflict as victims, perpetrators, or potential mediators, they tracked how group boundaries were realigned as a conflict escalated. It was a finding that suggested a point of intervention: if escalation could be prevented, so could the hardening of boundaries.

Third, the Bank studies described violent incidents in ways that helped to pinpoint when and how intervention to prevent the escalation of conflict might be effective. As they explored violent incidents through case studies they parsed their elements and framed them in technical terms. There were contexts, components, triggers, sequences, and pathways. There were matters of leadership and recruitment. There were alternate outcomes – resolution, stalemate, escalation. This template of factors, derived inductively from case studies, was used to test variables and correlations through econometric analysis.\(^\text{117}\)

Finally, the Bank conflict studies built on the earlier research on Local Level Institutions studies and the experience of KDP. They identified existing social capital and local mechanisms for dispute resolution that could be supported, enhanced, and replicated. They studied innovative practices that villagers had devised for themselves. The research was intimately linked to the proposed governmental strategy which was to work through community. Once again, the approach seems counterintuitive: if communities already held the secrets to overcoming violence (or poverty, for that matter), why did they need Bank assistance? Yet community, as I pointed out earlier, has uniquely inviting qualities as a governmental terrain. Its virtues are inherent, but located in a past to be recovered, or a future to be accomplished through expert intervention.

To explain why communities were both capable and deficient the studies introduced a temporal before New Order/after New Order distinction. They argued that communities were previously less prone to conflict, because customary norms were agreed, rules were enforced, and there were respected leaders capable of mediation.\(^\text{118}\) These conditions no longer existed due to the mixture of populations and attenuation of custom brought about by migration, and by the New Order’s deliberate displacement of customary institutions in favor of standardized, national ones. Yet the New Order’s standardized national institutions had not taken hold. There was no functioning, impartial justice system (police, courts) to which aggrieved parties could turn. The result, the studies found, was confusion. There were formal and informal rule systems that overlapped and conflicted. Rules were differently interpreted, poorly enforced and easily manipulated. For the Bank experts, confusion emerged as a significant cause of conflict.


\(^\text{118}\) (Smith 2005) describes past customary regimes in Kalimantan in these terms. (Madden & Barron 2004:67) describe the attenuated mediation skills of villagers.
solution they proposed was to craft coherent rules to restore what was naturally present, and supply something new to meet the needs of the time.

Crafting Interventions

Inevitably, since the World Bank is in the business of lending funds, there was a project telos to Bank sponsored research on conflict. The research was intended to provide “a concrete platform from which to identify a range of possible entry points for crafting more effective conflict resolution mechanisms.” The strategy, drawing implicitly on game theory, was to establish institutional conditions and provide incentives to encourage individuals to make peace their choice. The language of the Bank ethnographies anticipated a strategy of this kind. The studies explored the “rules of the game” – the laws and norms of engagement between individuals and groups; the “dynamics of difference” – how ethnic and other differences were constructed, mobilized and strategically deployed; and the “efficacy of intermediaries” – their capacity to resolve conflicts, make decisions, and enforce rules.

As research moved into project-design mode, the claim to be merely assisting in the birth-to-presence of that which already existed was revealed, once again, to be contradictory. Local knowledge and practice should be nurtured, the experts argued, but also adjusted through the “application of general democratic principles of conduct.” “Outside technocrats,” should not be the ones to determine new rules or resolve disputes. Instead, “spaces, incentives, and resources need to be created and sustained by a range of actors that make it possible for disputants to craft resolutions that all sides can own, uphold and enforce.” The role of the Bank would be to supply the “mediating institutions” and the “meta-rules,” or at least the “minimum standards” for meta-rules that villagers would craft within the space the Bank’s program would provide. The initiative to alter patterns of conduct, the experts stressed, must come from below. Where opposing sides desired to settle their differences, they needed “the resources – human, financial, and administrative – to seek a resolution.” The human resources might already exist within communities, or there might be a need for outside facilitators of high moral and professional repute, fully trained in the latest conflict mediation methods. Mediators must earn legitimacy by “demonstrated evidence of incrementally more significant accomplishments.” All parties must uphold agreements and be accountable for their actions. In social life as in the marketplace, the experts insisted, only good performance should reap rewards.

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119 (Barron et al. 2004b:10).
120 On methodological individualism in bank social science, see (Harriss 2002); on the crafting of institutions, see (Agrawal 2001).
121 (Smith 2005:99).
122 (Barron et al. 2004b:33).
123 (Barron et al. 2004b:27).
124 (Barron et al. 2004b:24-5).
125 (Barron et al. 2004b:29, 30).
In tension with the stress on initiative from below, the team proposed to use material incentives to “encourage different communities to participate in the process and agree to certain baseline rules,” minimally, the outlawing of violence as a way of solving problems.\(^{126}\) The proposed incentive package was the standard KDP fund for small infrastructure projects. Of equal value, according the team, was the KDP process, which provided “relatively neutral inter-group forums within which villagers are potentially … able to more peacefully mediate conflicts of certain types.”\(^{127}\) The proposition, in short, was that hostile group would choose to set aside their differences because they wanted access to resources such as new roads and bridges they could obtain only if they agreed to abide by Bank rules. Yet Bank-supplied incentives would only add weight to the protagonists’ own cost-benefit analysis. Rational actors would desire to stop fighting when the costs of conflict outweighed the benefits. At that point, all that was needed was the appropriate mechanism.\(^{128}\)

Grafting conflict resolution onto KDP had risks, as Bank experts acknowledged. Competition between groups over scarce resources was the source of many conflicts, yet they proposed to use more competition – well crafted, managed, and “facilitated” competition – as the solution.\(^{129}\) Nevertheless the chain of reasoning linking diagnosis to remedy was persuasive enough for the team’s proposals to be turned into a project funded with millions of dollars in loans. The Bank approved the Support for Poor and Disadvantaged Areas Project (SPADA) running from 2005-2010 with a loan of US$104 million. SPADA aimed to help break the conflict cycle by improving relations between different groups and communities, engaging villagers in KDP style participatory planning, and providing incentives to cooperate. It aimed to strengthen local governance and responsive leadership through institutions such as school and health committees, business forums and subdistrict and district forums involving various stakeholders. It also aimed to relieve poverty and high levels of unemployment, especially among young men, by supporting the private sector and providing an investment-friendly regulatory climate. Success would be signaled by an increase “in trust, and the growth of belief that formal and informal social institutions can provide “fair” resolutions to problems.”\(^{130}\)

**Boundary Work**

The Bank social development team’s capacity to translate violent conflict into a technical problem capable of technical solution was impressive. Yet the team’s awareness of the fragility of the boundaries it sought to draw around its knowable, improvable, technical domain seeped into its

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\(^{126}\) (Barron et al. 2004b:28).
\(^{127}\) (Barron et al. 2004b:28). See also (Smith 2005:48-50).
\(^{128}\) See (Tajima 2004:26, 39).
\(^{129}\) The risks are described in (Smith 2005, Tajima 2004:27). Bank social experts planned a controlled study of the risks and benefits of using KDP-style mechanisms for conflict management (Barron et al. 2004a).
\(^{130}\) (World Bank 2005c:3).
documents. The processes that were excluded from SPADA – left relatively opaque, if not invisible – shaped what the project became. This is a feature of all governmental programs, as I have noted. What was unusual in this case was the team’s explicit discussion of these limits, unlike in KDP where causes of poverty unconnected with village-level planning were simply set aside.

In the formal appraisal document for SPADA, boundaries were crossed then re-asserted. There was a frank acknowledgement of the World Bank’s role in creating the conditions in which violence had erupted. The Bank supported transmigration and private investment in mining and plantations in the context of the New Order when rural land rights were insecure, legal institutions weak, and coercion ubiquitous.\(^{131}\) Thus the Bank’s best practices of the past were firmly repudiated. But the processes the Bank helped to set in motion – the displacement and dispossession of countless villagers, the “empowerment” of unruly officials and militias – were factored out of the highly localized solutions proposed by SPADA. The limits were noted: “The Bank is not in a position to influence directly the two immediate causes of conflict: organizational and resource grabs by national and regional elites, and the active or passive role of the armed forces in promoting and resolving conflict.”\(^{132}\) Poverty alleviation, good governance, and conflict resolution were the “realistic entry point” for SPADA.\(^{133}\)

Localism in SPADA’s approach to violent conflict was not only pragmatic. The team justified this approach with reference to its ethnographic research which had demonstrated that conflicts were rooted in the specifics of diverse localities. Conflict reached into, as it was generated by, the everyday practices of village life. The SPADA appraisal document observed that there was no “revolutionary solidarity” in the Indonesian countryside – hence, presumably, no point in thinking about revolution. Instead, “conflicting loyalties divide local groups into violently opposed factions, thus creating fertile ground for the resumption of conflict at what often appears to be minor provocation.”\(^{134}\) For the design team the important triggers of violence, and the ways to forestall it, were located inside rural society. While recognizing that feelings of social injustice were widespread, they had no proposal to transform the material roots of those feelings. Rather the proposal was that SPADA would transform the feelings themselves, replacing them with feelings of trust, cooperation, (healthy) competition, and empowerment. Monitoring in SPADA would include the use of “tracer methodologies” to track the effects of training interventions on “changes in knowledge, attitude, and performance at periodic intervals.” Household surveys would evaluate impacts on social capital and attitudes towards conflict and violence, together with economic and other indicators.\(^{135}\)

\(^{131}\) (World Bank 2005c:5, 38).
\(^{132}\) (World Bank 2005c:8).
\(^{133}\) (World Bank 2005c:8).
\(^{134}\) (World Bank 2005c:7).
\(^{135}\) (World Bank 2005c:31).
The SPADA appraisal document acknowledged the problem of conflict over land, but reposed it in technical terms. It observed that the “land titling situation” was complex, characterized by “overlapping systems of land entitlements.” SPADA designers argued, however, that this problem could not be resolved by SPADA because of the lack of an appropriate national legal and administrative framework. Indeed, SPADA designers had considered a “more ambitious reform agenda explicitly linked to conflict … [which] would primarily have included greater involvement in resolving land disputes” but rejected it on these grounds. Consider, however, what was excluded from SPADA’s technical diagnosis. The complexity of Indonesia’s land system observed by SPADA is no accident. It reflects 1) the ability of unruly elites to plunder resources with impunity, sometimes using law to legitimate their actions, sometimes ignoring it; and 2) a notion of improvement, present since the colonial period and invigorated by neo-liberalism, that assigns resources to the party best able to “optimize” their use according to criteria of efficiency and productivity. The Bank’s 2004 Land Administration program for Indonesia proposed to create “efficiencies” of precisely this kind.

Efficient use of rural resources, in the neo-liberal moment in which SPADA was signed, meant support for capital-accumulating and growth-producing ventures in forestry, mining and plantation agriculture. It would involve, without a doubt, further appropriation of village land. Investment in rural areas – a key part of SPADA’s strategy to reduce violence by creating jobs, and keeping idle young men out of trouble – is all too often the source of violence, not the cure. Indeed, the prospect that rural people would be displaced from their land as a consequence of investment was implicitly acknowledged in the World Bank’s Country Assistance Strategy of 2004, which recommended the expansion of “export oriented resource based industries” such as oil palm, and proposed to support this expansion by assisting with “resettlement issues.”

Just as the SPADA document set aside the disruptive effects of capitalism’s advance, and the World Bank’s own role in selecting the victims, it also had a bi-focal vision of the state-apparatus. It noted the problem presented by “unruly army and police forces” with “commercial interests in natural resource extraction and other deals with regional power holders.” Nevertheless, it advocated “a strong state presence to restore and maintain peace in areas of natural resource grabbing.” It did not specify the desired character of the “strong state presence.” In SPADA as in KDP more generally, measures to

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137 (World Bank 2004b). Land rights activists oppose Bank titling efforts because of their potential to further dispossession (Lucas & Warren 2003:115n106).
138 (World Bank 2004a:Annex G). (Madden & Barron 2004:74, 76) stress the need for “good growth” that offers equitable benefits to different population groups. They point out that Bank support for transmigration - a program to promote growth - left a legacy of conflict that continued to be played out decades later. The CAS made no mention of the need to ensure that growth was “good” rather than bad. Obviously, there are diverse views on these matters within the Bank, and some awkward disjunctions. 139 (World Bank 2005c:4).
140 (World Bank 2005c:25).
prevent corrupt officials from grabbing project resources were elaborate, but resource grabs that involved collusion between officials, the military and investors were excluded from the calculus. So too was their violence.

Reality Check

Violent conflicts between villagers and state or state-protected mining, logging and plantation operations were frequent and widespread in Indonesia under Suharto. In Kalimantan alone between 1990 and 1999, the environmental NGO LATIN recorded 8741 cases of violence and intimidation related to logging concessions, 5757 related to pulpwood and timber plantations, 3907 related to state-owned plantations, and 405 concerning oil palm and other estates. The era of reform post-Suharto brought little change. The Consortium for Agrarian Reform (KPA) compiled reports on land-related conflicts from various provinces in 1998-99, and documented 18 deaths, 190 beatings, 44 shootings, 12 kidnappings, 775 arrests, 275 houses burned, 307,109 hectares of local gardens and rice fields destroyed, 2578 people terrorized or intimidated, 14 disappearances, and one rape. In just the first two weeks of January 2004, according to an NGO report, hundreds of people were subjected to “violence and gross human rights violations.” In one incident police mobile brigades hired by an Australian-owned mine attacked a “peaceful demonstration” of indigenous people protesting appropriation of their ancestral lands, leaving one dead, many arrested and beaten, and hundreds threatened and violently dispersed. The police reportedly “singled out six community activists for charges of ‘provocation’ at the request of the mining company.”  

The main change post-Suharto was the openness, determination, and scope of land-reclaiming movements, and their relatively sympathetic coverage by the press.

In the southern Sumatra province of Riau, a devastating report by Human Rights Watch (HRW) documented the tight link between corporations, officials and the police who protected investor interests in the pulp and paper industry. In 2000 and 2001 the giant corporation Asia Pulp and Paper (APP) launched violent attacks on protestors attempting to reclaim village land granted to the corporation. Officials interviewed by HRW argued that these attacks were not an abuse of rights. Villagers were simply lazy and opposed to progress. Officials concurred with corporate spokesmen that the villagers, lacking paper title, had “no rights at all” to the disputed land, even the land adjacent to their houses planted with their fruit and rubber trees. HRW disagreed. It stated unequivocally that the land was
“unlawfully seized from indigenous Malay and Sakai communities, without due process and with little or no compensation … under intimidation by armed policy and military agents.”

Driving the conflict between villagers and Asia Pulp and Paper was pressure from the industry’s foreign creditors. The industry owed US$20 billion of which a staggering sum – US$13.9 billion – was owed by APP and affiliates. Some of the funds were used to construct a giant APP paper mill, one of the largest in the world. In 2001 APP defaulted but avoided liquidation by proposing to expand its area of operation. APP’s access to “an unlimited supply of cheap wood from Sumatra’s natural forests and pulp wood plantations” was previously guaranteed by New Order intimidation. After 1998 that access was jeopardized by protests. Villagers blockaded company trucks and cut timber on company-claimed land, practices defined by officials as criminal and assimilated to the category of “illegal logging.” Protestors were met “with violent attacks by organized mobs of hundreds of club-wielding enforcers, trained by and sometimes accompanied by state police,” and by “company-funded militias.” APP had a private security force on the regular pay roll, and reportedly paid for the construction of new barracks for the mobile police brigades that supported its operations.

Despite the appalling social and environmental record of the forest industry, the European Union, World Bank and other donors continued to make loans to the forestry sector. They were silent when APP announced that it would double the size of its plantations, as if ignorant of the rights abuses that would follow as villagers were dispossessed. In the case of APP and many others, impunity for the perpetrators of attacks against villagers and the involvement of police, army and civil authorities left the victims without recourse. It set off a cycle of vigilante justice, lawlessness, and the emergence of protection rackets. Lives, livelihoods and forests were placed at risk. So too was the forest industry: the Indonesian Forest Industry Association reported in 2000 that 53 logging concessions in various provinces had been forced to cease their operations due to conflict with villagers. Impunity also damaged the credibility of activists supporting villagers or attempting to mediate. They were accused of being provocateurs inciting people to protest in order to extort money from companies, accusations that permitted authorities to dismiss village claims. Most importantly, impunity drove a wedge between villagers. Militias and private security forces were ethnicized. APP for example recruited laborers among

147 (HRW 2003:3, 55). The report cited (Fay & Sirait 2002:139)’s finding that the Forest Department failed to follow its own procedures for gazetting forest land. By 2002 only 68% of the state-claimed forest estate had been gazetted. Where it was gazetted, the legal requirement for notification of local communities was often violated. Thus rights to the un-gazetted or improperly gazetted land continued to be vested in customary communities, and grants of this land to logging corporations, plantations and others were properly described as seizures.


149 (HRW 2003:3-4).

150 (HRW 2003:3, 30, 33-44).

151 (HRW 2003:32).

152 (HRW 2003:63).

153 (HRW 2003:29).

154 (HRW 2003:31, 52).
migrants who were more dependent on company jobs, and could be mobilized against indigenous land owners.\textsuperscript{155}

Thus conflicts that, according the social development team, arose “naturally” among (idle) villagers were not separate from the investment that SPADA’s planners envisaged as an important part of the solution. In the Suharto period and since, conflicts over land and other resources blurred distinctions between state and capital. They divided villagers and drew them into hostile blocks.\textsuperscript{156} They were not simply a natural and inevitable counterpart to economic progress, as the Bank’s conflict studies maintained. Nor did they result from confusion of the kind that could be resolved by recrafting the “rules of the game.” They were indeed local and specific, but they were also structural. They reflected gross inequalities in access to the means of production, the means of appropriation, and the means of violence, relations excluded from Bank ethnographies and prescriptions.

\textbf{Conclusion}

In this paper I examined neo-liberal strategies to govern through community. I explored how Bank social development experts came to envisage community as a bounded domain of social relations to be optimized by the application of calculated technique. Through community they would build civil society, alleviate poverty, and manage conflict. They proposed a social transformation that was simultaneously the return to authentic, Indonesian ways and the realization of expert design. Natural communities, they argued, required expert attention to make them complete.

The desirability of the ends sought by the Bank’s social development programs was simple common sense: Who would not prefer a well-built bridge to an inferior one, washed away at the first flood? Which villagers would prefer to remain ignorant about what happens to budget lines designated for the poor when given the opportunity to hold authorities accountable? Wasn’t it reasonable to reward performance? Shouldn’t rules be clearly laid out and followed? Even if the social experiment were to fail, a tried and tested mechanism to supply village infrastructure at 25% below the cost of equivalent infrastructure built through the routine planning mechanisms was surely worth having. If there might be a way to prevent small conflicts from escalating into big ones, why not try?

Putting the questions this way, within the logic of the program, I would be among those offering applause. Yet the benevolence of a program does not excise the element of power. Even when they set out to learn from the best practices of Indonesian villagers, members of the World Bank team positioned themselves as experts who knew the optimal forms that empowerment should take. Alert to what could and could not be included in a “development” program, they focused upon correcting the conduct of

\textsuperscript{155} (HRW 2003:33-5, 50-2).
\textsuperscript{156} See also (Hadiz 2004, ICG 2001, McCarthy 2000, McCarthy 2004).
villagers, while leaving the conduct of senior officials, investors, and the military unexamined, and unimproved. Capitalist enterprise and the search for profit appeared in their narratives only as a solution to poverty, not as a cause. On the basis of their diagnoses and prescriptions, their diagram connecting inputs to outcomes, they set out to transform social relations in tens of thousands of Indonesian villages.\footnote{Bank social scientists have studied the negotiations and struggles that go into the production of their own policy narratives. See (Bebbington et al. 2002; Guggenheim 2002; Guggenheim 2004). For a superb analysis of policy processes, and the work it takes to maintain the apparent coherence of a development program, see (Mosse 2004).}

KDP approached economic development as a matter of addition – add a road, a bridge, or some micro-credit to make peoples’ lives easier and to stimulate growth. Altering existing economic relations was, the planners suggested, beyond their purview. The social development team had no prescription for eliminating the contradiction between capitalist accumulation and the dispossession that follows in its wake. They supported economic growth, aiming only to manage and mitigate the fallout. Justice became a matter of distinguishing the legal from the illegal, the accountable from the corrupt, the plan that was “pro-poor” from a plan that would benefit the rich, the deserving poor from those whose failure to perform made them ineligible for assistance. Liberal ideas about formal inclusion in institutional procedures and the opportunity to compete took center stage.

The Bank team’s grid “for the perception and evaluation of things,”\footnote{(Foucault 1991b:81)} was backed by formidable intellectual and financial resources. Nevertheless, its traction for differently situated subjects – who, for example, came to understand the problem of justice as a matter of a defective “justice system” is a matter for empirical examination. The transformations stimulated by the social development program should be the subject of ethnographic study – many studies, in view of its enormous scope. These transformations would doubtless include shifts in political-economic, as powers and resources were reconfigured in ways which may or may not conform to the programmers’ plans.

In pointing out the limits of the Bank’s social development program – in particular, the limits of what it attempted - I am not suggesting that there was a hidden agenda for which the program’s rationale was merely a mask. The Bank’s social development team was very explicit about its aims and I take the team at its word. The limits of the program did not stem not from deficits in their research capacity or understanding. They stemmed, rather, from the governmental stance that envisaged empowerment as a product that could be manufactured by technique. As Indonesian critic Vedi Hadiz pointed out, experts intent on devising optimal institutional arrangements “overlook the fact that democracy, public participation, accountability and social and economic rights are all historically tied to the outcome of struggles of social forces and interests, … the product of grinding social change over centuries, colored by
often violent and bloody confrontations, not least between social classes.”¹⁵⁹ From the way processes excluded from the arena of intervention infiltrated their reports and shaped their interventions, it is evident that the social development team did not overlook these facts. Nor, however, did they act on them.

¹⁵⁹ (Hadiz 2004:702).
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