Governing Rural Indonesia: Convergence on the Project System

The invitation to give a keynote lecture at the Interpretive Policy Analysis conference in 2014 led me to reflect on why policy, and specifically public policy, plays such a limited role in the arena of rural development in Indonesia. Through two decades of field research in Indonesian villages, government offices, and the offices of transnational donors and assorted national and transnational NGOs I have rarely encountered policy acting as a principled guide to the practice of rural development. What proliferates, instead, is the project, which I define here as a time bound intervention with a fixed goal and budget, framed within a technical matrix in which problem "a" plus intervention "b" is expected to produce "c," a beneficial result.

I began to examine the role of projects in my book The Will to Improve (Li 2007b), which explored how core political-economic questions concerned with the distribution of the means of rural livelihood (land, jobs, wages) were sidelined, and the problem of rural poverty reposed in technical terms (e.g. as a deficit of training, or credit, or high-yielding seeds). Put differently, technically-defined projects set out to reduce poverty without addressing the processes through which poverty was systematically produced. In further work (Li 2007a), I deployed what I called an analytic of assemblage to trace the forms of knowledge, inscription devices, and modes of enrollment that enabled technical rural development projects to be pulled together from disparate elements and sustained, for a time, despite fractures and contradictions.

In this article I want to historicize my analysis of the role of projects, exploring why they have become so compelling as a mode of governing rural Indonesia at the present conjuncture. I also want to clarify a distinction between two ways in which projects serve to govern conduct. First, and most obviously, it is often the explicit purpose of a project to intervene in conduct in order to alter or improve it. Second, the energy and resources focussed on projects can be seen as a mode of government in itself: projects enroll government officials, politicians, transnational donors, NGOs, scientists, and villagers; they form them as subjects, and engage them in a particular set of practices. Assemblage thinking can usefully be applied in both cases. Explicit
projects with timelines and budgets are clearly the results of assembly work. The governing
effects of the project system are looser and more contingent. The kind of system I have in mind
is a relatively consistent way of thinking and acting around a problem on which different sets of
actors converge, for different reasons, without anyone planning this system or deliberately
putting it into place. The project system does not have hard edges, but you know it is in place
when people concerned with rural development are thinking and acting in its terms, without
serious consideration of alternatives, which seem unworkable, undesirable, or just off the map.
A rough equivalent would be the school system as a mode of education. We could think more
broadly about what is education, and what is the role of schools in it, but most of the time we
do not. Instead, we worry over the quality of schools, the curriculum, teacher training etc.
Similarly, the project system shapes the field of rural development. My question is, why?

To address this question, I compare the current conjuncture in Indonesia in which projects
dominate with previous eras in which rural development was addressed as a political question,
a matter of contestation and debate. I then draw from my research on two rural development
projects, one focused on conservation, the other a massive community development project
devised by the World Bank, to examine more closely how projects work, and how they enroll
people. The conclusion summarizes my account of why it is projects, and not policy or politics,
that dominate the field of rural development, though their dominance is incomplete.

**Governing**

To govern, in the sense elaborated by Foucault, is to direct conduct, optimize processes, and
devise interventions to secure the "welfare of the population, the improvement of its
condition, the increase of its wealth, longevity, health, etc." (Foucault 1991, 100). In the global
south, colonial authorities took responsibility for governing under a dual mandate which
involved improving native welfare alongside the pursuit of profit. In contemporary post-
colonies in Africa and Asia, governing to enhance the welfare of populations merges with the
endeavour glossed with the label "development" (Ludden 1992; Moore 2000; Li 2007b).
Defined in these broadly Foucauldian terms, governing involves diverse actors, both inside and
outside the state apparatus, national and foreign, who attempt to intervene in relations
between "men and things," to orient social, economic and ecological processes in an "improving" direction (Foucault 1991, 93).

Specific projects of improvement require two key practices. One is problematization, identifying deficiencies that need to be rectified. The second is “rendering technical,” my shorthand for 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” (Rose 1999, 33). Rendering technical simultaneously involves rendering non-political, closing down contestation, struggle and democratic debate in favour of expert calculation, even though such closure tends to be provisional and incomplete (Li 2007b, 7-12).

The practices of problematization and rendering technical are not separate. As James Ferguson (1994) explained in his landmark study of rural development projects in Lesotho, the bounding and characterization of an “intelligible field” appropriate for a transnational intervention anticipates the kinds of intervention that development experts can supply. The identification of a problem is intimately linked to the availability of a solution. Problem and solution co-emerge within a governmental assemblage in which certain sorts of diagnoses, prescriptions and techniques are available to the expert who is properly trained. This is a crucial insight, because it disrupts the assumed sequence in which a problem is identified, then a policy is devised to respond to it, and interventions follow. In the policy-centred sequence, projects are just one form of intervention among others that might be used to meet policy objectives (others might include changes in law, prices, or institutions). But when the anticipated intervention takes the form of a project, the entire sequence may be reversed: first comes the project, then the definition of a problem in terms that render it solvable by the project at hand. Put this way it is easy to see why policy is not the guiding principle of rural development interventions.

The most important function of policy in the orbit of projects is legitimation: sustaining a coherent account of project activities and authorizing them, often post hoc (Mosse 2004). Legitimation may be light and late because, as Richard Freeman observes, projects are "secluded enterprises" in which negotiation and decision making can be conducted away from
public forums (Freeman nd). Seclusion from debate is a core element that renders the project system attractive for diverse sets of actors drawn into it. Seclusion is also a key limitation of projects as a vehicle for improving the welfare of rural populations, because it evades critical scrutiny of a project's premises and prescriptions, and an assessment of whether it could - even if perfectly delivered - actually meet the policy objectives of rural development.

**Politics, historicized**

While all governing requires problematization and rendering technical, the extent to which these practices are expected to yield project-style interventions, and are secluded from political debate, varies over time and space. Some examples from different periods in Indonesia's history will illustrate. One era of heightened political debate occurred in the late colonial period, when Dutch parliamentarians and colonial officials took different positions on the principles to apply when governing relations between land and population in the Netherland East Indies (Li 2010). The problem had technical elements, but the protagonists in the debate (all of them Dutch) were quite aware that vastly different visions of the future of the Indies and its population were at stake. The protagonists concurred that the Indies should produce both profits for corporations and welfare for the Native population, but what was the proper balance between these two objectives, and how could they be accomplished?

The colonial-era discussion was focused on law, which officials understood as a key instrument for shaping social and economic processes, and governing conduct. Should there be one land law for everyone, enabling (and obliging) Native farmers to compete in a land market, thereby spurring productivity and rural development? Or should Natives be protected from land markets, their authentic traditions of oriental communalism and spiritual attachment to the land restored (and enforced), leaving the business of profit making to westerners better suited for it? The debate was inconclusive, and - remarkably - no specific projects followed from it. There was no cadastral survey or land titling program, nor was there an effort to map Native communities and their territories. The Indies government granted land concessions to private corporations, but the legal basis of the government's claim to control and dispose of land was not clarified, and it remains disputed today.
Fast forward to the land arena in 2014, and political debate about the proper way to govern relations between land and population is being deflected into a technical project to amalgamate dozens of conflicting maps prepared by different government agencies and by self-defined indigenous communities onto one map. Somehow, proponents seem to imagine, an upgrade in the technical infrastructure of land information will quell the heated political struggle that pits villagers against corporations and their state sponsors, and pits government agencies promoting plantations or mining against agencies with environmental mandates (Peluso, Suraya Afiff, and Noer Fauzi Rachman 2008). The "one map project" is funded by transnational donors, especially those concerned to promote the climate-change related project to "Reduce Emissions from Deforestation and Degradation" (REDD). The global politics of the REDD project have hardly been debated. Why is it reasonable for nations in the global south to be asked to limit forest clearance so that industrial economies can continue to pollute? A necessary, national debate over how to balance different goals (e.g. corporate profits versus farmer control, local incomes versus global conservation) has not taken place. Instead, technical projects to map forest boundaries and link forests to particular actors who can be made responsible for conserving them have taken centre stage. The money attached to the REDD project is substantial: Norway committed a billion dollars to Indonesia in return for demonstrated reductions in emissions from deforestation, and a host of technical sub-projects (mapping, measuring, community preparedness, capacity building, pilots and demonstrations) are underway.

Another period of intense political debate occurred in Indonesia between the declaration of independence in 1949, and the 1965 massacre of half a million people, many with communist and union affiliations, when the military led by General Suharto (and backed by the CIA) took power. This period is described in Indonesian official history as excessively political, because mobilized groups affiliated with different parties (nationalist, Islamic, and communist) advanced contending visions of how best to secure the welfare of the population. A populist land reform law was passed in 1960, but not implemented. To push the matter forward, farmer groups affiliated with the communist party took "unilateral actions" to occupy land which the law had granted to them, antagonizing landowners who joined with the military in exacting bloody
revenge. General Suharto's New Order government made the evacuation of politics from all arenas of public life its explicit goal: from parliament right down to rural villages, democratic debate was foreclosed in favour of a focus on development, conceived as a technical enterprise (Li 2007b, 51-59). A massive and rather successful project comprising improved infrastructure and miracle rice seeds, backed by subsidized credit channelled through authoritarian village elites, undermined both the need and the capacity for rural mobilization around land reform: the green revolution effectively forestalled the red one (Hart, Turton, and White 1989).

**Enrolment in Indonesia's contemporary project system**

In contemporary Indonesia, technical projects to improve rural livelihoods are scattered and largely ineffective at achieving their stated goals, yet they persist. Projects continue to serve as vehicles for channelling funds to favoured members of the rural elite, and to discipline villagers who are told to wait patiently for state largesse to come their way. Hence villages are awash with small projects sponsored by dozens of different national and transnational agencies that distribute free goats, sewing machines, water systems, and micro-credit schemes. Villagers do not expect these projects to bring about rural development, but they accept the inputs offered because something is better than nothing (Schiller 1990; Li 1999). The main effect of these projects is to diminish the role of policy and limit (but not quite eliminate) political debate.

Indonesia has many political parties, but they do not campaign on distinct policy platforms, nor do they advance such platforms once in power (Aspinall and van Klinken 2011; Hadiz 2007). Elections are won by individuals who can mobilize networks and gain financial support from different sectors of society (the military, big business, regional and religious groups, each with their own fractions). Indonesians call this "money politics," and it includes buying votes. Members of parliament expect to be paid for passing legislation and approving budgets. Standing committees are classified as wet or dry, according to their potential to generate illicit income streams (Dick and Mulholland 2011, 80). Managerial level civil servants are paid wages that are only 10-50% of private sector equivalents, and expect to make up the shortfall through allowances, license fees, kickbacks, and various forms of rent (McLeod 2011, 45). Hence positions in the bureaucracy are purchased by the applicants, the price reflecting the estimated
return on investment (e.g. the expected revenue from a position as a forest guard, or school principal, or police chief) (McLeod 2011, 58; Dick and Mulholland 2011, 72-3).

Viewed from a revenue perspective, successful implementation of Indonesia's official policy to Reduce Emissions from Deforestation and Development (REDD) would turn a very wet ministry (forestry) into a dry one. Many observers and participants enrolled in REDD activities are aware that implementation will not happen, because the policy offers no durable replacement for the disrupted revenue streams of forestry officials and their associates, nor for the massive revenues currently derived from the licensing of plantations and mines. The main function of the REDD policy is to legitimate the flow of REDD project funds, with no prospect of "sustainability" after donor funding ends and bureaucrats must again search for supplementary income.\textsuperscript{iv}

Scholars who have studied Indonesia's "neo-patrimonial" system of government stress that it is not unique to Indonesia, nor to the global south. It should not be interpreted in cultural, still less orientalist terms (Barker and Van Klinken 2009; van Klinken and Barker 2009). Election related spending goes on almost everywhere, as do practices that embed social relations in state functions and vice versa (Mbembe 2001). It is the role of the project I want to stress. Projects are the flexible element of state budgets that make funds flow. These can be transnational projects that run, perforce, through the Indonesian state-system, or domestic projects funded by national revenue or loans. Rather than waiting passively for projects to come their way, government officials and politicians seeking to establish a revenue stream must define an arena of intervention and make a project of it, hence the coining of a new verb, \textit{di-proyekkan} (to projectize) (Aspinall 2013; Dick and Mulholland 2011, 72).

After a project is over, no one expects to see a lasting result of the kind anticipated in the technical matrix that served to legitimate it. A successful project is one that generates a flow of revenue, and more projects. In relation to the state apparatus, using project funds to provide honoraria, travel allowances, bonuses, and kickbacks is not an aberrant practice that undermines the operation of the bureaucratic system: currently, it is the system, a "public secret" that everyone knows (McLeod 2011; van Klinken and Barker 2009).\textsuperscript{v} The estimated level
of "leakage" from state financed projects is 30% per annum (Dick and Mulholland 2011, 60). President Joko Widodo, elected in 2014 on the promise to stamp out corruption in the public sector, won widespread popular support, although Indonesians recognize that the "rogue elements" investigators expose are small tips of vast icebergs that are deeply entrenched, and in which tens of millions of ordinary Indonesians who receive routine though not-quite-legal payments have a direct stake.

Indonesia's NGOs are similarly enrolled in the project system, because donor funds for projects are their main source of revenue to maintain their organizations and pay salaries. Critics use this rather obvious fact to level the accusation that NGOs instrumentalize poverty to generate funds. The purpose of the critique is usually to deligitimize NGOs, especially those that attempt to maintain an activist political agenda alongside their funding-driven project work. Indonesian NGOs are certainly not unique in straddling this awkward project/politics divide (Hulme and Edwards 1997). Yet like state officials, they cannot maintain themselves, or have an effect in the world, without the funds and legitimation that projects supply.

Transnational governing, historicized

Rural development projects are compelling to Indonesian officials and NGOs, and pragmatically accepted by village beneficiaries as the best they can hope for under the current system. They are also compelling to transnational development agencies that converge on the project system for quite different reasons. Transnational development agencies intervene in the global south in order to enhance the welfare of the population, to conserve biodiversity, to promote democracy, ensure accountability, and bring about sundry other improvements. Seen in this light, they share in the burden of governing, as Foucault defines it. Yet there is core tension in transnational attempts to govern populations situated (overwhelmingly) in the global south: their interventions lack a democratic mandate. What gives transnational agencies the authority to intervene in the affairs of a sovereign nation? For colonial authorities, the absence of a democratic mandate was not a problem: they ruled more or less benevolently, but always absolutely. Their right to rule was not subject to a vote (Mbembe 2001). Today's transnational governors and development agencies are on much thinner ground. They must operate with,
through, or around national regimes with their own sets of practices, which are sometimes corrupt and often authoritarian. They must foreground expertise, for if not for superior knowledge or technology, why are transnational agencies intervening at all? Tactical diplomacy (not causing offence to the national "host" or "partner") and the emphasis on technique combine to make many arena crucial to the wellbeing of rural populations - access to land, fair wages, the right to organize, for example – off limits for transnational development intervention.

Transnational agencies cannot engage in political debate or support social groups (e.g. workers, farmers) involved in political struggle; nor can they dictate policy, although they may attempt to engage in "policy dialogue" to persuade recalcitrant governments to do the right thing. Hence they divide development problems into project-sized pieces, and hope that the big prize will follow: scaling up, improved policies, and a transformation of delinquent social, political and economic relations. Intervening on society at the scale of the project is also conducive to showing the results necessary to sustain the flow of funds (Mosse 2004, 2005). Tellingly, donor agencies seldom demand a quantified result that would relate directly to the policy goal: rural poverty reduced by x percent. Instead, they require project proposals to use a standard, technical matrix such as the "logical framework analysis" to justify how a given set of inputs is plausibly related to the expected results.

Host governments are less threatened by delimited, time bound, technical projects, and officials positively embrace them not only for the financial benefits that flow from them, but for professional reasons as well. Collaborating with foreign experts to render rural development problems technical and devise projects to solve them affirms professional credentials, and separates development officials from the deficient rural subjects whose conduct needs to be improved (Pigg 1992). This is one important way in which the project system is installed and naturalized. The process of planning and implementing projects both expresses and creates a divide between experts and targets of expertise. It shapes social hierarchies in ways that are deep and enduring, even though entrenching hierarchy is not part of the plan.
It is only recently that the project system has become naturalized among transnational development agencies. Henry Bernstein (2006) makes the compelling argument that transnational development practice mutated between the period of national development planning (1950-1980) and the present age of neoliberalism in which market processes are supposed to dominate. In the era of development planning, he argues, transnational development experts contributed to political debate about how best to improve the welfare of populations. They compared the pros and cons of the various development paths that were being attempted in different corners of the global south: socialist paths, capitalist paths, nationalist paths based on import substitution and so on. They drew on their studies to provide and defend policy advice to national governments in the global south that were actively engaged in their own processes of development planning, and sometimes also in political debate (Bernstein 2006, 53).

Since the 1980s, neoliberal orthodoxy suggests that governments should not try to plan or manage development, but trust in markets to deliver growth and welfare for all. Ironically, as Bernstein argues, it is in the era of neoliberalism that transnational development agencies and some national governments are, in fact, doing more. To paraphrase Bernstein, they are doing more and more about less and less (2006, 54-56). Since there appears to be no alternative to capitalist modes of growth as the engine of economic development and poverty reduction, there is no more need for big-picture, policy debate. Yet it turns out that there is still a lot of work to do, managing a host of new issues of concern: environmental protection, gender equity, good governance, public participation, human rights, and care of vulnerable populations, to name just a few. Each of these concerns opens up new arena for technical interventions of a piece-meal, project kind.

In Indonesia, the proliferation of issues of concern from the mid 1980s onward made it possible to bring the transnational development apparatus into alignment - awkwardly, contingently - with national bureaucrats and politicians, with NGOs, and with rural villagers seeking to improve their situation. Their interests and practices converged around the project system. In the next two sections, I draw on my Indonesian research to explore how this convergence
worked out in practice. I also highlight the unsettled remainder that continues to trouble the technical matrix, keeping open the possibility that political contestation around the processes producing rural poverty may still erupt.

**Conserving biodiversity in a national park**

Transnational conservation entered the Indonesian national arena in 1982, when Indonesia hosted the World Parks Congress. President Suharto was keen to show off his regime's modern, technical credentials. In 1990, Indonesia adopted a Conservation Law which envisaged the formation of national parks modelled on Yellow Stone: parks in which nature would be preserved, and from which people would be excluded. All human uses of park land and resources were forbidden. Park-based conservation was strongly supported by donors and transnational NGOs, and 50% of Indonesia's conservation funding came from these sources, as did the livelihoods of many experts, bureaucrats, and NGO staff. In the case of Central Sulawesi's Lore Lindu National Park, which I studied in some detail (Li 2007b), four transnational agencies were directly involved in conservation efforts: the Asian Development Bank, Care International, The Nature Conservancy, and a German project researching and promoting "Stability of Rainforest Margins." Each agency generated knowledge in the form of technical and social studies, and devised project interventions backed by a stream of funds.

Initially, park based conservation fit rather easily into a narrative generated in the colonial period and still intact, in which backward, recalcitrant villagers who damaged the forest with their wasteful practices of shifting cultivation and rattan harvesting should be moved out. Project funds would be used to supply them with the means to conduct more intensive, modern agriculture outside park boundaries. The transnational development and conservation agencies supplied the necessary technical matrix, which went under the label "integrated conservation and development." The model truncated political debate on the proper balance to be struck between biodiversity conservation (a global public good) and local economic development (an imperative for the displaced population), as the concept of integration (plus donor funds) meant that both goals could be achieved simultaneously.
Dissonant knowledge jangled with this technical matrix in several ways. First, several of the conservation agencies carried out studies of park border villages which showed that landlessness was widespread. Landless households made a living from selling rattan collected from inside the park. The proposed set of agricultural development inputs (improved seeds, fertilizers, flood control) would not help them, as they had no land to farm. These dissonant findings were present in the design studies, but omitted from the final project plan. Not surprisingly, the agricultural improvement package was inept and corruptly delivered, and failed completely to increase yields or compensate farmers or landless rattan collectors for incomes lost due to their exclusion from the park. The transnational agencies also had no way to replace the revenue streams that would be lost by forest department officials and their cronies if the park conservation agenda actually succeeded. They could only bemoan the weak level of support and commitment they received from "the government," which did not seem to be serious about implementing its own conservation policy.

After 1998, when President Suharto was removed from office, his authoritarian style of rule was in disrepute. There was an eruption of political debate across the country, including in Central Sulawesi. Park border villagers began to criticize the waste of development funds on inept and corrupt projects, especially when projects were funded by loans that Indonesians would need to repay. They sought redress of grievances, starting with the unilateral decision of the park authority to place park boundary markers in the middle of their fields. Their political mobilization was stimulated and supported by national and local NGOs that criticized Suharto-era policies. These NGOs also offered a new way to frame land struggles in terms of the rights of indigenous people.

Local NGOs worked with villagers threatened with eviction to produce maps demonstrating that they were indeed indigenous people who had been present long before the park was formed. Villagers produced evidence that parts of the park had been logged under government licenses, or logged illegally by people with government links, so clearly the government had not protected nature. In contrast, they argued, their indigenous knowledge equipped them to manage ecological processes more effectively than outsiders, equipped with their alien science.
Armed with these arguments, and NGO support, one group of villagers successfully avoided eviction from a hamlet which lay inside the park boundary. Another group of landless villagers occupied a corner of the park on the grounds that they needed land to farm. In the climate of post-Suharto reform, government officials were reluctant to engage in evictions for fear they could be accused of human rights violations. Besides, the revenue streams generated by evicting villagers, or by supporting park based conservation, were not attractive enough to justify the costs and risks.

The impasse around the park left expert knowledge, the legitimacy of the conservation law, and the promise of integrating conservation with development in disarray. Yet an emergent political debate about the purpose of biodiversity conservation and how to achieve it in contexts where many peoples' livelihoods depend directly on access to forestland was truncated. Authorities reconfirmed that villagers who had invaded the park had broken the law, although they did not proceed to evict them. Stepping into the stalemate, The Nature Conservancy (TNC) devised a new project to persuade park border villagers to recognize the importance of conservation, and make its imperatives their own. Learning from the previous round of failed agricultural development projects, TNC’s new project did not promise to deliver material inputs or increase villagers' incomes. Instead, it declared low conservation awareness among park border villagers to be the principle problem, and set out to solve the problem through technical means. The main project activity consisted of a series of tightly managed "participatory" planning and consultation meetings designed to redirect villagers' thoughts and actions along conservation lines.

Park border villagers who participated in the consultations were frustrated that TNC's new project offered them no material returns at all: it took up their time in endless meetings, and required them to draw pictures with markers and play games like school children. While project proponents presented these meetings as producing empowerment, villagers could see all too clearly that the real political issue - their claim on park land - was not on the agenda for debate, and even paltry payment for their time was missing. The deficiencies in the project's technical matrix were palpable. Like the agricultural development projects that preceded it, the new
project encountered social processes it could not control: landlessness among park border villagers, their sense of entitlement to land and livelihood, and their grievance against a government that promised welfare it could not deliver. These processes figured vaguely in TNC’s project diagrams under the ominous label "threats," but they could not take centre stage in the project design, because a transnational agency has no way to render them technical or resolve them. TNC had no mandate to distribute land, or to change the conservation law or the park boundaries. Hence it had no way to accommodate farmers’ claims. Nor did it have enough money for projects that would offer officials and villagers significant revenue streams. In keeping with development thinking of the time, its "empowerment" project was process oriented, and employed only a few staff as meeting facilitators. After a while, it fizzled out.

Park conservation has since been dwarfed by the influx of new projects associated with REDD. Yet as I noted earlier, REDD projects for forest protection continue in the same mode: they leave the political question of land and livelihoods for rural people, and the practical question of post-project revenue streams for underpaid government officials, unaddressed.

**Transforming society from below**

The second intervention I will examine is more grandiose, and more surprising. It is a massive, multi-billion dollar project that was designed by the social development team at the World Bank in Jakarta around 1996, and was still going in 2015 in greatly expanded form. The project goals were good governance, peoples’ empowerment, and poverty reduction. The project designers took these goals as self-evident, and did not attempt to stimulate political debate about the need for social or bureaucratic reform, or the priority that should be accorded them. Several transnational development agencies had undertaken "good governance" projects since the fall of Suharto, with meagre results. An attempt by the Bank team to engage officials in a dialogue about policy reform in this field would alienate the "host" government upon which the World Bank, like all other transnational agencies, depends for its license to operate in the territory of a sovereign nation. Besides, policy dialogue is difficult to "projectize," and it does not move money on a significant scale - a matter of concern for Bank loan officers as well as Indonesian "hosts." Instead, the Bank’s social development team planned a "community driven
development” project with extremely ambitious goals: it would transform the conduct of tens of millions of rural villagers, and empower them to transform the conduct of government officials through exerting pressure from below (Li 2007b; Guggenheim 2004).

In the eyes of its Bank designers, Community Driven Development was an intensely political empowerment project that masqueraded in mundane, technical garb in order to fly under the radar of members of the oligarchy who benefited from the status quo. The Bank team crafted its project interventions with the deliberate intention of disrupting the unaccountable, inefficient, neo-patrimonial regime that had become entrenched under Suharto's New Order rule. Spurred by enthusiasm for the popular capacities embedded in social capital, it planned to enhance that capital and direct it, freeing Indonesian villagers to pursue development on their own terms. To understand how social capital worked, the Bank team sponsored detailed ethnographic studies of Indonesian village life. The team's commitment to careful research set their approach apart from the clumsy, top down development projects for which the Bank is often criticized. But the Bank team's ethnographies were of a particular kind. To connect in a useful way to the will to improve, they had to yield a diagnosis/prescription couplet in which the Bank could plausibly play a role. Indeed, the Bank team had already begun to plan the project while the studies were being undertaken, so diagnosis and prescription proceeded in tandem. The problem the Bank-sponsored ethnographies identified was the poor quality of village level infrastructure planning. The studies confirmed that corruption, lack of transparency, and lack of participation had resulted in a chronic disconnect between the infrastructure villagers wanted, and the infrastructure the top down government machinery gave them. Hence the technical focus for the Bank project was to reform the process of village level infrastructure planning.

The project had two levels of explicit operation. One was the multi-billion dollar project, Community Driven Development, which aimed to empower villagers and transform Indonesian society by training tens of thousands of villagers to design and deliver village infrastructure projects. At this level, building infrastructure was not the purpose of the project, but the vehicle through which villagers and, eventually, government officials would be schooled in the forms of
participation, accountability and pro-poor sensitivity the Bank experts had devised for them. The second level was the funding of village infrastructure and other small scale projects planned by villagers. The content of the village level projects hardly distinguished them from scores of similar rural development projects run by different agencies, but they had a twist: villagers would drive the planning process (hence "community driven") and government officials would be excluded from any share in the project funds that normally flow toward them.

The Bank's project design team argued that deficiencies in village planning and entrenched corruption were not cultural attributes of the Indonesian people, but the result of delinquent habits formed in the Suharto era. To transform these habits, strict rules were needed to govern village-level project planning and manage the disbursement of funds. The resulting rule book was a thick one, in which every element had an educative purpose. The team's idea was that villagers who were initially obliged to follow rules as a condition of accessing project funds would learn to value the new practices, and then adopt them as their own. For example, villagers had to engage in a competitive process to access the funds, with the idea that the best “pro-poor” projects would win. Villagers who failed in one round would think harder and more creatively about how they could address poverty in the next round. When a village project had been approved, the budget had to be posted on the wall of the village meeting hall so everyone could see how much money had been allocated and check on implementation.

The Bank team commissioned studies to examine the culture of corruption, and devised techniques to change villagers' views on which kinds of conduct they should accept as normal, and which they should reject. Inspired by institutional economics, the team attempted to understand the existing incentive structure and change it: they would increase the risk of getting caught for corrupt behaviour and decrease the potential rewards to the point where corrupt behaviour would no longer be rational. Concretely, project staff who were found guilty of corruption were fired, and village committees that misappropriated project funds were barred from further funding, together with the entire sub-district of which they were a part. Entire provinces were coded red or green according to the risk of corruption based on project
performance to date. It was a system of carrots and sticks with clear "rules of the game" in which right conduct was rewarded, and misconduct punished (Friedman 2014, 9-11). The level of detail at which the Bank team studied and dissected village life, and devised techniques to intervene in the problematic processes thus revealed was quite extraordinary. It was through attention to minutiae that the team proposed to empower villagers to demand better projects from their own government.

After my description of the Bank project went to press (Li 2007b, chapter seven), the project expanded exponentially and an increasing share of the budget was met from Indonesian government and loan funds. Some other donors also contributed. Yet the original project structure hardly changed. In 1998, the Bank project had been approved by top officials in the planning ministry and it was supported by a succession of presidents, but its underlying premises were not subject to a parliamentary debate. There was no discussion about whether improving villagers' capacity to plan local infrastructure projects was the most urgent task of the day, and worth the hefty cost to the national treasury. Nor was there a debate about the project's unusual delivery mechanism. The Bank team insisted from the outset that government officials could not be trusted to deliver the project, and its Indonesian partners at the top levels of government agreed to have the project administered separately from, but parallel to, the normal government rural development planning system. This meant hiring private sector management firms and thousands of project facilitators, 11,000 of them by 2009 (Friedman 2014, 8). Officials from the department of Home Affairs had oversight and coordination roles, but no license to "meddle" in project activities (Friedman 2014, 12; Guggenheim et al. 2004, 2).

Beginning in 2011, the government and the Bank sought ways to integrate the project's massive parallel bureaucracy into the standard rural development project planning system, but the structural impasse to integration was severe: government officials had little incentive to work on a project that made a virtue of deliberately excluding them from their customary project-derived revenue streams. Since plenty of funds for micro-projects flow into Indonesian villages from multiple ministries, village-level officials had no particular incentive to become involved in the Bank-designed process, with its lengthy participatory process and onerous rules. Villagers
reached the same conclusion: they were willing to abide by the Bank rules to access the project funds, but they did not alter their conduct in the way the Bank's social development team had anticipated - by demanding the same standards of participation, transparency or accountability from regular projects, or from the officials who deliver them. A Bank-sponsored evaluation attributed the problem to elite dominance in village affairs and lack of commitment by government officials (Friedman 2014, 17). Since these were precisely the problems the project was designed to solve, it seems the ambition to empower villagers to transform Indonesian society was not achieved.viii

In 2011, Indonesian critics of the program were raising another problem (GAPRI and TIFA 2011). The original Bank Community Driven Development project was focused on empowerment, but it drew further post hoc legitimacy from its contribution to poverty reduction, mainly in the form of days of paid work on village infrastructure projects. At a cabinet meeting in 2005 at which the President was presented with summaries of different poverty alleviation programs currently operating in Indonesia, ranked by their effectiveness, the Bank's Community Driven Development project came out on top. The result was a decision by the President to make a greatly expanded, successor project (PNPM) the mainstay of Indonesia's poverty reduction program, which was being stepped up to meet the UN's global Millennium Development Goals. The number of villages reached by PNPM expanded from 33,000 in 2007 to around 61,000 in 2011. The village infrastructure projects carried out in that period comprised upgrades or new construction of 69,000 kilometres of roads, 6,500 irrigation systems, 30,000 schools, and 11,000 health facilities, at a cost of US$4.4 billion, including facilitator wages (Friedman 2014, 14). But it was unclear whether or how PNPM, which retained the Community Driven Development project's intensive focus on improved processes for village level infrastructure planning, made a dent on poverty.

Despite the project's emphasis on transparency, and the demand that villagers meticulously account for every rupiah they spent, neither the Bank's project designers nor the Indonesian parliament set any specific poverty-reduction goal. The director of poverty reduction at the state planning agency Bappenas admitted that he could not measure the project's contribution
to poverty reduction, although he was confident the project was playing a role (Friedman 2014, 15). An evaluation based on comparison with "non treatment" villages concluded that poor households served by the project had increased their consumption expenditure by 9% more than control households, which amounted to US$4 per month. But the evaluation did not demonstrate a causal connection nor the durability of this result beyond the 3-year project span (Friedman 2014, 16; Voss 2012, 16). Something is better than nothing, as villagers would confirm, but for a billion dollar poverty reduction project this is a meagre result.

Marginal performance on poverty reduction could hardly be otherwise: since the project did not identify the processes producing rural poverty, it had no realistic means to address them (Li 2007b; GAPRI and TIFA 2011). Project managers attributed the limited gains to the exclusion of marginalized social groups such as street children, widows, and sex-workers from project benefits, and devised a sub-project called "Caring for the Invisible" to provide micro-credit and training schemes for these groups (Friedman 2014, 22). In keeping with the trend among donor agencies to do "more and more about less and less," assiduous attention to the needs of specific marginal groups left the causes of poverty among tens of millions of rural Indonesians (no land, few jobs, low wages) out of the project's diagnosis-prescription chain.

To the regret of Indonesia's politically oriented NGOs (GAPRI and TIFA 2011), Indonesia has not translated increased space for democratic debate post-Suharto into serious discussion about rising poverty and inequality, the processes that produce these trends, or the kinds of policies that would be needed to change them. The dominance of "money politics," the absence of parties advancing consistent policy platforms among which voters could choose, and the continuing effects of the 1965 massacres and Suharto era anti-politics combine to quell political mobilization. Instead of public debate about the causes of rural poverty and how to change them, Indonesian officials join with transnational development experts to devise projects that present problems and solutions in narrowly technical terms. Even a massive intervention like PNPM, the scaled up version of the project designed by the social development team at the Bank, did not break with the project system.

Conclusion
In the context of rural development in Indonesia, the role of policy is vastly outweighed by projects. For quite different reasons, Indonesian villagers, government officials, and transnational development agencies have converged on the project - a time limited, funded, technically defined and limited intervention - as the solution to rural development problems. For government officials, projects provide flows of funds, and confirm their professional standing and expertise. For transnational development agencies, projects enable interventions into the affairs of sovereign nations to be framed in technical terms, avoid diplomatic upset, and evade political questions they cannot resolve. For villagers, projects bring concrete benefits - a village road, a sack of free fertilizer - although they do not reverse processes of impoverishment or redistribute the key resources upon which rural livelihoods are based. Particular projects sometimes collapse under the weight of their contradictions, but mostly they just reach the end of their limited life, and discretely fizzle out.

Although projects have proliferated and the project system has become entrenched in Indonesia as the principle way of thinking about and conducting rural development, my brief historical review confirmed that this was not always the case: there were periods when political struggle and debate over the proper way to organize rural economic and social relations took centre stage. For transnational development agencies too, the current dominance of the project system must be historicized. It is the age of neoliberalism that has brought us to the curious position identified by Henry Bernstein in which transnational development interventions have become more and more about less and less. Contemporary development experts, driven by demands for accountability in spending development funds, devise ever more restricted, technical interventions like giving children vitamins or de-worming pills, and measure the outcome in terms of indicators like school attendance. They do not engage in debate over different possible futures, since the market can be counted on to direct human affairs efficiently and there is no alternative to it, or so we are told.

In Sulawesi, park based conservation became a project to conduct exercises in participatory planning, and drew back from promises to improve rural livelihoods. The Bank's Community Driven Development project was process oriented from the outset: it aimed to transform
delinquent social and political relations and replace them with improved, more democratic and accountable ones. But the technical matrix guiding the project overestimated the extent to which involvement in new planning processes could reform conduct in an enduring way. Poverty reduction was introduced by the Bank project designers as a light and late post hoc legitimation, but was taken up by Indonesia's President as the project's main purpose, increasing the gap between what was promised, and what could actually be achieved through the project mechanism. Meanwhile, projects of the old style continue to proliferate in Indonesian villages - a few free goats here, a poorly constructed bridge there - in a well worn routine.

As Ferguson (1994) pointed out, projects that fail to do one thing may nevertheless succeed at doing something else. Their form may be generic, but their outcomes depend upon the constellation of powers shaping the historical conjuncture into which they are inserted. In the Lesotho livestock project Ferguson examined, the unplanned outcome was an expansion of the state apparatus, an "infestation of petty bureaucrats wielding petty powers" (Ferguson 1994, 273). In contemporary rural Thailand, projects serve to consolidate communities and productively engage government officials in village networks and political schemes (Walker 2012). In northern India, democratic politics disrupt the orderly pursuit of development in project mode (Witsoe 2013). In the Indonesian cases I described, failed projects generated more projects; they entrenched a hierarchical divide between project planners and project "beneficiaries;" and they generated dissent and debate among critics, including purported beneficiaries, who prised open political questions the project's technical matrix sought to contain.

Project outcomes present rich fields for empirical analysis that expand far beyond the parameters usually considered in an evaluation report, or social impact assessment (Vanclay and Esteves 2012). In Indonesia and perhaps elsewhere, projects are more significant than policy in shaping how lives are lived. They shape and align the conduct of diverse actors and intervene in social and economic processes. Some of their effects are planned, but the most
significant and enduring one is so obvious we hardly notice it: directing us to think about rural
development in terms of projects, when we could think about it quite differently.

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i I adapt the term “rendering technical” from Rose, who glosses it as making something – his example is bonds of solidarity - “amenable to technique” (Rose 1999, 79). On problematization see (Rose 1999; Dean 1999). See also Timothy Mitchell’s discussion of enframing as a practice that produces an apparently exterior object world susceptible to management (Mitchell 1988, 2002).

ii http://www.downtoearth-indonesia.org/story/indonesia-s-one-map-policy

iii (Angelsen 2009; Indonesian REDD+ Task Force 2012; Angelsen 2010);

http://www.downtoearth-indonesia.org/story/redd-indonesia-update

iv See (Indonesian REDD+ Task Force 2012);

http://www.forestcarbonportal.com/content/rimba-raya-debacle-casts-pall-over-indonesian-redd

v Graft, skimming and side-line enterprises were also pervasive among Dutch officials serving the Netherlands East Indies Company in colonial times. The Company devised procedures to limit these practices, but did not attempt to stamp them out, as without supplements Company pay was too low to attract competent staff (Adams 1996).

vi http://www.gdrc.org/ngo/logical-fa.pdf

vii For a critical review see (Wells, Guggenheim, and Khan 1999)

viii Early evaluations of the empowerment benefits were positive. Already in 2002 Bank officers and some Indonesian government officials touted the project as a model of effectiveness and best practice that should be replicated in other countries (Edstrom 2002; Guggenheim et al. 2004, 4; Friedman 2014, 15).


http://blogs.worldbank.org/africacan/can-randomized-control-trials-reduce-poverty