A COUNTRY PAPER OF INDONESIA

on

Promoting Dialogue and Collaboration in
Sustainable Agriculture & Rural Development (SARD)
Between
NGOs/RPOs and Government

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Prepared by
Bina Swadaya
Jl. Gunung Sahari 111/7, Jakarta Pusat
10610 Indonesia
Tel. Nos. (62-21) 4204402 (5 lines)/4214884/4214821
Fax No. (62-21) 4208412; Telex 49652 YBS IA

Asian NGO Coalition for Agrarian Reform and Rural Development
P.O. Box 3107, QCCPO 1103 Quezon City, Metro Manila, Philippines
Tel. Nos. (632) 9215122/993315/973019
Fax No. (632) 9215122; E-mail : ECONET:angoc
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I. Introduction

Indonesia is a highly diverse country stretching across an archipelago consisting of 13,667 islands spread between 6° 08’ North latitude and 11° 15’ South latitude, and between 94° 45’ East longitude and 141° 05’ West longitude. The waters of the archipelago belong to the Exclusive Economic Zone, covering approximately 7.9 million square kilometers. On the other hand, total land area stretches to around two million square kilometers. The country is administratively divided into 27 provinces (each headed by a Governor) and subdivided into regencies (241), medium-sized cities (55), subdistricts (3,625) and villages (67,033).

The population of Indonesia stands at 192 million with a population growth rate of 2.1%. However, the populace is concentrated mainly on six main islands: Java, Sumatra, Bali, Kalimantan, Sulawesi and Irian Jaya. More than half on the country’s land is forested and a significant portion is mountainous and volcanic. Volcanic activity through the ages has given the soil in Java and Bali a much higher degree of fertility than is found in most other parts of Indonesia.

A. Dominant Bio-Physical Characteristics and Climate

1. Most of Indonesia lies directly along or just South of the equator. The country has a tropical, monsoon-like climate and is characterized by slight changes of season and temperature, low winds, high humidity and periodically heavy rainfall. Except at higher elevations, temperature generally ranges between 20 °C and 33 °C; humidity ranges from 75 to 95 percent.

2. Rainfall Distribution

Rainfall varies throughout Indonesia, averaging 706 millimeters every year. Annual rainfall is heaviest (more than 2000 millimeters) along the Western part of the country for six months.

3. Soil Condition and Type

Soil conditions have various fertility and physical characteristics. Except in Java, the Western part of Indonesia tends to be acidic and infertile.

There are 11 basic types of soil in the country:

a. Andosol (Java, Sumatra, NTT and NTB)
b. Latosol (in all islands, except Maluku)
c. Podsolic (in Kalimantan)
d. Red-Yellow Podsolic (Sumatra, Java, Kalimantan, Sulawesi, Irian Jaya and Halmahera)
e. Brown-Gray Podsolic (Irian Jaya, Halmahera, Maluku, Sumatra and Sulawesi)
f. Grumusol (Central Java and East Java)
g. Regosol (Java, Sumatra, Halmahera, NTT and NTB)
h. Organic soil (Kalimantan, Sumatra and Irian)
Of these types, five (5) are suitable for agricultural activity, i.e., Grumusol, Andosol, Mediteran, Alluvial and Atosol.

B. Agricultural Sector
1. Indonesia has a total land area of 202 million hectares. Of these, the country’s forest area covers roughly 60% (120 million hectares) and agriculture land reaches 20 million hectares.
2. Rice, being the country’s staple food, is planted most in the agricultural land (approximately 7.5 million hectares of agricultural land). Annual production is 45,178 million tons, given that only 56% of the rice lands is irrigated.
3. Estimates reveal that there are 115 million workers in agriculture (60% of the total population).

C. Indonesian NGOs
In Indonesia, the terms “LSM” and “LPSM” refer to NGOs. The former means “Lembaga Swadaya Masyarakat” (Self-Help Group) and the latter stands for “Lembaga Pengembang Swadaya Masyarakat” (Self-Help Group Promoting Institute). At present, there are some 10,000 of LSMs in the country. Self-help organizations are usually formed to answer immediate problems. Once they are solved, many of the LSMs are dissolved. A few, however, are able to crystallize their activities, define clear goals and strengthen their management. Henceforth, they are able to increase their level of funding and develop the organization and its personnel towards a more professional level. NGOs that reach this certain level are called LPSM. To date, there are approximately three hundred (300) LPSM in the country.

In general, an NGO in Indonesia is defined as an organization established by the community members themselves to respond to various socio-economic problems such as poverty, underdevelopment and ignorance. Most of them work for “development” but differ in approaches (charity vis-a-vis self-reliance), attitudes (individualistic vis-a-vis independence) and behaviour (imitative vis-a-vis pioneering). Their range of activities varies from promoting social welfare among the poor to promoting rural and agriculture development in the country. They operate in the fields of health care, family planning, education, small-scale industries, capital formation, farming, research and development among others. The geographic coverage of operation also varies, i.e., from village to international level.

In addition, the following characteristics can best describe Indonesian NGOs:
1. The non-government organizations were founded on the community’s own initiatives, as an expression of participation in the decision-making process. It is in this light that NGOs do not owe their existence to the government.
2. NGOs are independent in their staffing and in determining their basic priorities.
3. By nature, the organization is not profit-oriented.
4. NGO funds have varied origins/sources, to wit: donations from regional governments, foreign and domestic funding agencies or from foreign embassies.
5. NGO usually takes the form of a foundation with voluntary board members and salaried program officers.

6. Most of these NGOs are independent of any political parties, although some openly express their sympathies with certain political movements.

The significant status of the NGO dates back to the 1970s, when some developed into political movements, while others focused in the fields of social welfare and education. But the last two decades saw the birth of another species of organization oriented towards development. Many of these development-oriented organizations have worked out well because of the various experimentations in approaches, either initiated earlier or reinforced later by the NGOs.

As mentioned in the previous paragraphs, the permanency of NGOs varies. Some are formed to overcome immediate problems and will dissolve when the problems have been addressed. Other NGOs, on the other hand, are well-established and have long-term plans. The long term sustainability of NGOs becomes an issue in this aspect as it affects the government in terms of collaborating with them. The government has to choose and/or be selective in working with NGOs that are well-established and have proven track records in development undertakings.

D. Cooperation Among NGOs

A lot of efforts intended to enhance cooperation between Indonesian NGOs has been exerted. In the earlier regime, networking was not considered a priority since NGOs were more politically oriented. But under the new regime, the focus has shifted to national development and more attention has been given to economic issues. This situation encouraged more fruitful dialogues between and among NGOs with different ideologies and religions. The issues that brought them together for dialogue and cooperation were poverty, economic development and employment.

As a consequence, there was a felt need to establish a communication network or forum where various community development organizations are able to share and learn from each other. Unlike most associations, however, a forum is very informal -- any NGO can become a member, as there are no rules that need to be fulfilled towards the network.

Most Indonesian NGOs believe that such situation is workable for varied reasons, to wit:
1. The local NGOs are afraid that they will be dominated by the big Jakarta-based NGOs
2. They don’t want to repeat their former experience, when a number of associations became mass organizations involved in political activities
3. They are afraid that they might lose their independence once they are tied in a network
4. It is easier for the government to take over the entire network.

II. NGO/RPO Initiatives in Sustainable Agriculture and Agrarian Reform

A. NGOs Role in SARD

A number of NGOs are involved in the promotion of SARD in Indonesia, to wit: Lembaga Penelitian Pendidikan Dan Penerangan Ekonomi Dan Social (LP3ES) or The Institute for Economic and Social Research, Education and Information, Bina Swadaya Foundation, CRAD Foundation,
Dian Tama Foundation, World Food Day Foundation, Bina Sarana Foundation, Sagadori Foundation, WALDA Foundation, Center of Village Information and Resources, Village Development, Institution and SADA AHMO Foundation. Their activities focus on irrigation management, research and development, training in appropriate agricultural technologies such as integrated farming systems, organic farming, horticulture farming and alternative pest management, among others.

As Indonesia’s economy took a spill in the 1980s brought about by the oil crisis, development planners embarked on industrialization as the key solution to such dilemma. This policy was carried out by setting up the Five-Year Development Plan, also known as the New Order Era.

The economic growth of the agricultural sector during the first long term development period increased to 3.6%. Rice production resulted in enormous yields at 10.2% annually. Unfortunately, the growth did benefit the farmers economically. This is due to the policy in which agricultural production has been oriented more towards protecting industrial growth (i.e., by keeping down the prices of agricultural products in order to keep labor wages low). Hence, the basic pricing policy for agricultural products which has been put into effect by the government is often lower than market price in order to subsidize the consumption of low-income earning urban-based industrial workers.

This condition impacted on the production system in the sector, i.e., the shift from labor to capital-intensive agriculture. Rural development in the country was neglected as emphasis has been given to the industrial sector. Investments and infrastructure proliferated in cities which benefitted the middle and upper classes only.

NGOs question the approach to the nation’s economy as the process of modernization has caused the widening gap between the haves and have nots.

B. Pump Irrigation Project: A Case of Promoting Dialogue and Collaboration In SARD Between Bina Swadaya and the Government

In 1979, Bina Swadaya implemented a pump irrigation project in the regency of Karawang. The activity was launched to address the diminishing food supply in the area caused by drought. Despite receiving no support (i.e., financial, technical) from the local government, the project was able to accomplish the following: (1) cropping cycle in the area increased from once to thrice a year; (2) paddy production capacity doubled (from 2-3 tons/hectare to 5-6 tons/hectare); and (3) farmers were organized into an association. However, due to limited funds, activities were not sustained as Bina Swadaya decided to terminate the project in 1982.

In 1983, the Regent of Subang sought the assistance of Bina Swadaya to conduct a pilot pump irrigation project in Sidajaja village. After the first harvest season, the project was assessed by the local government as successful due to the following accomplishments:

1. The farmers were involved in all stages of the development process (from conceptualization to evaluation);
2. Cropping cycle increased from once to thrice a year;
3. Rice production doubled;
4. Farmers did not pay anything to the landowners during the third planting season. Because of this, the local government requested once more Bina Swadaya to implement the same project in another area in the Subang regency. This time, a need analysis/assessment was conducted involving three key players: the Regency Level Development Planning Agency, Bina Swadaya and the community. As a consequence, an integrated development approach had been strategized.

In the farming villages of Sidajaya, Sidmulya, Pada Asih, Pangarengan and Cihambulu, additional project components were identified such as livestock production, handicraft and reforestation. In villages of Patimban, Legonkulon and Muara Ciasem, the poor farmers expressed the need for fishpond production as a complementary activity.

A memorandum of understanding between the local government of Jubang and Bina Swadaya had been executed. It contained the areas of cooperation and/or coordination between the two parties from the village up to regency level.

The project turned out to be highly successful as project targets were met and activities were sustained. This can be attributed to the fact farmers were involved and organized at the very start of the project, thus generating interest and support. Another key factor was the financial and technical assistance from the local government.

III. The Policy Environment for NGOs/RPOs in Indonesia

So far, no policy or regulation regarding NGO-GO collaboration/cooperation exists. This is due to the absence of a law to regulate the existence of social organizations such as NGOs. Most of the registered NGOs in the listing made by the Sekretariat Bina Desa are foundations or religious institutions and associations. It seems that the foundation is the most convenient form for NGOs to obtain legal status in the country.

In 1982, the Indonesian government issued an Act of Environment No. 4/1/1982. This Act mentions, among other things, the role and position of NGOs in environment in Indonesia. This means that those who are active in this field are not only explicitly acknowledged but are also strengthened (Status Papers on NGO Involvement in Rural Development: A Perspective of Ten Countries in Asia).

However, some government institutions are suspicious and apprehensive about the growth and development of NGOs. This may be due to the government's limited ability to control, manage and regulate NGO activities. The government seems to fear that NGO growth may lead to power concentration as the development of NGOs might rival theirs. The government takes the opinion that it has the sole right and duty to undertake development. On the other hand, the mix of NGOs characterized by their wide range of objectives and activities as well as their different levels of capabilities have contributed to the unfriendly policy towards them. In a sense, there is lack of proper perception concerning the roles in community development both of the government and the non-government organizations. This attitude results in policies that often expatriate self-reliance already evolving within the community.

Recently, the NGO community in Indonesia has raised a furor over a 17-page draft presidential decree that could severely curtail their activity. Prepared by Interior Ministry Officials, the draft stipulates that any organization can be shut down if found to be "undermining the authority of the state and/or discrediting the government... hindering the implementation of
national development" or engaged in other activity that upsets political stability and security." Furthermore, LSMs can be set up only after consultation with the police, the military and the national intelligence agency.

Some NGOs, particularly those involved in projects related to health, the environment and agriculture which have enjoyed closer cooperation with national and provincial officials, largely view the draft decree as an anachronism - which reflects the continued ambivalence ones the role of NGOs in national development. These NGOs mostly act as "facilitators" in the government's ongoing poverty alleviation program known as Inpres Desa Tertinggal (IDT) which allocates Rps 20 million for each impoverished villages.

A cursory look at previous GO policies on collaboration with NGOs exhibit the government's tendency to regulate and control the latter's activities as indicated in the table below:

<table>
<thead>
<tr>
<th>LEGAL CONSTRAINTS</th>
<th>YEAR INITIATED</th>
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<tbody>
<tr>
<td>1. Issue Orientation</td>
<td></td>
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<tr>
<td>&gt; NGOs charter must adopt guiding or sole principle specified by the government.</td>
<td>1985</td>
</tr>
<tr>
<td>2. Financial Dimension</td>
<td></td>
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<tr>
<td>&gt; NGOs must formally register w/ Gov't. in order to receive foreign aid.</td>
<td>1985</td>
</tr>
<tr>
<td>&gt; NGOs must report any foreign aid received to GOs</td>
<td>1985</td>
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<tr>
<td>&gt; NGOs must obtain GO approval in order to use foreign aid.</td>
<td>1985</td>
</tr>
<tr>
<td>3. Organizational Dimension</td>
<td></td>
</tr>
<tr>
<td>&gt; NGOs must formally register w/ Gov't. to operate legally.</td>
<td>1985/90</td>
</tr>
<tr>
<td>&gt; NGOs are required to coordinate all activities w/ relevant local government bodies.</td>
<td>1985</td>
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<tr>
<td>&gt; GO has the authority to remove and appoint new board members to govern an NGO.</td>
<td>1985</td>
</tr>
<tr>
<td>4. Policy Dimension</td>
<td></td>
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<tr>
<td>&gt; GO sets up a control body to coordinate NGO activities.</td>
<td>1985</td>
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Various types of dialogues and consultations were conducted to clarify the relationship that exists between NGOs and GOs. In a report prepared by Mr. Soedjarwo, the following general conclusions emerged:
a. Both the government and the NGOs recognize that there are many differences between NGOs in Western countries and Indonesian NGOs, the latter being apolitical.

b. The history of Indonesian NGOs has shown that they played a positive role in the development process. The NGO sector most of the time implements activities that are still not managed well by the government.

c. The government could pay greater attention to the NGO sector by providing the latter with opportunities to participate more fully in the country’s developmental efforts.

d. Government participation in activities which have been initiated by NGOs should be viewed by the latter as a source of additional momentum and support, rather than resented as an intrusion.

However, these developments have not automatically resulted into a smooth cooperation between the two parties. The problem is more acute among the middle levels of bureaucracy - the ones whom NGOs must work closely in the field. For one, the attitude of a government official towards NGOs may differ substantially from another. One possible reason is that a number of officials do not have sufficient information concerning NGOs on how they operate and on how NGOs can assist them in planning and implementing development projects. The second reason might be that line agency officials perceive that NGOs are doing their work, often with international donor assistance. Third, projects implemented in rural areas usually need the support of the Ministry of the Interior in that particular area before NGOs would be able to proceed effectively.

There are, however, several departments or government’s offices that, contrary to the above, collaborate with and have conducted dialogues to promote SARD in cooperation with NGOs. The following are some examples:

- **Bina Swadaya** acts as a consultant in relation to the Social Forestry program of the Forestry Department, e.g. Forestry State Enterprise (Perum Perhutani).
- In pump irrigation development program in West Java, the Local Governments (Bappeda Tk. I and II) of each regency have cooperated with Bina Swadaya as evidenced by the signing of a Memorandum of Understanding (MOU). At the regency level, Bina Swadaya has been coordinating with technical offices, i.e., agriculture and irrigation offices.
- Aside from the government, Bina Swadaya has maintained links with the Ford Foundation, USAID, German Agro Action and CEBEMO for the said activities.
- In conducting policy dialogue with first level of Local Government of Riau in Sumatra, Bina Swadaya helped in the consultation process.
- Under the Sustainable Agriculture Development Program, Bina Swadaya works with line agencies at the second level of the local government to introduce/promote the use of organic fertilizer. The program is funded by the German Agro Action.
- In the area of policy reform, the concrete documented experiences from the on the ground projects of the People’s Representative Council (DPR) (Irrigation, social forestry, etc.) serve as inputs/cases for undertaking dialogue with the government.
- Under the PIK program being managed by the Irrigation Public Work Department, LP3ES acts as an institutional consultant.
In relation to promoting integrated farming system, the SADAGORI Foundation has been working with second level of local government in Sukabumi, including the technical offices at the regency level.

IV. Key Issues and Recommendations
A. Findings
1. There is a lack of proper perception concerning the respective roles of the Government and the non-government organizations in community development. The former views NGOs as their competitors. The latter, because of the government's attitude towards them, see them as authoritarian.

Many of the problems and misunderstandings in relation to GO-NGO collaboration arise because of poor communication channels between the two parties. A number of people in the government do not understand NGOs or their activities.

2. The institutions registered as foundations, associations or religious groups are legitimate and legal due to two reasons. First, they have been established through legal procedures by way of a rotary act. Secondly, these foundations have a right to exist as long as their activities do not go against what is prescribed by the law. Hence, NGOs whose programs run contrary to those of government's would most likely not receive any support from the latter.

3. The policy of encouraging NGO involvement in development work is based on the recognition of their proven ability to mobilize people's participation, to transfer skills to the people at the grassroots level, and to mobilize funds from the community as well from other sources. Such abilities are not readily available in government. On the other hand, NGOs need financial and technical assistance from the government.

4. The use of a personal and/or informal approach plays a critical role in fostering the working relationship between NGOs and the government. At this stage, most NGOs function more as government assistants. They supplement the latter in large-scale programmes, especially where the government is unable to handle certain areas or sectors. This is evident in cases where the government apparatus cannot reach the people at grassroots level or vice-versa. An NGO assumes the supporter's role to government programs in communities that have developed close relationships with the NGO.

5. In terms of GO-NGO collaboration, NGOs serve as implementors of the government's development programs, with the government outlining the general policy. It seems that this takes place on a contractual basis in order to assist the government in implementing an aspect of a development project; alternatively NGOs are invited to provide consultancy services. For example, the task of forming the farmers into an organization is seen by the government as just a component of an irrigation project. While NGOs may perceive this as a step towards people/community empowerment, the involvement of NGOs is terminated once the objectives are achieved.

6. The strategy and management of an NGO is different from that of government. Many NGOs put the emphasis of their work on the process of human development, whereas the government
tends to look at development strategy and management from the physical achievement of projects (e.g., increase in productivity). The two parties feel that they have the correct and effective approach. Hence, there is a need for compromise from both sides if they are to cooperate on any particular development activity.

7. The heart of development is the people. The government as well as the NGOs exist because of the people. Unless people are empowered, development has not been attained. Hence, institutional building/community organizing plays a crucial role in any development effort undertaken.

Given the issue of long term sustainability among NGOs, their original vision, energy and commitment to the rural poor lies in constant danger of being diluted and compromised by their growing institutional needs. Most NGOs do not ask funds from government. However, continuity of funding is vital to the continued growth of the NGO sector.

B. Recommendations

1. NGOs should re-examine themselves: their rationale, strengths and weaknesses (internally and externally) so that they can identify their mainstreaming role in the development of the country.

For one thing, there is an opportunity in terms of documenting and disseminating case studies that have shown success at the micro and macro levels.

The process requires a distinct, flexible management style that is very effective in working with the village people. Also, it is important to highlight that an NGO working at the village level is involved in a process, i.e., building participation and commitment.

On the one hand, as an increasing number of NGOs are developing a public sector contracting capability, there is a danger that some essential characteristics and strengths of NGOs may be lost.

2. For NGOs to thrive, the government should provide them with adequate political space. Only through an enabling environment can a genuine partnership between GO and NGO blossom. This assumes that the government has been able to come up with clear policies regarding GO-NGO collaboration. A review of the existing laws and operating guidelines should be made by both sides.

The presence of restricting policies on NGOs could have adverse effects on NGO operations. The desire of NGOs to pioneer and experiment will be hampered if such condition exists.

On the contrary, in one of the studies conducted by the International Development Support Services, the perceived lack of self-interest of NGOs can play a key role in determining their effectiveness. If, for example, an NGO is seen to be closely aligned with the government, the credibility of that organization with the people could be seriously undermined.

3. The government, on the other hand, should accept the fact that national development cannot be undertaken by themselves alone.

Through experience, NGOs have proven their capacity and capability to perform an intermediary role (between the village and government’s extension services) in stimulating the growth of self-reliant communities. As such, careful attention needs to be given to the design of these organizational arrangements in the development project identified.
This implies greater NGO participation in project/programs design in all phases/stages of development (i.e., conceptualization to implementation to monitoring and evaluation). The very purpose for which the NGO has been subcontracted (to ensure maximum community participation), will negated if it is not understood that the NGO’s credibility will be lost if the needs expressed to and through that NGO are not translated into program/project objectives and strategies. (Asian Development Bank: Cooperation with NGOs in Agriculture and Rural Development Projects in Indonesia).