

# 37\_Vernacular Expertise of Rural Development: An Exploratory Study In Indonesia

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**Submission date:** 13-Sep-2022 08:25AM (UTC+0700)

**Submission ID:** 1898438363

**File name:** RTISE\_OF\_RURAL\_DEVELOPMENT\_AN\_EXPLORATORY\_STUDY\_IN\_INDONESIA.pdf (402.02K)

**Word count:** 4448

**Character count:** 25808

## Vernacular Expertise of Rural Development: An Exploratory Study In Indonesia

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**Abstract.** The Indonesian government emphasized the rural development that aims to improve the opportunities and well-being of rural people through a process of change in the characteristics of rural societies. The phenomenon of income inequality between city and regions have stagnated at 0.41 in the past four years. Therefore, a development which was initially only concentrated in the capital city will be tried to be more leveled throughout Indonesia. Village Fund Program is one of the government's efforts to make villages the main actors of rural development. The allocation of Village Funds is a mandate of Law No. 6/2014 about Village and Government Regulation (PP) Number 60/2014 about Village Funds sourced from the State Budget. Village Fund's purposes are to improve public services in the village, alleviate poverty, accelerate the rural economy, overcome the gap between rural development and strengthen rural communities as the subject of the development. However, based on the evaluation that has been carried out, the Village Fund can improve the quality of life, but its impact was not significantly on the economic productivity of the rural community. The use of the Village Fund needs to be directed, in addition to infrastructure, it also focuses on the economic productivity of the community, accelerating village economic growth and alleviating poverty and inequality. This article offers an alternative concept of rural development, which is based on local wisdom, called vernacular expertise of rural development. This conceptual framework aims to compare the concepts of Phillip Lowe's vernacular expertise with the vernacular expertise of rural development that occurs in Indonesia, especially in the Village Fund program. The results shows that the vernacular expertise especially in the Village Fund program is reflected in Musrenbangdes (village development meetings), involving community leaders, traditional leaders, religious leaders, village governments, the private sector/business, and regional representation (RT, RW) and representation of various economic sectors (agriculture/health/education/environment). Musrenbangdes is a planning forum (program) carried out by public institutions, namely the village government, in collaboration with residents and other stakeholders. A meaningful Musrenbangdes will be able to build an understanding of the interests and development of the village, by photographing the potential and sources of development available both from within and outside the village.

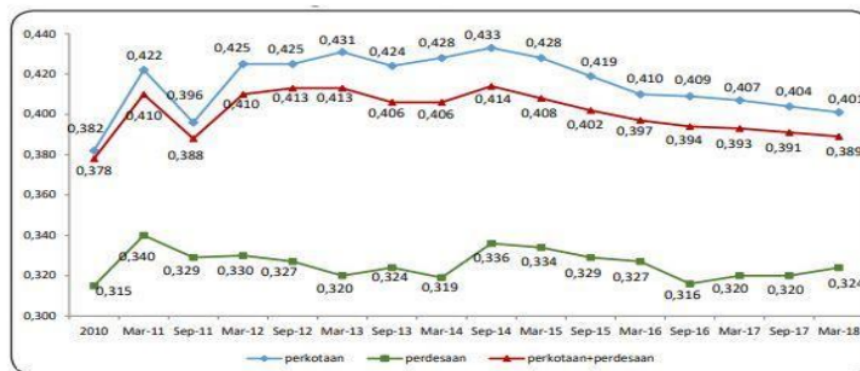
**Keywords:** 1 Income Inequality · 2 Networked Development · 3 Village Funds Program  
· 4 Vernacular Expertise · 5 Musrenbangdes

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## 1. INTRODUCTION

Rural development are the main priorities of the current government. Rural development is the process of improving the opportunities and well-being of rural people. It is a process of change in the characteristics of rural societies. The Indonesian government emphasized the rural development that aims to improve the opportunities and well-being of rural people through a process of change in the characteristics of rural societies. The phenomenon of income inequality between city and regions have stagnated at 0.41 in the past four years. Therefore, a development which was initially only concentrated in the capital city will be tried to be more leveled throughout Indonesia.



Sumber: Diolah dari data Survei Sosial Ekonomi Nasional (Susenas)

Figure 1 : Gini Ratio in Indonesia (2010-2018)

Village Fund Program is one of the government's efforts to make villages the main actors of rural development. The allocation of Village Funds is a mandate of Law No. 6/2014 about Village and Government Regulation (PP) Number 60/2014 about Village Funds sourced from the State Budget. Village Fund's purpose is to improve public services in the village, alleviate poverty, accelerate rural economy, overcome the gap between rural development and strengthen rural communities as subjects of development. Village Funds sourced from the State Budget are a form of state recognition of a legal community unit that has the authority to regulate and manage government affairs, the interests of local communities based on initiatives, origin rights and / or traditional rights.

From the evaluation that has been carried out, the Village Fund can improve the quality of life, but its impact has not been significant on the economic productivity of the rural community. The use of the Village Fund needs to be directed, in addition to infrastructure, it also focuses on the economic productivity of the community, accelerating village economic growth and alleviating poverty and inequality.

This article offers an alternative concept of rural development, which is based on local wisdom, called vernacular expertise of rural development. This conceptual framework aims to compare the concepts of Phillip Lowe's vernacular expertise with the vernacular expertise of rural development that occurs in Indonesia, especially in the Village Fund program.

This paper is structured as follows: *firstly*, explain about vernacular expertise in rural development; *secondly*, explain the implementation of vernacular expertise of rural development in Indonesia, especially in the Village Funds program.

## 2. MATERIAL

### 2.1 Concept of Vernacular Expertise

Theory of rural development has evolved over past decades. In the 1960's and early 1970's, intense industrialization was the main characteristic of the perceived development path. According to Johnston (1970) in Anriques (2007), "rural development is essentially a part of structural transformation characterized by diversification of the economy away from agriculture. This process is facilitated by rapid agricultural growth, at least initially, but leads ultimately to a significant decline in the share of agriculture to total employment and output and in the proportion of rural population to total population".

Since the 1970's, rural development as a concept has been linked to how to improve living standards and as a prerequisite for reducing rural poverty. On the other hand, rural development focuses on improving the quality of human resources, through the provision of social services in rural areas, which have continued to be emphasized since the 1970s. Initially, this focus came from consideration of social justice such as access to education and health services for all members of the community. However, the development of endogenous growth theory in the late 1980s provided a macro-fundamental for this priority, because this theory proves that permanent growth / development is possible (even with a constant scale of returns) when there is a balanced investment in both humans and physical capital at the same time (Anriques & Stamoulis, 2007).

In the late 1980's and 1990's, the top-down model of rural development was shifted to a bottom-up philosophy (van der Ploeg & Long, 1994; Lowe et.al, 1998; Gkartzios & Lowe, 2019). The bottom up philosophy premise was that the development of rural areas should realise the indigenous potential of its particular natural and human assets, including local knowledge and skill. In 2006, the OECD published a major report on new approaches to rural development (OECD, 2006). The new approach is referred to as networked (or neo-endogenous) development (Gkartzios & Scott, 2014, Lowe et al, 1995; Shucksmith, 2000; Ray, 2001; Marini & Mooney, 2006).

Table 1. The New Rural Paradigm

	Old Approach	New Approach
Objectives	Equalisation, farm income, farm competitiveness	Competitiveness of rural areas, valorisation of local assets, exploitation of unused resources.
Key target sector	Agriculture	Various sectors of rural economies (ex. rural tourism, manufacturing, ICT industry, etc)
Main tools	Subsidies	Investment
Key actors	National governments, farmers	All levels of government (supra-national, national and local), various local stakeholders (public, private, NGOs)

Source: OECD, 2006

This approach recognises how rural areas are shaped by both internal and external forces. It seeks to promote local and extra local connection that will strengthen the terms on which local people are deal with the outside world. Networked development provides a framework for understanding that rural development requires different kinds of actor who perform different roles in rural society and economy, such as rural professionals, regional agencies, NGOs, companies, universities and research institutes (Esparcia, 2014). According to Lowe (2019), there are three models of rural development: top down (or exogenous) development, bottom-up (or endogenous) development and networked (or neo-endogenous) development.

<sup>3</sup>  
Table 2. Models of Rural Development

	Top Down Development	Bottom-up Development	Networked Development <sup>1</sup>
Key principle	Economies of scale and concentration	Harnessing local natural, human & cultural resources for sustainable development	Identifying and exploiting the place based potential of localities, socio-spatial justice
Dynamic forces	Urban growth poles	Local initiative & enterprise	Local-global networks and urban rural flows, external interconnections through multi-scalar and multi-sectoral governance
Function of rural areas <sup>3</sup>	Production of food & primary products for expanding urban economies	<sup>4</sup> Diverse service economies	A mosaic of consumerist and re-emerging productivist functions
Major rural development problems	Low productivity and peripherality	Limited capacity of areas/groups to participate in economic activity	Unequal relations between localities and external forces and institutions; climate change and economic crisis
Focus of rural development	<sup>3</sup> Agricultural modernisation; encourage labour & capital mobility	<sup>3</sup> Capacity building (skills, institutions, infrastructure); overcoming exclusion	Building local capacity to mobilise internal resources and respond to external pressures and opportunities
Focus of rural development resources	Agricultural economics, Keynesian economic models and positivism	Rural sociology and rural geography; interpretive approaches and case study research	Action and activist research with communities; inter/transdisciplinary
Source of knowledge	Scientific research and external experts	Local community	Place based “vernacular expertise”

Source: Lowe, et.al, 2019

According to Lowe (2019), “vernacular expertise is expertise that is place-based but it also crucially nourished by outside sources and agents. This is the expertise variously acquired and possessed by local resident, farmers, rural enterprises, workers, community organization, naturalists and rural professionals”.



Vernacular expertise is a heterogeneous constitution of sustainable knowledge as presented by Murdoch and Clark (1994), with an inseparable mixture of local and universal, natural and social, as well as a mixture of scientific, political-managerial knowledge and local knowledge identified by Bruckmeier and Tovey (2008) in participatory resource management.

The new rural paradigm, requires basic changes in how policies are conceived and implemented, to include a cross-cutting and multi-level governance approach. Coordination is also needed at the local level to integrate sectoral approach, to involve private partners and to achieve the appropriate geographic scale. Integrated rural policy is often carried out through *ad hoc* local partnership that present some common features and underlying principles.

## 2.2 Village Fund Program

Village is a representation of the smallest legal community unit that has existed and has grown along with the history of the life of the Indonesian people and has become an inseparable part of the Indonesian life. As a form of state recognition to the village, particularly in order to clarify the functions and authorities of the village and strengthen the position of the village and village communities as subjects of development, a village policy and regulation is needed which is realized by the Law No. 6 / 2014 about Village.

In order to support the implementation of the duties and functions of the village in managing the government and village development in all its aspects in accordance with the authority they have, Law No. 6 / 2014 about Village provides a mandate for the government to allocate Village Funds. The Village Funds are budgeted every year in the APBN which is given to each village as one of the village's income sources. Villages are given adequate authority and resources to be able to manage their potential to improve the economy and the welfare of the community. Every year, the central government has budgeted Village Fund to be given to the village. In 2015, Village Funds were budgeted at Rp. 20.7 trillion, with an average of every village getting an allocation of Rp. 280 million. In 2016, village funds increased to Rp. 46.98 trillion, with an average of Rp. 628 million/village, and in 2017, Village Funds are added to the allocation of Rp. 60 trillion with an average of Rp. 800 million/village. This Village Funds Program is not only the first in Indonesia, but also the first and largest in the world.

Village Fund Allocation is calculated based on the number of villages in Indonesia and allocated by considering the following matters:

1. Population
2. Poverty rate
3. Area of the village
4. Level of geographical difficulties

Village Funds that sourced from the APBN, have a philosophy as a form of state recognition of the legal community unit that has the authority to regulate and manage government affairs, the interests of the local community based on initiatives, origin rights and / or traditional rights, that aimed to improve welfare and equitable development of rural development. The objectives of the Village Funds program are:

1. Improve public services in the village
2. Alleviating poverty

3. Advancing the village economy
4. Overcoming inter-village development gaps
5. Strengthening village communities as a subject of development

### 2.3 Vernacular Expertise in Village Funds Program

Law No. 6 / 2014 about Village defines villages as the unity of legal communities that have an authorized territory to regulate and administer government affairs, community interests based on community practices, origin rights, and / or traditional rights recognized in the government system of the Republic of Indonesia.

The ideal image of village that aspired in the Village Law is a village that is strong, advanced, independent and democratic. The goal is realized by organizing development and empowering the village community. The focus of the work of empowering the village community is to realize the village community as the subject of development and the village as a legal subject who has the authority to utilize the village's finances and assets.

The village community chooses the Village Chief and members of the Village Consultative Body (BPD). The Village Chief is obliged to lead the village while functioning as the head of the village government. The BPD is a balancing agency for the Village Chief in managing government affairs and community affairs. Strategic matters in the village must be discussed and agreed upon jointly by the Village Chief, BPD and the village community through a village meeting organized by the BPD. The results of the Village Consultation must be guided by the Village Chief in formulating various village policies, including village development policies.

Democratic village governance must be enforced so that villages are able to independently carry out village development in a participatory manner aimed at realizing an increase in the quality of human life; improving the welfare of the village community; and poverty reduction. Village development is managed in a participatory manner because it involves the participation of the village community. Village development leads to the realization of village independence because village development activities must be managed by the village by utilizing human resources in the village as well as sustainable natural and environmental resources.

In order for the village to be able to do its authority, including being able to manage village development, the village has the right to have income sources. Village Funds originating from the APBN are part of the village's income. The Government's goal of channeling Village Funds directly to the village, is for the village to be empowered in carrying out and managing to regulate and manage priorities in the field of development and empowerment of the village community.

The use of the Village Funds is managed through a participatory development mechanism by placing the village community as the subject of development. Therefore, the plan to use the Village Funds must be discussed and agreed upon at the village meeting. The use of Village Funds must succeed in realizing the objectives of village development, namely: improving the quality of human life; improving the welfare of the village community; and poverty



reduction. The use of Village Funds which are concentrated in infrastructure development will slow the realization of the village development goals. Therefore, the use of Village Funds in 2019 prioritizes the development of productive economic enterprises, improving basic services, especially handling stunting and nutrition services for children, as well as financing cash-intensive activities to create temporary employment opportunities for the poor.

The priority setting mechanism for using the Village Funds is divided into 5 stages. Documents produced in the Village planning process include Village's Long-Term Development Plan (RPJMDes), Village's Government Work Plan (RKPDDes) and Village's Income and Expenditure Budget (APBDes). Priorities for using the Village Funds are included as part of the preparation of the RKPDDes and APBDes. The five stages of prioritizing the use of the Village Fund mechanism are as follows:

1. Village Development Meeting (Musrenbangdes)
2. Drafting the Village RKP (RKPDDes)
3. Establishing Village RKP (RKPDDes)
4. Drafting APBDes
5. Review of the APBDes

Musrenbangdes is a forum for discussion between the BPD, the Village Government, and all community elements, organized by BPD, to agree on strategic matters, such as the use of Village Funds in village development and several others with the principle of participatory, democratic and transparent. Prioritizing the use of the Village Fund is a part of strategic matters in the village, so it must be discussed and agreed in Musrenbangdes. Discussion of the priorities of the use of the Village Fund in Musrenbangdes based on proposals, aspirations and benefits of the activities of the village's community. Musrenbangdes is a planning forum (program) carried out by public institutions, which is the village government, in collaboration with residents and other stakeholders. A meaningful Musrenbangdes will be able to build an understanding of the interests and progress of the village, by photographing the potential and sources of development that available from within and outside the village.

The Musrenbangdes participants of the RKPDDes are various components of the village, consisting of the Village Secretary as Chairperson, Chairperson of the Village Consultative Institution (LPM), community leaders and women's representatives, district elements, SKPD elements, and Regional People's Representative Assembly (DPRD) elements from the electoral district.

The purpose of the Musrenbangdes are:

1. Develop priority needs/problems that will be used as activities for the preparation of the RKPDDes by sorting as follows: priority of village activities to be carried out by the village itself and funded by APBDes, sourced from Village Original Income (PAD), Village Fund Allocation (ADD), funds village / community self-help, and other non-binding sources
2. Prepare the priority of regional problems in the village which will be proposed through the sub-district Musrenbang to become the activities of the regional government (UPTD and / or SKPD);

For the preparation of RKPDes, Participatory Rural Appraisal/PRA need to be done with a fairly long process, including a discussion with RT/ RW. Data analysis carried out is referred to as "analysis of village vulnerability" or "analysis of village emergencies". The results of this analysis will be one of the materials presented during the Musrenbangdes. This activity involved hamlet heads, youth and women. This vulnerability data analysis was used to review the RPJMDes document, specifically regarding the priority of problems and activities to be prepared for the RKPDes the following year. Village vulnerability data includes:

1. Number of poor families
2. Number of unemployed people
3. Number of children drop out of school and who are prone to dropping out of school
4. Number of deaths of mothers, infants and toddlers during the past year;
5. Number of people (especially mothers, babies, toddlers) who have experience with malnutrition;
6. Number of outbreaks of disease that occurred over the past year;
7. Emergency / vulnerable issues related to poverty, welfare problems or disruption to the fulfillment of 10 basic rights.

One of the mandates of Law No. 6 / 2014 about Village is that villages must be independent in the economic field by utilizing existing resources in the village. Village independence in the economic field will accelerate poverty reduction and improve the welfare of the village community. One of the strategic steps to make the village independent in the economic field is to form, manage and develop a Village Owned Enterprise (BUMDesa) and / or BUMDesa Bersama. The difference between BUMDesa and BUMDesa Bersama is that BUMDesa is formed and financed by one village, while BUMDesa Bersama is formed by the Inter-Village Cooperation Agency (BKAD) and funded by villages that are bound by inter-village cooperation.

The use of Village Funds can be prioritized to finance the village, including investing in BUMDesa and / or BUMDesa Bersama. The example of using the Village Funds for BUMDesa capital is as follows:

1. Village can use Village Funds for BUMDesa's capital, specifically used for capital to form a Savings and Loan Business (USP). USP is channeling loans with low interest to the communities. When USP has progressed, it can be discussed and agreed on the use of Village Funds for business development, such as BUMDesa Mart business. BUMDesa Mart is a modern minimarket in the village that is managed by a computerized system.
2. A village that located on the outskirts of a large city can utilize the Village Fund for BUMDesa business capital which is engaged in the business of managing household waste. BUMDesa's initial capital originating from the Village Funds is used for the business of separating and processing waste as well as utilizing used cooking oil waste into biodiesel. The business of making biodiesel from used cooking oil is very potential to be developed because of the energy independence policy through the development of renewable energy. The income from waste management and processing of used waste oil will be the original source of PAD. PAD is utilized to improve the welfare of the village community such as the provision of health cards

by the village, improving the nutrition of children in the Posyandu, or organizing work skills training for young people in the village.

3. Villages in the convection home industry (apparel) can agree to work together to develop a convection business. The binding villages collaborated to form an Inter-Village Cooperation Agency (BKAD) as a management body for inter-village cooperation for the management of convection businesses. The BKAD formed BUMDesa Bersama, whose capital was included by each village participating in the collaboration. The business activities managed by BUMDesa Bersama are providing raw materials for convection businesses, providing credit machines for the convection business, and marketing home-based industrial-based clothing to the national level as well as overseas exports.

### 3. CONCLUSION

<sup>1</sup> Vernacular expertise is expertise that is place-based but it also crucially nourished by outside sources and agents. This is the expertise variously acquired and possessed by local resident, farmers, rural enterprises, workers, community organization, naturalists and rural professionals. The exploratory study of vernacular expertise in Indonesia, especially in Village Funds program, shows that the vernacular expertise is reflected in Musrenbangdes (village development meetings), involving community leaders, traditional leaders, religious leaders, village governments, the private sector/business, and regional representation (RT, RW) and representation of various economic sectors (agriculture/health/education/environment). Musrenbangdes is a planning forum (program) carried out by public institutions, namely the village government, in collaboration with residents and other stakeholders. A meaningful Musrenbangdes will be able to build an understanding of the interests and development of the village, by photographing the potential and sources of development available both from within and/or outside the village.

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