

# MAPPING AND EVALUATION OF INNOVATION FOR INCLUSIVE DEVELOPMENT (IID) INITIATIVES IN INDONESIA

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In partnership with



## Foreword

We couldn't be more grateful to God that this report could finally be delivered. This project couldn't be realized without DRN (the National Research Council – Indonesia) first encounter with IDRC project under Innovation for the Based of the Pyramid (iBoP) or iBoP 1.0. Reflections from findings of iBoP 1.0 made DRN realized that pro-poor innovation has yet become the mainstream of development program in Indonesia. However, they believed that pro-poor development programs have long been implemented and were curious of the innovation elements in the programs and how far have these initiatives given impacts to development aspects of Indonesian people.

The running of iBoP 2.0 in 2013 involving back DRN as one of the University – Research Council network (UNIID) components and bring the previous findings to another level, the conception that is trying to be implemented in Southeast Asia region, *Innovation for Inclusive Development*. The grant opportunity that has been given through DRN brought the early discussion to implementation. Therefore, we couldn't be more thankful to DRN for the supports and discussions at the early stage of this research idea conception.

Given the fact that Innovation for Inclusive Development (IID) is a new term as well as concept to the Southeast Asia countries and especially Indonesia, it is interesting to find out how IID can be best described in Indonesian context and how this approach could be used to evaluate development initiatives as well as policies in Indonesia in the recent five-six years (from around 2007 – 2013) where development paradigm emphasizing poverty alleviation is widely adopted by the Government of Indonesia as well as by other institutions in the country. The research topic “Mapping and Evaluation of IID initiatives in Indonesia” is trying to find out which development programs and policies that can be identified to have IID spirit at one hand and learn characteristics and outcomes from IID initiatives in the other hand at a limited number of cases to become lessons learned for implementing IID alike program in the future either by Government, CSO, or Business agencies.

The findings from our study are expected to be the baseline study over IID-related research in the future and could give insight and recommendation to policy makers as well as academicians and practitioners in development field.

Finally I would like to thank Ateneo de Manila University for their coordination and management; colleagues and partners: DRN, BPPT, CIPG; and numerous experts including Dr. Derry Pantjadarma, Dr. Iding Chaidir and Dr. Yanuar Nugroho for discussions and valuable inputs for this research. I would also like to thank to all interviewees, FGD participants, CIPG fellows who help on the field study and writings, Virgi Agita Sari, Dinita Andriani and Leonardus Nugraha, also our internship students, Ika Nuriana and Fajar Raditya. We cannot finish this report without all of your great help.

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## Chapter 1 Innovation for Inclusive Development: An Introduction

There have been many poverty alleviation and community empowerment efforts in Indonesia since the United Nations Millennium Declaration in 2000, the global summit discussing sustainable development goals to accomplish by 2015. Many achievements have been made on the wealth platform, with our growing economy of almost 6% on average for the past 10 years (World Bank, 2013b). Although so, inclusiveness has yet to be the mainstream development concept in the country. Hence, initiatives are implemented locally and scattered in ministries, local governments, civil society organizations, private companies, and academia. Building more inclusive development agendas in Indonesia is essential element in achieving sustained economic growth, more and better jobs, and greater social cohesion. This report is aimed to provide a review and mapping of these activities. In a climate where literature for Innovation for Inclusive Development is direly available, we hope that a preliminary evaluation can help identify what kind of innovations that have led to a more sustainable development. This report will also provide an assessment on policy initiatives, which is important to enable us draw a framework on which policies support the people as subjects themselves. The success of these policies can provide an evidence-based quality to be further replicated in other areas.

### 1.1. Background and rationale

Indonesia's development agenda is currently at its defining state. Fifteen years after President Soeharto fell from power in May 1998, the nation has launched into several shifts in political, economic, and social landscape. More open reforms are enacted. Politically, the country held its first-ever open election in 2004 resulted in the reign of President Susilo Bambang Yudhoyono. Adoption of decentralization program aspiring to a higher degree of transparency and accountability by all institutions is performed. In economic terms, immediate restructurings are inevitable through trade liberalization, financial deregulation, and national asset privatization (Nugroho, 2011). Indonesia has departed from authoritarian, centralized governance to a more democratic environment. In theory, this influences the spread of infrastructure investment to a wider area (Bell and Pavitt, 1993). Political and economic decisions are now made relatively more individually, depending on the regions. While the

authority of local governments is increasing, there are other central and even global commitments to be fulfilled.

Nowadays, the global development agenda takes a crucial part for every country, regardless whether those countries are categorized as developed, developing, or less-developed countries. In the beginning of 21<sup>st</sup> century, a blueprint is agreed to by all the world's countries and all the world's leading development institutions, called the eight Millennium Development Goals (MDGs).

"Eradicating extreme poverty continues to be one of the main challenges of our time, and is a major concern of the international community. Ending this scourge will require the combined efforts of all, governments, civil society organizations and the private sector, in the context of a stronger and more effective global partnership for development. The Millennium Development Goals set time bound targets, by which progress in reducing income poverty, hunger, disease, lack of adequate shelter and exclusion — while promoting gender equality, health, education and environmental sustainability — can be measured. They also embody basic human rights — the rights of each person on the planet to health, education, shelter and security. The Goals are ambitious but feasible and, together with the comprehensive United Nations development agenda, set the course for the world's efforts to alleviate extreme poverty by 2015." (United Nations, 2010)

In order to achieve these development targets, everyone should be involved and supported. For instance, the developed countries still need the developing and less-developed countries for its natural resources and also workmanship. A collaboration that requires partnership from all backgrounds of countries is vital to achieve a more equal development.

In June 2013, the report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda, which is called "A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development" was being launched as the next development agenda after year 2015. The destination is clear: a world in 2030 that is more equal, more prosperous, more peaceful, and a more just world where development is sustainable (United Nations, 2013). This document also points out one of the five transformative shifts that can create the conditions and build the momentum to meet the goals, which is to transform economies for jobs and the pursuit of having an inclusive growth.

Moreover, the great economic transformation can end extreme poverty and promote sustainable development, improving livelihoods, by harnessing innovation and technology. More diversified economies, with equal opportunities for all, can drive social inclusion, especially for young people, and foster respect for the environment. The first priority must be to create opportunities for good and decent jobs and secure livelihoods, so as to make growth inclusive and ensure that it reduces poverty and inequality (United Nations, 2013). Hence, from our point of view, the concept of development cannot be separated with the inclusiveness.

Furthermore, as stated in the United Nations (2013), the utilization of innovation is highly required to encourage a great economic transformation. Even though the question of how technology and innovation influence economic development is a controversial issue (Fagerberg and Godinho, 2005, Fagerberg et al., 2010), there are many evidences suggesting that the importance of innovation for development is increasing with time, as presented in Fagerberg and Verspagen (2002). OECD (2013) also supports this by presenting one of the important lessons of the past two decades has been the pivotal role of innovation in economic development. The importance of innovation for the development agenda was also emphasized in the context of the OECD Innovation Strategy (OECD, 2010, OECD/IDRC, 2010). The innovation concept is broadly defined to include product, process or social innovation; either it is incremental or radical innovation. By considering all of these facts, we should contemplate the intersection concept between innovation, development and inclusiveness.

Innovation and inclusive development are important concepts to be emphasized. By implying these two key points, we do not merely obtain a development within economic measures, but also the fair distribution of the well-being in society (Kanbur and Rauniyar, 2010). When we talk about the idea of Innovation for Inclusive Development (IID), there are two concepts that need to be considered, which are innovation and inclusive development. In this case, it is clear that the inclusive term is attached with the development, not with the innovation.

## **1.2. Objectives**

Despite the wide social dimension of inclusive development, poverty remains an important entry point to see the development of IID in Indonesia. Since the Millennium Declaration in 2000 in Indonesia there have been poverty alleviation efforts, although so, inclusive development as an underlying theory has yet to be the mainstream of development in the

country. Hence, initiatives are implemented in a local and scattered manner. We can find initiatives of poverty reduction and the poor empowerment through most ministries (Agricultural Ministry, State Welfare Coordinating Ministry, among others), through regional governments, Civil Society Organizations, and others. In the light of UNIID program, it is time to review and map which ones of the initiatives are already in line with IID. By so doing, this research aspires to identify policy recommendations as an output of this research.

### **1.3. Questions and research undertaken**

Based on the objectives stated above, there are four research questions that need to be addressed:

- a) What are the existing initiatives that have advanced the Innovation for Inclusive Development (IID)?

There is no research on the mapping of IID initiatives in Indonesia. The reason of this is because the term of IID is still novel and not many people examine it. There are just some lists of Corporate Social Responsibility (CSR) programs from the private sector or some government list of program that has the objective on improving the well-being of citizens. This research question will provide answers on the initial information for the mapping of the current status of IID initiatives in Indonesia.

- b) To what extent have these programs helped the improvement of the Innovation for Inclusive Development (IID)?

Subsequent to the answers from the first research question that we will get some list of IID initiatives, this research question will grant the broader analysis on the direct and indirect impacts of these initiatives/programs to enhance the IID and some drivers and barriers.

- c) What are the existing policies that are related to the Innovation for Inclusive Development (IID) initiatives?

Some policies can be driver for some initiatives, but on the other hand, some policies can be the barrier for some initiatives. In this case, we need to determine the positive and negative policies for those initiatives.

- d) To what extent are the impacts of these policies to the implementation of the Innovation for Inclusive Development (IID)?

Subsequent to the answers from the third research question that we will get some list of policies, this research question will consent to the further analysis of these policies. Obviously, we have to reduce the impacts of the harmful policies, and improve the constructive policies for the better IID initiatives.

#### **1.4. Preview of the findings**

There is a strong need to design new policies in a process that is open and inclusive to other stakeholders. Based on data analysis, it found that Innovation for Inclusive Development (IID) practices are concentrated in some regions that have been the locus of development for more than 60 years of the founding of Indonesia. As such, it challenges the perspective that IID aims to facilitate a more equal development. Furthermore, the report shows a plethora of IID practices across sectors (actors), geographical contexts, and development agendas. These findings indicate various IID perspectives at the global level and local level as well, and contestation on interests among stakeholders in Indonesia. The report concludes with an offer of a number of key success factors with regard to IID practices in Indonesia.

In order to obtain the key success factors, we observe the gathered data according to how the notions of innovation and inclusive development are achieved. We categorize the IID initiatives through actor-driven characteristics, which are separated into three groups namely academia and Civil Society Organizations, business sector, and the government. Several other dimensions of IID are also examined, taking a clear division between the means (innovation types), the ends (inclusive development measure), and the IID channels itself. Each respective actor has its unique set of drivers and barriers. Certain policies impede the innovation process of certain actors, which will also be observed in this report.

As an overview, firstly, it is evident that the initiatives driven by the academia and CSOs are concentrated in Java Island. With development programs ranging from local Universities and independent communities, the type of initiatives are heavily distributed under process-type innovation. The data also shows that the most targeted dimensions of inclusive development are education and opportunities channels, by mostly community empowerment approach.

When we look at the development programs that are driven by the business corporations, we see several characteristics that are identical to those that are academia- and CSO-driven, for example the fact that the initiatives are centralized in Java Island, mostly done through

process innovation and incrementally. The targets are also typically on education and opportunities channels. The IID channels are mostly through community empowerment, but with slightly more significance of technological implementations in conducting the programs.

In respect to government-driven cases, the initiatives are driven by national mission to alleviate poverty as one of the national priorities. Given the fact that government initiatives are more widespread, the government of Indonesia has the chance to lead IID initiatives in Indonesia since they have funding, infrastructures, apparatus, network, and policies. There are main points need to be addressed as the key success factors for the IID initiatives from the government-driven, which are leadership from national and local government, the ability to assure the sustainability of program, and also collaboration with the fellow government institutions and other actors.

### **1.5. Structure of the report**

This report presents a mapping and evaluation of Innovation for Inclusive Development (IID) initiatives and policies in Indonesia. Some theoretical perspectives will be discussed in the second chapter. The third chapter will explain methods and data of this report. The fourth chapter will explicate mapping the state of the arts of IID in Indonesia. The fifth chapter will examine case study off IID in the academia and CSO sector. Consecutively, an assessment of IID case driven by the business sector will also be conducted in sixth chapter. The seventh chapter will observe the IID case study driven by the government sector. Reflection and synthesis will follow in the eighth chapter as the last chapter of the report.

## **Chapter 2 Where are the people in global development agendas? Some theoretical perspectives**

### **2.1. Innovation concept**

It is interesting to observe how the concept of innovation transforms through times. The idea has been resided in human brain just as long as human live. It has something to do with its nature of finding better ways of doing things (Fagerberg et al., 2006). However in academic world, the concept in particular did not receive serious attention until the concept was discussed in social science discourse and earned significant increase of publications in this field in recent decade. Therefore, knowledge on innovation process, its determinants and its social and economic impacts has been greatly enhanced.

Innovation is a systemic phenomenon resulted from continuing interaction between actors and organizations. Historically the idea grew in business field in how new idea (invention) made into practice (innovation) to produce a better, more efficient product. In fact, this phenomenon has two concerns: a) moving from invention to innovation is not an easy leap, where it often requires complementary inventions to reach the end, and b) invention and innovation themselves are continuous process.

#### **2.1.1. Types of innovation**

A conceptual classification is required to provide flexibility in contextual application. It was Schumpeter who first showed the relevance of innovation in economic and social changes. He mentioned that economic development (as an end) that is driven by innovation has received a proof of success by entrepreneurs. This is because entrepreneurs acquire the capacity to overcome the “resistance to new ideas” at all level of society. According to Schumpeter (1961), there are 5 types of innovation, i.e.: new product, new method of production, new source of supply, exploitation of new market, and new way to organize business.

With different approach, Schmookler (1962) sharpen the type of innovation into “product innovation” referring to new improved goods, and “process innovation” referring to the improvement in ways to produce. Edquist (2001) classifies innovation into “technological process innovation” looking at the present of new machinery involved, and “organizational process innovation” from its new ways to organize work. Additionally, Soete (1985) observes

that innovation could come out of “incremental innovations” or “radical innovation” based on its process of cumulative or technological revolutionary. However, these classifications are admitted to be ambiguous. Rosenberg and Kline (1986) conclude that innovation is a complex phenomenon instead of linear process, as the heads and tails of innovation are not as distinct as what is commonly suggested. Innovation consists of feedbacks and loops in the stages of its process.

### **2.1.2. Types of system innovation**

When considering innovation as a phenomenon emergent on the interface of government, science, and market, we come to see several types and characteristics of system innovation coming out of the cooperation of each element of the systems. Referring to three sources of system innovation, de Bruijn et al. (2004) acknowledges three types of system innovation:

1. *Knowledge-driven innovations.* From the arena of science and research, knowledge is generated over the need for and the possibilities of a system innovation.
2. *Market-driven innovations.* The system innovation results from a political awareness that such an innovation is necessary and that there is sufficient support for and social acceptance of such an innovation.
3. *Government-driven innovations.* Possibilities for system innovations may also arise in the market, they tend to involve a coupling between new technological possibilities that are attractive from a commercial point of view.

In the last decade, innovation has been the very hot topic in development discussion by many organizations. The definition of innovation reformulated in various documents. Spence, et al. (2008) crystallizes his theory from surveys over research councils and other supporting organizations in several Southeast Asia countries using ITS (Innovation, Technology, Society). From their approach, it came into conclusion that innovation is defined as the use of new ideas, technologies, or ways of doing things, in a place where (or by people whom) they have not been used before. A slightly different notion given by World Bank (2010) stating that innovation can be referred to technology or practices that is new to given society.

It is also important to note the definition of innovation offered by the International Development Centre (IDRC) (IDRC, 2011), where development context is added into the basic meaning of innovation. IDRC explains innovation as something novel connecting to a market with the idea of improving people’s live in multi-dimensions way including improving

their financial assets and empowering marginalized groups. Therefore IDRC (2011) redefined innovation as a process that improves people's lives by transforming knowledge into new ways of doing things in place where they have not been used before. In this definition, two aspects should be taken into attention: the role of knowledge and process of its transformation into practice that implies the complexity of elements and mechanisms. Study on innovation in social context led Ateneo de Manila University and IDRC to work on Innovation for the Base of the Pyramid (iBoP) project that reflected on how process and application of science and technology used to solve problems at grassroots level adding insight on how innovation could potentially contribute in reducing poverty in different ways (Dator-Bercilla et al., 2012).

As previously mentioned that naturally innovation idea is ubiquitous and no exception to Indonesia. Kusmayanto Kadiman, former Indonesian Minister of Research and Technology (MoRT), argues that no matter how people differently give meaning to innovation, its meaning is always based on novelty (Kadiman, 2008). The term "innovation" itself rooted from Greek Latin word *innovare* referring to utilization of new ways to create new values. In contextual meaning to Indonesia literacy, the idea of innovation confirms classic Javanese slogan *niteni, niroake, nambahake* first uttered by the state's education figure Ki Hajar Dewantoro several decades ago. *Niteni* means "to inquire" an object. *Niroake* means "to replicate, to imitate, to simulate". *Nambahake* means "adding value".

Innovation by the current President Susilo Bambang Yudhoyono has been conceptually highlighted as means to development goals in his government's agenda. From his second presidency period, innovation is still fragmented as a theme in the Ministry of Research and Technology, especially highlighted in their handbook in 2010-2011: Innovation for People's prosperity. Here, innovation implies science and technology application that is dedicated for marginalized community such as fishermen and farmers, and implemented in collaboration with other related ministries. Although innovation is important in transforming the country's development status, it cannot function as the main driver of development.

## **2.2. Inclusive Development**

### **2.2.1. History of development**

The 21<sup>st</sup> century's numerous global agendas being centered on human development issues marks the notion that people welfare continues to be an important issue alongside that of technological advancement. Throughout the years, many social and political agreements are

made on the basis of the betterment of citizens, by mostly putting economic growth in the nucleus of development. Nations and corporations – in their public and private entirety – are put under constant competition to progress, which is frequently measured by their capacity to grow in a vertical rather than horizontal direction. This naturally gives incentives to institutions in form of financial and/or economic targets rather than societal development as a whole. Capitals, ranging from human to environmental to technological, are raked in out of purposes of more profit gain precisely due to this understanding that the bigger the size of an economy is, the better developed the people will be. Under this capitalistic point of view, the equal distribution of wealth to society is placed second after the maximization of output.

This deification of growth concept in modern development programs is the impetus of world's increasing economic gap. Growth, where people are said to be better off as their real per capita income increases (Kanbur and Rauniyar, 2010), has been the major driver of global economy. The importance of growth stems from the end of World War II where countries affected from depression needed a measure of their economic performance to determine whether they are going to a better state or otherwise. Simon Kuznets (1946) manifested a measurement called Gross Domestic Product (GDP) as the pinnacle of this progress measurement. He argues that GDP clearly indicates the dynamics in economic progress, putting assumptions that humans are at their better state of development as they produce and consume more outputs (Kuznets, 1946). Although only intended as a macroeconomic tool, the function of GDP increased to be single-handedly of significance with the official admission of the 1944 Bretton Woods Conference for it to be the main measure of a country's economic performance.

Although useful as a uniformed worldwide indicator, this severe use of GDP bears several assumptions. Firstly, it assumes the fact that all resources and capitals are of infinite availability. Secondly, it assumes that all institutions have the same capacity and willingness to catch up with another. Thirdly, it assumes that progress in economic channel is superior to the general well-being of the people. These assumptions are the center factors of the widening inequality at present.

This capitalistic theory traces back to Adam Smith (1776) where it is expected for men to be governed under a rationalistic approach, functioning under calculating thoughts, and to be motivated purely by self-interest. This implies that the market is ought to be ruled by those who have power and access to capitals, as they are the ones with capabilities to match the

resource allocation process. In today's context, those with larger assets will in turn be entitled to have more authority in deciding how general wealth is distributed. To give a current illustration of the US, this is evident both in the setting of its corporations and national government. Many top CEOs of US corporations can have a pay ratio of 1,700 times more compared to their average workers<sup>1</sup>. As a country, 70% of total US wealth is concentrated in the top 10% of population (Davies et al., 2007). This also echoes in Indonesia where the top 10% of wealth holders own 67% of the nation's total wealth (Davies et al., 2007). This implies that capitals are to be divided and distributed according to one's capacity and ownership to assets. Growing disparity inevitably proves to be a product of selfish measures taken upon today's market system where regulations come from exclusive authority and favor an output-maximizing approach.

On this capitalism theory, Karl Max (1867) explained that the concentration of capitals would inherently bear an uncompromising state of inequality in social structure. This is due to income disparity where the return gained from the resource allocation will be contributed to only few of those with privilege in capital ownership. Quoted from the book vol. 1 ch. 25, Marx critiques the capitalistic approach as such:

"It is concentration of capitals already formed, destruction of their individual independence, expropriation of capitalist by capitalist, transformation of many small into few large capitals. This process differs from the former in this, that it only presupposes a change in the distribution of capital already to hand, and functioning; its field of action is therefore not limited by the absolute growth of social wealth, by the absolute limits of accumulation. Capital grows in one place to a huge mass in a single hand, because it has in another place been lost by many. This is centralisation proper, as distinct from accumulation and concentration". (1867: 159)

This century-long approach has sparked debates within development stakeholders; from policy makers to community advocates, from academia to private corporations around the world. The notion of development nowadays is very exclusive, confined to the need of a select few, and likely favoring those with a head start in capital access. Globally where the average income of the richest 10% of the population is around nine times that of the poorest 10% across the OECD countries (OECD, 2011), this expanding disparity deservingly calls for a renovation in the modern adoption of development theory. The long-embraced capitalist

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**Chapter 1 1** <http://go.bloomberg.com/multimedia/ceo-pay-ratio/>

system derives to a world where as countries grow richer, poverty levels remain significant, resulting to a rapidly increasing wealth gap.

Sen (1999) attempted to address this issue with an approach called welfare economics, where the idea of development is through capability approach (giving freedom to individuals of what they are capable to do). This is the origin of Human Development Index, which was later adopted to be the alternative measure of progress to the GDP. Through HDI, the well-being of the people is more accommodated. It takes into account the differences between people, a better distribution of opportunities within the society, and puts a weight on the happiness of individuals. This way, a more horizontal scheme of development is conceptually addressed. This idea acts as an origin to the concept of inclusive development, where the improvement of the distribution of well-being along dimensions outside of nominal income are improved in equal manner (Kanbur and Rauniar, 2010).

### **2.2.2. Emerging new theories on inclusive development**

As a critical concept, inclusive development is still fueled by the growth factor as the main driver of institutions. However, it incorporates extensive well-being dimensions that it attempts to achieve. Inclusive development expands from income-only type of growth to other well-being channels, which covers 1) education, 2) health, 3) living standard, 4) personal safety, 5) opportunities, and 6) environmental sustainability. These are the target elements that can complete a development program to incorporate a more inclusive and sustainable standpoint. It moves the development priority from being one with a heavy focus on vertical progress to one being proportionately structured through adding more horizontal measurements. The six channels mentioned above are proxies to be used as a tool to measure an inclusiveness of certain development initiatives. The combination of these well-being elements is formulated from global development indices that have been popularly used by governments, academics, international development agents, and private industries alike. The indices taken as references are Human Development Index by OECD, Legatum Index by Legatum Institute, Better Life Index by OECD, Multidimensional Poverty Index by Oxford Poverty and Human Development Index, Social Progress Imperative by Social Progress Imperative. These indices as individuals provide a variety of well-being dimensions, which were then combined to ultimately generate the comprehensive model with six specific elements shown above.

Furthermore, before a development initiative can be called inclusive, it has to satisfy at least three critical aspects. It has to provide 1) a widening in the access of well-being channels, 2) a widening in participation levels from the society, and 3) an improvement of general livelihood. Inclusive development prioritizes the provision of facility first, then the quality second, i.e. an increase in quantity of facilities or infrastructure is of higher concern than the quality of said benefits. This is to primarily grant that the people can enjoy the reward of development regardless of their economic status, advancing the notion of well-being in the targeted horizontal manner. The fulfillment of these prerequisites will conclusively lower the inequality gap, strengthen social progress, and distribute a more equal wealth across population.

To illustrate this in Indonesian context, inclusive development would hypothetically be achieved if a development program results in an increase of schools, of hospitals, of decent housing, of safety measure, of jobs, of recycling bins. More importantly, this widening access to public facilities should be applied not only in major areas where an infrastructural system is already established, but to evenly spread across the varying political, economic, and social environments. For this condition to be granted, there has to be an enabling condition that can ensure that everyone enjoys the facilities they need. Firstly, there has to be a comprehensive policy that supports this. Secondly, there has to be a mechanism where an evaluation and monitoring system is maintained. Thirdly, there has to be a participative process throughout the provision of the facilities. If these three elements are carried out, it will increase the chance for an inclusive development to form.

Theoretically, the implementation of inclusive development is a crucial approach to reduce extreme poverty. This has been in the UN agenda of Post-2015 Development Agenda (United Nations, 2013), where targets are concentrated in decreasing the level of those falling in extreme poverty, to improve living standards, creating decent jobs, and addressing youth unemployment as the core issues of development in the next 20-30 years. The initiative taken by the U.N. High Level Panel of Eminent Persons is based on the large portions of the world still living under the \$2 poverty line, not having decent access to infrastructure, and not provided by sufficient job opportunities to improve their well-being. As a country that has been coming late into the modern development agendas, Indonesia is actually ripe of many growth opportunities, proven by the strong economic performance with 6.5% of growth in average from 2008-2012 (World Bank, 2013b). This fact does not only show that Indonesia

has qualified capacity to be the leading country in Asia, but that it has the resources to actually prosper in a more horizontal way only if the capitals were not too concentrated.

Also according to Sen (1990), to promote a better quality of life, the fulfillment of several basic needs is crucial. The rise of economic inequality seems to virtually revoke most of the development initiatives taken by the governments, private industries and their well-being being put first and foremost. This ultimately means a development where people are granted of three important factors: access to infrastructure, provision to facilities, and the capability to participate (Sen, 1990).

With the growing inequality between the two economic groups being the largest that it has ever been for the past 50 years (OECD, 2011), the usual attempts to attain an increase in global economic growth should somewhat be second priority to that of the more urgent endeavor that is to close the wide income gap. Economic welfare is more often mapped above social development, with public policies and business models commonly treating humans as *homo economicus* rather than *homo sapiens*. This school of thought is ever-present under most development schemes of government and private industries alike.

However, there are attempts to measure development progress. The Millennium Development Goals (MDGs) set by the United Nations (UN) in 2000 focus on eight points, namely to eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and global partnership for development (United Nations, 2000).

As countries come to adopt the points above starting from 2000 as recommended by the UN, their economic and political programs are tailored to befit the attainment of those targets. This measure has several implications, mainly that the partnership between the government, the private industries, and the civil societies are driven to fulfill the said agendas exclusive to the idea that *growth* is only a dimension of *development*. Hence, economic development that sustains to growth becomes the focal point in public policies and business schemes alike. This implies that many indicators and indices for development is aimed more at vertical progress (widening inequality) and less at the horizontal expansion (lessening inequality).

This takes place at the same time with the boost of innovation that is fostered through many continents. The first step is to make ourselves richer in economic terms and not in health

terms. This is somewhat a paradox where humans are seen to be the ends to certain pursuits that are bigger than the life itself. This concept is closely knitted with Immanuel Kant's idea in his book *Grundlegung zur Metaphysik der Sitten*, where he argues that it is necessary to see human beings as ends in themselves rather than as means to other ends (Sen, 1999).

“So act as to treat humanity, whether in thine own person or in that of any other, in every case as an end withal, never as means only.”

The proposition that carries after this is that humans should be seen inherently by their capacity to produce and not by their capacity to consume, which is also echoed by Sen's postulation that well-being does depend on human's capability to create their own civilization. This prompts the idea that human beings are expected to exceed their old ways and hence are always driven to innovate, stemming from the Latin word *innovare*, which means to do something new.

It is human nature to make renewals of things that are established. This is the basic notion of innovation, which in so many ways channeled to be the catalyst of growth. The core question is what kind of growth befits the 21<sup>st</sup> century human race? To what extent would innovation play its role in inclusive development pursuit?

### **2.3. Innovation for Inclusive Development**

The notion of IID may be understood from two distinct perspectives. First, IID may refer to Inclusive Innovation for Development. Second, IID may also refer to Innovation for Inclusive Development. On one hand, the former focuses on the *characteristics* of innovation in support of development agenda, in particular those that are created for the poor and usually take the form of ultra low cost products or services. On the other, the latter focuses on the fulfillment of development agenda through the application of innovation. This research follows the latter perspective on IID due to the context of Indonesia as a country that possesses diverse level of development between regions.

By so doing, this research follows a particular strand of methodology that aims to discuss, elaborates, and offer a rich explanation on the issue of development. The novel concept of Innovation for Inclusive Development covers technological aspects as much as the development perspective. This understanding requires a support on policymaking and the

establishment of infrastructure across the area. Therefore, this research will emphasize more on recommendations for development agenda.

## Chapter 3 Surfacing innovation practices and pathways of development: Methods and data

### 3.1. Introduction

The research into practices of Innovation for Inclusive Development (IID) in Indonesia requires a comprehensive design to better capture the multi-faceted nature of IID as follows. First, conceptually, the notion of IID has yet to have a common-agreed definition (this issue is discussed in Chapter 2). Second, there are a number of manifestations of IID practices across public sector, private sector, and civil society (this issue will be further discussed in Section 3.3 below). Third, there are various contexts of political, social, economical, and environmental that in one or another way influences the configuration of IID practices. Last, the particular geographical, environmental, social, and political contexts of Indonesia as an archipelagic country with more than 17000 islands (circa 6000 are inhabited), hundreds of ethnics, numerous natural resources, and disaster prone area. In addition, Indonesia is undergoing a relatively stable democratization from an authoritarian regime – which ended in 1998 – that induces rapid decentralization, political liberalization, and bureaucracy reform.

Furthermore, the rapid decentralization sees a significant change in the role of the central government and regional governments as a result of the delegation of development budgeting, revenue sharing, and development policy from the central government to regional ones. It follows that regional governments have since had greater authority and responsibility to development of the regions. During Soeharto’s administration (1966-1998), the development policy was centralized and controlled by central government (i.e. the President and his ministers); whilst, regional governments (i.e. governors, mayors, and regents) were of policy implementers (Hardjono, 1983). The top-down approach coupled with Soeharto’s cronyism (Crouch, 1979) resulted in a widened development inequality in Indonesia (Booth, 2000, Schwarz, 1997).

Meanwhile, the political liberalization introduces a plethora of new political parties, CSOs, and media. The bureaucracy reform facilitates a greater transparency within government institutions and a wider participation from various stakeholders of government’s development agenda. Whilst the democratization produces a number of benefits to name but a few, openness, transparency, combating corruption, and the improvement in human rights; however, it is yet to face stubborn problems the like of poverty, massive and pervasive

corruption, income disparity, environmental degradation and social conflicts. Moreover, despite of abundance resources both renewable and non-renewable, Indonesia is facing the immense problem of environmental degradation such as water, land, and air pollution, deforestation, extinction of endangered species, and coral bleaching. On top of environmental issues, lately, Indonesia increasingly is facing sectarian conflicts. Undoubtedly, the geographical, environmental, social, and political contexts add to the complexity of IID practices in Indonesia.

Having briefly discussed the multi-faceted of IID practices, this research finds it necessary to design a methodology that is capable of capturing the breadth and depth of IID practices. This chapter is presented as follow: Section 3.1 describes briefly the challenges of researching into IID practices. It is followed by Section 3.2 that recalls research objectives and research questions from Chapter 1. Meanwhile, Section 3.3 elaborates the mixed-method research designs employed to interrogate the research questions. Furthermore, Section 3.4 discusses data collection instrument and methods to analyze collected qualitative and quantitative data. The chapter ends with some conclusions summarized in Section 3.5.

### **3.2. Research objectives & research questions**

Recalling from Chapter 1, research objectives and subsequent research questions are as follow:

1. Despite of the widely social dimension of inclusive development, poverty remains an important entry point to see the development of IID in Indonesia. Since the Millennium Declaration in 2000 in Indonesia, there has been poverty alleviation efforts, although, Inclusive Development has yet to become the mainstream of development approach in the country. Hence, initiatives are implemented locally and scattered. In the ministries (Agricultural Ministry, State Welfare Coordinating Ministry, etc), local governments, Civil Society Organizations, Media, and other institutions; we can find initiatives that aim for reducing poverty and empowering the poor. For examples: PNPM, IBEKA, Bappeda for Creativity and Innovation (Local Government), and Kompas news. In the light of UNIID program, it is time to review and map which initiatives are already in line with IID. Therefore research questions (RQ) arise from this issue:

*RQ 1: What are the existing initiatives that are in line with the idea of IID in Indonesia?*

*RQ 2: To what extent have these initiatives helped to achieve an inclusive development?*

2. Reckoning the importance of the government to foster innovation for inclusive development, it is important to see the overall policies in the ministries today as several ministries and government institutions have detected to issue innovative policies for poverty eradication and community empowerment. For example the central bank of Indonesia issued a regulation to give low rate interest and easy procedure for SME's, etc. This is to support a policy recommendation as an output of this research. Therefore another research questions arise:

*RQ 3: What are the existing policies that are related to inclusive development initiatives?*

*RQ4: To what extent are the impacts of these policies to the implementation of inclusive development initiatives?*

These four research questions are operationalized in the following sections.

### **3.3. Research design**

This research uses a mixed method approach and mobilized both quantitative and qualitative data. It employs the quantitative research method to interrogate the landscape of IID practices in Indonesia. Meanwhile, the qualitative research method is used to evaluate IID practices in Indonesia.

The quantitative method utilizes survey and focuses on to mapping the various practices of IID in Indonesia. As such, it aims to demonstrate the breadth of the research. Meanwhile the qualitative method utilizes both interview and Focus Group Discussion (FGD). Therefore, the qualitative method aims to demonstrate the depth of this research. The depth of this research manifests in the elaboration of various motivations, drivers, and barriers of implementation of IID practices among government bodies, businesses, universities and civil society organizations; and the discussion of a number of changes introduced by IID practices to its benefactors. Details description of survey, interview, and FGD are presented in the next section.

### **3.4. Data collection & analysis methods**

Both qualitative and quantitative data were collected during a fieldwork started from May 2013 and completed in August 2013. The data were simultaneously processed, coded, and analyzed from June 2013 up to September 2013. These data along with their analyzes were presented in corresponding chapters in this report namely, Chapter 4 for quantitative data, and Chapter 5 to Chapter 7 for qualitative data.

As ideal as we wanted this research to become, however, we were limited by resources available to our perusal that are access to data, time, and research fund. Therefore, we had to compensate this constraint with some scoping and data limitation. The scoping and data limitation are in the following. IID initiatives will be limited to initiatives that have the characteristics of (1) involving science, technology, or knowledge development in general in its process; (2) involving community empowerment in its process; and (3) giving economic benefit to the community. Meanwhile, IID policies that will be reviewed are those with criteria: (1) Enabling the poor/vulnerable to access information, health, etc; and (2) Promote entrepreneurship.

In term of temporal limitation, data were collected within the last 5 years (2007-2012). Year 2007 was also the year that initiatives for inclusive development, which also includes community empowerment started to spring. Furthermore, in the same the period, President Susilo Bambang Yudhoyono put a great attention on innovation, innovation system, and sustainable development.

As the notion of inclusive development is relatively new in Indonesia, therefore, we collected data about IID projects through proxy keywords such as community development, Corporate Social Responsibility, and poverty alleviation. Although, these proxies may not perfectly reflect the notion of inclusive development, however, we offer a number of explanations to support the use of these proxies. First, we argue that in the absence of commonly agreed definition of IID coupled with similarities between IID projects and the aforementioned keywords, these proxies provide a way to observe IID projects in Indonesia. As such, second, these proxies are better understood by the respondents, and arguably, are able to record more IID-related practices.

### **3.4.1. Survey**

The survey mobilizes secondary data collected from a number of public and private institutions, and civil society organizations. The survey in particular ran from May to July 2013 in Indonesia.

Overall, the survey returned with 1825 IID projects across the Indonesian's 33 provinces consisted of 1112 (60.93%) of government IID projects, 392 (21.48%) of academics and Civil Society Organizations (CSOs) projects, and 321 (17.59%) of private institutions projects. At the first glance, the total numbers of collected projects along with a large data on government projects may seem disheartening. In a deeper consideration, however, it is *the* first attempt in Indonesia to collect this data. As such, this research is by no means aspired to put forward a representative data on IID practices in Indonesia. Rather, it is aimed to offer a glimpse on IID practices within the Indonesian context. In so doing, it aspires to provide a baseline for further research on IID practices in Indonesia.

Collected data was coded into three categories i.e. types and forms of innovation, components of inclusive development, and characteristics of IID. The type and forms of innovation consists of product, process, radical, and incremental innovation. It captures innovation aspects of inclusive development practices. The components of inclusive development consists of education, health, living standard, opportunities, personal safety, and environmental. As such, it depicts various objectives of inclusive development practices. Meanwhile, the characteristics of IID consist of technology, community, and income channel. It reveals the medium of inclusive development practices.

### **3.4.2. Interview**

One part of this research was aimed to evaluate the implementation of IID practices in Indonesia. In order to meet this particular objective, it is of necessity to study some purposively selected cases using interview and FGD (is elaborated in the next section). The interview was used to explore the perspectives of benefactors and owners of IID projects.

Interview participants were selected due to their influence to and role in the IID projects. Interview participants were offered with a degree of anonymity to maintain their safety and job. Furthermore, interview participants were not presented with a gift; instead, the researchers provided some simple meal or snacks during the interview session. In total this

research collected 20 interview sessions from three cases namely Bantaeng, Ciptagelar, and Probolinggo. The list of participants is presented below.

Table 3-1 List of Interview Participants

<b>BANTAENG</b>	<b>CIPTAGELAR</b>	<b>PROBOLINGGO</b>
Mrs. Asniati	Mr. Sapto	Mrs. Bonaria Siahaan
Mr. Yusuf	Mr. Gigin	Mr. Sonhadji
Mr. Tanaka	Mr. Dygdha	Mr. Aksan
Mr. Affandy	Mr. Ugi	Mr. Budi
Mr. Sutardjo	Mr. Sarban	Mr. Yayuk
Mr. Bachtiar	Mr. Yoyok	Mr. Bambang
Mr. M. Yusuf	Mr. Sapto	Mr. Abdullah
Mr. Ramlan	Mr. Adi	
Mr. Jamil		

Source: Authors

Furthermore, voice records from interview sessions were subsequently transcribed verbatim and coded. We followed the method of latent coding for the coding scheme of interview transcribes. Latent coding briefly means “the characteristics of the response coded were not explicitly called for by the questions themselves” (Aberbach and Rockman, 2002, p. 675). As such, we derived themes and categories inductively.

Interview questions are located in the appendix to this report.

### 3.4.3. Focus Group Discussion (FGD)

Focus Group Discussion was used to provide participants’ confirmation on research’s findings, and as such, it strengthened the reliability of qualitative data. Furthermore, FGD was used to collect participants’ reflection on research’s findings. The participants for FGD sessions were gathered from related interview participants. Similar to interview, FGD’s participants were selected due to their role in and influence to the project. The list of FGD’s participants is located in the table below.

Table 3-2 List of FGDs Participants

	<b>BANTAENG</b>	<b>CIPTAGELAR</b>	<b>PROBOLINGGO</b>
Number of participants	22 persons	10 persons	10 persons
Participants	Mr. Nurdin Abdullah Mr. Bachtiar Karim Mr. Syamsul Suli Mr. Muh. Wanis Mr. Budi Taufik	Abah Ugi Kang Yoyok Ki Sarban Baris Kolot (6 people) Observer	Mr. Sonhadji Mr. Aksan Mr. Dimas Anggoro Mr. AgusTriwahyuno Mr. Abdullah

	Mr. Tanaka Mr. Badauri Mr. M. Yusuf Mr. Andi Nur Ikhsan Mr. Syarifuddin Mr. Abdul Wahab Mr. Sudarmin Mr. Hasanuddin Mr. Suhardi Jaya Mr. Muslimin Mr. Iskandar Mr. Amiruddin Ms. Asniati Ninra Mr. M. Jupri Observer		Mrs. Yayuk Observer
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Source: Authors

Furthermore, there were at least five topics discussed in each FGD session. These topics are related to the interview questions. FGD's topics are as follow:

Table 3-3 Topics of FGD sessions

TOPICS
Confirming the information previously received from separate interview sessions
Enriching the perspectives of drivers and barriers factors that have impacts on respective IID initiatives
Identifying policies that are associated with the programs
Assessing strategies that are being operated in respective IID cases

Source: Author

Each of FGD's session was transcribed verbatim. The transcriptions were processed, coded and analyzed using similar approach as in interview.

### 3.5. Conclusions

We have discussed the rationale and justification of selection of research designs employed in this report. The chapter also operationalized research questions into interview questions, FGD topics, and survey questionnaires. We argue that research into IID may be better conducted through a mixed-method. In so doing, the research will capture the breadth and depth of IID practices.

## Chapter 4 State of the art of Innovation for Inclusive Development: The Indonesian setting

### 4.1. Introduction

The development agenda of Indonesia is currently at its defining state. Fifteen years after Soeharto resigned in May 1998, the nation has experienced a number of changes in political, economic, and social landscapes. More open reforms are enacted. Politically, the country held its first-ever open election in 2004 resulted in the reign of Susilo Bambang Yudhoyono. The adoption of decentralization program to promote transparency and accountability was carried out since 1999. In economic terms, immediate restructurings were taken through trade liberalization, financial deregulation, and privatization. Indonesia has since departed from an authoritarian, centralized governance to a more democratic one. As such, these changes are expected to bring about infrastructure investments to a wider area (Bell and Pavitt, 1993).

Nowadays, the development agenda takes a crucial part for every country, regardless of their related level of development. In relation to the global development agenda, the United Nations produced a report endorsed by all countries called the Millennium Development Goals (MDGs). The report outlines eight priorities of development to be achieved by 2015 that are eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality and empower women, reducing child mortality, improving maternal health, halting the spread of HIV/AIDS, ensuring environmental sustainability, and establishing global partnership for development (United Nations, 2010).

In June 2013, The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda that is called “*A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development*” was published and offered as the development agenda after 2015. The report aspires to achieve “a world in 2030 that is more equal, more prosperous, more peaceful, and more just a world where development is sustainable” (United Nations, 2013). Moreover, the report indicates inclusive growth – another similar jargon for inclusive development – as an integral part of global development agenda (United Nations, 2013).

Furthermore, as suggested by the United Nations (2013), the utilization of innovation is highly required to encourage a great economic transformation. Even though the question of how technology and innovation influence economic development remains a controversial issue (Fagerberg and Godinho, 2005, Fagerberg et al., 2010), there are evidences that suggest the importance of innovation for development over time (2002). This notion is supported as well by OECD (2013) that at the same time, underlines the pivotal role of innovation in economic development. The importance of innovation for the development agenda was also emphasized in the context of the OECD Innovation Strategy (OECD, 2010, OECD/IDRC, 2010). The innovation concept is broadly defined to include product, process or social innovation; either it is incremental or radical innovation. By considering all of these facts, we contemplate the intersection concept between Innovation, Development, and Inclusiveness.

Since the Millennium Development Goals (MDGs) Declaration in 2000, in Indonesia there have been poverty alleviation and community empowerment efforts. However, Inclusive Development has yet to become the mainstream of development agenda in the country. Hence, initiatives are implemented locally and scattered in the ministries, local governments, civil society organizations, private companies, and academicians. Building more inclusive developments in Indonesia is essential element in achieving sustained economic growth, more and better jobs, and greater social cohesion. There has to be a review and mapping on these activities to see which those that have lead to inclusive development, and through which policies these initiatives could be sustained, developed and further replicated in another areas possible.

Moreover, there is a strong need to design new policies in a process that is open and inclusive to other stakeholders. Based on data analysis, it found that IID practices are concentrated in some regions that have been the locus of development for more than 60 years of the founding of Indonesia. As such, it challenges the perspective that IID aims to facilitate a more equal development. Furthermore, the chapter shows a plethora of IID practices across sectors (actors), geographical contexts, and development agendas. These findings indicate various IID perspectives at the global and local level as well, and contestation on interests among stakeholders in Indonesia. The chapter concludes with an offer of a number of key success factors with regard to IID practices in Indonesia.

This chapter presents a mapping of IID practices in Indonesia. Literature Review: Understanding IID will be discussed in the second section. The third section will explicate

findings and discussions on government, business, and civil societies actors-driven. Conclusion will follow in the fourth section of the chapter.

#### **4.2. Understanding Innovation for Inclusive Development (IID)**

Departing from an authoritarian, centralized governance to an aspiring democratic one is a task enabled by a lot of good opportunities: liberalization of private sector, a freer competitions allowed by opening gates of international trade and the nationwide social movements progressing to a more empowered state. This consistent resilience proved to bring the country a steady economic growth at 6.5% on average from 2004 to 2012 (World Bank, 2013b). Amidst the 2008 global financial crisis, the nation comprising of 250 million people is a leading example of a developing country with a rising needs of developmental agendas.

In a setting where economic growth is evident, the notion of development is then a question not less importantly being addressed. In lieu of an economic growth, which focuses mainly on a financial term and especially measured through one's change of level of income, the implication to development in the whole is not always positive. The income rise of a certain part of the society has an effect to a rise in inequality as a whole economy. This gap widened by the constant push in consumptive economy.

The less ambiguous of measures by the non-profit organizations are aligned with the tenacious inclination of it being developmentally correct. The notion of growth (Kanbur and Rauniyar, 2010) has become quickly stale as it is becoming less of a focus in terms of innovation. With the transcendental measures it make, the idea of inclusive development seems to be as great as it is in assemble of grand idea. In leading the roles, the non-governmental Organizations (NGOs) are making their characteristics lie ahead in once where the possibilities are addressed.

Both technological and conceptual definitions of innovation function as a catalyst to reach an inclusive development, which are done through applications of new methods and technologies. According to Fagerberg et al. (2010), innovation is quite widespread among developing country firms, is associated with higher productivity and, as in the developed part of the world, is dependent on interactions with other private and public actors. Innovation that embraces local actors is key to the sustainability of development initiatives and is central to the effort of narrowing the socioeconomic disparity. However, this subject is still understudied and the link between innovation and inclusive development is not yet fully

established. Hence, this chapter attempts to contribute a new set of lenses in addressing the questions of social and economic progress.

In Indonesia, where poverty alleviation is still an important homework, innovation for inclusive development (IID) concept has yet to become the mainstream approach for development programs or policymaking. Numerous initiatives attempting to address the reduction of welfare discrepancy implementing principle notions of IID do exist, however they are still lacking in analysis. This study aims to map the current initiatives conducted by various actors and analyze how these programs work in pursuits of inclusive development. There are two types of innovation: product and process innovation (Tidd et al., 2005). Products are “ends and processes are “means” (to ends), which by definition, processes are active. New products are often seen as the cutting edge of innovation in the marketplace, but process innovation plays just as important as strategic role. In terms of the level of significance, Oyelaran-Oyeyinka (2006) has acknowledged that Innovation has several characteristics, prominent among which are uncertainty, interactive learning and a degree of innovativeness, which leads to characterizations such as radical and incremental innovation. Radical innovation has unique characteristic on the radical changes of global significance. On the other hand, incremental innovation has attributes, such as small improvements in product design and quality, in production processes, or in the way in which production is organized; changes to maintenance routines that collectively modify products and processes, to bring costs down, increase efficiency, enhances welfare, and ensure environmental sustainability (Oyelaran-Oyeyinka, 2006).

Measuring innovativeness through three measures; (1) new methods/scheme, (2) new deliverables, and (3) new ways of partnership, we take on the triple helix framework: the government, the private, and the academic/civil society sectors. The Triple Helix model focuses conceptually on the government, university, and industry, paraphrased as “helices”, and on their interaction (Etzkowitz and Leydesdorff, 2000) and it has become an important model.

Drawing characteristics of innovation from the three actors, an examination on how they lead to the improvement of society’s quality of life through three central means of innovation; technological implementation, community empowerment, and change in income channel will be conducted. The measurement of inclusive development is evaluated using several proxies; (1) education, (2) health, (3) living standards, (4) personal security, (5) opportunity, and (6)

environmental sustainability. This stems from the understanding of development that puts the notion of economic progress through a multidimensional outlook, not tied to merely increase in real per capita income as what growth denotes (Kanbur and Rauniar, 2010).

The incorporation of education, and health proxies originate from the well-being perspective that ties closely with development. Using the basic measurements for development, several popular development indices such as Human Development Index (HDI), Multidimensional Poverty Index (MPI), and OECD Better Life Index include the education dimension as a proxy for development. The Social Progress Imperative (SPI), HDI, and MPI also include health and living standards as crucial indicators of development. The Legatum Index and SPI also explore development through the perspectives of society's standards in personal security, opportunity level, and environmental sustainability. Based on indices above, we group the most prominent instruments as a definition of development marker.

#### **4.3. The landscape of IID initiatives by the Government**

Like many other countries, the Indonesia's government has commitment in improving well-being of its citizens as stated in its constitution as well as in various international pacts signed such as Millennium Development Goals (MDGs). Given their capacity, many departments and other government institutions of the state have taken parts in poverty alleviation initiatives through different aspects, and ways where they ground.

In this case study, it is interesting to see the pattern and distribution of the government initiatives through IID perspective, and what is the possible implication could be drawn from these findings. A purposive survey to several government institutions, which are currently the major hubs for poverty alleviation programs as well as science and technology applications have gathered 185 initiatives.

Having the data coded and graphed, generally we have found that concentration of initiatives in the graph compared to the following business, and civil society organization sectors are more distributed geographically. In our opinion, it might be the implication of decentralization rules in Indonesia after year 2000, which the development must be well distributed to all provinces in Indonesia. Although so, locally mostly initiatives are concentrated in regions where there are already existed some facilities, funds, and responsive local / district governments. As shown in the graph below, areas with flat graph could indicate the lack of capacity or local government's supports to implement initiatives.

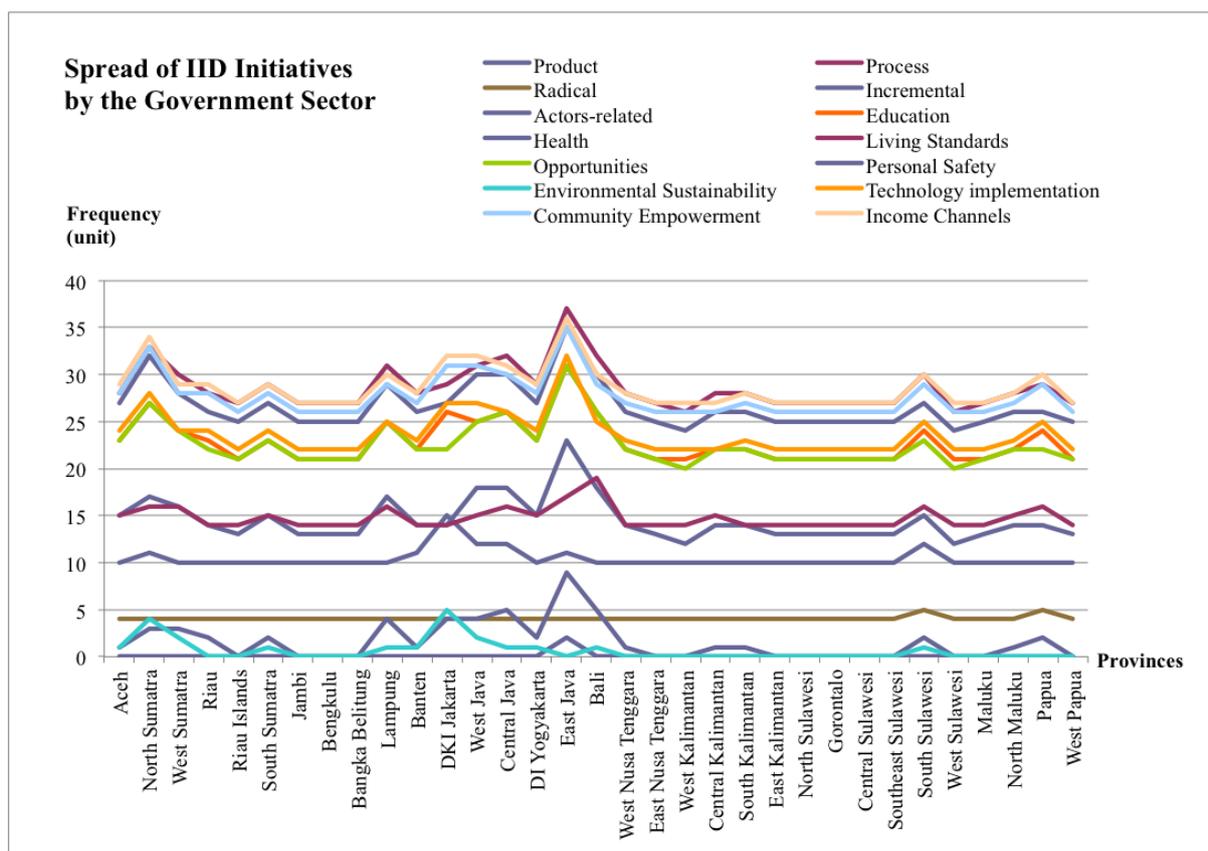


Figure 4-1 Spread of IID initiatives by the Government  
Source: Author

Government initiatives from the data dominated by incremental innovation with process oriented. Most programs have opened job opportunities and therefore increase the beneficiaries' income. In our opinion, the main reason of government initiatives dominated by incremental innovation is because they are keen on improving communities learning from time to time. They try to avoid radical innovation because as explained by Oyelaran-Oyeyinka (2006), radical innovation needs radical changes of global significance, and by nature it is not government's characteristics, which prefer stable environment. Thus, government prefers incremental innovation to radical innovation.

By doing the incremental innovation, they can learn from their mistakes and keep doing some improvements. Based on the Oyelaran-Oyeyinka (2006), the main objective of incremental innovation is to increase efficiency, enhance welfare, and ensure environmental sustainability. These objectives are corresponded with government's main role as the people's guardian. Moreover, they are most likely not being able to do some radical innovations, which need

longer period of time to be succeeded because by considering the government regulations for government budget, they usually cannot have multi-years program and it applies for these IID initiatives as well.

On the other hand, one of the main reasons they favor process innovation rather than product innovation, in our opinion, it is because they want to have a process for solving problems, to add value to the organization by developing its people. According to Tidd et al. (2005), there is a need for continuity in process innovation rather than in product innovation. Success in process innovation depends on a steady stream of change resulting from regular review and continuous improvement relatively than dramatic radical innovation. To a large extent, I share this view. Particularly, continuous improvement is really needed in developing the communities in some areas. The commitment from local / district government is required in order to keep improving the initiatives. Hence, process innovation plays just as important as strategic role to increase welfare and efficiency in the communities.

Based on the initiatives collected, we also can have an initial finding that the main government actors are from Ministries, particularly from Ministry of National Development Planning (BAPPENAS), Ministry of Social Affairs, Coordinating Minister for People's Welfare, Ministry of Public Works, Ministry of Home Affairs, Ministry of Manpower and Transmigration, Ministry of Communication and Informatics, Ministry of Maritime and Fishery Affairs. There are also non-ministry government institutions like the National Team for Accelerating Poverty Alleviation (TNP2K) and the Agency of the Assessment and Application of Technology (BPPT). Besides, the local government also considered as the main actor for the IID initiative.

TNP2K has been initiated since 2010, which it is an ad hoc institution that coordinating all related ministries who have poverty alleviation program, particularly from Ministry of Social Affairs, Ministry of Public Works, and Ministry of Communication and Information. Technology application for poverty alleviation is one of the missions from the Ministry of Research and Technology. This ministry also has poverty alleviation programs known as Technology for Communities (Speklok) and National Strategic for Excellence Research (Rusnas). The approach is by introducing technology from Ministry of Research and Technology to the community. In its implementation, often the technological devices can only help temporarily because there is no appropriate monitoring and evaluation.

Besides amongst government institutions, they are also collaborating with other actors, such as universities, international donors, and private sectors. For the most part, they are collaborating with universities. This main collaboration has good advantage which they can explore the great knowledge from the universities. Nevertheless, it has a shortage in which the universities often cannot deal with the communities directly. Thus, we believe that the collaboration with the local Civil Society Organization (CSO) must be enhanced over the time. From this early finding we can see that the government could pave the way for IID initiatives from other actors to take place and therefore can lead the development of IID initiatives.

Improvements in the quality of education, health care, infrastructure, and environmental services will be critical for the economic growth and political stability of Indonesia as an emerging middle-income country. In this case, one of the program which takes the biggest part of the number of initiatives from government, the *Program Nasional Pemberdayaan Masyarakat Mandiri* (PNPM Mandiri), or National Community Empowerment Program, has shown to address a more inclusive development in the way it widen access of the poor to health, as well as education, living standard, personal safety, and environmental sustainability.

This National Community Empowerment Program that was formally established in 2007 is an Indonesian Government program aimed at empowering communities and alleviating poverty. The program operates in every sub-district in all of Indonesia's provinces (PNPM Mandiri, 2007). PNPM Mandiri is the world's largest community development program. Through PNPM, the Indonesian Government endeavors to make development planning more inclusive, accountable, and reflective of local needs. PNPM works by giving communities block grants that they can spend to carry out plans that they have developed through a participatory, bottom-up planning process that is facilitated by social, and technical specialists who provide advice to communities but do not control the funds (PNPM Support Facility (PSF), 2012). Additionally, the community-driven development approach of PNPM Mandiri encourages all members of the community to become involved in the development process. With funds received through PNPM Mandiri, members of communities work together to plan, implement, and maintain the roads, schools, and other small infrastructure that they need the most, working with local governments to ensure that the projects are in line with government's planning.

With the involvement of World Bank as one of the funding resource, the initiative evolved and accustomed with the local needs and conditions. With two sources of funding: government and World Bank, also reflecting the interests from both parties, for instance the combination of forging ahead initiatives that can increase economic growth and distribution of development nationwide.

The equilibrium between economic growth and inclusive development must be taken into account since Indonesia is a middle-income economy that has appreciable levels of economic growth, but Indonesia has a low Gini coefficient. According to Bertelsmann Stiftung BTI (2012), the Indonesia's Gini coefficient is 36.8. The Gini coefficient is a common indicator of income inequality, measures how much the per capita income distribution within a country deviates from perfect equality. Trends in developing countries over the past two decades suggest that many countries have become less unequal (World Bank, 2013b).

It is estimated that 20 percent of high-income groups are dominating nearly half of the national income (TEMPO, 2012). These figures indicate that Indonesia must pay an attention to the Inclusive Development issues, which the development must be distributed equally to all social, and economic levels all around Indonesia.

In terms of the policy level, there is no existed specific Policy to support IID. It can be said that IID concept has yet to become the mainstream approach for development programs or policymaking. The main reason of this is because IID notion is not widely spread in Indonesia, either national or district level. Nevertheless, some District Governments have included participatory development planning, which indicates that the policies are involving all communities (inclusive) in order to develop some districts.

Furthermore, the actors' interests suggest government to produce policies that give room for possible modifications either in partnership or organization. The policies are needed to support the IID initiatives as well as keep the network interaction and learning atmosphere to be grown steadily.

In conclusion, government initiatives are driven by national mission to alleviate poverty as one of the national priorities. Given the fact that government initiatives are more widespread, the government of Indonesia has the chance to lead-to-lead IID initiatives in Indonesia since they have funding, infrastructures, apparatus, network, and policies. There are main points need to be addressed as the key success factors for the IID initiatives from the government-

driven, which are leadership from national, and local government, the ability to assure the sustainability of program and also collaboration with the fellow government institutions and other actors.

#### **4.4. The landscape of IID initiatives by the Business Sector**

It is apparent that business promotes the practices of IID through its Corporate Social Responsibility initiatives (see for example, Barkemeyer, 2009, Utting and Marques, 2010). Although there is no commonly agreed definition about CSR (Garriga and Melé, 2004), however, CSR is generally perceived to deal with three aspects i.e. economic aspects, social aspects, and environmental aspects (for example, Schwartz and Carroll, 2003). In particular, the social aspects cover issues such as provision of education, promotion of health, and job opportunities. Meanwhile, environmental aspects include issues the like of pollution control, energy, and environmental management. Economic aspects usually deal with improving income and living standards. As such, we argue that there are shared features between inclusive developments and CSR.

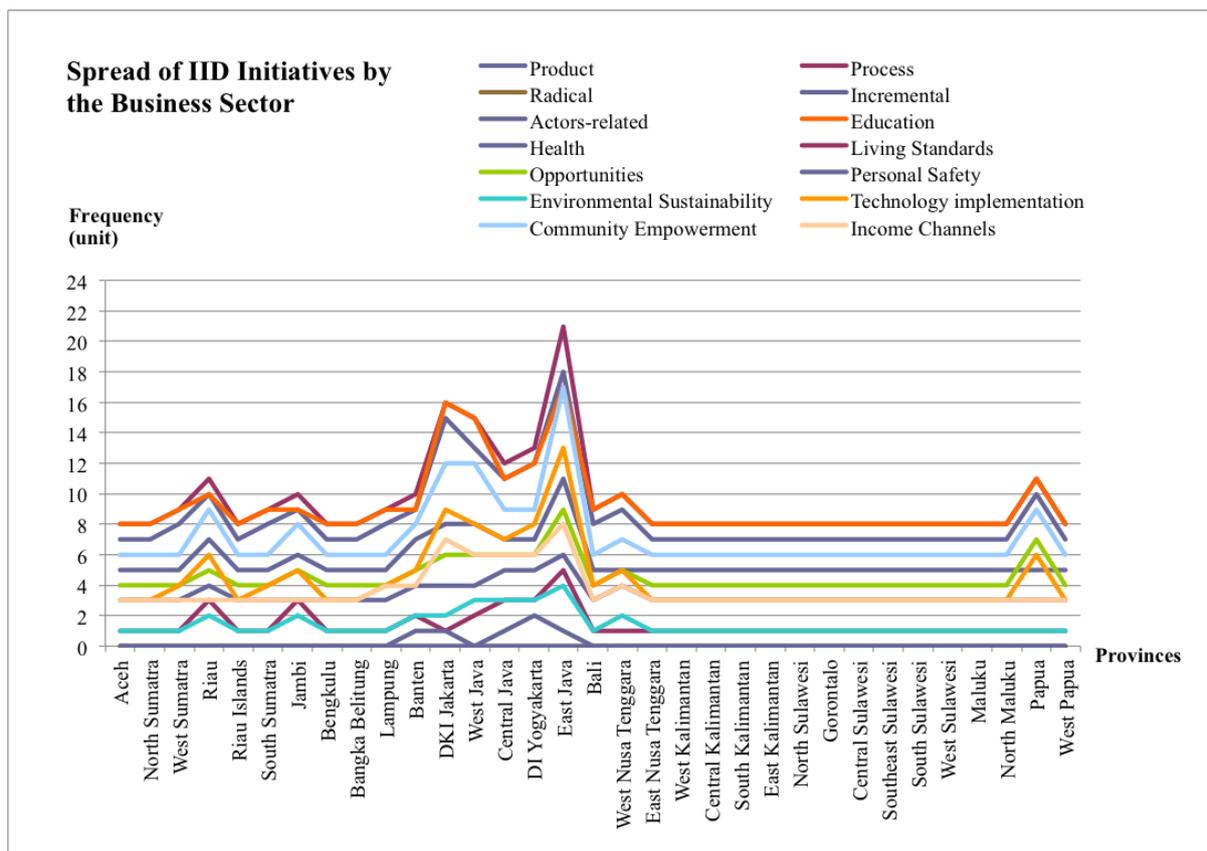


Figure 4-2 Spread of IID Initiatives by the Business sector.  
Source: Authors

A summary of the IID initiatives amongst business is pictured in Figure 4-2. The figure suggests a number of findings as follow (1) business mostly-uses the process innovation in related IID practices; (2) the majority of IID practices focuses on education; (3) community empowerment has been the main characteristics of IID practices; and (4) business involvement in IID practices is driven by its interests. The first three findings reveal the elements of IID initiatives as practiced by business. Whilst, the fourth finding indicates the underlying motivation of business in its IID-related initiatives endeavor. We elaborate these findings below.

First, the process innovation indicates that business' IID practices mostly deal with improving the delivery of existed public services such as scholarships, access to water, supporting school programs, and free health service. These initiatives have some commonalities i.e. they are short-term, engage with limited stakeholders, and relatively easily replicated. For instance, the provision of scholarships requires little time to prepare and carry out. The scholarships

involve a few stakeholders e.g. students and their families, and schools. The mechanisms of scholarships such as the selection of students, the amount and of financial assistance, and the disbursement of scholarships are arguably simple and thus, they are easily replicated in another targeted area.

Second, education, in particular scholarships, as the focus of majority of IID initiatives signals a pick-low-hanging fruit approach. In the same time, it also reveals the problem of unequal access to formal schooling in Indonesia as a result of poverty. As indicated previously above, the provision of scholarships with its relative simplicity seems to reflect a type of low-hanging-fruit approach. It suggests that business involvement in inclusive development initiatives is to large extent motivated by its interests in the related area. We will further discuss this argument shortly.

Third, community empowerment and development reflects the common approach in CSR practices. As IID initiatives share some of CSR features, therefore, it is expected to follow some common approaches in CSR practices such as community empowerment and development. Indeed, some commentators suggest that community development is more widespread in developing countries (Eweje, 2006).

Fourth, the most striking finding is that the underlying motivation of business involvement in related IID initiatives may be of its business interests in the related area. This is reflected by the peaks in the Figure 4-2. Almost all peaks observed in the figure carry particular business interests. For example, the province of Riau signifies the interest of palm oil companies; whilst, the six provinces of Java island (namely, Banten, West Java/JABAR, Jakarta/JKT, Central Java/JATENG, Jogjakarta/DIY, and East Java/JATIM) relate to companies' headquarter and main operation. It suggests that business carry out IID initiatives through the proxy of CSR projects to maintain its interests e.g. lower social risk, niche market, and corporate image rather than to serve the needs of surrounding marginalized community. As such, the intended benefit for business is to maintain its operation; whilst unintended consequence is to implement inclusive development related initiatives. This finding essentially challenges the implicit dimension of IID that is to serve the marginalized people.

**4.5. The landscape of IID initiatives by the Academics and Civil Society Organizations**

We will see how the assumption that decentralization ignites larger participation particularly from Civil Society Organizations (Hadiz, 2004) is proven true. Taking a sample of 44 initiatives by the academic and Civil Society Organization groups, we can see that the spread of the IID initiatives are still concentrated in Java area. There are peaks around Kalimantan and in Sumatra. This signals the fact that the initiatives are still dominated in areas where basic infrastructures are established. This evidence defies the aspiration of decentralized government where the civil society is taking a bigger role is making sure that development is done in equal, more inclusive framework (Hadiz, 2004).

Specifically on the Java case, the initiatives are visibly concentrated in Central Java area. This is supported by the data that more developmental programs are conducted in around the area. There are two different types of initiatives done by the academics and CSOs, in that older institutions such as Mercy Corps, IGCN (Indonesia Global Compact Network), and YCAB (*Yayasan Cinta Anak Bangsa*) diversify their programs across the nation, while recently established organizations tend to concentrate their initiatives in more developed areas.

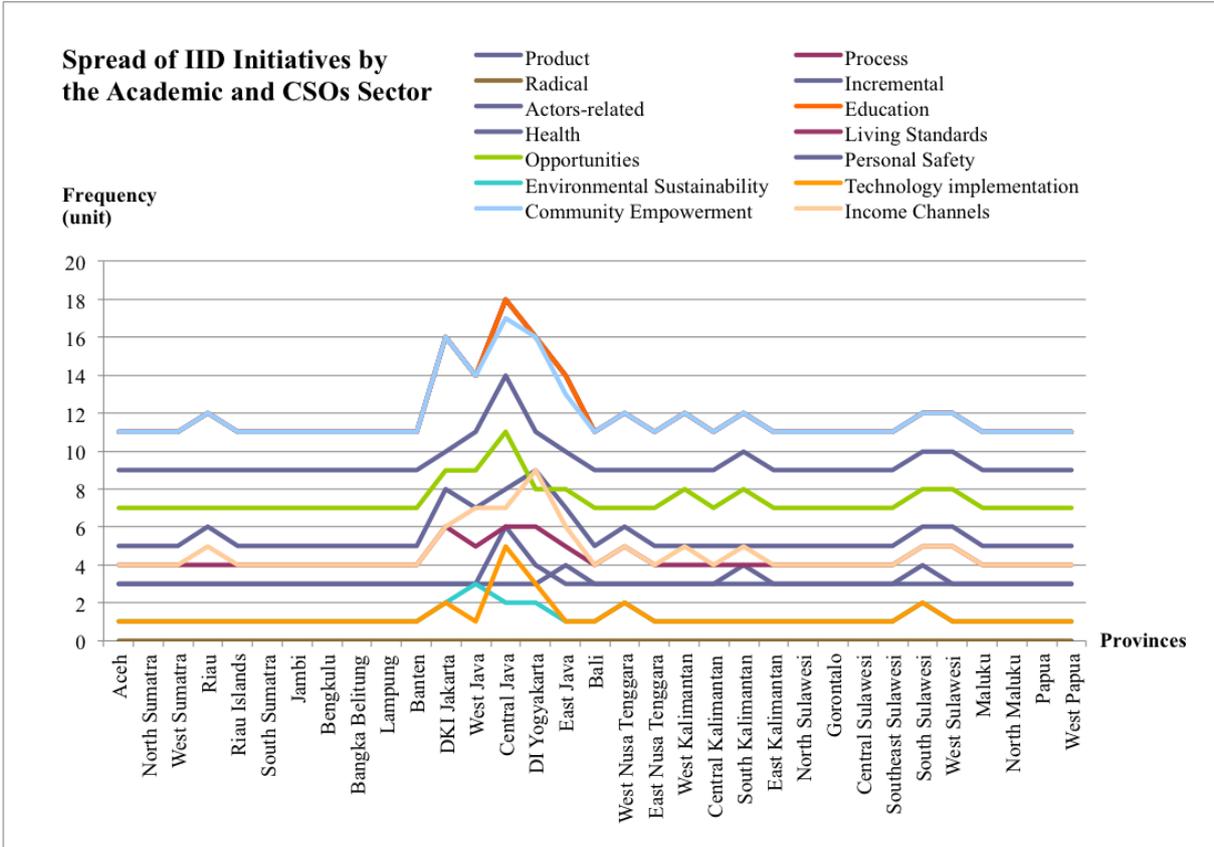


Figure 4-3 Spread of IID initiatives by Academics and CSOs. Source: Authors

Characteristics of the initiatives also differ by the period of time they are conducted. Similar pattern occurs when we distinguish the “old” organizations with the “new” ones. Older institutions tend to provide programs with longer periods, ranging from 6 months to multiple years, while newer organizations tend to lead shorter length, ranging from 1-day events to 6 months.

One of the rationales behind this is the fundamental idea that development initiatives are weighed significantly on sources of funding and infrastructures. For not-for-profit organizations, this is a crucial fact that supports the concentration of programs in certain areas (Escobar, 2011). Organizations like Mercy Corps and YCAB, both established in 1999 and considered as old players, rely their developmental projects and policies on external donors.

The level of inclusiveness in the development also varies across organizations. Kanbur and Rauniyar (2010) suggest that inclusive development is any form of development that is to do with improvements in distribution of dimensions other than income. Evident by the type of development conducted by the organizations, they are concentrated on education and health dimensions. These two are considered the basic development (Sen, 1993). Hence, the roles of academics and CSOs are still limited to elementary needs and not giving rooms for more advanced and dispersed development as what is aspired by decentralization system mentioned earlier.

#### **4.6. The universal state of the art of IID in Indonesia**

Having discussed findings across three sectors, we find it necessary to draw a common denominator between sectors. First, the IID initiatives took place in relatively developed regions of Indonesia where infrastructural access are more established. We summarize these initiatives in Figure 4 below.

## Map of Innovation for Inclusive Development in Indonesia

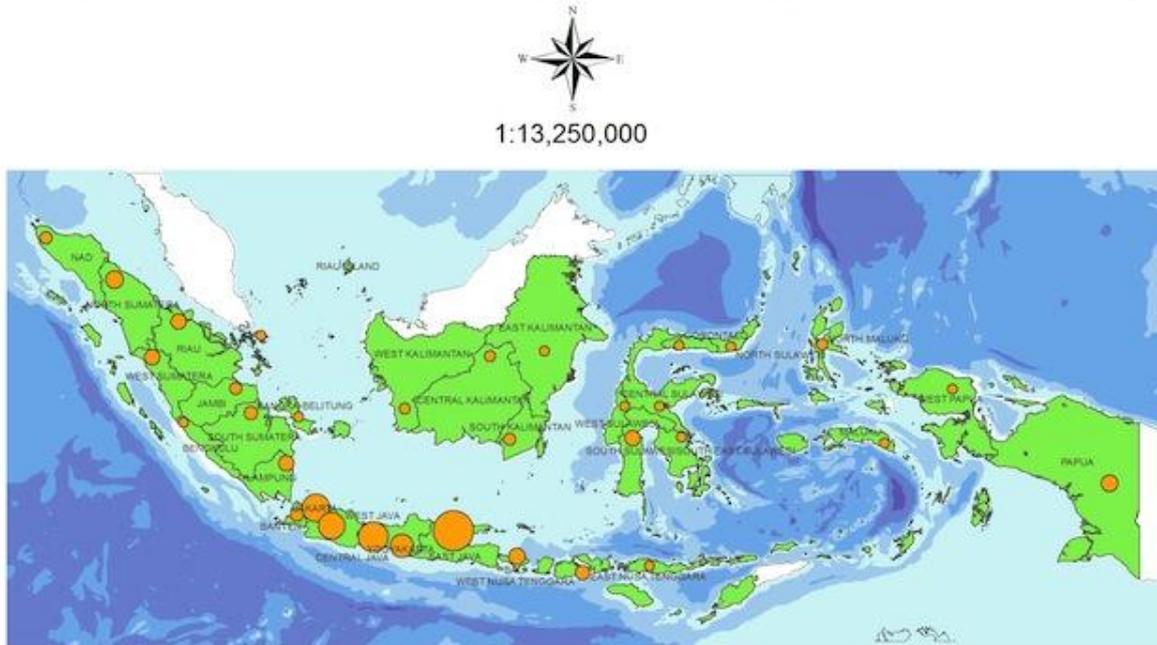


Figure 4-4 Spread of IID initiatives in Indonesia by geographical context  
Source: Authors

Second, instead of driven by the needs of potential beneficiaries, IID initiatives are seemingly driven by interests of projects owners, in this case government, business, and CSO alike. Third, IID initiatives have been aimed to answer some of the more profound social problems in Indonesia, mainly on education and health. In a more sinister tone, perhaps, these initiatives also reflect the attitude of pick-low-hanging fruit among project owners.

### 4.7. Conclusions

Development has brought both good and bad implications to a country. This is no exception to Indonesia. Despite the economic growth at macro level, inequality, especially in economy persists. Change in politics that entails development process and outcomes also shown to happen where decentralization, in the SBY reign has helped pave the way for various development initiatives to take place.

Global push through MDGs and post-MDGs agenda has shift towards inclusive development where hopes for a more diverse and equal distribution of development fruits can be addressed

through harnessing innovations in technology as well as in partnership strategies. Meanwhile innovations help to increase economic growth and narrowing the gap, inclusivity is the other side of the coin to attain a sustained growth. Given these outcomes to achieve, it remains a big homework for the countries, especially those with poverty and inequality economy problems, to prepare policies that could support Innovations for Inclusive Development through open and inclusive stakeholder partnerships.

Given the persistence poverty rate in Indonesia, the above issues have driven various initiatives to implement in the country during 2007 to 2012. Poverty alleviation as one of the MDGs becomes priority national program where in second presidential period of SBY coincides with innovation notion to address people's welfare.

How IID possibly apply in Indonesia could only be answered through acknowledging the situation of the existing initiatives that bears interesting patterns unveiled through this study. Indonesia is lacking of survey on innovation initiatives, surveys conducted in this study does not mean to represent the total initiatives population and is purposive targeting institutions whose programs are potential to include innovations and address inclusive development ends.

The pattern from the government sector shows distribution of initiatives following the trace of decentralization in the countries where local actors and government have more chance to support and even conduct programs. Despite the relatively widespread distribution, initiatives are still showing concentration in several established areas such as Java, North Sumatera, and Papua. This is found obvious in the CSO and private sectors. Detection in other provinces shows responsiveness of the local government which also reflecting the capacity and the existing infrastructure and funding that support the programs.

The innovation pattern found in government is dominated by incremental and process oriented programs implying the role of knowledge has been very small and the strong bureaucracy resistance to change might hinder the attainment of an inclusive development. To deal with this situation, change in partnership strategies could be one of the out ways since through innovative partnerships, knowledge could distribute more as one can learn from each other.

Given the fact that initiatives distribution has less or more driven by the decentralized government environment and gave impact to the ways of the CSO and the private implement IID initiatives, therefore the government could actually become the leading actor in forging

ahead innovations for inclusive development in Indonesia. However, to go there all stakeholders including the industries, the university, and civil society organizations should open their hands for partnering and coordination for actualizing innovations for inclusive development.

## **Chapter 5 Innovation for Inclusive Development in Indonesia: A Study of the Academia and CSO Sector**

IBEKA (*Yayasan Institut Bisnis dan Ekonomi Kerakyatan*, People Centered Economic and Business Institute) is a not-for-profit organization focuses on providing electricity to deficient areas across rural Indonesia. Based in Jakarta, IBEKA's expertise is in microhydro power plantation system, which aims to channel electricity to off-grid regions using water to supply the energy for turbines.

With at least a third of the population in Indonesia lacking electricity (World Bank, 2013a), IBEKA aspires to close the basic infrastructural gap between the developed and rural areas. With its core values in increasing the welfare of those in the bottom of the pyramid, IBEKA undertakes many development programs in conjunction with their technological implementation to achieve overall prosperity.

IBEKA takes technological and social aspects of development seriously, in a way that 30% of their activities are focused on the application of the latest machineries and equipment, while the remaining 70% is firmly attached to social commitments. These do not only imply a development program that is heavy on the technical side but that they are showing their concern on the sustainability of their program.

Founded in 1992 by Iskandar Kuntoadji, IBEKA has now been awarded many innovation prizes as it operates under new schemes regarding communal electrical provision. Many more remote areas in Indonesia have enjoyed the luxury of electricity operated by IBEKA as an alternative power source provider. The organization have received many international acclaims to their effort in empowering and enabling more people to access electricity, a needed gateway to modernisation.

With the United Nations aiming for better penetration of global living standard, IBEKA is facilitating this through their water-powered turbines. Their approach in choosing the base of the site is highly a comprehensive process – firstly they would run a fit-and-proper test to potential areas, and assess not only the technological readiness of the site but also the social acceptance of their technology by the local community. Some areas are already familiar with machines while some others were still relying heavily on manual men power. This shows that IBEKA has a preliminary standard on their decision in planting a powerplant. By this

definition, IBEKA accommodates the *inclusiveness* of the community, by not only feeding technologies for the sake of catching up with a modernising society but also to be able to build up on something that is sustainably accepted.

This will in turn demand a high participation from the local people; not only to operate but also to maintain the mechanical investment that they have brought into the village. Having many villages spreaded across the country, IBEKA has a supervisory system that allows many branches to co-work together in an internal setting. This, as said, not only stimulates the workers but also the surrounding local people, as they receive a transfer of knowledge from the IBEKA team.

As it progresses, team from IBEKA will only be at the site a few years from the first time it establishes its turbines. They will then do a training to the local people on how to utilise those equipments and ensure that they know how to operate the machineries. After a few years being under IBEKA's supervision, the local operators will be the ones who maintain the conditions of the turbines. In electrical sizes, they will be around.

The persistent infrastructural problems are key to people's hindrance in enjoying this most basic need (of lights and fuel). Hence, any effort to increase people's use of electricity is one that is highly favorable and important. Communities with livelihood behind the standard of living have direct relationship with their level of education. Villages with no electricity tend to have lower level of education in general. They also have lower level of health standard as the mode of power that they use are not user-friendly or even dangerous for day-to-day utilisation.

With the UN objective of MDGs that are due in 2015, the standard of electricity will be for around the lens that everyone should have a proper access to the electricity and its basic need of people. What about them that drives most of rural people to not get the best of government's aid? In this case, what IBEKA does as a community-run organisation is far from being a removed case of an under-developed area. What comes after the installation of electricity is that now the people are enjoying, firstly, the lighting during the night, which is a shift from the ubiquitous, traditional *petromax* lighting.

This implies that there are better environmental awareness around the community and that the society has given more thoughts to using the most efficient type of energy source. *Petromax*, as a tradition is used in most part of villages across Indonesia, due to the lack of electricity.

While this is the ‘norm’, *petromax* itself is not the most environmentally-friendly energy to use for a mass scale. The facilitation of IBEKA that gets into the villages is a starting point as to where better livelihood is managed.

With over 61 hydro schemes installed all over Indonesia so far, at least 54,000 people have benefited from this. In line with one of the MDGs, IBEKA have powerplants installed in Java, Sumatera, Kalimantan, Sulawesi and Moluccas. In applying the machines, IBEKA nurtures the possibility of the local communities from cross-section to participate in operating the technology

Even with the expanding size of Indonesian economy, growing at around 6% per year since 2007 (World Bank, 2013a), the development of certain areas are way under target. This is the primary focus of IBEKA where the areas that are still short on electricity can enjoy the benefits it brings. With areas in Java, which is claimed to be the most advanced compared to other areas in terms of infrastructure, there are still many remote areas and villages that need an external intervention. By this, IBEKA seeks to implement their technology in Ciptagelar, West Java. As a community-driven development program, this motive is refreshing. On top of the geographical reason why we chose Ciptagelar as the study case, the village also possesses richness in terms of social and economic context. The indigenous community habituating the village is full of cultural anecdotes that can enrich the experience of technological intervention done by IBEKA.

**5.1. Contextual background: Ciptagelar**

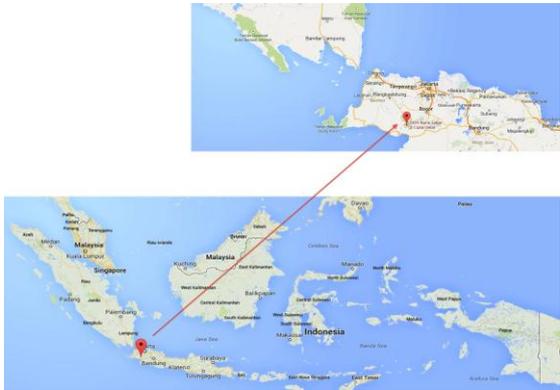


Figure 5-1 Position of Ciptagelar among Indonesian islands  
Source: Google Maps

IBEKA deals with many powerplant sites across rural areas in Indonesia. They have existing projects all around Java, Sumatera, Kalimantan, Sulawesi and Nusa Tenggara islands. Although so, one of IBEKA’s main regions of service is in Kasepuhan Ciptagelar, located near Mount Halimun National Park, which is home to a traditional Sundanese community – known

as Kasepuhan<sup>2</sup> – in West Java (see Figure 5-, Figure 5-6 and Figure 5-3). Administratively, Ciptagelar is part of Sirnaresmi village, Cisolok sub-district, in Sukabumi regency. With tiny area of only 15 km<sup>2</sup>, Ciptagelar holds around 547 families. The daily life of people in Ciptagelar depends largely on agricultural sector, where 77,63% of them are working as local farmers. Ciptagelar is composed with residents of very low average of education level, where 95.26% of them only finished elementary school, 3.62% junior high school, and only 0.41% graduated from a senior high school. This implies a very modest income category.

Over the last decade, IBEKA worked with the local community has succeeded to plan, construct and operate several run-of-river microhydro power plants within the area. Along with IBEKA recognition that sustainability of its rural electrification program hinges on community empowerment, IBEKA forms a unique collaboration with the people from Kasepuhan Ciptagelar whose locations new plants are sited.



Figure 5-2 Imah Gede, main house at Ciptagelar  
Source: authors

<sup>2</sup> Kasepuhan comes from Sundanese word “sepuh”, which means “old”. It refers to a way of living based on ancestral traditions and eventually, to the local community who lives the tradition.

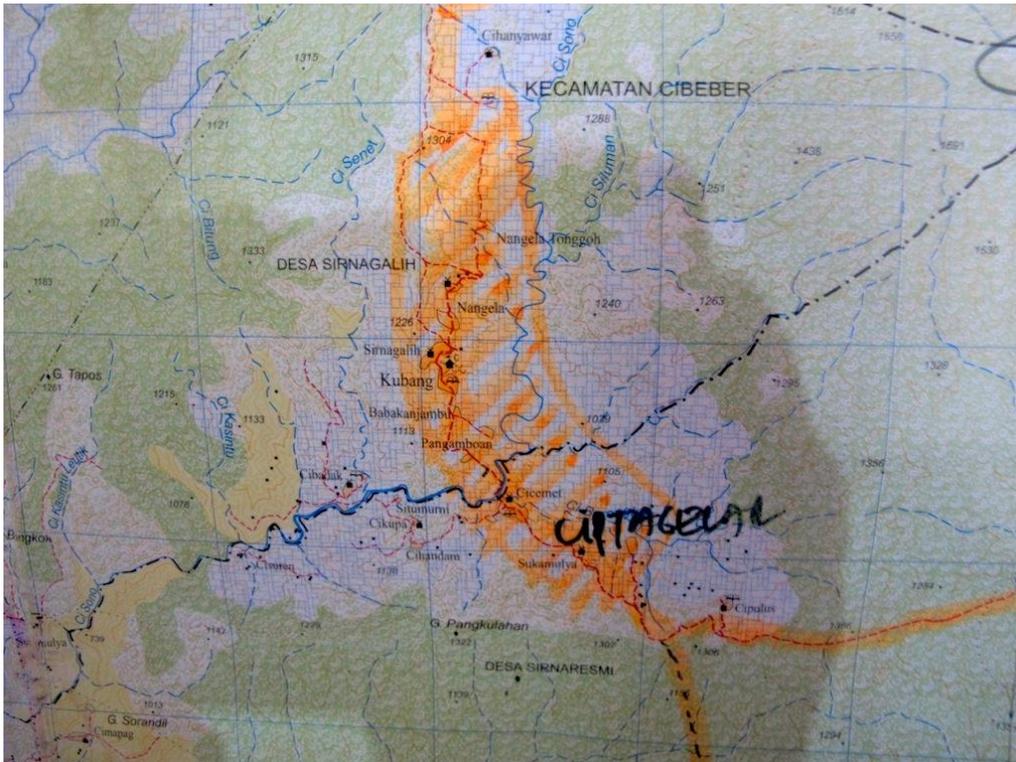


Figure 5-6 Map of Ciptagelar  
Source: authors

Kasepuhan Ciptagelar, comprises of around 600 villages, is one of the oldest Sundanese traditional communities. Together with several similar communities in Mount Halimun, Kasepuhan Ciptagelar forms a bigger association named Kasepuhan Banten Kidul. “Kasepuhan” refers to local custom, which are inherited from generation to generation. The political and spiritual leader of each *kasepuhan* is titled “Abah”, who is helped by the *baris kolot* (the elders) in day-to-day administration. Since 2007, Kasepuhan Ciptagelar has been led by Abah Ugi, replacing the late Abah Anom. The first microhydro power plant in Kasepuhan Ciptagelar was built in 1996 and located in kampong Cicemet, Sirna Resmi village, Cisolok Sub-district, Sukabumi, West Java. The MHPP Cicemet gains its power from Cisono and Cibareno rivers and produces 60kW electricity. The construction of the MHPP costs IDR 150 millions (USD 63,911) from the Japanese government and, IDR 137 millions (USD 58,372)<sup>3</sup> from local communities.<sup>4</sup>

<sup>3</sup> Estimation of people’s contribution in a form of manpower and materials instead of money. See 2010 IESR report, downloaded from <http://www.iesr.or.id/english/wp-content/uploads/BookletENG250111.pdf>

<sup>4</sup> The number/currency assumes 1 USD = IDR 2,347 (in 1996), although the number in Cicemet board showed IDR 218,689 from the Japanese government and, IDR 122,030 millions from local communities.

The initiative to produce electricity came from the late Abah Encup Sucipta (Abah Anom) as the chairman of Ciptagelar community of indigenous Sundanese. Despite in order to govern the people, he had to lay on *wangsit* (spiritual revelation) and do strict traditions from the ancestors, it cannot hide his desire to promote modernization to the people. And so, the modernization began with the establishment of the first microhydro power plant in 1996. And 15 years later, when the capital is being moved to Ciptagelar from Ciptarasa, Abah Anom once again encouraged the electricity supply for the capital from the microhydro plant in Ciptagelar. These two microhydro power plants were built in partnership with IBEKA.

Although there are several microhydro and picohydro power plants (500 watt capacity each) in Kasepuhan Ciptagelar and surroundings, the society of Kasepuhan who are far away from the capital have not enjoying the 24-hour electricity access yet.

## **5.2. Elements of innovation**

In an innovative setting, IBEKA is undertaking the first step to closing the gap between the inequalities that are evident in the top pyramid and in the bottom pyramid of society (Pralhad, 2003). The concept of development that stems from Sen (1999) is also adopted in this case.

Innovative elements are incorporated in the case of IBEKA. The strong partnership between a community-run body and its local people gives raise to the establishment of this initiative. A development program that is not only focusing on the growth of the people is desirable and deserves to be implemented more. This signals that the intense technological application, both by IBEKA and Abah Ugi is an example that can be replicated towards other development programs.

The rigorous implementation of microhydro power into a remote area is a task that is great to be replicated around the Indonesian development agenda setting. Parallel to that, the special approach to cultural values, such as the spirit of *gotong royong* (Bowen, 1986) is attached heavily to the design concept if this program. Having an area as traditional as Ciptagelar is a challenge in itself as their strong cultural values can work against or together with the “foreign” development program brought in by IBEKA. The fostering of partnership between a community-run body and its local people is also the niche that IBEKA is honing on intensely. Since 1996 when the first microhydro power plant was erected, the process was thoroughly

participative of the people. The decision-making process related to technological and other aspects of the turbine is delegated to the community, led by Abah Ugi. Through this collaboration in partnership, the core ideas of development might still come from IBEKA team as the service and technology provider, but the definition of development is still kept under control by the local people. Eventually, they are the ones who have inhabited the village and have extensive knowledge on the cultural values.

This combined effort from the internal part and the external part of the community is an innovation that brings along inclusive targets, shown by the electricity-generating machineries that are required to be maintained by the locals. The appointment is through a selection process that involves training of young cadets. This does not only imply a provision of new job opportunities but also a deliberate effort to keep the youth in the village.

IBEKA did a very good approach regarding to the installation of power plant. They do the design and early stages of installation, but they keep the local residents well informed and participated. The way they hold discussion (*musyawarah untuk mufakat*) also a key for spirit of *gotong royong* as a central theme of the Kasepuhan's way of life. This *gotong royong* notion is inherent in Javanese culture.

“In these contexts the term means, approximately, "mutual and reciprocal assistance, as in the traditional Javanese village." It calls up images of social relations in a traditional, smoothly working, harmonious, self-enclosed village on Java, where labor is accomplished through reciprocal exchange, and villagers are motivated by a general ethos of selflessness and concern for the common good.”  
(Bowen, 1986)

The partnership built between IBEKA and the Kasepuhan at Ciptagelar is organic. While IBEKA is instilling their technological advancement to the village, the community is widely open to new idea of civilization while still maintaining their own cultural identity.

### **5.3. Elements of inclusive development**

Since the first microhydro power plant was built in 1996, there are significant changes in the Ciptagelar regions. Infrastructure development in the area has been significantly improved. We can notice the changes from the physical appearance as we arrive there. Along the rocky road, we can see houses with satellite television receivers and almost every house has vehicles in its yard. And since the electricity enters the village, the villagers also are able to use mobile

phones. Along the way to the *Imah Gede* – house of Abah – we can see a number of small stalls selling phone credit (*pulsa*).

Microhydro power plants typically produce up to 100 kilowatts of electricity. And based on their characteristics; they are an economical and efficient fit for installation in remote areas. Once built, the microhydro facility needn't be connected to a national grid, and it runs freely off the flow of rivers. More importantly, the water is returned unpolluted and can be used for irrigation and other needs.

The installation of the microhydro power plant, no doubt, has brought a lot of happiness to the people. The advent of electricity has lift up the standard of living of the villagers. Villagers, due to electrification, enjoy a better level of basic education as well as higher level of health standard. One of the members of *baris kolot* (the elders) shares his view on the benefit brought by the power plant:

“Too much benefits. When there was no electricity, we use kerosene. There was no phone for emergency purpose, there were a few of small enterprises, our income was very limited. Only ten thousand rupiahs, but the price for kerosene was very high; around IDR 1,500. It was very difficult. Now, there is lighting. *Alhamdulillah*. We live happily, too much benefit, despite living in mountain slope. We can do many activities in the night. Therefore, accepting a lot of benefit, people here are very easy to work together in terms of doing maintenance.” (Aki Sarban, Interview, 02/07/2013)

The changes in Ciptagelar are gradual. When the first microhydro power plant was built, there was no elementary school for the children. Children have to walk for several hours to reach the nearby school. But, several years after the initiative, a local bank begins to initiate pioneer school. Later, the school was acquired by local government and has been established as state elementary school. The number of the teaching assistants is also increased by now. The success story of this school even makes local residents to initiate for the junior high school, which will be started this year. In line with the education sector, the similar also happens to the health sector. Today, the local residents begin to enjoy the service of two *Puskesmas*.

In terms of environmental benefit, the presence of microhydro power plants has also reduced greenhouse gas emissions by about 5,700 tons/year CO<sub>2</sub>e by replacing the use of kerosene (about 15 litres/month/household) for off-grid lighting and coal and oil for grid electricity (ASHDEN, 2012).

The existence of electricity brings a huge change to the Kasepuhan community as it mainly allows them to work at night. With proper lighting, the housework can be continued to until evening and the children can use the time to study. Although gradual in practice, these changes have brought a lot of betterment of people in Ciptagelar. IBEKA, through electrification, has facilitated the people to the higher standard of living. The partnership made also empowers the local residents. By doing capacity building on local technicians through training, IBEKA has guaranteed the sustainability on the area. By trainings, local technicians can manage upkeep and maintenance and hence, reducing cost on maintenance and improving the local resources in the same time.

In the planning of each microhydro plant, IBEKA conducts community social conditioning by holding meeting in which each stakeholder (Abah, the elders, and the local residents) discuss the project potential. This early stage was very fundamental to the understanding of potential role of microhydro, not necessarily as a means to electricity, but more importantly to citizens' empowerment, as uttered as follow:

“Finally we found that building a community is not merely about providing electricity. It is impossible. We need access to road, transportation, etc also. From the perspective of Ciptagelar, we have to ensure that they live their values as indigenous people but in the same time empower them. We also found that we need to synergize with a lot of parties in terms of making policies. For example, if we speak about the National Park, we also need to speak with Perhutani, the local residents, and the management of the National Park itself. It is not as simple as providing electricity then everything will be developed automatically.” (Sapto Nugroho, IBEKA, Interview, 10/07/2013)

If the first stage was successful and each stakeholder agreed with the project, the technical team began the installation by involving community members during which the technical instruction began. During the process, IBEKA harmoniously works to foster a sense of belonging among the community by holding various discussions. Besides that, the establishment of *koperasi* also has enable community to nurture their collective feelings by calling monthly fees for electricity, which houses will receive the energy, and the limit of daily usage.

#### **5.4. Success factors/ barriers**

There are several driving points that are crucial in the achievement of this development program. Firstly, it is the openness of the local community towards an external assistance. The initiative from inside – the late Abah Anom – is very important considering the context of

indigenous people. Living the constraint between “strict tradition” and “modernization”, Abah has succeeded to find the balance between the two. He opened opportunities for electricity for the empowerment of his people while not neglecting the tradition.

Secondly, it is the fact that the definition of development originates from inside of the community. Abah Anom and the society of Ciptagelar believed that everything has its time. When Abah Anom finally received *wangsit* to start the installation, it eased the process of adoption of technology. The belief that everything has its time made it possible for IBEKA to forge partnership with the society of Ciptagelar. IBEKA was perceived to come to the community *at the right time*, and hence, IBEKA along with its programs, received warm welcoming. The belief, to some extent, fosters sense of belonging to the project among society of Ciptagelar.

Thirdly, it is the strong involvement of IBEKA counterpart. Since the beginning of development of power plant, IBEKA has stationed some of its human resources in Ciptagelar. Over time, some of IBEKA’s staffs are acknowledged as part of Ciptagelar’s society. Therefore, the strong personal relations between IBEKA’s staffs and Ciptagelar’s society influence the success of microhydro project.

Fourthly, it is the readiness of integration between parties. The willingness of IBEKA and the Ciptagelar community to collaborate together for the development of their village is commendable and requires a transparent, open agenda. Fifthly, it is the sustainable partnership. There are numerous regular visits from IBEKA to Ciptagelar. IBEKA also provides job opportunities for Ciptagelar’s youth to develop similar microhydro power plant in other provinces e.g. Aceh, Timor, and Java. As such, the partnership resemblances equal beneficial relations between IBEKA and Ciptagelar. Lastly, it is the political and spiritual charisma (power) of Abah. The leader should have the know-how to manage people and build common understanding, also in obtaining trust from the people.

There are also notable barriers that could be improved during the implementation of this initiative. Firstly, it is the need to a better implementation of local cooperatives scheme in Ciptagelar. This could be key to financial issues concerning the Ciptagelar people, as it could provide microcredit assistance or operate as an intermediary between the people and IBEKA. Secondly, it is the technological assistance of IBEKA. The people feel the need to be supervised and to be regularly updated with the know-how of the technologies.

Thirdly, it is the quality of turbines that can be improved so that they are independent of weather. As of now, during the dry season the turbines do not work as well as during the wet season. The quality of turbines matters to mitigate the impact of dry season in Indonesia. In particular, the issue of rate of flow of water in the river; that in turn, generate electricity during the dry season. Fourthly, it is to increase the base of electricity power. This issue reflects the growing consumption of electricity due to mainstreaming of electric powered-devices among local inhabitants. More and more local inhabitants are using electricity to support their primary needs e.g. study, as well as leisure purposes. Fifthly, the basic infrastructure such as roads, communication satellite (BTS) and health and education services that are still relatively under the common standard. It is important to have easy access into the village to better support their development.

## **5.5. Conclusion**

IBEKA has done a tremendous job incorporating their technological advancement with the cultural values that are intact in Ciptagelar. Their approach that combines the modernity concept and the strong cultural habits in Kasepuhan daily life is apparent to be well woven. The openness from both parties to better develop the village is a proof to the classic argument that modernization and traditionalism could not go hand in hand. This gives an insight to future policies where the elements of development programs are better merged not only with having those living in privileged areas in mind but also those in remote areas alike. The equal definition of development is a vital part to construct more inclusive policies.

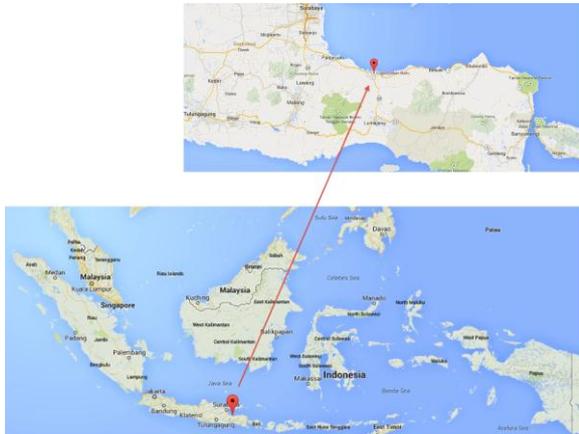
## Chapter 6 Innovation for Inclusive Development in Indonesia: A study of the Private sector

In Indonesia, traditional markets are the veins of trade, where millions of people make a living out of selling everyday produces. These markets are vital not only for businesses but also to the community surrounding them. With their daily operations catering fruits, vegetables, and cattle produces to households and small businesses alike, traditional markets are the barometer of a region's robustness in local trade. According to the Ministry of Industry and Trade, in 2007 there were 13,450 markets with as much as 12,625,000 sellers involved (Kompas, 2006). Assuming that every one of these sellers has a four-member family to take care of, then traditional markets are responsible of 50 million Indonesians, around a fifth of the whole nation's population.

However, the rapid growth of modern markets has recently surpassed the growth of traditional markets. The burgeoning modern markets such as 24/7 shops, supermarkets, and hypermarkets in Indonesia is one of the many evidences that traditional markets are losing their competitive advantage. The pricing schemes between the two markets may be competitive, but buyers tend to shop at places with better hygiene. Traditional markets may be on a decline exactly due to this problem, where the overall sanitary issue is not managed as well as modern markets.

In this light, *Yayasan Danamon Peduli* (YDP), an independent foundation directly affiliated with Indonesian private bank Danamon Bank, attempts to intervene traditional markets with hygiene improvement program. Together with the government, especially from Ministry of Health and Ministry of Industry and Trade, they consolidate a waste management program called Pasar Sejahtera across selected areas in Indonesia.

## 6.1. Traditional market waste management in Probolinggo, East Java



**Figure 6-1 Position of Probolinggo in Indonesian archipelago**

Source: Google Maps

Probolinggo is a city on the north coast of East Java, in Probolinggo residency. The total area is 1,696,2 km<sup>2</sup>, with population of 1,092,036 people according to the 2008 census. The history of this area has run since 1746 with various local leaders taking care of the residence's socioeconomic sustainability. Probolinggo has a middle-income economic productivity, where in 2008 its growth reached 6%. Probolinggo is rich with local forestry and rice fields. As an area with

a strong agriculture sector, Probolinggo is the hub of various local investors due to the high volume of business trade.

The program is called *Program Pasar Sejahtera* (PPS) or Sejahtera Market Program. The term *sejahtera* symbolizes the notion of *sehat* (healthy), *hijau* (green), and *terawat* (well-maintained), which as a word literally means prosperity. This *Pasar Sejahtera* program is a market revitalization plan, joining cooperation between local government and other supporting elements such as related CSOs and surrounding community. The local government is comprised of special environmental units (*Badan Lingkungan Hidup/BLH*) and technical unit (*Unit Pelaksana Teknis/UPT*).

This program has been established since 2010, where the idea of this environmental programme is heavy on the provision of better waste management system in selected traditional markets. *Yayasan Danamon Peduli* chose several sites across Java and Sumatera to be the pilot models of this project, which are Ibh Market in Payakumbuh, West Sumatera, Grogolan Market in Pekalongan, East Java, Bunder Market in Sragen, East Java, Baru Market in Probolinggo, East Java, and Semampir Market also in Probolinggo, East Java.

By choosing the models for this program, *Yayasan Danamon Peduli* hopes to show good examples of traditional markets that can be replicated and referred to as successful, healthy, and green markets in Indonesia. The *Pasar Sejahtera* project aspires to raise awareness to the community and related stakeholders to preserve the existence of traditional market among unequal competition between traditional and modern market growth in Indonesia during the past decade. The core construction of this project is assisted by the Ministry of Health and Ministry of Industry and Trade, which supply the health and trade policies and regulations related to the traditional markets hygiene system. In this project, the government is an active participant as a stakeholder that also gives contribution in financial terms, granting a part of the two Ministries' national budget as the initial capital of *Pasar Sejahtera*.

Prior to this initiative, Danamon Bank had been involved in national program named Healthy Market Program (*Pasar Sehat*) and Go Green to assess Waste Management Plant (*Tempat Pembuangan Sampah Terpadu/TPST*) in 2006. The market samples were taken from 818 locations where Microcredit Danamon (*Danamon Simpan Pinjam*) branches are located. During the observation and assessment periods were conducted, Danamon Bank found the most significant environmental problem was the inadequate waste management systems in the sampled markets. Based on this reflection, the *Pasar Sejahtera* program was designed.

The approaches used in this program are a fusion of the two concepts of Health Market (*Pasar Sehat*) and Go Green program, explained as follows:

1. Physical approach – through physical and infrastructure improvements that include sanitary, booth, and ceiling refurbishment. This is adapted in accordance to Health Minister's decree No. 519/MENKES/SK/VI/2008 on Guidance of Healthy Market.
2. Non-physical approach – aiming to change the behavior of market actors to be aware of practicing healthy behavior as well as raising sustainable responsibility of the market authority. Activities including regular meeting of cross-sector parties ranging from *Yayasan Danamon Peduli*, Responsible Authority Units (*Satuan Kerja Perangkat Daerah/SKPD*), where FGDs, surveys, and training sessions are undertaken.

An important element as the determining actor of the program is the community. The basic idea is to improve the role of community in managing market waste. In reality this idea requires several prerequisites including mindset change and furthermore the behavioral

change that is endowed from social and cultural factors. These make the implementation of the program become more challenging than ever and yet unavoidable (Wibowo and Djajawinata, 2012).

For the aim of this study, Pasar Baru market in Probolinggo, East Java is examined due to its feasibility of field observation and availability of data. In Probolinggo, *Yayasan Danamon Peduli* worked with local government (*Pemerintah Daerah/Pemda*) along with its SKPDs, market community, and technical assistants from the local Danamon Bank. *Yayasan Danamon Peduli*'s decision to pick which specific locations (blocks of booth) that will be the targets of improvement is based on the blocks' score taken from the Baseline Survey. This decision was then discussed with the local government. Given the time target and resources, the target blocks were chosen from fish and vegetables blocks that mostly require clean water supply and waste water drainage system.

A short profile of this market is that this market is a traditional market and has been established since Dutch colonial. Currently 567 sellers depend on this market with average educational background only elementary school. The market was preserved not only because it has long become one of source of local government income, but it has become the signature or identity of culture in the city.

The revitalization of this market was implemented through booth refurbishment, from wooden to concrete material along with floor draining system and washing tank and toilets. For waste management, *Yayasan Danamon Peduli* introduced *bank sampah* (waste bank) to educate local sellers to separate inorganic waste from organic one and to appreciate value from recyclable inorganic waste they collect to the Bank that give in turns cash for these sellers. For community communication and coordination, wall magazine and audio announcement were also developed and run by a group of seller community: Paguyuban Pedagang Pasar.

From three years running, Pasar Baru Probolinggo achieved first national champion for wall magazine competition, and in 2013 Probolinggo city is chosen as one of candidates of 10 cleanest cities for MDG award and waste bank has benefited 103 local sellers and inspired a replication of such Bank in one of the Bank customer's environment.

## 6.2. Elements of innovation

This project undertakes several new approaches in its operation. Firstly, in terms of partnership, the collaboration between Danamon Bank as a representation from the private industry and the Ministry of Health and Ministry of Industry and Trade from the government sector is an example of new approach of doing a project involving traditional markets, as further confirmed by the market sellers. There had been no cohesive market waste management program previously exercised in the market before *Pasar Sejahtera* program in Pasar Baru. Secondly, the application of the waste systems such as waste bank is vital to the hygiene aspect of the market. Thirdly, the participation from the sellers and the community surrounding the market has been largely increased since the implementation of this program.

The partnership between the private and the government sector is proven to be an effective measure in managing the market's waste systems. This is evident by the increased provision of several basic infrastructures that were non-existent before the intervention done by *Yayasan Danamon Peduli*. This was made possible by the budget consolidation between the two sectors, which experienced an increase year by year from both parties. In 2010, the total budget combined between *Yayasan Danamon Peduli* and the national budget was around Rp 4,5 billion, in 2011 was Rp 5,2 billion, and in 2012 it went up to Rp 6,8 billion (Danamon presentation, 2013). This partnership shows cross-institutional commitment to the local cultures that are in need of sustainable maintenance. It also provides the requirements needed to have a safe and healthy environment that is up to the health standard set by the Ministry of Health. Furthermore, it also shows an increasing commitment by the local government (*pemda*), which is a parameter of improvement by itself, as the region had been under the decentralization scheme for a while. With the help of the special environmental units (BLH) and technical units (UPT), it is now much easier to manage the infrastructures newly provided to the market.

Before the intervention of *Yayasan Danamon Peduli*, there was no clear system on how to manage the market's waste in an environmentally friendly manner. Traditional markets provide daily produces to 60% of the population in Indonesia, which consequently generates 20,000 ton of waste per day, roughly amounts to 20% of total waste in national level. Because of this huge amount of trash is produced daily, a proper waste management system is urgently needed. Through the innovation done by *Yayasan Danamon Peduli*, they are now refurbishing several blocks with better equipment and designs. For example, the blocks of fish and cattle produces in *Pasar Baru* have undergone a renewal in their display tables, where previously an

old wooden top was used but then replaced with a new top made of ceramics starting 2010. This was done because *Yayasan Danamon Peduli* thought that the sellers needed a much more decent infrastructure to help them working, while also considering about the hygiene factor. Wooden tables are quick to attract insects while the ones made from ceramics are easier to clean and display better to customers.

“It is usually related, when the sellers clean up and throw their waste, they automatically cleanse and wipe across their working top. Now that working top is made of ceramics, complying with the standard of *Healthy Market*, so that it is easier to clean. We also give them trainings on this, so that they know the standard of hygiene and cleanliness expected.” (Bonaria Siahaan, Executive Director of *Yayasan Danamon Peduli*, interview, 20 August 2013)

This was done together with the implementation of garbage bank inside the market. This is a new scheme that was introduced by *Yayasan Danamon Peduli* to the market sellers. The concept of this waste bank is that for every amount of waste the sellers can submit to the bank, it will be monetized according to the regulations. For example, a kilo worth of garbage can be worth Rp 1,500 to be then deposited to the person’s personal account in the waste bank. This gives incentive for people to clean and collect waste as much as they can, in return of savings. The accounts are kept in a book, which hold the personal record of the seller’s submission of waste. This is proven to be an effective approach as the sellers can help clean their working areas without depending too much on the technical units (*UPT*) to collect their garbage.

There is also a new installment of hand basins, where two sets of washing taps are installed in separate points. This encourages a change in behavior by buyers and especially sellers, to always wash their hands with soap after getting in contact with the fresh produces and then doing the transaction with money in hand. This is a subtler target of innovation, where the change takes place in people’s behavior. The sellers did not use to wash their hands prior to this *Pasar Sejahtera* initiative.

“Firstly we target on the sellers’ behavior in putting away trash. It’s better if they can go as far as sorting them, but just putting it away is enough. We could provide them with trash bins, but there is no guarantee that it will work if the behavior of putting the trash away is not familiarized. That’s first. Secondly, we target on the hand washing. They are all encouraged to wash their hands with soap, although this proves to not always be in everyone’s habit. Sometimes they don’t know where to put the soap or just lose it. Many are also rejecting to use soap, for example the tofu and soybean sellers, because they think the soap affects the taste of their products. Maybe they know better. But at least

we have tried to make them aware that using soap is better for their hygiene.” (Bonaria Siahaan, Executive Director of *Yayasan Danamon Peduli*, interview, 20 August 2013)

This change in behavior is a target of innovation that is non-physical compared to the installment of ceramic working tops and waste banks. Nevertheless, this is a more advanced level of result where the improvement is instilled within the sellers’ culture, and not only in terms of infrastructural sense.

Furthermore, the participation levels of the sellers and the community surrounding them is an innovation stance in itself. With meetings facilitated by *Yayasan Danamon Peduli* and the local government, the aspirations of sellers are better heard. *Yayasan Danamon Peduli* held many programs including training sessions, FGDs, informal gatherings, and quizzes to attract bigger involvement from the traders. This is materialized in several ways, for example a more frequent discussion sessions, a new instalment of wall magazine around the waste bank area, and a closer relationship between sellers themselves now that they are interacting with each other. This is giving a great stimulus for the community to tighten their relationship with each other.

### **6.3. Elements of inclusive development**

In respect to the inclusiveness spectrum of this project, there are several noteworthy remarks found during the observation. Firstly, a quantitative increase in the amount of garbage banks, ceramic tops, sewages, water pipes, and washbasins is a concrete proof that there is a widening provision of basic infrastructure. Secondly, the increased participation from the sellers and the surrounding community is quantifiable by the amount of training sessions, FGDs, and informal meetings held across the market since 2010. It signals an active participation from the market sellers, a better communication system between the traders and the surrounding community through wall magazines. Thirdly, the behavior change in that is apparent in the sellers.

The provision of sanitary infrastructures is aimed as a means to promote better hygiene awareness, which is basically complying with Ministry of Health’s guide to *Healthy Market* No. 519/MENKES/SK/VI/2008. In the decree, there are several infrastructural requirements for a traditional market to be qualified as healthy. The *Pasar Sejahtera* initiative provides a set of waste management, drainage system, and washbasins to help the market meet the

### **Box 1. Sanitary Requirements for Traditional Markets**

#### 1. Clean Water

- Provision of clean water with minimum daily quota of 40 liter per seller.
- Clean water with quality that meets the standard
- The availability of reservoirs to supply clean water and equipped with secure water tap
- Minimum distance from source of clean water to waste disposals of 10 meter
- Checking and monitoring of clean water once every 6 months.

#### 2. Waste Management

- Provision of wet and dry waste bins in every stall and aisle
- Waste bins are waterproof, anti-carat, well built, tight, and easy to clean
- Provision of waste disposal vehicles that are easy to clean and operate
- Provision of temporal landfills that are waterproof, in good condition, easy to clean and access by waste collectors
- Temporal landfills are ensured to not be the vector of disease
- Temporal landfills are not in the way of market main gate and is located at least 10 meter from the market building
- Waste are collected at least once in 24 hour.

#### 3. Drainage

- Drainage around the market has to be firmly closed with metal grids for easiness to clean
- Sewage generated from stalls is distributed to water waste installation system (*Instalasi Pengolahan Air Limbah/IPAL*), prior to be disposed to the communal system.
- The quality of waste outlet has to meet the standard set by Environment Ministry Decree No. 112 Year 2003 on Sewage Quality.
- Drainage is slanted according to the standard regulation to prevent water puddles
- No stalls above drainage pipes
- Regular check on the condition of sewage once every 6 months

#### 4. Washbasins

- Wash basins are to be located in areas with easy access
- Wash basins are equipped with soap and flowing water. Sewage is directed to firmly closed sewers.

*Source: Ministry of Health's guide to Healthy Market No. 519/MENKES/SK/VI/2008, 2008.*

sanitary requirements. This is a proxy of an initiative that is classified as supporting an inclusive development. Box 1 below lists the sanitary requirements for traditional markets.

The local government is also involved in the implementation of these facilities. The representative from local planning agency (*Bappeda*) also confirms that the sellers are pre-introduced of the idea of *Pasar Sejahtera* before the installation of facilities actually take place.

“So how do we get them involved in maintaining their own cleanliness, how to tell them that it needs responsibility to keep their hygiene and also their products. For this there are growing initiatives from the sellers, so they build a community. It is not possible to do this individually, so there needs to be a bigger group that can accommodate these sellers. From this, there came up several programs that are in line with their vision and mission to maintain their hygiene level. We from *Bappeda* sees an opportunity to synchronize these programs, so we also involve local environmental body (*Badan*

*Lingkungan Hidup/BLH*), local health bureau, local police, local transportation bureau, and other stakeholders involved. This coordination is an example of our intervention to *Pasar Sejahtera* program” (Sonhadji, *Bappeda*, interview, 20 August 2013).

Moreover, as an inclusive development proxy, the increase in participation is evident in the numbers of sellers joined the community. The data from the waste bank officer shows that more people join to the waste bank system. In January 2012, when it was first introduced, there were 37 people joined in as customers, with the following months also managed to attract people but at a decreasing rate. This is due to the minimum amount of people around the market and those with great concerns have already joined the system in the first place. Nevertheless, they managed to recruit people on a monthly basis. By December 2012, there were 83 people who have become the member of waste bank system and continuously using the microcredit facility, with accumulative savings amounted to around Rp 3,5 million.

There is also a change in behaviour where not only the sellers are aware that they have to take care of their own waste, but also that they can help the process of waste sorting individually. This is a mindset that needs ample time to settle, as the sellers did not use to be bothered with the amount of rubbish that they produce. This was also admitted by the *Bappeda* executive.

“Yes, first example of their change in behavior is, they did not use to want to sort their own garbage, but now they do. Then, now they do not only sort their garbage individually but collect it all in one place. They now also go to the waste bank to restore their garbage themselves. This leads to their increase in their savings money. So those are the real changes.” (Sonhadji, *Bappeda*, interview, 20 August 2013).

In addition to the change in environmental aspects, there are other changes in the way these sellers trade. According to Sonhadji, the sellers used to be very uptight when serving customers, but now they are a lot friendlier to them. These are the accepted norms in a culture where customers are deserved of common decency. Moreover, the pinnacle of this inclusive development initiative is that now there is a better mobility between the stakeholders involved.

“I also see that the local government, is in a higher mobilisation, so there is partnership built between the local officers and the community. It is now easier to communicate with the government, so if the community needs anything, they are now more responsive. It also implies to the way the government look at traditional markets, some things they only realize by interacting with the sellers and the people surrounding the market. This is very helpful to the government. In consequence, there is now more

budget allocation for the sellers community because now the government knows what to do. It's different from what it used to be". (Sonhadji, *Bappeda*, interview, 20 August 2013).

The several evidences mentioned above are proof that an environmental initiatives do not only bring an effect to physical improvements of the markets, but also to a dimension subtler than that i.e. behavioral change. As a programme that is laden of inclusive development characteristics, this achievement is a benchmark that has to be maintained.

#### **6.4. Success factors/barriers**

The success of this program comes not only from the well-established approach taken from *Yayasan Danamon Peduli*, but also that they are involving multistakeholder from across the sectors. The elements *Pasar Sejahtera* may not all be new in the sense of technological innovation; all infrastructures are basic such as washbasins, sewers, ceramic working tops, water taps, and waste banks. These are relatively easy and common equipments to procure. However, the great factor is that the central and then deriving to the local government are all in active participation to provide the facilities needed by the sellers and the community. This cohesive participation is not only illustrated in institutional manner, but also resulted in a the increase of budget allocated for the provision of equipments needed. This is a huge aid for the markets that are incapable to fund their own revitalization.

Moreover, the openness from the sellers are also key to the success of this initiative. It is apparent that even before the *Pasar Sejahtera* program was introduced to the market that the sellers had created their own community as a means of a betterment to the condition of their market. *Yayasan Danamon Peduli* might contribute a lot in terms of hard supplies, but the spirit and the soft enterprise of the sellers are the vital motor to keep the initiative rolling. For this, the communal agreement of their visions and missions as market sellers and as community is indispensable.

The barriers noted from this initiative is that although there is a higher participation rate, there are also other sellers that are ignorant of the rules and regulations applied. Some sellers still do not sort and collect their own waste, and rely on technical units to remove their garbage. For this, there needs to be more attempts in increasing the sellers' awareness and possibly to rethink of a different incentive strategies for special cases.

## 6.5. Conclusions

A development program focusing on environmental sustainability is not shy of the possibilities of other well-being dimensions to take into place. *Pasar Sejahtera* was aimed to be the means in changing the sanitary level of traditional markets but the implications have gone towards the change in market sellers' behavior. The sellers in *Pasar Baru* in Probolinggo did not only enjoy the availability of new facilities that better support them at trading, but also a change in maintaining their own level of hygiene and sanitation. The community is more vibrant as a result of frequent discussion and FGD sessions held by both *Yayasan Damon Peduli* and the government counterparts, implying a more sustainable environment for them to continue trading.

The increased mobility factor between the private, the government, and the civil organizations sectors in this case in an exceptional example for a successful development program. *Pasar Sejahtera* initiative does not only provide a model that is easily replicated across Indonesia but also a proof that strong, cross-sector partnership is key element to sustainable development. This is a noteworthy lesson that is useful when constructing public policies

## Chapter 7 Innovation for Inclusive Development in Indonesia: A Study of the Government Sector

It is natural that every living system requires in itself the need to *change*, to evolve to a better condition, especially in social system where complex aspects of human interests intersect. The advancement of information, communication, and technology make this *change* process more sophisticated as it has emerged into a separate field known as innovation (Fagerberg et al., 2006, IDRC, 2011, Spence, 2008, World Bank, 2010). The drive for change or the need to innovate exists in various social systems, be it in business, military, government sectors, and they manifest in different ways.

Every period has its own call for change and sometimes a radical, systemic innovation depends on major social problems the system faces (de Bruijn et al., 2004). A system innovation usually shares the following aspects: a) comprehensive, b) long time horizon, c) requiring the efforts of many stakeholders, and d) a change of perspective and a cultural shift among these stakeholders (de Bruijn et al., 2004, p. 5).

Except for long time horizon, we will begin this chapter with how innovation in Bantaeng regency happened and draw lessons from their management of system innovation. Hopefully from this analysis would give insight for government agencies to formulate or facilitate a system innovation.

**7.1. Contextual background: Bantaeng**

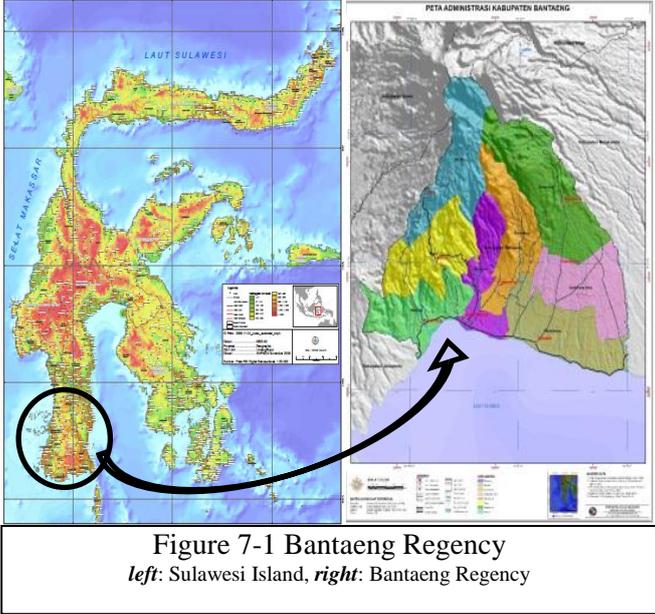


Figure 7-1<sup>5</sup> shows Bantaeng as a regency whose geographically located on 5°21'13''-5°35'26'' parallel south and 119°51'42''-120°05'27'' parallel east, about 120 km southward or four hours ride from Makassar, the capital city of South Sulawesi Province, one of the five largest islands in Indonesia (Badan Pusat Statistik Kabupaten Bantaeng, 2012). Bantaeng is fortunate with three complete landscapes of mountain hill, dale of coastal areas, and plain with 2 tropical seasons making it an agricultural potential. With areas of only ± 395.83 km<sup>2</sup> or about 0.87% of total South Sulawesi province, it consisted of 8 districts, 21 sub-districts, and 46 villages filled with 176,708 citizens (447 persons/km).

Bantaeng in imperialism era by the Dutch was once set as an *Afdeling* city (center of governance, trade, and economic growth) in the region. Yet after the state's independence, this area was left undeveloped, and listed as one of 183 under-developed areas in Indonesia according to DT-RPJMN 2005 - 2009<sup>6</sup>. According to the available data in the stated website, from the indicators of under-developed area, this regency's main problems were from economic: the high unemployment rate and from disaster prone status: often struck by flood.

However, the story changed quite dramatically in recent 5 years. A new elected Regent in 2008 developed this area and made a difference. It is reported that the growth of GRDP has

<sup>5</sup> [http://geospasial.bnpb.go.id/wp-content/uploads/2009/11/2009-11-23\\_peta\\_sulawesi\\_bnpb\\_A0.pdf](http://geospasial.bnpb.go.id/wp-content/uploads/2009/11/2009-11-23_peta_sulawesi_bnpb_A0.pdf) accessed Sep 4, 2013 and <http://petatematikindo.files.wordpress.com/2013/01/administrasi11.jpg>, accessed Sep 4, 2013

<sup>6</sup> <http://kpdt.bps.go.id/index.php?InfoUmum/index> accessed in Oct 3, 2013

increased from 5.37 % in 2007 to 8.43% in 2011 (Badan Pusat Statistik Kabupaten Bantaeng, 2012). This is far ahead of the national growth of 6.5% average. Furthermore, infrastructure development in the area has been remarkably improved.

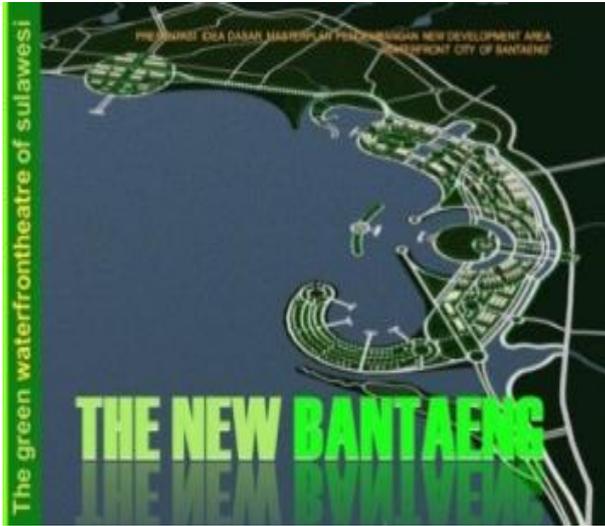


Figure 7-2 Vision of the New Regent Regency

We can see from the physical appearance as we enter this area. Houses with spacer were shown firmly built and quite often combined with cemented building under the houses. While along the city road, almost all houses are built in cement and almost every house has vehicle in its garage. One of the striking sceneries is the beach reclamation into a beautifully integrated public space with pavement and culinary booths along the edge of the beach almost equals to Losari Beach in the capital city of the province. Again, contrast with its neighboring areas conditions.

What make all these changes possible? The Chairman of BPPT (The Agency of Assessment and Application of Technology), Dr. Marzan Iskandar once said that Indonesia has now entered the second phase of economic development, in which previously counted on raw material and natural resources but now the materials and resources need to be touched by innovation, and what happened in Bantaeng is he called as one of technological innovations (ANTARA, 2012).



Figure 7-3 Various commodities developed in Bantaeng Regency  
Source: Authors

There are numbers of efforts of application of research and technologies for economic development in Bantaeng. Using zoning and clustering strategy, every inch of the land has been transformed into productive area. Namely, this is to say the least: Organic-agro tourism, center of engineered – Nila fish embryo, developing market-based prioritized commodities e.g. Taro root, Surimi, Corn, and other local foods processing (Abdullah, 2011). Non-agricultural development is also shown from the provision of integrated health service with disaster mitigation, which won national award in 2012.

## 7.2. Bantaeng's innovation program

The new elected Regent, H. M. Nurdin Abdullah in his beginning period in 2008 started with a breakthrough program. Besides basic infrastructure development by building dam to prevent flood and to water irrigation and building integrated health and disaster-mitigation service system, one of new Bantaeng visions is to be one of centers of economic growth in Indonesia through application of science and technology especially in agriculture. This is the base of the innovation implementation in the region.

One of the government programs was *Program Kabupaten Benih Berbasis Teknologi* (Technology-based Seed Regency Program) that develops Taro root. This is among other agricultural commodities developed in Bantaeng i.e. paddy, corn, potato, onion, and seaweed. The writers did not intend to make this story as representative of success of the overall programs. This is one small portrait of program that shows facets of innovation and their impact to the general development to be analyzed using Innovation for Inclusive

Development (IID) point of view. The initiative began from the signed memorandum of understanding (MoU) between the local government of Bantaeng with BPPT in 2009 (MoU Number 09/KB/BPPT-Pemkab. Bantaeng/V/2009). The MoU involving the introduction of agro-industry and biotechnology application contracted for three years period.



Figure 7-4 Talas Safira, Export Package  
Source: Authors

Following the MoU, in 2011 a decree – Decree No. 050.13/423/IX/2011 – released from the Regent specifying the formation of innovation team for a program: The Regency of Technological-based Seeds. This agriculture program cannot be separated from the Regent educational background, doctoral in agricultural in Kyushu University where he developed network with many agro-businessmen in Japan. One of them was Global Seafood International – Japan whose main commodity is seafood.

Knowing that market potential of this Taro root is huge in Japan, reaching ± 360,000 tonnes per year. Such demand has been fulfilled from its own land and China. However, due to Japan limited land and seasonal reason, also resistance of human faces-manure Satoimo from China, Japan also look for other supplier. This opportunity is caught by the Regent and as he discussed with BPPT who at that time coincidentally has developed research on that commodity in Bogor and coordination with BIOTROP in Bogor, Taro root cultivation is then developed in Bantaeng.

The Japan-based company, invested to build PT. Global Seafood International Indonesia company (PT. GSII) in Bantaeng focusing in Fish-based product. However, as time goes by and the shortage of fish supply, since the market are the same, Taro root is also processed in this company and exported to Japan.

Taro root is named Talas Safira as Indonesian name after direction from Agricultural Ministry. This program is applied in 5 districts: Uluere, Bantaeng, Eremerasa, Gantatarangkeke, and Tompobulu and in 14 sub-districts involving about 100 farmers mostly the poor farmers. This initiative was intentionally made for improving poor farmer’s prosperity and opening job opportunities.

In its implementation, this initiative is executed by a government agency: Badan Ketahanan Pangan (BKP) or Food Security Office. The program in fact is a multi-actor initiative since it is involving BKP, Local Agricultural Department, BPPT, Field Trainer from BKP (PPL), Local Cooperation Unit (Dinas Koperasi), JICA, Farmers community (Gapoktan), BUMDes (Village-owned company) as a village level; CSO, and PT. GSII. Each of the party’s role is listed as follows:

Table 7-1 Role of Actors in Talas Safira Program

No.	Actor	Nature	Role(s)
1.	Chief of BKP	Government	Plan, Implement, and Monitor food diversification program
2.	Chief of Local Agricultural Dept.	Government	Providing seeds and provide seed culturing facilities (lab and medium substances)
3.	PPL	Government	Trained technicians to train farmers on field
4.	Chief of Cooperation Dept.	Government	Facilitate post-harvesting, provide seeds, lending capital
5.	Chief of Industrial & Trading Dept.		Facilitate license and law basis for export trading
6.	Senior engineer, BPPT	Academe-Government	Provide seed multiplication using Plant Tissue Culture technique and Organic Farming
7.	Junior expert, JICA	International NGO	Technical consultant for field assistance
8.	Production Manager, PT. GSII	Private sector	Process and packaging Satoimo and broker to Japan market
9.	BumDes/village CSO	Civil Society Organization	Mobilize seeds to farmers and crops to PT. GSII
10.	Head of Gapoktan	CSO	Beneficiaries, receive initial capital and seed from government, organize farmers, and cultivators.

Source: Authors

### 7.3. Elements of innovation

#### 7.3.1. Radical changes

How far have changes in the new Bantaeng realized? Besides basic infrastructures that we have mentioned in the previous section in this chapter, important change in Bantaeng development is far more fundamental: *mindset* or perspective that manifests in behavior or practice. This change is one important aspect of system innovation mentioned by de Bruijn et. al (2004). Change in mindset as guiding principles brings implication in changes in concepts and practices (Poel, 2003) and therefore is radical and comprehensive. This systemic nature of change reflected the changes in every level of the system; in our case it includes changes at the farmers, as well as at the government level. As we can show from the interviews in our case study below:

##### a. Farmers: From consumptive to productive

In the past, farmers cultivate plants because of routine cycle: buy manure, buy seed, buy insecticide, cultivate, harvest, sell, and so forth. Now, with organic farming approach, farmers are taught to be more self-reliant, not depending on (consuming) chemical fertilizers. Not only because it is expensive, moreover the sustainability of environment will happen using organic approach. To produce organic fertilizer, the farmers use available resources such as cow dung or manure as the fertilizer.

This is confirmed by Muhammad Yusuf, a head of farmers' community, as stated in an interview:

“There is profit. Corn is also profitable if we count with its capital, poison, how costly the manure is.”

From this statement Yusuf understands that not only profit that matters, but the manure that he said refers to chemical manure, which he called as *poison*. This reflects that practicing farming with chemical fertilizer is poisoning environment and therefore he admitted the importance of sustainability of the environment by practicing (relatively) new concept of organic farming.

From organic farming, farmers not only recognize the importance of keeping the environmental sustainability, but they are also required to be self-reliant since they have to be able to provide supplies (fertilizers and pesticide) by themselves. With the help of PPL trainee from the Food Security Office (BKP Bantaeng) now the farmers know how to produce plant-based fertilizer and pesticides. This is stated by Asniati (BKP) in an interview:

“Plant-based pesticides instead of chemical pesticides, so now the farmers are already able to make plant-based pesticides.”

Implication: These changes although gradual in practice will gradually impacting in reducing dependence over farming supplies from fertilizer and pesticide industries which is a good sign since these industries are foreign industries. Teaching farmers with organic approach means bring back farmers close to nature and using local resources and therefore bring back local networks in practice.

#### **b. Community: From passive to participatory**

From interview with Ramlan, a member of village-level CSO *Badan Usaha Milik Desa* or *Bumdes* another important change happened in Bantaeng at community level is in the process of decision making which now is more democratic. The community that he worked with has realized that development is also responsibility of the village community and therefore in its decision making process, communities have to participate in order their ideas accommodated at upper level forum:

“Yes, and what most interesting is our *mindset* although it hasn’t changed 100 percent at grassroot level, village level, but at least that influence has changed that village development is responsibility of its village community. Therefore decision making processes...have been translated into processes where they are more participatory, democratic, so that aspirations at the village level are accommodated at regency level.”

Implication: The participatory process will bring implication to a more inclusive development decision where more grassroot aspirations are more accommodated. This will accelerate fulfillment of many infrastructures needed by the village and therefore more distributed prosperity is expected to happen in return.

#### **c. Government: From partial to networked**

A system contains of plenty of interwoven parts. This is no exception to social system including government as one organization. In common practice in the government sector in Indonesia, each work unit in government often has program that is separated or not in coordination with other unit. However in Bantaeng, the new Regent treated his government as one organizational system and therefore each unit has to know and coordinate with other unit. To make this happen, Bantaeng Regent usually gathers all government units in a big meeting

for coordination. This way, separated units become networked. Bachtiar, head of Cooperation Unit of Bantaeng Regency (one of work unit in the Bantaeng Government) stated that:

“All of the involved instances, so we in the first year of his reign of governance, our mindset were transformed from partial to networked so that sir, if people say tourism, why wouldn’t there be Cooperation Unit taking part in it. Then the cooperation unit prepared infrastructures needed for tourism for example home stay of street sellers who were being trained. Therefore we, in an activity is integrated.”

Implication: A more networked group of actors will tend to have at least two important aspects. The first is check-ability, where one unit or individual can check other unit and therefore minimize fraud potential and increase accountability. Second, the implication is the inter-connected actors tend to have stronger working connection and therefore could build trust and when it also including non-government actors that networked to them, together will build a durable network. Such network is a social capital for running a more democratic and sustainable development.

#### **d. Policies: Accommodate participatory planning**

At policy level, Bantaeng has included participatory development planning. It is governed in Local Regulation No. 4 Year 2011. This regulation accommodate village-level development planning which is resulted from discussions at Delegation Forum, a forum at regency level. As stated by Jamil from Bumdes partner:

“Moreover in Bantaeng there is now Perda (local regulation) about that, about participatory planning and budgetting. That is on Perda No. 4 Year 2011.”

“On participatory planning and budgetting, this is the foundation. As derivative level, in regency there is Delegation Forum. This Delegation Forum, which will in turn guarantees that planning process at village level will be synchronized with planning with technocratic, sectors, approach. This delegation forum has been given room.”

This is to say that in implementing innovation that is also inclusive (involving all communities) and democratic should be supported by policies that support it. The policy should reflect room giving for participatory planning.

The presence of appropriate rule will guarantee the sustainability of the inclusive learning and development process to last not only for the current regent reign but will also the future generations.

#### **e. Values**

In the cold hands of the innovative Regent, Bantaeng has turned from a critical land into productive land. Every potential is explored, flood thread is changed into source of water supply. The use of science and technology is turning natural resources in Bantaeng into a better value. Beside the obvious value that is now gained, there are intangible values that are involved along the process. They are:

##### *Guests are fortune*

A government that welcome whoever guests coming: researchers, NGOs, moreover investors. From the interview, for example, BPPT senior researcher, Mr. Sutardjo was really impressed with the warm welcome of the Regent and the service and facilitation he and his men gave during his stay and research. He has traveled in various areas in Indonesia and he never felt as much as welcome and facilitation like in Bantaeng.

“...Yes, they give those facilities. Like I said, that is because of the Regent. For example if I come visit there, I must report that I will come and then the Regent himself will call me to see him directly, even just to say hello. We will feel appreciated. I salute him for that. I never found such service in other regencies. And the regent is truly an entrepreneur. And every guest is a fortune.”

##### *Sustainable economy*

The main idea of sustainability is to be long-lived, endure which then translated in many fields from economics to agricultures. Bantaeng regent with his entrepreneurial and agriculture background translated sustainability principle in running his programs as admitted by the Bumdes (village level CSO) member, Ramlan:

“The first thing we learned from the governance of this reign is that, we should not think to spend local (government) budget for something consumeristic, in contrary we have to think how this regency budget could be used to earn more money.”

### *A good capital finder*

Entrepreneurial skill of the Bantaeng Regent in searching for investors to develop agricultural potentials in the area is also another highlighted value that a leader need to have.

“I salute him for that, he is the Regent and he is capable of hunting for financial support from anywhere.”

### *Networking fluency*

Another different feature of leader in government sector performed by Bantaeng Regent is the capability of maximizing his network for developing the area. This is due to his business mindset like Sutardjo, senior researcher of BPPT stated in the interview:

”It is this business mindset, and the second is network. It is this leader that has network almost everywhere.”

## **7.3.2. Innovation Pattern: Government and market-driven**

We have recognized that innovation in Bantaeng is a radical comprehensive innovation. More into this, what drives change in Bantaeng? Here in Talas Safira case we see that government mission and market are the drivers of the change. A mission – oriented innovation is characterized by a strong “mission” that the initiator carried and this initiator should be a very “powerful” actor (Poel, 2003). Powerful, in this case, reflects the rich knowledge of the Regent and his effort to utilize the knowledge for community development. When we talk about mission here, it refers to political awareness that the initiator embedded that in this regency an innovation is needed. In the case of Taro Root, the mission is for food security and economic advancement through farmers’ income raise and job opportunity in the new industry.

Whilst market-driven is detected in this initiative can be seen from the running of innovation that is strongly supported by research and technologies (biotechnology techniques) coupled in order to fulfill productivity target that will impacting economic increase in the farmers.

## **7.3.3. Leadership, Entrepreneurship**

Government instead of a governing society has to show more public service side. Unfortunately in most of the case this side is more expressed in business sector. Business

institution is better known as more innovative than the government agencies. In reality government agencies as public service institution are those who need to be innovative and apply entrepreneurial values.

“Public-service institution such as government agencies, labor unions, churches, universities and schools, hospitals, community and charitable organizations, professionals and trade associations and the like, need to be entrepreneurial and innovative fully as much as business does.” (Drucker, 1999)

For entrepreneur, threat is regarded as opportunity. Just like the advancement of technology, rapid change in economy and society today therefore are seen as land of opportunities including in agricultural challenges.

“The rapid changes in today’s society, technology, and economy are simultaneously an even greater threat to them and an even greater opportunity.” (Drucker, 1999, p. 162)

“The entrepreneur, by definition, shifts resources from areas of low productivity and yield to areas of higher productivity and yield.” (Drucker, 1999, p. 25)

Entrepreneurial values applied in Bantaeng impacting social outcomes of increased income and more job opportunities. Therefore entrepreneurship is by no means limited to economic sphere although the term originated there. In fact, it pertains to all activities of human beings and therefore connected to social sphere.

## **Leadership**

In the case of Bantaeng development, one figure, the Regent is the most highlighted factor that made changes in the area possible as admitted by stakeholders of Talas Safira programs (researcher, cooperation unit, CSO). This leadership element is a crucial factor or the resulted outcome (since in the second election, H.M. Nurdin Abdullah won the election with absolute winning by gaining 83,4 % vote). Drucker is worth quoted:

“The final do – a successful innovation aims at leadership”

“But all entrepreneurial strategies, that is, all strategies aimed at exploiting an innovation must achieve leadership in a given environment.”

Here we can see that if the local leader is visionary and consistent of implementing programs, within 2-3 years will start to show output and outcomes (in this case, GDRP raise and mindset and behavioral change). In relation with one of innovation element we re-conceptualize, Bantaeng Regent has shown to apply Science and technology to accelerate development and

followed by policy and regulations that support the initiative as well as keep the network interaction and learning atmosphere to be alive and focus.

#### **7.3.4. Public – Private Partnership**

Partnership amongst stakeholders can be implemented by initially doing some coordination, followed by collaboration, and as the result there will be cooperation (Pinto and Pinto, 1990). Trust is one of the supporting factors for partnership amongst stakeholders (Davenport et al., 1998, Santoro and Gopalakrishnan, 2000). Furthermore, informal communication according to some scholars is the initial step for the partnership through collaboration (Edge, 1979, Katz and Martin, 1997, Price, 1963).

These collaboration activities should be implemented to establish new innovations (Bilton, 2007, Cunningham, 2002). Based on Tidd et al. (2005), there are five advantages by doing collaboration. Firstly, collaboration can reduce the technology development costs. Secondly, the development risk can be significantly diminished. Thirdly, it can lower the time needed to develop new product. Fourthly, economies of scale can be achieved. And the last point is the external knowledge from other actors can be well accessed.

Initially Innovation in Bantaeng is a planned design. From the decree of Innovation team we found that Technological-based Seed Center Regency of Banteang which including Talas Safira program is a Public-Public partnership that integrating several local government departments with BPPT a non-department government agency work in Science and Technology application and assessment while private party, in this case Global Seafood International Indonesia company (PT. GSII) is set outside the core team. However in practice it actually a Public-Private Partnership (PPP) where local government, as well as BPPT and PT. GSII work simultaneously in collaborative way.

Local Government, BAPPEDA Bantaeng acted as coordinator of this teamwork. This can be seen from a fact where problem arrived on field that is where the company delaying to accept harvest from farmers and the farmers demand on seed gets higher, the BAPPEDA led the forum to gather all stakeholders including the farmer community and PT. GSII and together find a way out of the existing problem.

*Emergence in partnership as designed*

Viewing system innovation in Bantaeng as a complex phenomenon, we see that in the initiative involving so many actors, artefacts, and interactions that tend to change from its original plan. In our case, the position of PT. GSII among other stakeholders. Not only that, the importance of Bumdes involvement in mobilizing seeds and pesticides (infrastructure) and transporting crop yield to PT. GSII and to roll capital in cooperation with Cooperation Unit of the government is admitted essential and need to be involved more in future. These are examples of emergent phenomenon out of our planned program.

This phenomenon has been an important point in considering innovation policy that is the policy should accommodate such emergence if we want a system innovation to sustain.

### **7.3.5. The role of science and technology**

Supply of seed is one main issue of the recent decrease of cultivation in Taro root farmers. What we can see here is not only the seed as one infrastructure needed by the farmers, but there is a need of capacity increase to produce seed using their own techniques. This knowledge capability can only be acquired by training and shared knowledge and responsibilities through coordination by many parties.

In our case, government has taken a major role since the beginning of the program, by signing MoU and releases the supporting policy, by giving subsidy of seed and in the last 2 years capital to the farmers. These give chance for government also to take role as a coordinating agent, for aligning so many fragmented interests from the private company, the farmers, the cooperation unit, Bumdes, trainers, BPPT, and the government itself.

The government endowed with vision and mission to distribute prosperity reaching the poor farmers and unemployment as well as finding other commodity as alternative food for food security sake. Therefore execution is handed to another government agency whose technicalities are in this scope. Government controls the distribution of seed and trains their technicians for cultivation techniques using organic farming principles.

In the other sense however, such control of the government create difficulty to the company for gaining simultaneous harvest due to the different plantation times and therefore plan to have private-controlled crop fields and farmers. In the other part, PPL want to have multi-year

Assignment Letter in order to reach optimum capacity, knowledge-transfer to the beneficiaries as well as proper honorarium for PPL.

In the other concern, a risk arise, if all farmers are succeed in cultivating Taro root, other farmers from other commodities could leave their crops and shift to Taro root, this could threaten the stability of supply of the existing markets and therefore need to be kept under control. One of the strategies are by land allocation as much as today the land has been zoned and clustered for targeted commodities.

Through this innovation, detected from the FGD, that initiative from two parties has generated need of involvement and coordination of many parties from different nature, the company, CSO, academe (researchers, in this case from BPPT and local universities), and the government itself as one network of information and coordination where knowledge sharing and capacity building atop of all the efforts.

#### **7.4. Elements of inclusive development**

Based on Rauniyar and Kanbur (2010), the concept of development differs from growth in expanding the focus from income alone to other dimensions of well-being, in particular education and health. Inclusive development thus refers to the improvement of the distribution of well being along these dimensions at the same time as the average achievement improves.

According to the development plan mentioned by Regent of Bantaeng, there are three focus applications: the development of export-based commodity, seed research, and the new Bantaeng as new centre of excellence for economic development. The Talas Safira program can be considered as one of the government initiatives in order to obtain these three focus agenda, since this program has main mission on poor farmer's prosperity. This program corresponded with Drucker (1999), which is stated that a public-service institution has to satisfy everyone; certainly, it cannot afford to alienate everyone.

In terms of the macro economic performance, Bantaeng regency obtain significant economic growth, which is based on the data from Badan Ketahanan Pangan (Agriculture Resilience Agency), the economic growth in Bantaeng Regency is 8.43%, above the national rate and also South Sulawesi province rate in around 7-8%. There is a supportive statement from the secretary of Badan Ketahanan Pangan (Agriculture Resilience Agency), which is stated:

“Before 2008, most of the houses in this regency were traditional house, but currently you can notice that they utilize modern concrete house. Additionally most of the citizens have the cars currently. This is one of the indicator of there is an increasing number of people’s welfare.” (Secretary of Badan Ketahanan Pangan, Interview, 26 June 2013)

In this case, the Talas program is regarded as one of the supportive program for this achievement. The reason of this is because the economic activities in this Regency are highly associated with the agricultural commodities. Additionally, most of the citizens in Bantaeng are farmers. By implementing this program, it is proven that the farmers can obtain new job opportunity. There are four crucial factors on the inclusive development, which are as followed:

1. Education

There are some examples that the farmer’s children can go to school because of this Talas Safira program

2. Health

According to our interview with the farmers, they feel healthier by consuming Talas rather than their usual main course, which is rice

3. Living Standards

By implementing this program, the citizen can now have a saving in the bank account

4. Opportunities

There is an opportunity to have agriculture diversification and for export, particularly to Japan

As a result in terms of economic advancement, they can avoid the loan sharks, can pay for the debt, and they can finally pay for the home mortgage and even the farmers can rent some extra lands for up-scaling cultivation. In conclusion, they can have a better life by having an income-raised.

## **7.5. Success factors/barriers**

### **Enabling factors**

The main enabling factor (driver) for these IID initiatives is the Leadership. There are some points, which can be considered as the main points:

- Intellectual knowledge of the leader. By having this knowledge, they can know the potential of the area

- Social knowledge. The leader should have the know-how to manage people and build common understanding, gather all head of the Units in the district government
- Political power in order to obtain trust from the citizens. The regent was implemented conventional, hierarchical approach (top-down)

### **Barriers**

The major landscape of IID initiative in government in the previous chapter stating that radical innovation is the least possible to happen in the government sector. This is by no surprise, as Drucker once mentioned three factors that hamper innovation implemented in government agencies:

- Regional income, especially at regency level is actually low enough therefore it is difficult to allocate budget for large investment such as research and development. Meanwhile to materialize Bantaeng Regent’s mission of making Bantaeng as economic growth center in the region through science and technology is almost impossible to implement if we only count on merely regional budget. This is also stated by senior researcher, Sutardjo in an interview:

“Well if I see, regional income (PAD) is actually low. PAD is not that much, small to say the least. So that if we (researchers) hope from it would be quite difficult. These friends from Nila fish program, the funding is from Local Government (Pemda) but it’s also not smooth. There is a gap when the Regent has resembling Habibie. His thinking has been 10, 20 years ahead, however the staff under his management unable to follow. That is the problem. Following this ahead of time person is really difficult.”

- Service institution is dependent on multitude of constituents. A public-service institution has to satisfy everyone; certainly, it cannot afford to alienate everyone.
- That public-service institution exists after all to “do good”. This means they tend to see their mission as moral absolute rather than as economic and subject to a cost/benefit calculus.

### **Technical Challenges on field**

System innovation is not without hindrance. In this initiative as well, most of the farmers have felt the increase of income from the higher price of Taro root, however, many still found their harvest rejected by the company due to the below standard yield. Several new farmers already

hyped for starting the cultivation, yet the seeds stocks are yet ready. The unavailability of seed and below target harvest even stops the company to receive yield in the recent months. In the other side, the PPL believe this initiative is promising profit for the farmers, but farming without enough capacity will result in failure and behind target. The junior expert of JICA detected fundamental problem in the accountability of data for gaining production target and forecast: a correct measurement of land where both field technicians and the farmers resist to recount land using measurement tool. From interviews with many actors, the BKP, PPL, JICA, local government, and even the farmers themselves there caught sense that human resource capacity is the key to the success of this program not only to acquire the farming knowledge but also ability to produce their own seed without being dependent with government supply.

### **Complex actors, complex interests**

In system innovation there is also a risk of fragmented interests, yet it can be stabilized by the networked knowledge sharing and the role of government as the coordinating party in the network.

## **7.6. Conclusions**

Overall government:

- In regards to the government-driven cases, the initiatives dominated by incremental innovation with process oriented. In our opinion, the main reason of government initiatives dominated by incremental innovation is because they are keen on improving communities learning from time to time. They try to avoid radical innovation because radical innovation needs radical changes of global significance, and by nature it is not government's characteristics that prefer stable environment. By doing the incremental innovation, they can learn from their mistakes and keep doing some improvements. Thus, government prefers incremental innovation to radical innovation. On the other hand, one of the main reasons they favor process innovation rather than product innovation, in my opinion, it is because they want to have a process for solving problems, to add value to the organization by developing its people.
- Nearly half of the Government-driven initiatives have targets on improving the opportunities to the citizen. Most programs have opened job opportunities and therefore increase the beneficiaries' income. It is relevant for the government-driven actor

because it is government's tasks to facilitate the citizen for having more opportunities in increasing their well-being. The second and third aims are education and living standards respectively. The reason of this is because these two indicators are the main basic needs of the citizen, which government as the regulator of the nation's activities have to grant the citizen for better life.

- Improvements in the quality of education, health care, infrastructure and environmental services will be critical for the economic growth and political stability of Indonesia as an emerging middle-income country. In conclusion, government initiatives are driven by national mission to alleviate poverty as one of the national priorities. Given the fact that government initiatives are more widespread, the government of Indonesia has the chance to lead to lead IID initiatives in Indonesia since they have funding, infrastructures, apparatus, network, and policies. There are main points need to be addressed as the key success factors for the IID initiatives from the government-driven, which are leadership from national and local government, the ability to assure the sustainability of program, and also collaboration with the fellow government institutions and other actors.

Moreover, in terms of the development in Bantaeng Regency, from innovation point of view can be classified as system innovation, radical comprehensive design followed by emergent elements in its implementation. This can be seen from the change of perspectives and values in the stakeholders of the initiative. While the emergent elements we mean is that at initial design, the program set innovation team as the core implementer and that private (PT. GSII) is outside the team. However in implementation the roles of the private, CSO, and NGO show significant contribution to the process occurred.

The pattern of innovation is a mixture of government-driven and market-driven innovation. Government-driven because it begun with political awareness that innovation is urgently needed. In this case, for Food Security and opening job opportunities which in the end could increase the well-being of the poor farmers especially from income aspect. Also due to acceptance of public for programs he offered. While market-driven can be seen from the coupling phenomenon between new technologies to pursue economic purposes. The implication from innovation this type can be seen from the outcomes of economic growth of the area. Also, although at the initial design, the leader of initiative is government, however at

the implementation there happened public-public as well as public-private collaboration, furthermore involving foreign investors.

The role of science and technology (S&T) that triggers learning and interactions is also important. Basically innovation should be a multidimensional novelty of knowledge learning and organization. Knowledge in the Talas Safira program includes agricultural S&T, however more fundamental is learning process through agricultural S&T (organic farming, Plant Tissue Culture, new commodity) how they are understood and shared by academicians (researchers from BPPT, Local University, Expert from JICA) to other actors. How these understandings are reflected in practices and emerging small innovations by the farmers, PPL, BPPT, etc. At every level such learning process will require human resource capacity increase and this is not only accommodated through trainings but also from informal interactions that PT, GSII, JICA expert, and PPL actors.

Bantaeng is a multi-actor innovation that has to synchronize difference of interests from the public, private, CSO, NGO, to the international market. In this case the government especially Bappeda (local development body) can hold a role of coordinating these interests. The emergence factor arises from complex actors' interests suggesting a government to produce policies that give room for possible modifications either in partnership or organization, etc.

Leadership is another supporting factor of Bantaeng innovation success. The background of the Regent who are academe as well as entrepreneur in its implementation develop both field values, especially his agility in networking to solve the limited budget in the government. Here we can see that if the local leader is visionary and consistent of implementing programs, within 2-3 years will start to show output and outcomes (in this case, economic indicator and on mindset and behavioral change). In relation with one of innovation elements we re-conceptualize, Bantaeng Regent has shown to apply Science and technology to accelerate development and followed by policy and regulations that support the initiative as well as keeping the network interaction and learning process to be alive.

Improvements in the quality of education, health care, infrastructure and environmental services will be critical for the economic growth and political stability of Indonesia as an emerging middle-income country. In conclusion, government initiatives are driven by national mission to alleviate poverty as one of the national priorities.

Given the fact that government initiatives are more widespread, the government of Indonesia has the chance to lead IID initiatives in Indonesia since they have funding, infrastructures, apparatus, network, and policies.

## Chapter 8 Reflection and Synthesis

Change is ubiquitous; this is no exception to the development concept. As we can observe that development paradigm has shifted from generations. The world long believed in economic growth as the sole indicator of development or progress of a country. However, after crises in US, Asia, and recently Europe during the last three decades, the world learned that the approach needed a change. From the early chapter we see that some milestones of such changes have been shown to follow certain trajectory: the more inter-disciplinary concept that tries to enact a more comprehensive meaning of progress, development, and well-being. The social development through MDGs approach emphasizes more on poverty eradication compared to the more recent approach, Sustainable Development Goals. Beside these two mainstreams, we also have known a different approach that is in its infancy to be established: Innovation for Inclusive Development (IID). The latter approach is an inter-disciplinary approach that combines social-inclusive development and knowledge (Science and Technology, S&T) fields.

Despite the process of establishment of a comprehensive understanding of IID conception, we offer several conceptualizations of IID based on several considerations, among others are:

- Growth-based development concept has left economic distribution gap and therefore jeopardize well-being meaning into exclusive rich versus poor.
- Several known indicators of well-being such as HDI, MPI, IPM, SPI, OECD Better Life Index, and so forth have shown to see partially and showing a thread of statistic falsifiabilities justified by mere numbers.

A new approach is introduced in this study, reminiscing ideas from Sen (1999) on proxies of well-being, trying to pull together well-being measures to see how inclusive a development initiative is. The more proxies progressing by a development initiative considered as more inclusive. This approach is then combined with the existence of innovation implementation in the program. It is hypothesized that Innovation for Inclusive Development that is heavily emphasizing in three aspects: S&T implementation, community empowerment, and income channel could catalyze the achievement of a more inclusive development and therefore, well-being.

An early study is carried out to see how far development programs and policies in Indonesia from the status of (conceptually) implementing IID principles and what outcomes they have shown. Horizontal scanning is conducted and then followed by vertical scan over three different cases from different sectors i.e.: Academia and CSOs, Business, and Government to see the pattern and characteristics for lessons learned for replication (with sufficient adjustments needed) purposes.

### **8.1. Innovation for Inclusive Development: A pathway to social, environmental and economic progress**

IID initiatives in this study are defined as initiatives that at least comprise of three aspects: Science and Technology implementation, community empowerment, and economic benefit. This was hypothetically synthesized from experience joining the previous iBoP 1.0 project and from empirical experience of BPPT and The Ministry of Research and Technology in their technological diffusion programs. These three elements were “means” or in this context, the innovation channels towards an outcome. While inclusive development is considered as the “ends” which we identify as measures of well-being which, referring Amartya Sen’s approach on “Life” as “a set of capabilities and functioning”. The set of capabilities and functioning are then translated into a rich proxies among others used here are: health, education, opportunities, living standard, security, and environmental sustainability.

This is a way to measure IID status for the populations of data we have gathered from three sectors: Academia and CSOs, Business, and Government. This should not mean to be reductionist considering that previous index mislead into numbers. Further, innovation is something that cannot be measured in quantitative terms since it is qualitatively new, via process of learning and knowledge building (Fagerberg et al., 2006).

From the field of government, we gathered 1112 initiatives from various government institutions with poverty alleviation program while from Academic and CSO sector and Business are 392 and 321 initiatives respectively. The patterns found from means, ends and channels of IID across sectors show that in Indonesia with 17 thousand more islands, IID alike initiatives are indeed java-centric and more evenly spread by government initiatives. The academic and CSO were hindered by the funding scheme of projects, hence they only concentrate on regions where old and established institutions are positioned. In the other hand, initiatives from the private industries shows to be centralized in areas with the highest profit

margins. This is due to the nature of corporations where maximization of return is indeed a priority to business. From these findings it shows that the mindset of developing people's prosperity is still fragmented by interests of the environmental nature of the institution.

Although it is still need to be tested further, however from this fact we can say that in such condition, government, albeit local or national, should be the intermediary, as well as the coordinating agent for setting mindset of inclusive development for all other stakeholders. Further at this condition where government set the basic infrastructure in the areas the government could also act as the pioneer of development programs. This is not to mention that the government (especially the central government) need to open more access to infrastructure in certain areas and that there is still disparity of development between the western part and the eastern part of Indonesia that should be overcome.

Especially for the government sector, the overall landscape and characteristics drawn from the data further can be explained below:

- In regards to the government-driven cases, the initiatives dominated by incremental innovation with process oriented. In our opinion, the main reason of government initiatives dominated by incremental innovation is because they are keen on improving communities learning from time to time. They try to avoid radical innovation because radical innovation needs radical changes of global significance, and by nature it is not government's characteristics that prefer stable environment. By doing the incremental innovation, they can learn from their mistakes and keep doing some improvements. Thus, government prefers incremental innovation to radical innovation. On the other hand, one of the main reasons they favor process innovation rather than product innovation, in our opinion, it is because they want to have a process for solving problems, to add value to the organization by developing its people.
- Nearly half of the Government-driven initiatives have targets on improving the opportunities to the citizen. Most programs have opened job opportunities and therefore increase the beneficiaries' income. It is relevant for the government-driven actor because it is government's tasks to facilitate the citizen for having more opportunities in increasing their well-being. The second and third aims are education and living standards respectively. The reason of this is because these two indicators are the main basic needs of the citizen, which government as the regulator of the nation's activities have to grant the citizen for better life.

- Improvements in the quality of education, health care, infrastructure and environmental services will be critical for the economic growth and political stability of Indonesia as an emerging middle-income country. In conclusion, government initiatives are driven by national mission to alleviate poverty as one of the national priorities. Given the fact that government initiatives are more widespread, the government of Indonesia has the chance to lead IID initiatives in Indonesia since they have funding, infrastructures, apparatus, network, and policies. There are main points need to be addressed as the key success factors for the IID initiatives from the government-driven, which are leadership from national and local government, the ability to assure the sustainability of program, and also collaboration with the fellow government institutions and other actors.

The three cases we picked for this study do not mean to represent general pattern in each sector. The pattern we mean here referring to which type is of innovation, who is the initiator, and what was the central approach that it made? This is including how innovation actors collaborate (de Bruijn et al., 2004). Other characteristics may vary dependent to each case. The approach of the study is qualitative with conceptual framework taken from Outcome Mapping (OM). This frame of thinking is inline in the way that it embraces the complexity of networked actors and see behavioral change as an outcome of a program. However since in this study, the initiatives have been running and were initiated without applying OM, therefore such naming actor of the initiatives does not accord OM and therefore did not strictly use terms such as usually categorized in Boundary Partners.

From our findings, summarized below:

Table 8-1 Summary of findings of case studies

	<b>Case 1 Microhydro in Ciptagelar</b>	<b>Case 2 Pasar Sejahtera in Probolinggo</b>	<b>Case 3 Talas Safira in Bantaeng Regency</b>
Who initiated the innovation?	Academician-CSO + local user/demand	Private Sector + local government	Government + market
What was the type of innovation: design or emergent development?	Organic emergent development	Hybrid model, both design and development	Radical comprehensive design, followed by emergent elements
What was the central approach?	Bottom up: changes at all components as a result of bottom up action	Network: starting from meeting interests (from local government as well as open-design by Danamon)	Top down: driven by mission for Food Security and opening Job Opportunities

Source: Authors

*The first case* is the provision of basic infrastructure: *electricity* in a strong culture society in Ciptagelar village in West Java. Knowledge of microhydro plantation and management is

circulated through *Adat* (Tribal) leader to the local community in participatory manner and tenure capacity building of the locals to prevail the sustainability of the plant. This is one example where elements of innovation including S&T application, community empowerment, and in turn income raising from the management of the plant as well as the generated economic activities.

In this initiative, product (electricity-including knowledge on how this technology works) as well as process (bottom up power plant management) innovations happen. These innovations generate economic activities which never been explored before and succeeded somehow in convincing the existing cultural value to compromise with technology. The derivation infrastructures in this case: schools built in the end attract corporate involvement (Bank Jabar and AHM Motor). Education infrastructure establishment in turn will give implications in changes of living standard, health standard, and moreover, value/mindset which potentially suppressing the existing values. Having said that, as long as the *Adat* leader stand as the clearing house of any settlement, it seems that thread is still far to come.

*Second case*, a Corporate Social Responsibility division of Danamon Bank, an Indonesian Private Bank has been running Pasar Sejahtera program. A public-private collaboration between Danamon Bank and Local Government of Probolinggo City is based on intention for a behavioral change among sellers in traditional market in terms of waste management and general hygiene. Partnership also including national Ministry of Health in setting hygiene standard and Local Balai Lingkungan Hidup/Environmental Agency (BLH) for designing community based waste management as well as providing waste processing technology infrastructure. In the implementation, building seller community or Paguyuban Pedagang further widens the design, also by developing initiatives such as Interaction Medium (Wall Magazine, forums) and Garbage Bank.

This PPP format in this case is a great solution of the limited resources of both parties in achieving the designed goals due to the limited budget at one side and limited human resources in the other.

Environmental awareness trying to be built in this case needs to be intervened through communities. The widening network of interaction with the sellers advantaging in ongoing learning process by all actors and therefore expected that such approach could result in

sustainability of the initiative since the more actors benefited from the initiatives and therefore will try to maintain their source of knowledge, skill, as well as economic incentive.

However the high commitment of the local government is somehow determined by Leadership factor. Some periods could have leaders with clear ideas on how to manage waste as well as social management but at the other times a stagnant outlook could shadow the progress of environmental issues. There are several ways to overcome this obstacles, the first will be reinforcement from the central government to check and control communities already well led or second, local leader selection mechanism that accommodate public control.

Another factor in Pasar Sejahtera case that contributes in changing behavior of the traditional market community is persistent interaction. Collaboration and dissemination through repeated efforts such as weekly meeting, regular free medical check-up from the Ministry of Health, participatory information sharing through wall magazine, quizzes, involvement in city market forum, and outsiders visitation (students, NGO, etc) have enhanced interaction and therefore knowledge as well soft skill of the traditional market seller community. This way, it is expected that the behavioral change will be more sustained.

*Third case, Talas Safira program in Bantaeng Regency.*

From innovation point of view, initiative in Bantaeng can be classified as system innovation, radical comprehensive design followed by emergent elements in its implementation. This can be seen from the change of perspectives and values in the stakeholders of the initiative. While the emergent elements we mean is that at initial design, the program set innovation team as the core implementer and that private (PT. GSII) is outside the team. However in implementation the roles of the private, CSO, and NGO (JICA) show significant contribution to the process occurred.

The pattern of innovation is a mixture of government-driven and market-driven innovation. Government-driven because it begun with political awareness that innovation is urgently needed. In this case, for Food Security and opening job opportunities which, in the end could increase the well-being of the poor farmers especially from income aspect. Another argument is the acceptance of public for programs he offered. Market-driven can be seen from the coupling phenomenon between new technologies to pursue economic purposes. The implication from innovation this type can be seen from the outcomes of economic growth of the area.

At the initial design, the leader of initiative is government, however at the implementation there happened public-public as well as public-private collaboration, furthermore involving foreign investors. The role of new science and technology (S&T) applied triggers learning and interactions among actors since innovation should be a multidimensional novelty of knowledge learning and organization (Fagerberg et al., 2006). Knowledge in the Talas Safira program includes agricultural S&T, however more fundamental is learning process through agricultural S&T (organic farming, Plant Tissue Culture, new commodity) how they are understood and shared by academicians (researchers from BPPT, Local University, Expert from JICA) to other actors. How these understandings are reflected in practices and emerging small innovations by the farmers, PPL, BPPT, etc. At every level such learning process will require human resource capacity increase and this is not only accommodated through trainings but also from informal interactions that PT, GSII, JICA expert, and PPL actors.

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Improvements in the quality of education, health care, infrastructure and environmental services will be critical for the economic growth and political stability of Indonesia as an emerging middle-income country. In conclusion, government initiatives are driven by national mission to alleviate poverty as one of the national priorities.

Given the fact that government initiatives are more widespread, the government of Indonesia has the chance to lead IID initiatives in Indonesia since they have funding, infrastructures, apparatus, network, and policies.

## **8.2. Influencing policies through IID: Future developmental agenda**

This research identifies a number of implications as follow.

- a. Even though the definition of Innovation for Inclusive Development (IID) has not consented yet globally, from the previous sections, we have now a new paradigm of IID where it must takes account of some primary goals, such as widening access, widening participation, and improving livelihood. This research concludes the attentiveness on the IID initiatives' significance in improving the well-being of the citizens.
- b. The IID initiatives must have the enabling factors to ascertain these initiatives to be successful. Our research highlighted the importance of partnerships and collaboration among stakeholders to implement IID initiatives in Indonesia. These partnerships should grow in an open climate and aim for mutual benefits. Thus, in the national level, the national government as regulator should proactively enhance the policies that drive the implementation of IID in Indonesia.
- c. Furthermore, since Indonesia has autonomous provincial and district government, administrative, the government or district government policies also play central role in achieving the future development agenda in every regions. These policies must be based on the local wisdom. For instance, the Regent of Bantaeng District has carefully considered the local wisdom in that area to implement the appropriate policies to improve the well-being of its citizens. The district has enormous advantages on the agriculture development. Thus, they established the Technology-based Seed Regency program by considering the knowledge and skills of its citizens and create the policies to support the initiatives. Although they have not stated those policies are IID policies, these policies are heavily involved in establishing the better well-being of citizens.
- d. In order to arrange the appropriate policies for IID, beforehand the stakeholders must identify priority areas in some regions to foster the innovation for inclusive development. By so doing, they can do the arrangement on choosing the policies that cause most significance results first, and also to make sure the policies can support these initiatives.

- e. The research reports the existence of numerous initiatives that share IID characteristics. It is of necessity to acknowledge and to record these various existing initiatives. Unfortunately, Indonesia is lacking of adequate survey on various IID initiatives. Hence, regular surveys on IID initiatives will improve the adoption of IID initiatives amongst stakeholder.
- f. Based on our findings, despite the widespread participation, IID initiatives practiced in civil society are still based on their particular interests. The initiative does not act as an *intended action* but rather as an *unintended consequence* of their practices. In this case, the initiatives serve the interests of project owners rather than the needs of beneficiaries.

### 8.3. Reflections

There are several reflective keys that can be synthesized from this report. Firstly, Inclusive Development is new development paradigm therefore there should be more studies to come to clarify theses for further become a more comprehensive knowledge. Innovation initially realized as application of Science and Technology for developing a more efficient product and for commercialization. However these days innovation has been developed for communities, even further in this study innovation has been shown to act as catalyst to a more inclusive development and therefore could reduce social unrest for many gaps in development. From the three cases study conducted, we could draw some lessons and factors that need to be prepared when implementing system innovation

- a) All stakeholders (Academician, Business, Government and Community) should interact, networked, and strengthen this network, enhance their capacity, and formulate coordination mechanism that has adjustability with local resources. Information Technology should be used as much as possible to solve disconnection problem and enhance interaction among community members to ensure knowledge circulation smoothly delivered. ‘*Leadership*’ is important to coordinate IID initiative. The coordinating agent should be involved since planning stage, up to the implementation, and monitoring for consistency and sustainability of the initiative.
- b) Given the systemic and complex nature of innovation and development, appropriate policies at all format and level should be formulated to accommodate these characteristics. Regulations, planning system, information system, permits, and facilitating conditions by the authorities.

- c) Since basically innovation is a '*never ending process*' from a '*learning society*' which at the outcome is expecting social change that results in better well-being and therefore more inclusive development for all elements of society therefore, "connectivity" of all actors is fundamental for a sustainable '*learning process*'. This is precondition for coordination to eventually result in collaborations.
- d) To facilitate innovation for inclusive development, coordinated efforts of series of capacity buildings, trainings, need to be done to create innovation culture.
- e) It is also necessary to formulate a focused and consistent design by the initiative actors which would create vibrant, dynamic environment which will support the goal intended, that is a prosper and just society.

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## Appendix 1 Interview: Protocols and Instruments

Interviews were arranged with 26 respondents who were selected on the basis of their affiliation to their respective organizations. They are evenly distributed to represent the cases of the Academic and CSO sector, the Private sector, and the Government sector. Respondents have all been evidently involved in their respective IID program, each with different roles: as a program owner, beneficiary, direct partner, expert, community leader, or everyday farmer. A more comprehensive methodology is outlined in Chapter Three. The interviews were designed primarily to provide more detailed information and insights about:

- The extent of IID initiative in helping those to achieve inclusive development;
- The existing policies that are related to inclusive development initiatives;
- The extent of the impacts of these policies to the implementation of inclusive development initiatives

### Protocol

The interview questions were tested through a pilot involving a respondent, following which they were revised and adjusted. By 20 August 2013, all twenty-six respondents had been interviewed, all of them by means of a face-to-face meeting in private.

The respondents were initially approached either via email or telephone call that explained the purpose of the research and how the interview would be used. Following a positive response to our request for an interview, interview questions were then sent by email for the respondent to further consider and to prepare for the interview session. All of the interviews were recorded and transcribed verbatim (word by word) by third party assistants. The transcriptions were then sent to the interviewees for checking and to add further information if they felt necessary. Both recording files (.MP3) and transcription were then added to the CIPG-HIVOS database stored both in the Cloud and in the local drive for back-up. In cases where interviewees provided documents (a company profile, etc.) in addition to the interview itself, the documents were also included in the database.

### Instrument

The interview questionnaire, in *Bahasa Indonesia*, comprised the following main questions:<sup>7</sup>

#### A. Project Owner (Tim Pelaksana)

OM Steps	Interview Question	Probing
1. Visi	Kontribusi seperti apa yang anda harapkan saat mendirikan/pertama menjalankan inisiatif ini?	Impian
	Perubahan apa yang anda inginkan terjadi dalam masyarakat dan lingkungan sekitar?	Gambaran mendatang, manfaat
2. Misi	Apa kaitan antar inisiatif ini dengan impian tersebut di atas?	Target capaian
	Apa yang tim anda lakukan untuk mencapai impian ideal tersebut?	Usaha, program, strategi

**Chapter 2** The complete set of interview questionnaires, including probing questions, both in English and *Bahasa Indonesia*, are available upon request to the authors/CIPG-HIVOS.

3. Mitra Langsung	Dengan siapa sajakah anda bekerjasama? Mengapa memilih mitra tersebut?	Identifikasi mitra
	Bagaimana cara anda memilih mitra-mitra yang diajak bekerjasama?	Faktor pemilihan
	Apa strategi anda dalam bekerjasama dengan mitra-mitra?	Strategi kemitraan
4. Capaian Dambaan	Capaian seperti apa yang anda dambakan?	Indikator keberhasilan/capaian
	Apa yang anda harapkan terjadi di antara para mitra?	Partnership di antara mitra
5. Penandaan Kemajuan	Capaian minimal apa yang anda harapkan terjadi?	Minimal outcome/output
6. Peta Strategi	Strategi internal apa yang anda gunakan untuk mencapai target inisiatif tersebut?	Kebijakan
	Strategi eksternal apa yang anda gunakan untuk mencapai target inisiatif tersebut?	Kebijakan

### B. Direct partner (Mitra Langsung)

OM Steps	Interview Question	Probing
1. Visi	Apa yang anda harapkan dari inisiatif tersebut?	Impian
	Perubahan apa yang terjadi dalam masyarakat dan lingkungan sekitar?	Gambaran mendatang, manfaat
	Apa dampak program tersebut terhadap anda?	Manfaat
2. Misi	Sejauh manakah inisiatif tersebut menjawab impian anda?	Target capaian
	Apa yang tim anda lakukan untuk mencapai impian ideal tersebut?	Usaha, program, strategi
3. Mitra Langsung	Dengan siapa sajakah anda bekerjasama?	Identifikasi mitra
	Seperti apakah hubungan anda dengan mitra lain?	Kemitraan
	Apa strategi anda dalam bekerjasama dengan mitra-mitra?	Strategi kemitraan
4. Capaian Dambaan	Capaian seperti apa yang anda dambakan?	Indikator keberhasilan/capaian
	Bagaimana inisiatif ini membantu anda mencapai target tersebut?	Indikator keberhasilan/capaian
	Hubungan seperti apa yang anda harapkan terjadi di antara para mitra?	Indikator keberhasilan/capaian
5. Penandaan Kemajuan	Capaian minimal apa yang anda harapkan terjadi?	Minimal outcome/output
6. Peta Strategi	Strategi internal apa yang anda gunakan untuk mencapai target inisiatif tersebut?	Kebijakan
	Strategi eksternal apa yang anda gunakan untuk mencapai target inisiatif tersebut?	Kebijakan

### C. Project beneficiaries (Penerima)

OM Steps	Interview Question	Probing
1. Penandaan	Apa dampak program tersebut terhadap anda?	Manfaat

Kemajuan	Perubahan apa yang terjadi dalam masyarakat dan lingkungan sekitar?	Manfaat, ukuran/indikator keberhasilan
	Bagaimana penilaian anda terhadap inisiatif tersebut?	Ukuran/indikator keberhasilan
2. Capaian Dambaan	Hubungan seperti apa yang anda harapkan terjadi di antara anda dan tim pelaksana?	Indikator keberhasilan/capaian
3. Visi	Apa yang anda harapkan dari inisiatif tersebut?	Impian, manfaat
4. Misi	Sejauh manakah inisiatif tersebut menjawab impian anda?	Target capaian, manfaat

In English, the interview questions mainly read about each of the interviewee's visions, missions, and general strategies towards the implementation of their related development program.

## Appendix 2. Interview Respondents

### A.2.1. Interview Respondents

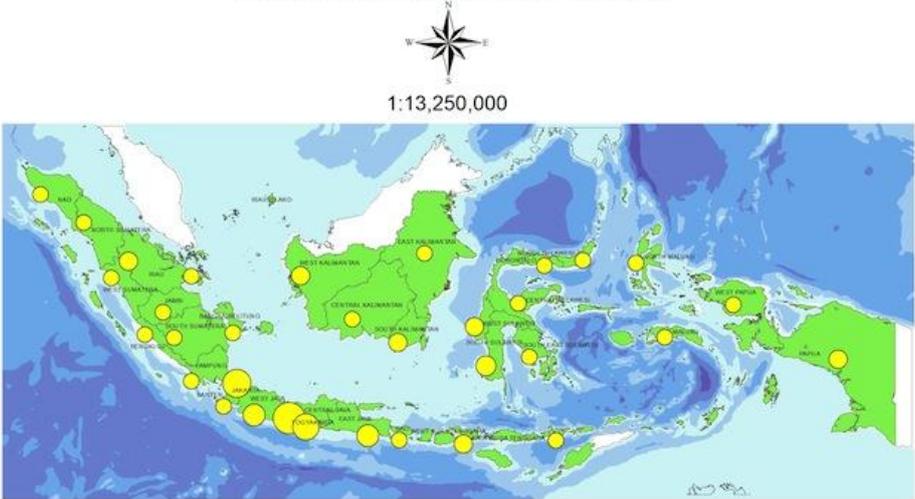
No	Name of Respondent	Organization	Date of Interview	Mode of Interview	Duration
1.	Sapto Nugroho	IBEKA	18/06/13	Group Interview	1:32:54
			11/07/13	Group Interview	1:45:21
2.	Dygdha	IBEKA	18/06/13	Group Interview	1:32:54
			02/07/13	Direct	32:46
3.	Ginanjari P. Alam	IBEKA	18/06/13	Group Interview	1:32:54
4.	Adi Laksono	IBEKA	11/07/13	Group Interview	1:45:21
5.	Abah Ugi	<i>Kasepuhan Ciptagelar</i>	02/07/13	Direct	38:00
6.	Aki Sarban	<i>Kasepuhan Ciptagelar</i>	02/07/13	Direct	11:55
7.	Kang Yoyok	<i>Kasepuhan Ciptagelar</i>	03/07/13	Direct	48:19
8.	Asniati	<i>BKP (Badan Ketahanan Pangan)</i>	27/06/13	Direct	21:22
9.	M. Yusuf	<i>Gapoktan (Gabungan Kelompok Petani)</i>	27/06/13	Direct	41:19
10.	Tanaka	JICA	26/06/13	Direct	1:26:06
11.	Affandy	Global Seafood	25/06/13	Direct	34:31
12.	Sutardjo	BPPT	25/06/13	Direct	59:36
13.	Ramlan	BUMDes	27/06/13	Direct	1:11:02
14.	Yusuf	<i>PPL (Petugas Penyuluh Lapangan)</i>	27/06/13	Direct	53:24
15.	Budi Taufik	<i>BKP (Badan Ketahanan Pangan)</i>	26/06/13	Group Interview	32:53
16.	Andi Nur Ikhsan	<i>BKP (Badan Ketahanan Pangan)</i>	26/06/13	Group Interview	32:53
17.	H. Hotman Zaidh	<i>BKP (Badan Ketahanan Pangan)</i>	26/06/13	Group Interview	32:53
18.	Iskandar	<i>Farmer</i>	26/06/13	Group Interview	32:53
19.	Amiruddin	<i>Farmer</i>	26/06/13	Group Interview	32:53
20.	Bonaria Siahaan	<i>Yayasan Danamon Peduli</i>	02/08/13	Direct	2:09:37
21.	Sonhadji	<i>Bappeda (Badan Perencanaan Pembangunan Daerah)</i>	20/08/13	Group Interview	48:04
22.	Aksan	<i>Bappeda (Badan Perencanaan</i>	20/08/13	Group Interview	48:04

		<i>Pembangunan Daerah</i>			
23.	Budi	<i>BLH (Badan Lingkungan Hidup)</i>	20/08/13	Group Interview	1:18:19
24.	Yayuk	<i>BLH (Badan Lingkungan Hidup)</i>	20/08/13	Group Interview	1:18:19
25.	Bambang	<i>BLH (Badan Lingkungan Hidup)</i>	20/08/13	Group Interview	1:18:19
26.	Abdullah	<i>UPT (Unit Pelaksana Teknis)</i>	20/08/13	Direct	21:14

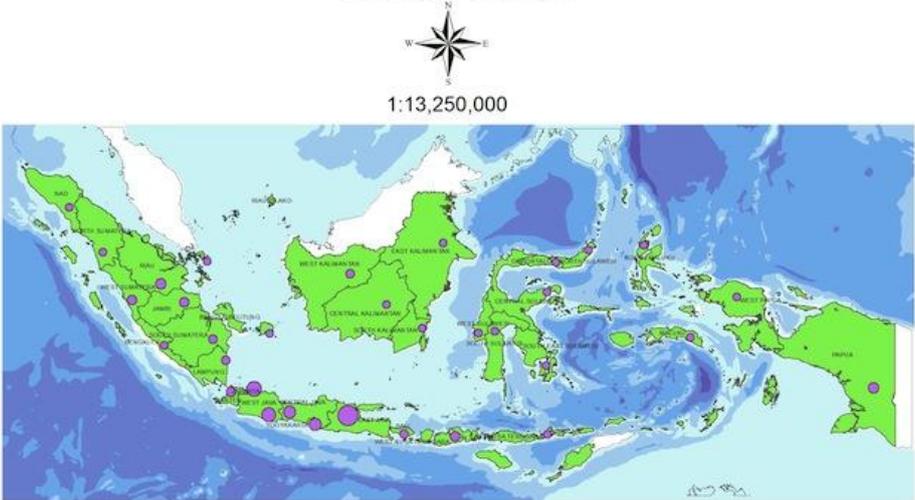
**Appendix 3. Spread of Innovation for Inclusive Development (IID) initiatives in Indonesia**

**A.3.1. Innovation for Inclusive Development (IID) initiatives in Indonesia based on lead sectors**

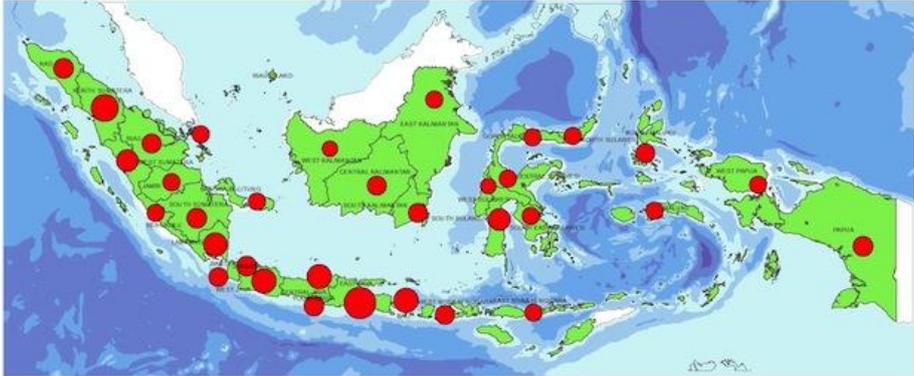
**Innovation for Inclusive Development in Indonesia  
Academics and CSO Sector**



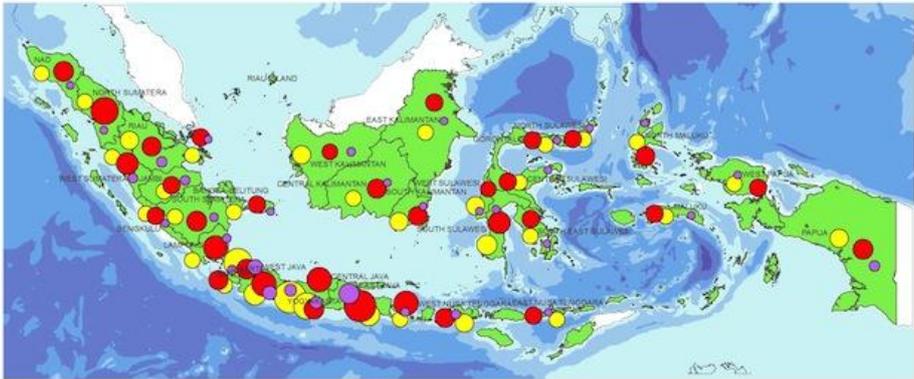
**Innovation for Inclusive Development in Indonesia  
Private Sector**



**Innovation for Inclusive Development in Indonesia  
Government Sector**

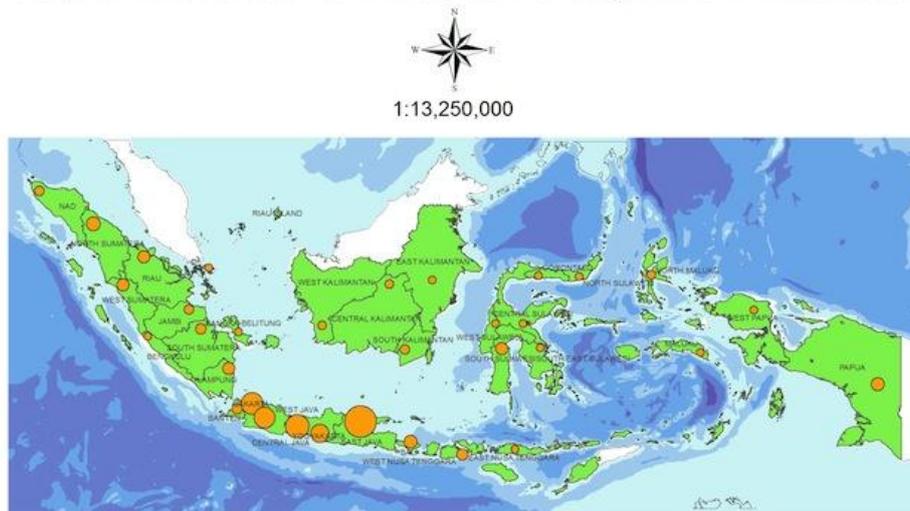


**Map of Innovation for Inclusive Development in Indonesia**



- Government
- Academics and CSO
- Private

## Map of Innovation for Inclusive Development in Indonesia



**A.3.2. Innovation for Inclusive Development (IID) initiatives in Indonesia based on the element of innovation (technological implementation, income channel, or community empowerment).**

**A.3.2.1. Spread of initiatives by Academics and CSO sector based on the element of innovation**

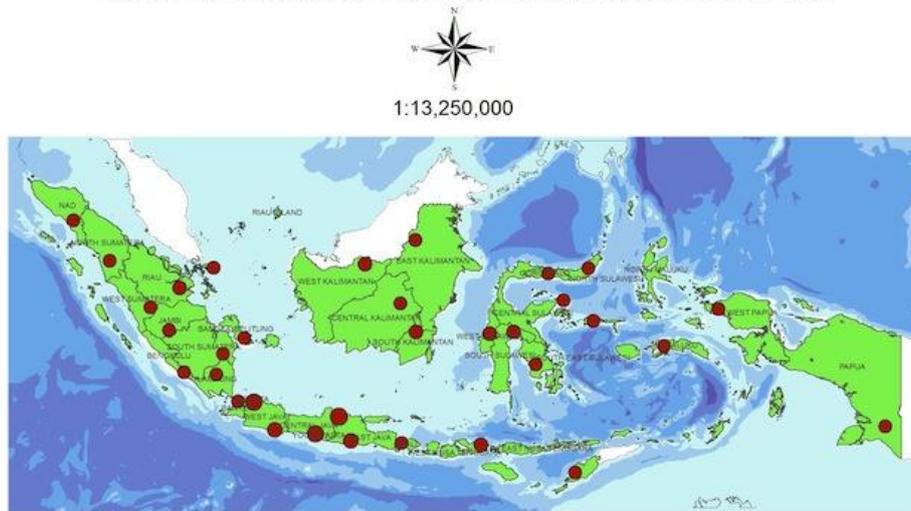
**Mapping the Elements of Innovation  
Spread of Technology Implementation by Academics and CSO**



**Mapping the Elements of Innovation  
Spread of Income Channels by Academics and CSO**

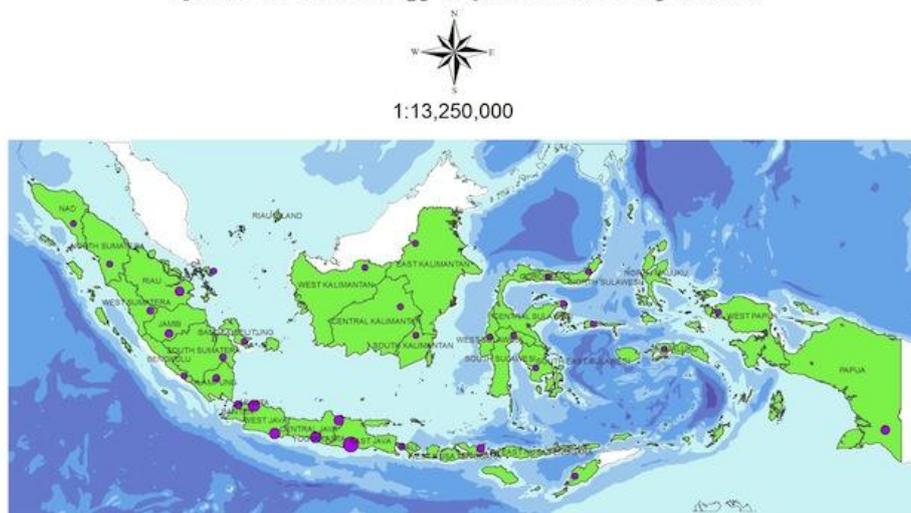


**Mapping the Elements of Innovation  
Spread of Community Empowerment by Academics and CSO**



**A.3.2.2. Spread of initiatives by Private Sector based on the element of innovation**

**Mapping the Elements of Innovation  
Spread of Technology Implementation by Private**



**Mapping the Elements of Innovation  
Spread of Income Channels by Private**

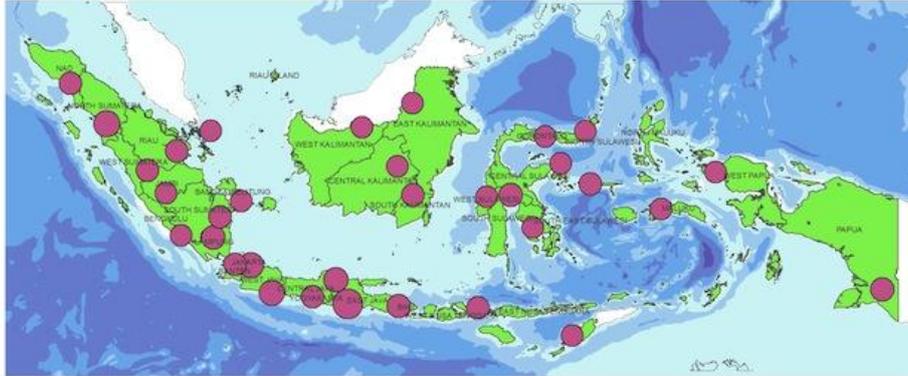


**Mapping the Elements of Innovation  
Spread of Community Empowerment by Private**

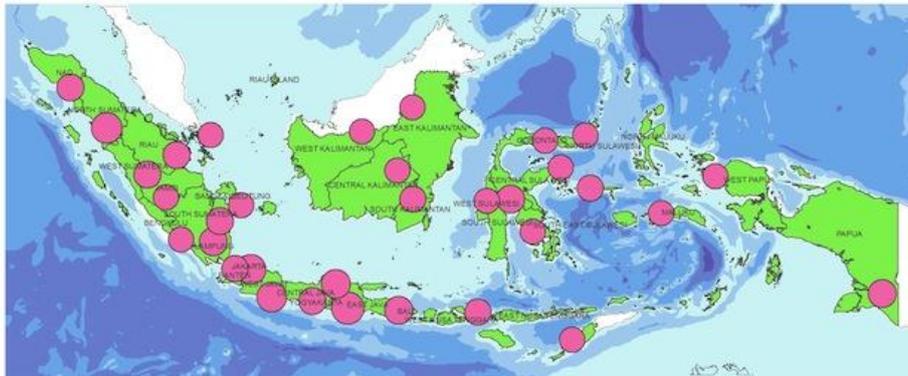


**A.3.2.3. Spread of initiatives by Government sector based on the element of innovation**

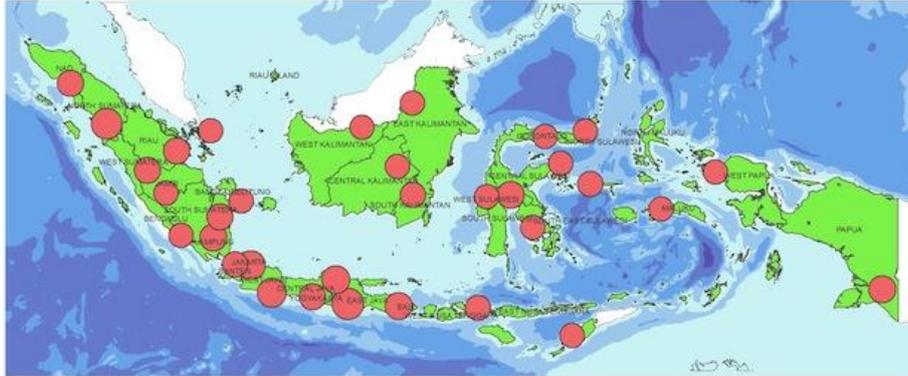
**Mapping the Elements of Innovation  
Spread of Technology Implementation by Government**



**Mapping the Elements of Innovation  
Spread of Income Channels by Government**

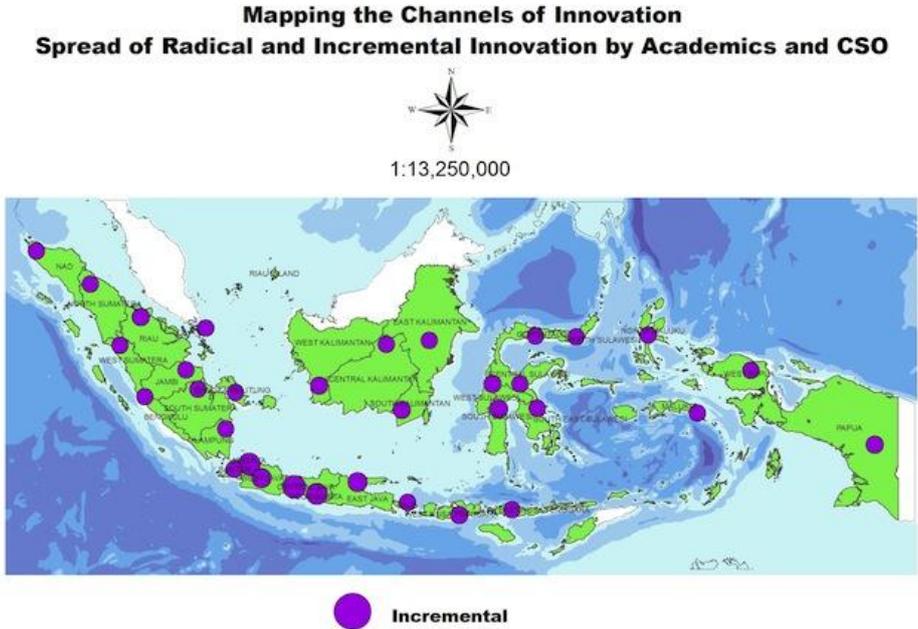


**Mapping the Elements of Innovation  
Spread of Community Empowerment by Government**

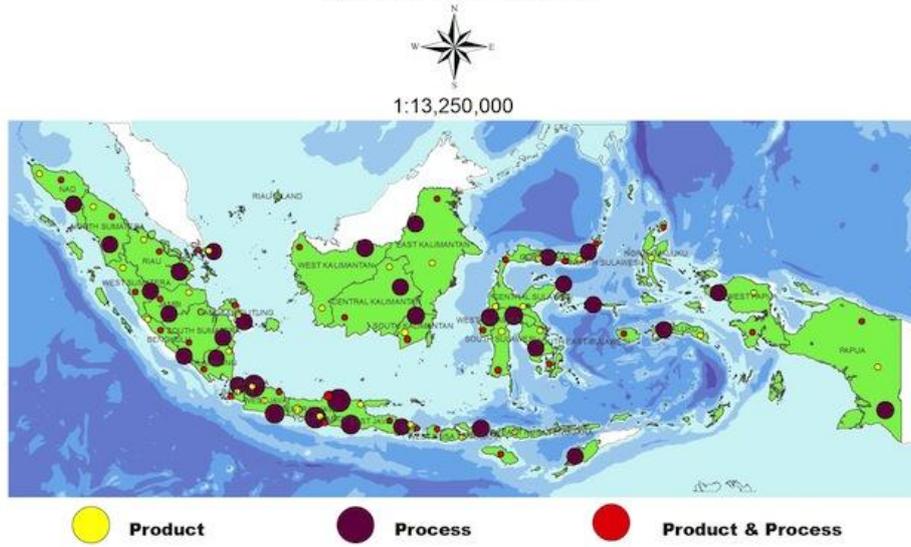


**A.3.3. Innovation for Inclusive Development (IID) initiatives in Indonesia based on the channels of innovation (radical, incremental, product, process, or product & process innovation)**

**A.3.3.1. Spread of initiatives by Academics and CSO sector based on the channels of innovation**

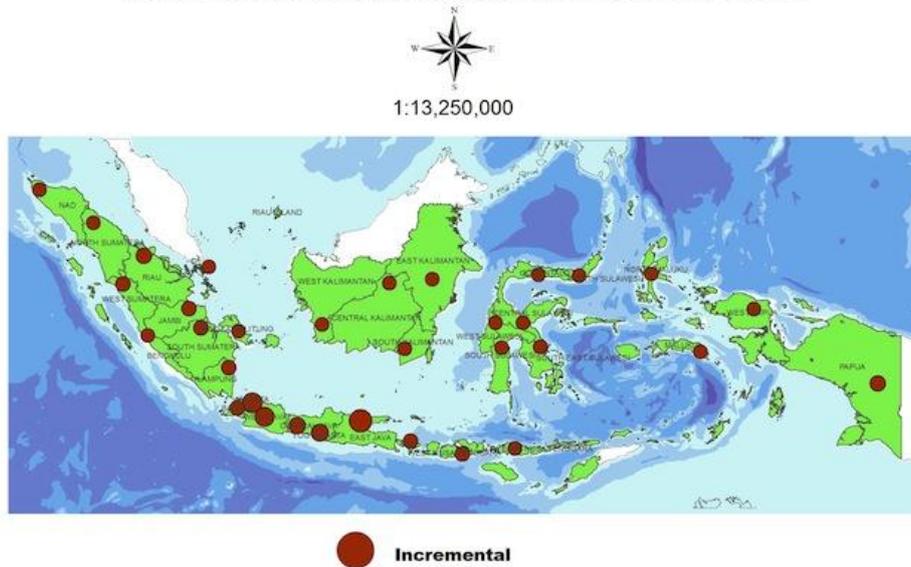


**Mapping the Channels of Innovation**  
**Spread of Product, Process and Product & Process Innovation**  
**by Academics and CSO**

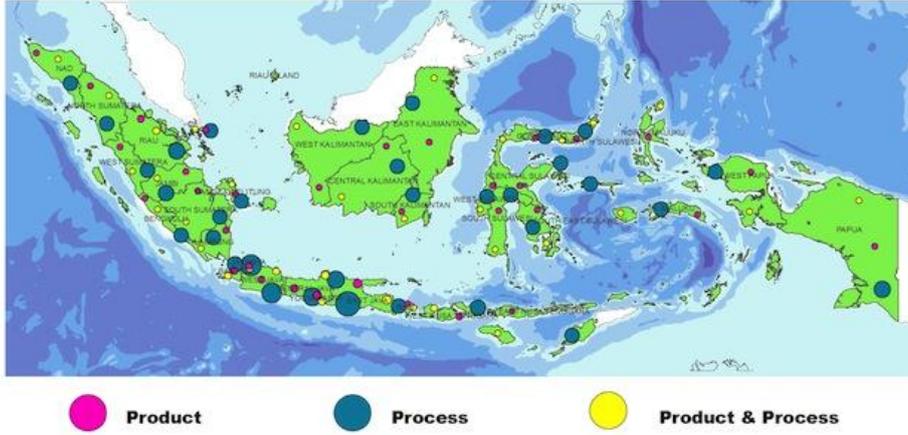


**A.3.3.2. Spread of initiatives by Private sector based on the channels of innovation**

**Mapping the Channels of Innovation**  
**Spread of Radical and Incremental Innovation by Private**

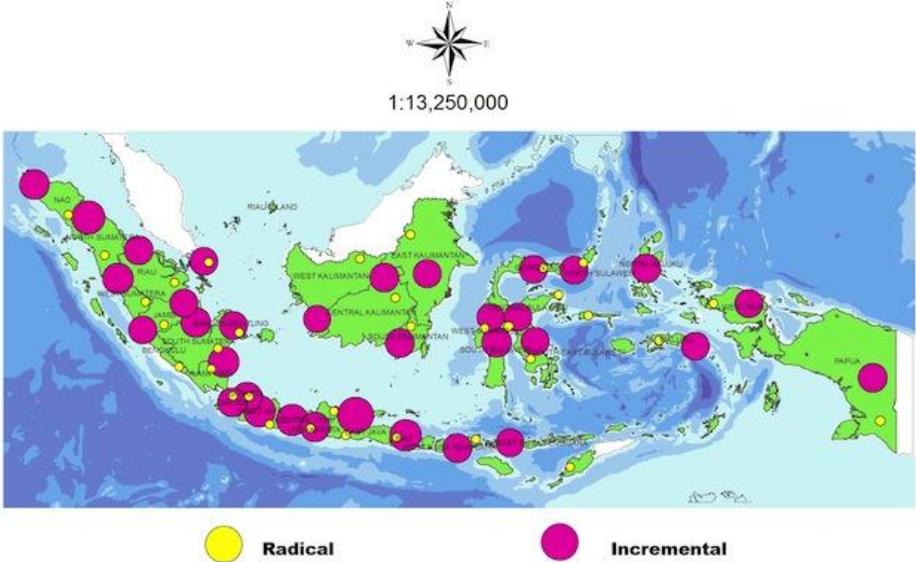


**Mapping the Channels of Innovation**  
**Spread of Product, Process and Product & Process Innovation by Private**

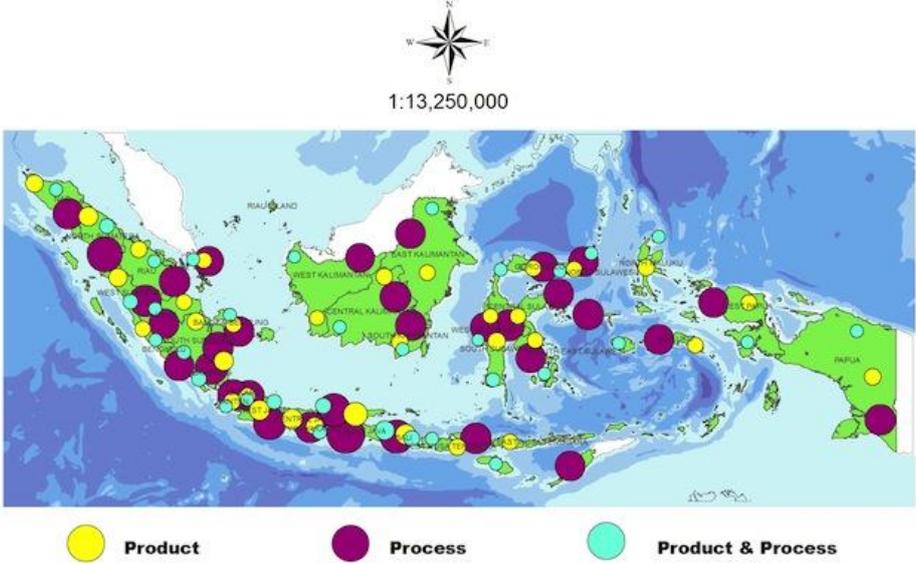


**A.3.3.3. Spread of initiatives by Government sector based on the channels of innovation**

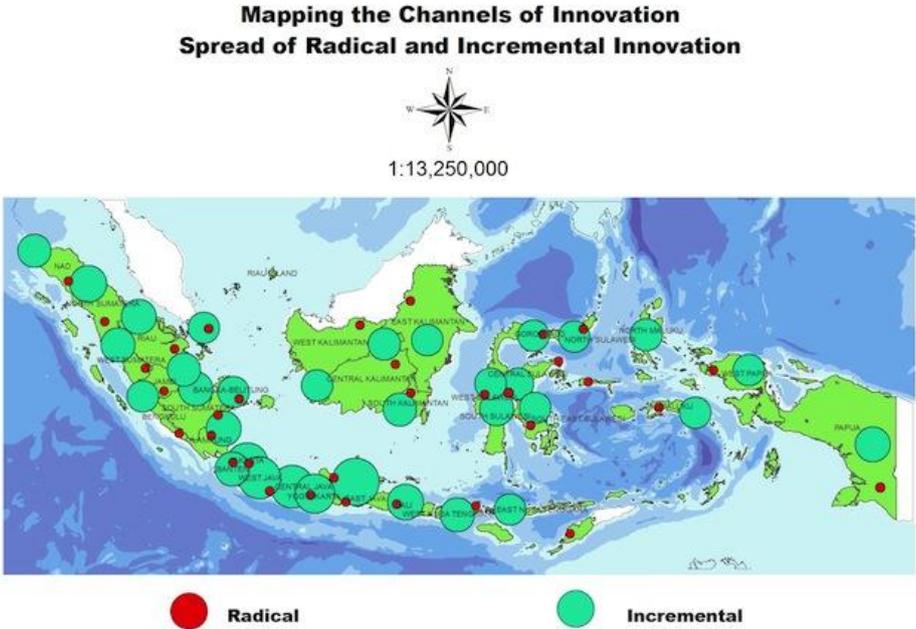
**Mapping the Channels of Innovation  
Spread of Radical and Incremental Innovation by Government**



**Mapping the Channels of Innovation  
Spread of Product, Process and Product & Process Innovation by Government**



**A.3.3.4. Spread of initiatives by all sectors based on the channels of innovation**



**A.3.4. Innovation for Inclusive Development (IID) initiatives in Indonesia based on the channels of inclusive development (education, health, living standard, opportunities, personal safety, or environmental sustainability).**

**A.3.4.1. Spread of initiatives by Academic and CSO sector based on the channels of inclusive development**

**Mapping the Channels of Inclusive Development  
Spread of Education by Academics and CSO**



1:13,250,000



**Mapping the Channels of Inclusive Development  
Spread of Health by Academics and CSO**



1:13,250,000



**Mapping the Channels of Inclusive Development  
Spread of Living Standard by Academics and CSO**



**Mapping the Channels of Inclusive Development  
Spread of Opportunities by Academics and CSO**



**Mapping the Channels of Inclusive Development  
Spread of Personal Safety by Academics and CSO**



**Mapping the Channels of Inclusive Development  
Spread of Environmental Sustainability by Academics and CSO**



**A.3.4.2. Spread of initiatives by Private sector based on the channels of inclusive development**

**Mapping the Channels of Inclusive Development  
Spread of Education by Private**



1:13,250,000



**Mapping the Channels of Inclusive Development  
Spread of Health by Private**



1:13,250,000



**Mapping the Channels of Inclusive Development  
Spread of Living Standard by Private**

N  
W E  
S  
1:13,250,000



**Mapping the Channels of Inclusive Development  
Spread of Opportunities by Private**

N  
W E  
S  
1:13,250,000



**Mapping the Channels of Inclusive Development  
Spread of Personal Safety by Private**



1:13,250,000



**Mapping the Channels of Inclusive Development  
Spread of Enviromental Sustainability by Private**



1:13,250,000



**A.3.4.3. Spread of initiatives by Government sector based on the channels of inclusive development**

**Mapping the Channels of Inclusive Development  
Spread of Education by Government**



1:13,250,000



**Mapping the Channels of Inclusive Development  
Spread of Health by Government**



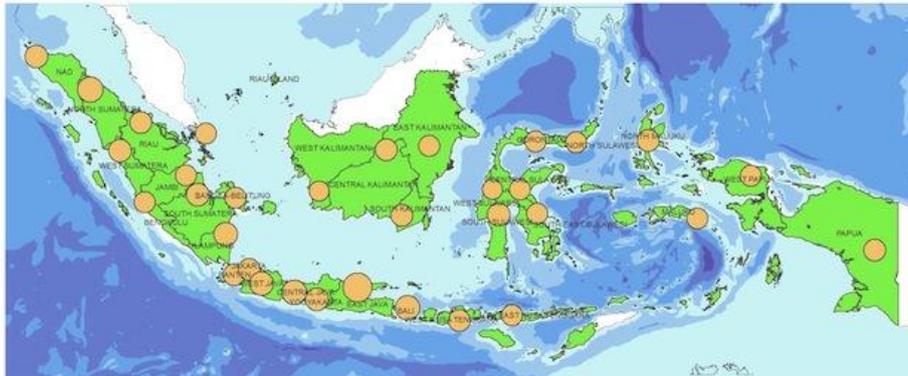
1:13,250,000



**Mapping the Channels of Inclusive Development  
Spread of Living Standard by Government**



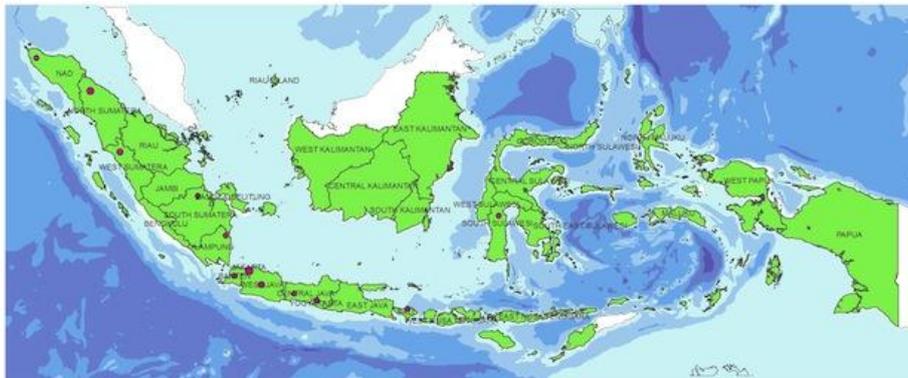
**Mapping the Channels of Inclusive Development  
Spread of Opportunities by Government**



**Mapping the Channels of Inclusive Development  
Spread of Personal Safety by Government**

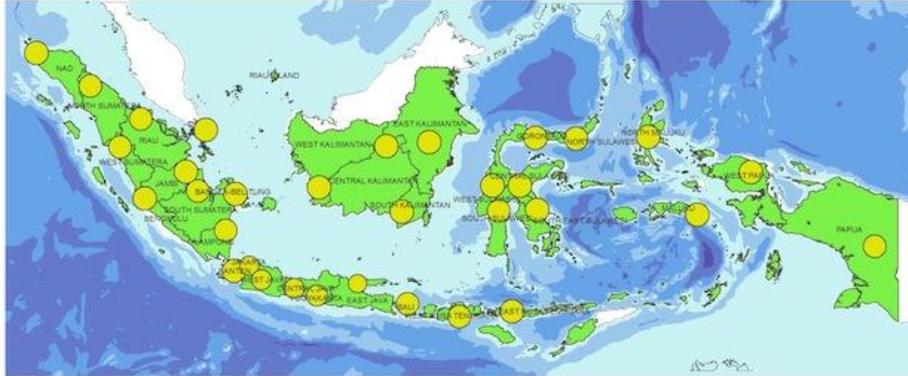


**Mapping the Channels of Inclusive Development  
Spread of Environmental Sustainability by Government**



**A.3.4.4. Spread of initiatives by all sectors based on the channels of inclusive development**

**Mapping the Channels of Inclusive Development  
Spread of Education**



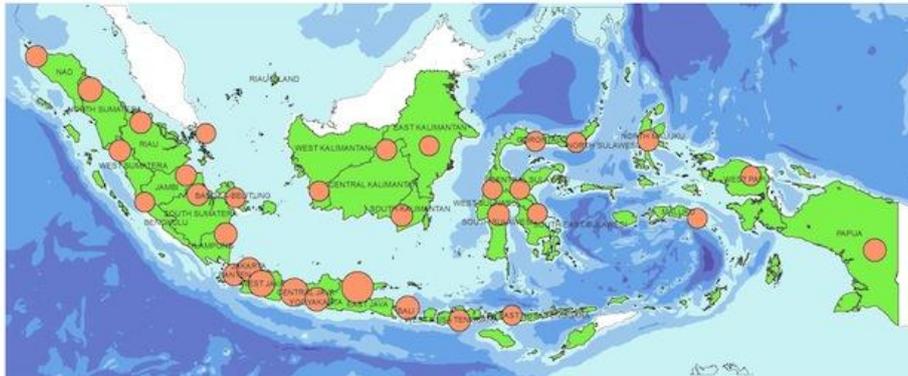
**Mapping the Channels of Inclusive Development  
Spread of Health**



**Mapping the Channels of Inclusive Development  
Spread of Living Standard**



**Mapping the Channels of Inclusive Development  
Spread of Opportunities**



**Mapping the Channels of Inclusive Development  
Spread of Personal Safety**



**Mapping the Channels of Inclusive Development  
Spread of Enviromental Sustainability**



## Appendix 4 List of Initiatives

### A.4.1. Academic and CSO Sector

No.	Institution	Initiatives	Area
1	Akar Wangi Institution	Anti human trafficking programme through economic empowerment	Desa Arjowilangun, East Java
2	Akar Wangi Institution	Natural conservation education for Triwijaya vocational school students - Sukabumi	Sukabumi, West Java
3	Akar Wangi Institution	Training and construction plot demonstration organic plantation as learning platform for farmers society	Desa Jrahah, Kec. Selo, Kab. Boyolali, Central Java
4	Lembaga Pelatihan dan Kursus Ketrampilan "Febrin"	Skills training in tailoring, catering, bride make-ups, hairdressing, skin treatment and bridal packages.	Cawang, Jakarta; South Kalimantan
5	Yayasan Karampuang Mamuju	SIOLA (Stimulasi Intervensi Optimalisasi Layanan Anak)	Mamuju, West Sulawesi
6	Rumah Zakat Program Senyum Sehat	Armada Sehat Keluarga	Dusun Karet, Pleret, Bantul, Yogyakarta
7	Perkumpulan PERSADA	Desa Sehat	Yogyakarta and Gunungkidul
8	the grEEen Foundatioin	Pengelolaan Sampah Berbasis Prakarsa Komunitas Lokal di Pulau Bunaken	Bunaken, South Sulawesi
9	M-Brothers Institute	Tea Plantation Research & Education.	Karanganyar, Solo, Central Java
10	Kelas Belajar Oky	Kelas Belajar Oky	Jakarta, Central Java, South Sulawesi, Papua
11	Paguyuban Perempuan Pengolahan Sampah Terpadu "Legok Makmur"	PKK SMART (Sehat Mudah dan Murah, Agrobisnis, Rata Terkendali)	Magelang, Central Java
12	Titian Foundation	Scholarship Programmes	Bayat Village, Central Java
13	Koperasi Kasih Indonesia	A Social Business in Microfinance	Cilincing, Jakarta
14	Jakarta Green Monster	Environmental pursuits	Jakarta
15	Kyutri	Bridging gaps between community sectors	Jakarta
16	CU (Credit Union) Pancur Kasih	Microfinance for the Poor	West Kalimantan
17	Amartha Microfinance	Microfinance for the Poor	Bogor
18	IGCN (Indonesia Global Compact Network)	Providing essential safe water	Cluntang village, Boyolali, Central Java
19	IGCN (Indonesia Global Compact Network)	Interfaith Mass Wedding 2011	Supporting the enforcement and protection of human rights
20	Perhimpunan Indonesia National University of Singapore	Misi Kami Peduli 2012 : Layanan Air Bersih dan Sanitasi	North Lombok, West Nusa Tenggara
21	Center for Indonesian Medical Students' Activities	Komunitas Peduli HIV/AIDS (KoPHA)	Malang, East Java

22	Center for Indonesian Medical Students' Activities	Rumah Singgah Kali Code: Pendidikan	Kali Code, Yogyakarta
23	Fakultas Ekologi Manusia IPB	Pengembangan Model Millenium Eco-Village untuk Perbaikan Gizi : Kesehatan Ibu dan Anak	Desa Petir and Situgese, Bogor, West Java
24	BEM FK UGM	Rumah Bebas Asap Rokok: Kesehatan Ibu dan Anak	Bantul, Yogyakarta
25	Center for Indonesian Medical Students' Activities	CUAMI (Cimsa Unand Against Malaria) : Pencegahan dan Penanggulangan Penyakit Menular & HIV/AIDS	Pekanbaru, Riau
26	Center for Indonesian Medical Students' Activities	The Education School-Partnership to Avoid AIDS	Semarang, Central Java
27	Center for Indonesian Medical Students' Activities	Tiramisu MDGs (Tindak Demam Berdarah demi Suksesnya MDGs) : Pencegahan dan Penanggulangan Penyakit Menular & HIV/AIDS	Kampung Sawah, Jakarta
28	Center for Indonesian Medical Students' Activities	X-School : HIV/AIDS	Yogyakarta
29	LPPM UNSOED (Universitas Jenderal Soedirman)	Menyelamatkan keluarga buruh migran melalui peningkatan pengetahuan suami BMI tentang HIV/AIDS	Purwokerto, Central Java
30	IGCN (Indonesia Global Compact Network)	Tjahaya Program	Nationwide
31	IGCN (Indonesia Global Compact Network)	Growing Inclusive market (GIM) - Indonesia Cases (Book)	Nationwide
32	Mercy Corps	Combating urban poverty	Nationwide
33	Mercy Corps	Increasing economic opportunities	Nationwide
34	Mercy Corps	Increasing access to financial services	Nationwide
35	Mercy Corps	Improving health and nutrition	Nationwide
36	Mercy Corps	Reducing disaster risk and adapting to climate change	Nationwide
37	Mercy Corps	Disaster response	Nationwide
38	YCAB (Yayasan Cinta Anak Bangsa)	HeLP (Healthy Lifestyle Promotion)	Nationwide
39	YCAB (Yayasan Cinta Anak Bangsa)	HOPE (Hands-on Operation for Entrepreneurship)	Nationwide
40	YCAB (Yayasan Cinta Anak Bangsa)	HoLD (House of Learning and Development)	Nationwide
41	Universitas Jember	Pendidikan dan Pengembangan Masyarakat (COMDEV) pada Perkebunan Kopi Rakyat di Sidomulyo	Jember

#### A.4.2. Private Sector

No.	Institution	Initiatives	Area
1	PT. Tower Bersama Infrastructure Tbk	Mobil Klinik Sehat Keliling TBIG: Kesehatan Ibu dan Anak	DKI Jakarta, Central Java (Ampel-Boyolali, Brigjen Katamso-Surakarta, Sukoharjo dan Adisucipto-Karanganyar), East Java (Ngoro, Mojosari dan Pace)
2	PT Trakindo Utama	Program Bantuan Pendidikan 40 sekolah negeri dasar negeri di seluruh indonesia	Nationwide
3	Frisian Flag Indonesia	Bantuan Susu Anak-anak (0-5 tahun) yang lahir dari ibu yang positif HIV positif	5 cities/districts in West Java (Kota Cirebon, Kabupaten Cirebon, Kota Tasikmalaya, Kabupaten Tasikmalaya, Kota Bandung)
4	Frisian Flag Indonesia	Study of South East Asia Nutrition Surveys (SEANUTS) in Indonesia	Nationwide
5	AQUA Group	Sekolah sahabat mata air	Pasuruan, East Java
6	AQUA Group	Water access, sanitation dan hygiene (WASH)	Nationwide; NTT
7	AQUA Group	School Supporting Program	Pasuruan, East Java
8	AQUA Group	Promosi Prilaku Hidup Bersih dan Sehat (PHBS)	Mendalan Village, Winongan District, and Tenggilis Village, Gondangwetan District,

			Pasuruan Regency, East Java
9	AQUA Group	Kejiwan Berkarya	Kejiwan village, Wonosobo district, Wonosobo Regency, East Java
10	AQUA Group	Gunung Salak Lestari (conservation program at the upstream area)	Cidahu District, Sukabumi Regency, West Java
11	Sinarmas Forestry - PT Arara Abad	Pemurnian Air Gambut	Riau, Sumatera
12	PT ASTRA DAIHATSU MOTOR	Pintar Bersama Daihatsu: Kembangkan Budaya Industri dan Kurikulum Daihatsu di SMK	West Java, East Java, DKI Jakarta
13	PT Astra International	Mobile Kesehatan Astra (MOKESA)/Pelayanan Kesehatan ASTRA	DKI Jakarta
14	PT Astra International	Program Sekolah Binaan (School Development Program)	Nationwide
15	PT Astra International	Scholarships	Nationwide
16	PT Astra International	Pembinaan UMKM (Development of MSME)	Nationwide
17	PT Astra International	Program IGA (Income Generating Activities) di Area Sunter (Sunter Area IGA Programme)	Sunter area, DKI Jakarta
18	PT Astra International	Program Kewirausahaan Lazis Astra (Astra LAZIS Entrepreneurship Programme)	DKI Jakarta, Lampung, Semarang, Yogyakarta,

19	PT Astra International	Community based waste management programme in on the banks of Ciliung River at Tunjungan-Cililitan	DKI Jakarta
20	ASTRA - POSYANDU	Posyandu Binaan Daihatsu	Nationwide
21	PT Indosat TBK	Indonesia sehat	16 provinces, Nationwide
22	Nokia Siemens Network	Flood protection	Katulampa water weir, DKI Jakarta
23	PT Intel Indonesia	Intel Project based learning	Gunung Kidul, East Java
24	Bank Negara Indonesia (BNI)	"Kampoeng BNI" (BNI Village)	Kampoeng BNI Sapi - Subang; Kampoeng BNI Jagung - Tasikmalaya; Kampoeng BNI Ulat Sutura -Imogiri Yogyakarta; Kampoeng BNI Tenun Songket - Ogan Ilir Sumatera Selatan; Kampoeng BNI Sentra Produk Jagung di Solok, Sumatera Barat; Kampoeng BNI Budidaya Pisang di Lumajang Jawa Timur; Kampoeng BNI Pengolahan Hasil Laut di Lamongan Jawa Timur; Kampoeng BNI Kerajinan Seni Desa Kamasan di Klungkung, Bali;

			Kampoeng BNI Solok dan Lamongan; BNI PGM Karebosi, Makassar, Sulawesi Selatan
25	Bank Negara Indonesia (BNI)	"Ayo Belajar Ayo Menabung" (Let`s Study Let`s Save)	Java, Sumatera, West Nusa Tenggara
26	Cimory	CIMORY Dairy Products: Empowering Poor Dairy Farmers to Do a Sustainable Business	Cisarua, Bogor
27	Danamon	Danamon Go Green - "Waste to Compost" Initiative by Danamon Peduli: Improving Traditional Market"	In 29 districts/cities including Banten, Bantul, Sragan, Pacitan, Wonosobo, Grobogan. Successful cases found in Bantul and Sragen.
28	Express	Rajawali`s Express Taxi: Working with Taxi Drivers as Business partners in Indonesia	DKI Jakarta
29	PT Freeport Indonesia	Pre-Apprentice Programme - Nemangkawai Mining Institute	Papua
30	PT Freeport Indonesia	Apprentice Programme - Nemangkawai Mining Institute	Papua
31	PT Freeport Indonesia	Adult Education Programmes - Nemangkawai Mining Institute	Papua
32	Tjiwi Kimia paper products	Tjiwi Kimia Cares on HIV/AIDS program	Mojokerto, East Java
33	Tjiwi Kimia paper products	Blue bikers sellers	Mojokerto, East Java

34	Unilever	The Black Soybean Farmer Development Program	7 areas in Java (Ciwalen, Ngawi, Nganjuk, Klaten, Yogyakarta, Trenggalek)
35	PT. Sinar Mas Tbk	Community Development Training Centers	Riau, Jambi
36	PT. Sinar Mas Tbk	Mobile medical clinic for villagers	The Pindo Deli mills, Indah Kiat mill in Perawang
37	PT. Sinar Mas Tbk	On-site clinic for employees	Serang
38	PT. Sinar Mas Tbk	Providing fresh water for local communities	East Java, Jambi
39	PT. Bank Danamon Tbk	Pasar Go Bersih, Sehat dan Sejahtera	31 Regencies
40	PT. Bank Danamon Tbk	Program Pasar Sejahtera	Sragen, Pekalongan, Kota Probolinggo, Kabupaten Probolinggo, Payakumbuh, Pontianak, Majalengka
41	Ciwidey Pintar	HSBC	Mekarsari village, Ciwidey, Bandung, West Java
42	HSBC for Merapi	HSBC	Cangkriangan Village, Sleman, Central Java

### A.4.3. Government Sector

No.	Institution	Initiatives	Area
1	Ministry of Public Works	National Program for Community Empowerment (PNPM) Mandiri, the Urban Poverty Program (P2KP) known as PNPM Mandiri P2KP	All 33 Provinces
2	Ministry of Communication and Information	Public Education	All 33 Provinces
3	Ministry of Social Affairs	Conditional Cash Transfer/Program Keluarga Harapan (PKH)	All 33 Provinces
4	Ministry of National Education	Program Wajib Belajar 9 Tahun / 9-Year Compulsory Education Program	All 33 Provinces
5	Ministry of National Education	Program Bantuan Siswa Miskin (BSM)/Poor Students Assistance Program (BSM)	All 33 Provinces
6	Ministry of Health	Program Jaminan Kesehatan Masyarakat (JAMKESMAS)/Community Health Insurance Program	All 33 Provinces
7	Coordinating Ministry for People's Welfare of Indonesia	Program Beras Untuk Keluarga Miskin (RASKIN)/ Rice for Poor Families program	All 33 Provinces
8	PNPM Mandiri in Rural areas	Pemberdayaan Masyarakat di Perdesaan/Community Empowerment in Rural Areas	All 33 Provinces
9	PNPM Pedesaan R2PN (Rehabilitasi dan	Mempercepat Penanggulangan Kemiskinan dengan Cara Pengembangan Kemandirian	Nias Island

	Rekonstruksi Pulau Nias	Masyarakat/Acceleration of Poverty Reduction through Independence Community Development	
10	PNPM Mandiri Agribisnis/SADI	Program to accelerate poverty reduction in rural areas specifically poor farmers	All 33 Provinces
11	Ministry of Health	Program Jaminan Kesehatan Masyarakat (JAMKESMAS)/Community Health Insurance Program	All 33 Provinces
12	Coordinating Ministry for People's Welfare of Indonesia	Program Beras Untuk Keluarga Miskin (RASKIN)/ Rice for Poor Families program	All 33 Provinces
13	PNPM Mandiri in Rural areas	Pemberdayaan Masyarakat di Perdesaan/Community Empowerment in Rural Areas	All 33 Provinces
14	PNPM Pedesaan R2PN (Rehabilitasi dan Rekonstruksi Pulau Nias	Acceleration of Poverty Reduction through Independence Community Development	Nias Island
15	PNPM Mandiri Agribisnis/SADI	Program to accelerate poverty reduction in rural areas specifically poor farmers	All 33 Provinces
16	PNPM Healthy and Smart Generation	Maternal and under 5 age children's health programs	All 33 Provinces
17	PNPM Healthy and Smart Generation	Education programs for school-age children	All 33 Provinces
18	PNPM Mandiri Respek (Rencana Strategis Pengembangan Kampung) bagi	Strategic planning and program village development	Papua

	masyarakat Papua		
19	PNPM Mandiri for Housing and Settlements (PNPM Mandiri Perkim)	Housing Program	All 33 Provinces
20	Kementerian Tenaga Kerja dan Transmigrasi Indonesia	Program Perluasan dan Pengembangan Kesempatan Kerja/Padat Karya Produktif	All 33 Provinces
21	TNP2K dan Pemerintah	Program Bantuan Sosial Terpadu Berbasis Keluarga	All 33 Provinces
22	TNP2K dan Pemerintah	Program Penanggulangan Kemiskinan Berbasis Pemberdayaan Masyarakat	All 33 Provinces
23	TNP2K dan Pemerintah	Program Penanggulangan Kemiskinan Berbasis Pemberdayaan Usaha Ekonomi Mikro dan Kecil	All 33 Provinces
24	TNP2K dan Pemerintah	Upaya meningkatkan peranan dan pertumbuhan UMKM	All 33 Provinces
25	TNP2K dan Pemerintah	Mendorong pengembangan ekonomi pedesaan dan sektor pertanian	All 33 Provinces
26	TNP2K dan Pemerintah	Mendorong industri padat pekerja	All 33 Provinces
27	TNP2K dan Pemerintah	Pembangunan yang inklusif	All 33 Provinces
28	TNP2K dan Pemerintah	Peningkatan akses terhadap pelayanan dasar	All 33 Provinces
29	TNP2K dan Pemerintah	Pemberdayaan kelompok masyarakat miskin	All 33 Provinces
30	TNP2K dan Pemerintah	Memperbaiki dan mengembangkan sistem perlindungan sosial	All 33 Provinces
31	TNP2K dan Pemerintah	Percepatan penanggulangan	All 33 Provinces

		kemiskinan	
32	Sekretaris Wakil Presiden RI dan Sekretariat TNP2K	Peraturan Presiden RI Nomor 15 Tahun 2010 tentang Percepatan penanggulangan kemiskinan	All 33 Provinces
33	PNPM Perkotaan	Industri Rumah Tangga	ACEH
34	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	ACEH
35	PNPM Pedesaan	Simpan Pinjam	ACEH
36	PNPM Perkotaan	Industri Rumah Tangga	SUMATERA UTARA
37	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	SUMATERA UTARA
38	PNPM Pedesaan	Simpan Pinjam	SUMATERA UTARA
39	PNPM Perkotaan	Industri Rumah Tangga	SUMATERA BARAT
40	PNPM Perkotaan	Usaha Ekonomi Produktif (UEP)	SUMATERA BARAT
41	PNPM Pedesaan	Simpan Pinjam	SUMATERA BARAT
42	PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	RIAU
43	PNPM Pedesaan	Simpan Pinjam	RIAU
44	PNPM Perkotaan	Industri Rumah Tangga	JAMBI
45	PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	JAMBI
46	PNPM Pedesaan	Simpan Pinjam	JAMBI
47	PNPM Perkotaan	Industri Rumah Tangga	SUMATERA SELATAN
48	PNPM Perkotaan	Usaha Ekonomi Produktif (UEP)	SUMATERA SELATAN

49	PNPM Pedesaan	Simpan Pinjam	SUMATERA SELATAN
50	PNPM Perkotaan	Industri Rumah Tangga	BENGKULU
51	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	BENGKULU
52	PNPM Pedesaan	Simpan Pinjam	BENGKULU
53	PNPM Perkotaan	Industri Rumah Tangga	LAMPUNG
54	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	LAMPUNG
55	PNPM Pedesaan	Simpan Pinjam	LAMPUNG
56	PNPM Perkotaan	Industri Rumah Tangga	KEPULAUAN BANGKA BELITUNG
57	PNPM Perkotaan	Usaha Ekonomi Produktif (UEP)	KEPULAUAN BANGKA BELITUNG
58	PNPM Pedesaan	Simpan Pinjam	KEPULAUAN BANGKA BELITUNG
59	PNPM Perkotaan	Industri Rumah Tangga	KEPULAUAN RIAU
60	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	KEPULAUAN RIAU
61	PNPM Pedesaan	Simpan Pinjam	KEPULAUAN RIAU
62	PNPM Perkotaan	Industri Rumah Tangga	JAWA BARAT
63	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	JAWA BARAT
64	PNPM Pedesaan	Simpan Pinjam	JAWA BARAT
65	PNPM Perkotaan	Industri Rumah Tangga	JAWA TENGAH

66	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	JAWA TENGAH
67	PNPM Pedesaan	Simpan Pinjam	JAWA TENGAH
68	PNPM Perkotaan	Industri Rumah Tangga	D I YOGYAKARTA
69	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	D I YOGYAKARTA
70	PNPM Pedesaan	Simpan Pinjam	D I YOGYAKARTA
71	PNPM Perkotaan	Industri Rumah Tangga	JAWA TIMUR
72	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	JAWA TIMUR
73	PNPM Pedesaan	Simpan Pinjam	JAWA TIMUR
74	PNPM Perkotaan	Industri Rumah Tangga	BANTEN
75	PNPM Perkotaan	Usaha Ekonomi Produktif (UEP)	BANTEN
76	PNPM Pedesaan	Simpan Pinjam	BANTEN
77	PNPM Perkotaan	Industri Rumah Tangga	BALI
78	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	BALI
79	PNPM Pedesaan	Simpan Pinjam	BALI
80	PNPM Perkotaan	Industri Rumah Tangga	NUSA TENGGARA BARAT
81	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	NUSA TENGGARA BARAT
82	PNPM Pedesaan	Simpan Pinjam	NUSA TENGGARA BARAT

83	PNPM Perkotaan	Industri Rumah Tangga	NUSA TENGGARA TIMUR
84	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	NUSA TENGGARA TIMUR
85	PNPM Pedesaan	Simpan Pinjam	NUSA TENGGARA TIMUR
86	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	KALIMANTAN BARAT
87	PNPM Pedesaan	Simpan Pinjam	KALIMANTAN BARAT
88	PNPM Perkotaan	Industri Rumah Tangga	KALIMANTAN TENGAH
89	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	KALIMANTAN TENGAH
90	PNPM Pedesaan	Simpan Pinjam	KALIMANTAN TENGAH
91	PNPM Perkotaan	Industri Rumah Tangga	KALIMANTAN SELATAN
92	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	KALIMANTAN SELATAN
93	PNPM Pedesaan	Simpan Pinjam	KALIMANTAN SELATAN
94	PNPM Perkotaan	Industri Rumah Tangga	KALIMANTAN TIMUR
95	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	KALIMANTAN TIMUR
96	PNPM Pedesaan	Simpan Pinjam	KALIMANTAN

			TIMUR
97	PNPM Perkotaan	Industri Rumah Tangga	SULAWESI UTARA
98	PNPM Perkotaan	Usaha Ekonomi Produktif (UEP)	SULAWESI UTARA
99	PNPM Pedesaan	Simpan Pinjam	SULAWESI UTARA
100	PNPM Perkotaan	Industri Rumah Tangga	SULAWESI TENGAH
101	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	SULAWESI TENGAH
102	PNPM Pedesaan	Simpan Pinjam	SULAWESI TENGAH
103	PNPM Perkotaan	Industri Rumah Tangga	SULAWESI SELATAN
104	PNPM Perkotaan dan PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	SULAWESI SELATAN
105	PNPM Pedesaan	Simpan Pinjam	SULAWESI SELATAN
106	PNPM Perkotaan	Industri Rumah Tangga	SULAWESI TENGGARA
107	PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	SULAWESI TENGGARA
108	PNPM Pedesaan	Simpan Pinjam	SULAWESI TENGGARA
109	PNPM Perkotaan	Industri Rumah Tangga	GORONTALO
110	PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	GORONTALO
111	PNPM Pedesaan	Simpan Pinjam	GORONTALO
112	PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	SULAWESI BARAT

113	PNPM Pedesaan	Simpan Pinjam	SULAWESI BARAT
114	PNPM Perkotaan	Industri Rumah Tangga	MALUKU
115	PNPM Perkotaan	Usaha Ekonomi Produktif (UEP)	MALUKU
116	PNPM Pedesaan	Simpan Pinjam	MALUKU
117	PNPM Perkotaan	Industri Rumah Tangga	MALUKU UTARA
118	PNPM Perkotaan	Usaha Ekonomi Produktif (UEP)	MALUKU UTARA
119	PNPM Pedesaan	Simpan Pinjam	MALUKU UTARA
120	PNPM Perkotaan	Industri Rumah Tangga	PAPUA BARAT
121	PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	PAPUA BARAT
122	PNPM Pedesaan	Simpan Pinjam	PAPUA BARAT
123	PNPM Pedesaan	Usaha Ekonomi Produktif (UEP)	PAPUA
124	PNPM Pedesaan	Simpan Pinjam	PAPUA
125	Kementerian Pekerjaan Umum	Kebijakan Penanggulangan Kemiskinan Keppres Nomor 10 Tahun 2011 Tim Koordinasi Peningkatan dan Perluasan Program Pro Rakyat	Belawan-Medan, Ciliwung- DKI Jakarta, Tamansari-Bandung, Boezem Morokrembangan-Surabaya, Tallo-Makassar
126	Kementerian Pekerjaan Umum	Pembangunan Permukiman Kota Surabaya	Boezem Morokrembangan-Surabaya
127	Kementerian Pekerjaan Umum	Program Penataan Kawasan Tamansari Bandung	Tamansari-Bandung
128	Kementerian Pekerjaan Umum	Program Penataan Kawasan Tallo-Makassar	Tallo-Makassar

129	Kementerian Pekerjaan Umum	Program Penataan Kawasan Belawan-Medan	Belawan-Medan
130	Kementerian Pekerjaan Umum	Program Penataan Kawasan DAS Ciliwung-DKI Jakarta	DAS Ciliwung-DKI Jakarta
131	Ministry of Research and Technology (MoRT)	Speklok (Specific Location) Program	Bubon Regency, West Aceh
132	MoRT	Speklok (Specific Location) Program	North Aceh Regency
133	MoRT	Speklok (Specific Location) Program	Toba Samosir Regency, North Sumatera
134	MoRT	Speklok (Specific Location) Program	Deli Serdang and Bedagel Regencies, North Sumatera
135	MoRT	Speklok (Specific Location) Program	Solok Regency, West Sumatera
136	MoRT	Speklok (Specific Location) Program	Siak Regency, Riau province
137	MoRT	Speklok (Specific Location) Program	Pekanbaru, Riau Province
138	MoRT	Speklok (Specific Location) Program	OKU North and East, South Sumatera
139	MoRT	Speklok (Specific Location) Program	Pringsewu sub district, South Lampung Regency, Lampung Province
140	MoRT	Speklok (Specific Location) Program	North Lampung, Lampung Province
141	MoRT	Speklok (Specific Location) Program	Jatinegara Sub District, East Jakarta

142	MoRT	Speklok (Specific Location) Program	South Jakarta
143	MoRT	Speklok (Specific Location) Program	Sunter Sub-District, North Jakarta
144	MoRT	Speklok (Specific Location) Program	Pandeglang Regency, North Jakarta
145	MoRT	Speklok (Specific Location) Program	Bogor, West Java
146	MoRT	Speklok (Specific Location) Program	Kronjo Sub District, Tangerang, Banten Province
147	MoRT	Speklok (Specific Location) Program	Bogor, West Java
148	MoRT	Speklok (Specific Location) Program	Demak Regency, Banten Province
149	MoRT	Speklok (Specific Location) Program	Pracimantoro Sub District, Wonogiri, Central Java
150	MoRT	Speklok (Specific Location) Program	Tegal Regency, Central Java
151	MoRT	Speklok (Specific Location) Program	Ngawi Regency, East Java
152	MoRT	Speklok (Specific Location) Program	Jember Regency, East Java
153	MoRT, BPPT, local government, and communities	Speklok (Specific Location) Program	Tulung Agung, East Java
154	MoRT, BPPT, local government, and communities	Speklok (Specific Location) Program	Tuban, East Java

155	MoRT, Univ. of Padjadjaran Bandung, local government, and farmers communities	Speklok (Specific Location) Program	Ponorogo, East Java
156	MoRT, Univ. of Padjadjaran Bandung, local government, and farmers communities	Speklok (Specific Location) Program	Karang Asem, East Java
157	MoRT, Univ. of Mataram, Local government, and Farmers association	Speklok (Specific Location) Program	Lombok, Nusa Tenggara Barat
158	MoRT, Univ. of Pangkep, local government, and users communities	Speklok (Specific Location) Program	Sidrap, Mallawa, Maros, South Sulawesi
159	MoRT, local government, and users communities	Speklok (Specific Location) Program	Pegunungan Bintang, Papua
160	MoRT, Environmental Engineering-ITB, local government, local communities	Speklok (Specific Location) Program	Jayapura City, Papua
161	MoRT, local government, communities	Speklok (Specific Location) Program	North Tapanuli, North Sumatera
162	MoRT, Gadjah Mada Univesity, local government, local communities	Speklok (Specific Location) Program	Sureng Village, Tepus Sub District, Gunung Kidul - Yogyakarta
163	MoRT, Lampung University, Craftsmen	Speklok (Specific Location) Program	South Lampung
164	MoRT, Univ. of Jember, local government, Batik	Speklok (Specific Location) Program	Jember Regency, East Java

	craftsmen		
165	MoRT, Local Planning Agency, KUKMI (cooperation unit), Andalas University, Farmers association	Speklok (Specific Location) Program	Solok Regency, West Sumatera
166	MoRT, R&D of the local government, Sriwijaya University, Regional House Representatives, Farmers Association	Speklok (Specific Location) Program	Musi Rawas, South Sumatera
167	Local Government, BPPT, BIOTROP, SMEs	The Policy of Bantaeng Regency in Applying Research and Technology in order to accelerate economic development in South Sulawesi	Bantaeng Regency, South Sulawesi
168	LIPI, Local R & D, Local University	Development of Tourism Potential and Improvement of Local Communities Empowerment in Buleleng, Bali	Buleleng, Bali
169	KEMPAREKRAF, Local R & D, NGO, Local Industry, and SME's	Poverty Reduction Strategy through Community Empowerment in Managing Cultural Resources in the Region of Lake Batur, Bangli Regency, Bali Province	Region of Lake Batur, Bangli Regency, Bali Province
170	MoCT, Unit in Local Govt (DinhubKominfo), Local Government, local NGO	OPTIMIZATION USING VILLAGE INTERNET FACILITY (PROGRAM USO) COMMUNITY-BASED EMPOWERMENT THROUGH LOCAL WEBSITE MANAGEMENT (Action Research in Banjarnegara district, Central Java)	Banjarnegara district, Central Java
171	MoCT, Fishermen	COMMUNITY EMPOWERMENT THROUGH THE USE OF ICT, Case:	West Java, East Java,

	Community Organization	Marginal Fishermen Communities in South Coastal Region of Java	and Jogjakarta
172	Ministry of Social Affairs, Local R&D, Local CSO, Local University, Social and Tourism units of the Local Government, Local Industry, PT. Adaro	Community Development Around Coal Mining Industry in South Kalimantan.	Tabalong Regency, South Kalimantan
173	LIPI, Tabanan-Local Government, Local R&D, CSO specified in Integrated Organic Farming System, Local University, Food and Livestock-related industries	Farmer Community Empowerment through Integrated Farming Systems: The Role of Livestock in Organic Agriculture in Economic Corridor 5 (Tabanan, Bali)	Tabanan, Bali
174	MOSA, and 1. Social Service and the Karangasem regency of Bali as the committee 2. Department of Fisheries and Marine Resources of Bali 3. Department of Trade and Cooperatives 4. Social Service of Karangasem regency and local governments	Empowerment of the Poor Through Engineering Technology Utilization for Galah Shrimp Enlargement in Bali Province	Karangasem Regency, Bali Province
175	BPPT, Local CSO, Local Government, Local Industry	Coastal Community Empowerment through Agro-business of Seaweed in South Halmahera, North Maluku	North Maluku
176	LIPI, Bali R&D, Unit of Education, Culture,	Development of Creative Multimedia Portal for Empowering Local Wisdom	Bali

	Tourism of the Local Government	and Support the SMEs	
177	BPPT, Local R&D (Agr. Unit of Subang), SME - CV. Mekarsari	Development of agricultural waste-based enzyme production units to support local resources empowerment and product diversification	West Java
178	MOSA, Local Government, CSO, Industrial Unit of the Local Govt, Koperasi, Work Training Institution, Women empowerment organization	Impoverished Women Empowerment through Local Resource Utilization Based Approach and Social Entrepreneurship (Studies in Disadvantaged Areas, Pasaman, West Sumatra)	<a href="http://pkpp.ristek.go.id/index.php/penelitian/detail/817">http://pkpp.ristek.go.id/index.php/penelitian/detail/817</a>
179	MOSA, Local R&D, CSO, Local University, Related Unit in the Local Govt, Local Industry	Plantation Area Community Empowerment Through Social Welfare Institution (LKS) (Study Replication in Lampung Province)	South Lampung
180	MOSA, Industrial and Trading units, BLHm Sub District Government	Impoverished Family Empowerment Through Productive Economic Business through the Utilization of Biogas in Rural Grumbul muntuk, Central Kec.Sukaraja, Kab. Purwokerto, prov. Central Java.	Central Java
181	BPPT	Water Filtration System for Clean Water Supply in Sampit Regency	Sampit, Central Kalimantan
182	Pemerintah kota Surabaya	Kebijakan Walikota Surabaya	Kota Surabaya