

CDD and Local Conflict: Part of the Problem or Part of a Solution?

This briefing is based on the following articles:

Patrick Barron, Rachael Diprose and Michael Woolcock (2006). "Local Conflict and Community Development in Indonesia: Assessing the Impact of the Kecamatan Development Project". *Indonesian Social Development Paper* No. 10. Jakarta: World Bank.

Patrick Barron, Rachael Diprose and Michael Woolcock (2007). "Local Conflict and Development Project in Indonesia: A Part of the Problem or a Part of the Solution". *Policy Research Working Paper* No. 4212. Washington, DC: World Bank.

Two series of Policy Briefs are published by the Conflict and Development program within the World Bank Indonesia country team. The first, "Understanding Conflict Dynamics and Impacts," summarizes the results of research on conflict in Indonesia. These briefs draw out lessons for understanding and responding to conflict in other middle-income countries. The second, "Evaluating Responses to Conflict," summarizes the results of evaluations and assessments of conflict programs, and the methodological implications of how we can best measure the impacts of peace-building programs. All Policy Briefs are available at www.conflictanddevelopment.org

Increasingly community-driven development (CDD) projects have been viewed as having the potential to address local conflicts and to increase local conflict management capacity. A two-province study in Indonesia of the Kecamatan Development Project (KDP), the forerunner of PNPM-Rural, conducted by the Conflict and Development (C&D) program suggests a more measured conclusion.

CDD projects are often portrayed as a solution to conflict. But the C&D study found little evidence that KDP reduces levels of violent conflict. KDP is just one influence on the level of conflict in an area, with other local factors playing a large determining role. KDP forums and personnel have succeeded in resolving project-related conflicts, but have little direct impact on other types of local conflict.

Nevertheless, KDP promotes positive social change that can influence the pathways that non-project conflict follow. The project improves inter-group relations, helps democratize village life and there is mixed evidence that it helps improve problem solving and conflict resolution. These effects depend heavily on how well the project is implemented and on the characteristics of the broader local institutional context.

There are three implications for CDD projects and conflict management. First, all projects should have in-built mechanisms to deal with the conflicts they inevitably produce. Second, if a CDD project is to help mediate non-project conflicts, its facilitators require specific training and increased discretion to decide when to intervene. Third, CDD projects are unlikely to be suited to mediate all forms of conflict. Project staff should not attempt to automatically transform project forums into conflict resolution forums, as this may undermine their core function.

Instead, in areas where managing conflict is a priority, parallel structures should be developed to allow bottom-up input into conflict resolution processes.

INTRODUCTION

Development and conflict go hand in hand. By virtue of introducing new resources into poor communities, development projects inevitably shape local conflict dynamics, not only in areas which have experienced high levels of violent conflict but elsewhere, too. Competition over these resources can lead either directly to conflict, or can interact with existing tensions, thereby causing them to escalate. Projects such as PNPM-Rural that aim to reconfigure both inter-group and state-community relations are especially likely to influence local power relations and hence conflict dynamics. The challenge is to ensure that these conflicts are constructively addressed so that they do not become violent but, rather, become part of a force for progressive social change.

This nexus between development and conflict is of particular relevance to CDD projects operating in Indonesia. Since 1998, Indonesia has undergone an uneven democratic transition that has at times been accompanied by violence. Over the past decade, large-scale violent communal conflicts have devastated several provinces, secessionist conflicts have affected Aceh and Papua, and localized conflict has occurred across the country. Whether and how CDD projects interact with social tensions and local conflict, and how they affect the nature and extent of local conflict management, are pressing concerns. The Conflict and Development (C&D) team took up these questions in a two-province study of KDP, the forerunner of PNPM-Rural, from 2002 to 2005.

Explaining PNPM-Rural

The *Project Nasional Pemberdayaan Masyarakat* (PNPM)-Rural is a national Government of Indonesia project that aims to introduce transparent development planning through the participation of *local* institutions and communities. Operating since 1998, today the project covers 45,000 villages in Indonesia with an annual budget of approximately US\$ 0.97 billion through national budget allocations, donor grants and loans from the World Bank. The project provides block grants of between US\$ 95,000 and US\$ 320,000, with villages engaging in a competitive participatory process to determine the allocation of the funds to local development priorities. Prior to 2008, PNPM-Rural was known as the Kecamatan Development Project (KDP).

The methodology and key findings of the C&D study are summarized below. This note addresses the following key questions:

- What is the conflict management potential of CDD projects? Under what conditions can this potential be realized?
- How can the design of CDD projects be modified to enhance their capacity to serve as part of an effective conflict management system?

METHODOLOGY

Assessing the impact of social development projects is difficult, because projects may adapt to local circumstances in idiosyncratic ways to generate outcomes (such as enhanced ‘participation’) that defy simple measurement. Consequently, the C&D study employed a mix of qualitative and quantitative data and methods to investigate whether participation in KDP was helping villagers to find more constructive solutions to various types of local-level conflicts.

Qualitative fieldwork involved process-tracing of 69 conflict cases (some violent, some not) and studying thematic issues (such as local institutional structures and KDP functioning) in 40 villages.

Incidence of conflict and variation over time and location were measured via a quantitative newspaper dataset.

The study used two large-N datasets—the Government of Indonesia’s Potensi Desa (PODES) survey and the World Bank’s Governance and Decentralization Survey (GDS)—to assess the representativeness of findings and map broader structural factors that might impact on conflict and KDP performance.

The study was conducted in East Java and Nusa Tenggara Timur (NTT). These provinces were chosen because although each has experienced high levels of localized violent conflict, they nevertheless differ in terms of population density, ethnic homogeneity, dominant religious group and level of development. Choosing diverse sites increased the chance that similarities observed would hold true across other locations.

To facilitate identification of project effects, research sites in each province were chosen by the following process:

Two districts (*kabupaten*) were selected in each province: one with a higher local capacity to manage conflict, the other with a lower capacity. Capacity was measured using key-informant interviews.

Four sub-districts (*kecamatan*) were selected in each district: three that had received KDP, and a fourth that had not. Sub-districts were ‘matched’ to allow for the identification of project impacts.

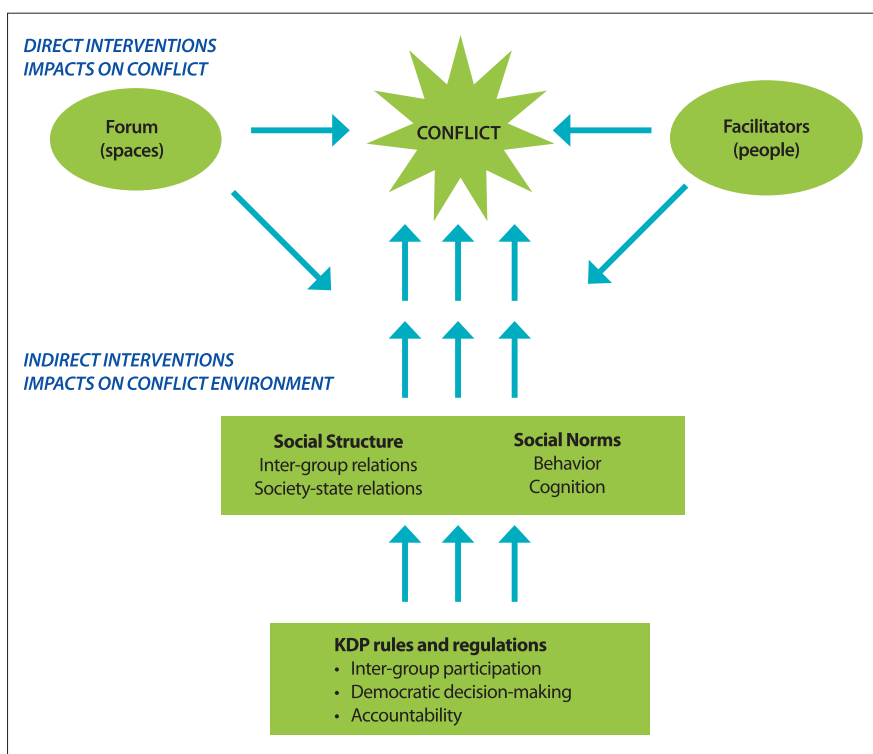
Within each sub-district, villages were selected based on the presence of interesting, analytically useful conflict cases.

Five types of potential impact of KDP on local conflict management capacity were identified. These impacts, and the study’s overall framework for analysis, are summarized in Figure 1.

FINDINGS

Development projects frequently trigger conflict, or interact with existing disputes, which at times leads to conflict escalation. But in contrast to other development projects,

Figure 1: Framework for Analysis





Map 1: Research District in East Java



Map 2: Research District in NTT

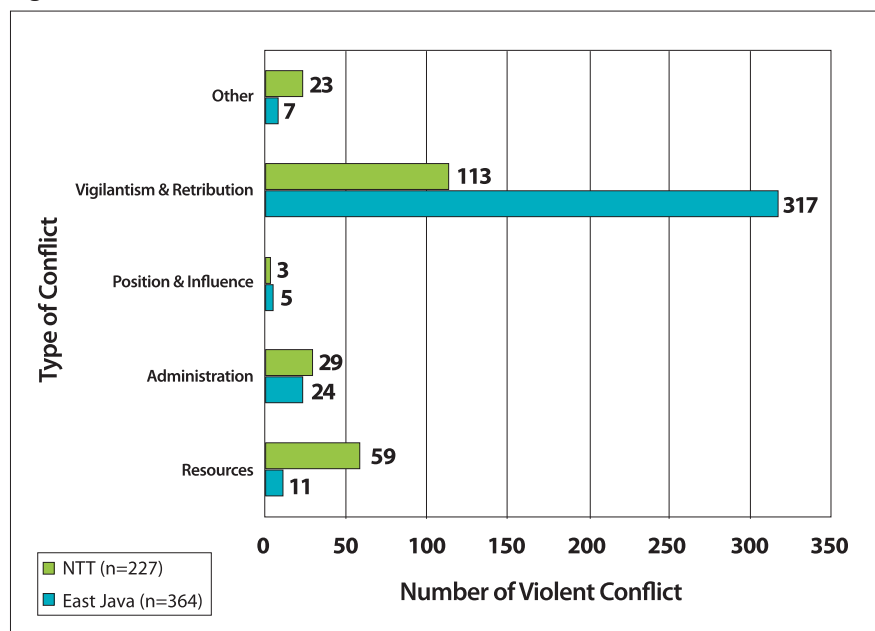
KDP-related conflicts almost never become violent. There was only one minor dispute relating to KDP between 2001 and 2003 in the research areas; over the same time period, 36 violent disputes took place relating to other government development projects and provision of government services. Two factors explain this. First, because KDP projects emerge from a process whereby communities define their needs, they are less likely to clash with local priorities and hence conflicts are less likely to emerge. Second, the resolution success rate of KDP-related problems is very high, because the project has a battery of in-built mechanisms (people and procedures) that allow tensions to be addressed as and when they arise.

There is little evidence that KDP per se has a positive impact on levels of violent conflict at an aggregate level or a direct positive impact on non-project related violence at the local level. In fact, violent conflicts are more likely in areas that have KDP in NTT, although not in East Java, and conflicts resulting in a death are more likely in KDP areas in both provinces. KDP is just one influence on the level of conflict in an area, with other local factors playing a large determining role. In both East Java and NTT, the direct impacts of KDP on conflict management are minimal in the first three years of the project. Project forums and facilitators are rarely used for addressing conflicts unrelated to the project; in none of the research locations had KDP been institutionalized as a regular conflict resolution device, except in cases as a place for dealing with aid-related conflict.

As it stands, KDP is thus not an effective mechanism for working directly on non-project conflict. There are four reasons. First, KDP is rarely perceived locally as an appropriate mechanism to address most forms of non-project conflict. Second, in some cases facilitators are not seen as having the personal legitimacy to handle disputes. Third, facilitators also may not be called on to mediate disputes because of gaps in their capacity. District facilitators may have the technical ability to mediate conflicts, but do not always have sufficient local knowledge. Conversely, village facilitators have local knowledge but no technical training. Finally, facilitators themselves may be unwilling to address conflicts and problems brought to them that are not related to the project.

Whereas the direct impacts of KDP on conflict management are small, the project has notable and positive indirect impacts on the local institutional environment in the areas in which it operates. Across a range of different identity cleavages, the study finds KDP helped contribute to improvements in inter-group relations. Improvements in the quality of group relations grew larger over time, with villages that have had KDP for four years generally showing greater improvements than those that have had the project for shorter periods. The evidence also shows that KDP is helping to democratize village life. The project has encouraged greater participation of marginalized groups in KDP and even other village meetings, as well as more democratic decision making in village meetings.

Figure 2: Forms of Violent Conflict in Research Area





There is mixed evidence that KDP has helped improve problem solving and conflict resolution. Quantitative evidence did not reveal a project effect, showing similar improvement both in villages that had received KDP and those that had not. Qualitative fieldwork, however, clearly showed that KDP creates a positive precedent that stimulates demand for changes in the way local decision-making and conflict resolution operate.

The indirect effects of KDP on conflict depend heavily on the extent to which the project functions well and on the local institutional context, with the former more important. In both areas with low and high conflict management capacity, getting KDP working well greatly increases the positive impacts the project can have. The study finds that the project contributes most effectively to longer-term positive normative and behavioral changes when it interacts with existing processes of social and political transformation, acting as a catalyst to legitimize processes already underway. But even in a low capacity environment, a well-implemented project can produce positive outcomes.

KDP can complement local conflict mediation mechanisms, but is unlikely to replace them where they already exist. In high conflict-resolution capacity environments, KDP can serve as a valuable complement, strengthening already well-functioning village-level institutions. In low capacity environments, the project can provide a positive alternative to (or substitute for) absent, captured, or dysfunctional forums.

CONCLUSION

CDD projects, PNPM-Rural included, are not a silver bullet solution to local conflict. At worst, they can inflame existing tensions and thereby become part of 'the problem'; at best, they can

be part of a solution when they work to complement ongoing governance reforms. As such, projects such as KDP should be regarded as components of, not substitutes for, coherent development strategies for enhancing local conflict mediation capacities and improving the transparency, accountability, and inclusiveness of decision-making mechanisms.

Three key measures can help CDD projects become part of the solution in local conflict management. First, projects should develop a transparent, accessible and procedurally clear inbuilt conflict resolution mechanism, taking into account the existing institutional context and conflict landscape of a region. For national projects (like PNPM-Rural), it is not feasible to do a detailed mapping of the local context in every area. Comprehensive mapping in selected areas should be accompanied by broader social research and analysis that helps map the broad institutional environment (and how this plays out locally), the basic local political economy, and some of the risks.

Second, if a CDD project is to help mediate non-project conflicts, then its facilitators will require both specialized training to develop their capacity as well as the discretion to decide when to get involved. In particular, CDD projects need to anticipate the deeper involvement of their staff in the resolution of non-project related conflicts in post-conflict areas where existing capacity for conflict management is low and local structures for conflict management have broken down. Based on this conclusion, in 2009 the C&D team trained approximately 400 PNPM staff in Aceh province, Indonesia to improve their conflict resolution skills. An additional 400 community leaders were also trained.

Finally, the findings of the study make it clear that CDD projects should not

aspire to serve as a wholesale substitute to a comprehensive conflict management strategy. Using CDD project features to address non-project related grievances risks the legitimacy and neutral status of its staff. Rather than attempting to replace local institutions where they exist, it is more useful to enhance the conflict resolution skills of the local actors who are more likely to mediate such conflicts anyway. Even where conflict resolution institutions are absent, it may sometimes be more effective to develop parallel (but linked) structures outside of CDD projects to facilitate bottom-up input into conflict resolution processes.

RECOMMENDATIONS

- Make transparent complaint handling mechanisms an integral part of CDD projects.
- Create flexibility in the conflict mediation structures of CDD projects to allow, where appropriate, for cooperation with local elites.
- Improve socialization of CDD projects to promote local understanding of project decision-making processes that can reduce conflict and contribute to positive normative and behavioral change.
- Invest in analytical work at multiple levels to understand better the local context, including local conflict dynamics and risks.
- In post-conflict regions, further explore the role CDD projects can play in resolving certain non-project conflicts.
- Train facilitators to effectively intervene in other development-related conflicts, and where conflict management is a priority, provide specific training and support to mediate other conflicts.
- Enhance the conflict resolution capacity of local actors who are typically called upon to mediate local disputes.

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