



Tropentag, October 7-9, 2008, Hohenheim

“Competition for Resources in a Changing World:
New Drive for Rural Development”

The Role of Women in Rural Development Programs: The Case of Kecamatan Development Program in Indonesia

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Abstract

It has been widely accepted that rural poverty in Indonesia is caused by a low accessibility of capital. This low accessibility of capital is caused by a low rate of saving, and the low rate of saving is caused by a low income that could be generated by rural population. This phenomenon is called the theory of vicious circle of poverty. To cut the vicious circle, the government of Indonesia has been implemented a rural development program called Kecamatan Development Program (KDP). The programme offers revolving funds to be accessed competitively by a group of poor villagers. To gain the fund, villagers must organise themselves into groups. There are two kinds of group: Productive Economic Units (PEUs) that are membered mostly by men and Woman Micro Credits (WMCs).

It is found that KDP, implemented in East Java Province in Indonesia, has hit the targets, which are poor villages. The target precision is measured from physical condition of respondent house, which is strongly related to the respondent income. It means that the more lower the respondent income, the more badly their house condition. At micro level, KDP through its micro credit enables to create average additional income 10% per year for its borrower.

This study observes a success of woman group (WMC) in making use of micro credit, and there is a strong Spearman relationship between frequency of the group meeting and the group default in credit. In the culture of rural society, especially in Indonesia, many women are strongly demanded to take care of their domestic problems, so that they feel expensive to leave their house (let alone their village) for a long time. This role enables rural women to interact each other intensively within their group, so that social coordination within them could be realised. For a rural woman with debt, running away from her group is more expensive than thinking seriously to pay her debt to her group.

Keywords: Rural development, women