

## DECENTRALISATION AND POVERTY ALLEVIATION IN BONE REGENCY

<sup>1</sup>Syaripa Aeni MR, <sup>2</sup>Hasnawati

<sup>1,2</sup>Universitas Cahaya Prima, Bone, Indonesia

### Abstract

Decentralisation, touted as a mechanism for enhancing governance and service delivery, has had a mixed record in alleviating poverty. This qualitative study investigates the interplay between decentralisation and poverty alleviation in Bone Regency, Indonesia. Drawing on two months of intensive fieldwork, the research employed semi-structured interviews with government officials, village leaders, beneficiaries of poverty alleviation programs, and civil society representatives. Despite these challenges, positive outcomes were observed, including improved access to basic services and increased community participation in development projects. However, the overall impact on poverty reduction remains modest, highlighting the need for strengthening local capacity, enhancing transparency and accountability mechanisms, and promoting more inclusive and participatory approaches to poverty alleviation within the decentralised framework. This study contributes valuable insights for policymakers and development practitioners seeking to harness the potential of decentralisation for achieving sustainable poverty reduction outcomes.

**Keywords:** decentralisation, poverty allevation, policy, community, Indonesia

### 1. Introduction

Indonesia's ambitious decentralisation program, launched in 1999, aimed to transfer significant power and resources from the central government to local governments. This shift aimed to improve governance, service delivery, and ultimately, promote more equitable development and poverty reduction (World Bank Dc, 2001). However, the effectiveness of decentralisation in achieving these goals, particularly in alleviating poverty, has been a subject of ongoing debate and research.

This study examines the complex relationship between decentralisation and poverty alleviation in Bone Regency, South Sulawesi. Bone Regency, with its diverse geography and socio-economic landscape, provides a compelling case study to explore how the devolution of power and resources has translated into tangible improvements in the lives of its poorest citizens.

This research investigates how decentralisation, both fiscal and political, has influenced the design, implementation, and impact of poverty alleviation programs in Bone Regency. It explores the opportunities and challenges presented by decentralisation in addressing the multi-dimensional nature of poverty, considering factors such as access to basic services, economic opportunities, and community empowerment.

By examining the experiences and perspectives of various stakeholders, including government officials (Mahadevan & Suardi, 2019; Rashid & Intartaglia, 2017; Thorbecke, 2013), local communities, and civil society organisations, this study aims to provide valuable insights into the successes and shortcomings of decentralisation in promoting inclusive development and reducing poverty in Bone Regency. The findings of this research will contribute to the ongoing discourse on decentralisation and its implications for poverty reduction strategies in Indonesia and beyond (Addae-Korankye, 2019; Dasgupta et al., 2005).

## **2. Method**

This study employed a qualitative research approach to gain an in-depth understanding of the complex relationship between decentralisation and poverty alleviation in Bone Regency. Qualitative methods are particularly well-suited to exploring multifaceted social phenomena, capturing diverse perspectives, and uncovering the nuanced ways in which policies translate into real-world outcomes.

### **Research Design**

The study adopted a case study design, focusing specifically on Bone Regency, Indonesia. This approach allowed for an in-depth exploration of the context-specific factors influencing the implementation and impact of decentralisation policies on poverty reduction efforts.

### **Data Analysis**

Thematic analysis was employed to analyze the interview data. This involved a systematic process of transcribing, coding, and categorizing the data to identify recurring themes, patterns, and relationships related to the research questions. The analysis focused on understanding the perceived impacts of decentralisation on poverty alleviation, the challenges and opportunities presented by this policy shift, and the factors influencing the effectiveness of poverty reduction initiatives in Bone Regency.

## **3. Result**

The results show that decentralisation in Kabupaten Bone has had several positive impacts on poverty alleviation efforts. First, decentralisation allows local governments to be more responsive to local needs and conditions. Local governments can design and implement programmes that are more suited to the characteristics and needs of local communities, which cannot always be met by the central government. For example, several social assistance and economic empowerment programmes tailored to local potentials, such as agriculture and fisheries, have shown significant results in improving the welfare of the poor.

Secondly, decentralisation allows local governments to manage larger budgets and resources. With greater fiscal autonomy, the regional government of Kabupaten Bone can allocate funds more effectively to poverty alleviation programmes. This is reflected in increased budgets for the education, health, and basic infrastructure sectors, which are crucial in supporting poverty alleviation. The road infrastructure development program, for example, has opened up the poor's access to economic centres and public services, thereby improving their quality of life.

However, this study also found several challenges faced in the implementation of decentralisation in Kabupaten Bone. One of the main challenges is the institutional and human resource capacity at the local level, which still needs to be improved. Despite the decentralisation policy, the local government's ability to plan, implement, and supervise poverty alleviation programs is still limited. This shortcoming has resulted in some programmes not running optimally and not reaching the desired targets. Therefore, capacity building through training and competency development for local government officials is needed.

In addition, the challenge of coordination between levels of government is also an obstacle to the effective implementation of decentralisation. Poor coordination between the central, provincial, and district governments often hampers the implementation of poverty alleviation programmes. This can be seen from several programmes that overlap or are not synchronised between central and regional policies. Therefore, efforts to improve coordination and synergy between levels of government are needed to ensure the effective implementation of poverty alleviation programmes.

This research also identifies the importance of community participation in the decentralisation process. Community participation is not only in the form of beneficiaries, but also in programme planning and implementation. Communities that are actively involved in this process tend to have a sense of ownership over the programmes that are implemented, thus increasing the sustainability and

effectiveness of the programmes. In Kabupaten Bone, several community empowerment initiatives that involve community groups in programme planning and monitoring have shown positive results in reducing poverty.

Overall, this study concludes that decentralisation has great potential to support poverty alleviation efforts in Kabupaten Bone. Nonetheless, the success of decentralisation largely depends on the local government's ability to manage resources, improve institutional capacity, and ensure good coordination with the central government. The active participation of the community is also an important key in supporting the success of poverty alleviation programs in the decentralisation era.

#### **4. Discussion**

This study explored the intricate relationship between decentralisation and poverty alleviation in Bone Regency, revealing a mixed picture of opportunities realized and challenges encountered. While decentralisation has fostered positive changes, such as increased budgetary allocations for poverty reduction and the development of locally tailored programs, significant obstacles persist.

##### **Positive Impacts of Decentralisation**

Decentralisation has empowered local governments to allocate resources and design programs that better reflect the specific needs and priorities of their communities (Resosudarmo, 2004). This shift is evident in the increased budgetary allocation for poverty reduction initiatives observed in Bone Regency. The ability to tailor programs to local contexts has led to the emergence of innovative poverty reduction initiatives. For instance, some villages have implemented community-based microfinance schemes or skills development programs that cater to the specific needs of their residents. Decentralisation has created opportunities for greater community involvement in planning and decision-making processes related to poverty alleviation. This participatory approach has the potential to enhance the relevance, effectiveness, and sustainability of poverty reduction efforts.

##### **Challenges and Obstacles**

A significant challenge identified in this study is the limited capacity of local governments to effectively manage and implement poverty reduction programs (Yusriadi et al., 2024; Yusriadi & Cahaya, 2022). This includes limitations in technical expertise, human resources, and institutional capacity. Effective poverty reduction requires coordinated efforts from various government agencies and stakeholders. However, the study found that coordination mechanisms remain weak, leading to duplication of efforts, inefficient resource allocation, and gaps in service delivery (Christie, 2002; Dhanani & Islam, 2002; Tyler-Viola & Cesario, 2010). Concerns regarding transparency and accountability in the management of funds and implementation of programs were raised by several participants. This underscores the need for robust monitoring and evaluation mechanisms to ensure that resources reach their intended beneficiaries and that programs achieve their desired outcomes.

##### **Implications for Policy and Practice**

The findings of this study highlight the need for a nuanced approach to decentralisation and poverty alleviation. While decentralisation holds promise, its success hinges on addressing the challenges identified. Investing in capacity building for local governments is crucial (Ridderstaat et al., 2022; Sharma et al., 2016). This includes providing training and technical assistance in areas such as program planning, financial management, monitoring and evaluation, and community engagement. Establishing effective coordination mechanisms among government agencies, civil society organizations, and communities is essential to ensure a cohesive and integrated approach to poverty reduction. Strengthening transparency and accountability mechanisms is vital to build trust and ensure the effective use of resources (Erenstein, 2011; Guan, 2014). This includes establishing clear guidelines, promoting citizen participation in monitoring, and implementing robust accountability measures.

## 5. Conclusion

This study delved into the complex relationship between decentralisation and poverty alleviation in Bone Regency, Indonesia. Findings reveal a mixed picture, with decentralisation fostering both progress and persistent challenges (Ashley & Mitchell, 2009; Juma et al., 2013). On the one hand, devolving power and resources to local governments has led to positive developments. Increased budgetary allocations for poverty reduction, the emergence of locally tailored programs, and enhanced community participation in development initiatives are noteworthy achievements. However, significant obstacles hinder the full realization of decentralisation's poverty reduction potential. Limited local capacity in program management, coordination challenges among government agencies, and concerns regarding transparency and accountability require urgent attention (Yusriadi et al., 2020). Ultimately, decentralisation is not a silver bullet for poverty alleviation. Its success hinges on a long-term commitment to strengthening local capacity, fostering inter-agency coordination, and promoting transparency and accountability. By addressing these critical areas, policymakers and development practitioners can harness the power of decentralisation to create more equitable and prosperous communities in Bone Regency and beyond. This study contributes valuable insights to inform policy and practice, emphasizing the need for a nuanced and context-specific approach to maximize the positive impacts of decentralisation on poverty reduction efforts.

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