

Transformational and Transactional Leadership Understanding How Leadership Cultivates Democratic Citizenship in Panggungharjo, Bantul, Yogyakarta

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Received: 26 September 2018 | Accepted: 31 December 2018 | Published: 9 January 2019

Abstract

Leadership is essential in promoting democratic citizenship; this is also true at the village government level. Using the experience of Panggungharjo Village, Bantul, this paper tries to understand the role of leadership in supporting the fulfillment of citizens' rights within the context of Law 6/2014 on Villages. Based on interviews and field observations conducted between October and November 2016, this paper finds that transactional and transformational leadership approaches, conceptualised by Burns (1978) and applied in Panggungharjo, influence the effective provision of public service and welfare. When used complementary and strategically, the two leadership styles determine the effectiveness of village leadership and reform initiatives. Indeed, there is an issue of power that is crucial to take into account. In comprehending this important aspect, Luke's (1974, 2005) concept of power dimensions is helpful. His diagram of power consists of tangible power engineering (First Dimension), a new system of procedures that create barriers for potential political opponents (Second Dimension), and the enactment of new norms (Third Dimension). In Panggungharjo, the village head's leadership, approach has been widely recognised as one of the success stories in Indonesian village governance. Nevertheless, the findings suggest that this effective and functioning government has led to leadership practice that has created citizens who are "beneficiaries" rather than "shapers and makers" (Cornwall & Gaventa 2001; Gaventa, 2002, 2004). This outcome may not optimally underpin active citizenship, as active citizens are a prerequisite to promoting democratic citizenship.

Keywords: *village, transformational, transactional leadership, citizenship*

Introduction

Underpinned by the principles of recognition and subsidiarity, Law No. 6/2014 on Villages (henceforth the Village Law) grants villages the opportunity to implement village-scale authorities

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(*kewenangan lokal berskala desa*) and original authorities (*kewenangan asli*). Today, villages in Indonesia have more political discretion and considerable village funds. However, since its enactment in 2014, the Village Law has raised mixed responses. Concerns, supported by current updates, have emerged regarding the potential abuse of village funds mainly by village elites, since “village financial management systems are inadequately prepared to handle large increases in funding, and mechanisms to monitor and control village spending are underdeveloped” (Lewis, 2015, p. 347).

Even before the implementation of the Village Law, despite strong interest among village officials to learn “good financial management,” the capacity building provided by local governments was far from sufficient, excessively focusing on administrative issues and involving mostly in-class training with too much lecturing and little to no practical practice. Worse, Edi (2013) found that capacity building has become a for-profit business filled with rent-seeking opportunities, rather than a venue for welfare and popular advocacy efforts.

Some advocacy research done by NGOs has shown evidence in several regions that proves the positive impact of village funds on fostering village economy (Eko, Sujito, & Kurniawan, 2013; Eko, 2014). Questioning these results, nevertheless, findings have emerged from other regions that show complex dynamics limit such expected impacts. For instance, referring to Vel (2015), initiatives to foster village level business enterprise solely through injecting funds yet without understanding the market barriers such as low population and geographical isolation have proven to be failure. Another case, experiments in Bantaeng District, South Sulawesi, have proven that injecting enormous funding, capacity building, and technical assistance to establish new village enterprises (*Badan Usaha Milik Desa*) are not enough. Of the hundreds of villages supported, it is difficult to pinpoint the ten best BUMDesa that have sustained businesses and proven contributions to the village economy (Edi, 2013).

Against this backdrop, quite a different story has arisen from Panggunharjo Village, Sewon Sub-District, Bantul District, Yogyakarta. Led by Wahyudi Anggoro Hadi, an inspirational and innovative *Kepala Desa* (village head), Panggunharjo has been able to utilize the new autonomy and funding provided by the Village Law. In 2014, Panggunharjo was recognised as the Best National Village due to its ability to improve the quality of village development, public services, family welfare, the other aspects of village governance (*'Desa dan kelurahan ini,'* 2014); to receive this recognition, the village beat out Indonesia's 74,000 other villages. Some other prominent achievements are the village government's ability to provide village government-funded healthcare services and college scholarship schemes. Compared to the average performance of other villages, these innovations are phenomenal. All of these innovations have occurred even as many other villages have not made any adjustments or preparations for implementing the Village Law.

Without undermining other variables, this paper focuses on investigating how leadership plays a critical role in making such positive practices. We argue that the practice of transformational and transactional approaches to leadership (Burns, 1978; Bass, 1985 in Panggunharjo has played a determinant role in its successful village governance reform. Our findings show that the village head has brought, referring to Shafritz, Russel, and Borick (2011), "ideas, practices, and situations beyond the routine mindset of business as usual" (p. 403). Since leadership inevitably involves the use of power in various forms, we found that the village head of Panggunharjo has applied Lukes's (1974, revised 2005) three dimensions of power to comprehend the role of power in leadership. Discussing power is important, since governance reform is more than making management more organized and technically well-functioning. It can potentially change old institutional settings, and, subsequently, create threats for existing actors and their political and economic interests.

The paper is organised with the following logic. We firstly define transformational leadership and how it is linked to citizenship. This theoretical framework is then utilised to inductively sketch out three practices of leadership in which different dimensions of power are orchestrated. The next section is intended to distil the implications for citizenship caused by these multi-dimensional practices of leadership.

Transformational and Transactional Leadership for Cultivating Citizenship

Transformational leadership is a transcending leadership approach that causes changes in individuals and the social system through vital “teaching roles”. This transformation occurs when one or more persons engage with others in such a way that leaders and followers raise each another to higher levels of motivation, values, and morality (Burns, 1978). The style of the teaching role is also essential to differentiate transformational leadership from other forms of leadership, such as transactional leadership. Unlike transformational leadership, transactional leadership occurs when one person takes the initiative to make contact with others for the purpose of exchanging valued items, which may be economic, political, or psychological in nature: it is a swap of goods or services for money. Each party to the bargain is conscious of the other’s power resources and attitudes to some extent. At the pre-conventional level, this approach is defined by rewards and penalties, whereas at the post-conventional level this approach places greater emphasis on adhering to the set standards or fundamental constitutional agreements of its political systems (Burns, 1978).

Through its teaching role, transformational leadership conducts more than change; it is devoted to substantive results through ideas, values, and knowledge. As such, transformational leadership introduces a form of intellectual leadership that inspires ideas using moral power to maintain the contradictory relations

between private liberty and power to retain justice and order (Burns, 1978). Since credence in transformational qualities depends on people's faith in the wisdom, character, moral, and insight of leadership, this approach implies the leader is centrally located in a strong inter-personal network. This charismatic authority can be traced to an intrinsic personal authority, which, according to Weber, flows from expertise, experience, and personal character (Coleman, 1997). Anderson (2007) clarified that "charisma" in the interstices of legal-scientific Javanese culture in contemporary politics is a residual effect of older concepts of power. Political "charisma" emerged when a given patrimonial, feudal, or rational legal-bureaucratic system entered a period of stress. Later, this "charisma" tended to undergo a process of routinisation and bureaucratisation until a new crisis produced a new charismatic leader (Anderson, 2007).

In addition, transformational leadership is perceived as "engaged leadership" to firmly distinguish this approach from power. Naked power-wielding can be neither transactional nor transforming. However, only transformational leadership can raise the level of human conduct and ethical aspirations of both leaders and led, and thus has a transforming effect on both. Transforming leadership arises and elevates hopes, and at the end enhances the process of creating new cadres of leaders (Burns, 1978). In this way, transformational leadership implies the inspiration, energisation, and intellectual stimulation of citizens to drive changes in individuals and social systems. This engagement of leader and follower occurs when a leader broadens and elevates the interests of followers and stirs them to look beyond their own self-interests for the good of the group (Bass, 1985).

This perspective involves power dimensions beyond transformational leadership. Power facilitates the achievement of collective goals through consensus among the members of a society to legitimate the position of transformational leadership, whose incumbents further the system's goals, by using sanctions if necessary (Giddens, 1968; Lukes, 1986). Power exists within a

network of power in which the leader's position as power wielder becomes legitimate through the inherent mutual relations between leader and follower (Coleman, 1997).

One comprehensive explanation about how power works is found in Lukes' systematic analysis of power, which focuses on its overtly voluntary nature. This perspective has explained how the powerful do not directly engage in command. They are able to control the agenda under the table, whereas others will contribute with total obedience out of respect for this power (Coleman, 1997). Lukes clarified how power works in deep human relationships and consists of obedience through three dimensions of power: (1) how a leader organises actors and politically engineers the area of formal (and tangible) decision-making processes; (2) how a leader formulates and sets a new system through procedures; and (3) how organised actors and new "norms" create total compliance through mundane forms (Lukes, 1974, 2005).

Discussion of the qualities of transformational leadership is then aimed at cultivating citizens who can recognise their rights and maintain inclusive development. As a notion of engagement, the framework of citizenship refers to the involvement of an active citizenry that shares in public service governance. Citizenship is a complex concept and has long been a contentious topic. It keeps becoming re-conceptualised to take a less state-centred and more actor-oriented approach in development. In the process, a critical challenge exists in the twenty-first century to construct new concepts and forms of citizenship, which will help make rights real for disadvantaged people (Gaventa, 2002).

In addition, the core characteristics and dimensions of citizenship are still contested and remain open for competing conceptions. In contrast with social movements promoting a more participatory citizenship, Dagnino (2010) also reminds us that the neoliberal agenda has also added appropriate citizenship to its interests. As an example, in promoting market based social policies, citizens are positioned as the "'needy' human... whose survival is at

risk". Welfare provision is "viewed as commodities to be purchased by those who can afford" (p. 107). This example demonstrates that citizenship can be an instrument for different political agendas. Furthermore, Stokke (2017) asserts that citizenship is brought by post-political governance and governmentality from 'above' as well as struggles for membership and participation from 'below'. A "popular" politics of citizenship, that is, the political agendas and strategies used by non-elite forces for inclusion in communities of citizens and for citizenship rights, has emerged.

Even if a transformational leader works for the betterment of the people, the choice of outcomes can differently characterise the types of citizens formed and their relations with the state. Therefore, Tessitore (2011), referring to Cornwall and Gaventa (2001), asserts the need for citizens to have active roles as both "*users* who resort to grievance mechanisms or use disclosed information for better delivery" and "*makers and shapers* who claim rights, demand them to be inscribed in national constitutions, and hold states accountable for their full implementation." This description leads us to the fundamental "platform" of citizenship that Gaventa (2002) proposed: "citizenship as a practice rather than a given, characterized by 'the right to have rights' and to participate actively in their realization" (as quoted in Tessitore 2011, p. 15).

Understanding How Leadership Works in Panggungharjo

Located in Bantul District, Yogyakarta, Panggungharjo is home to 27,683 people, equivalent to 8,739 households (BPS 2014). About 21.17 per cent are poor, and 44.49% per cent live slightly above the poverty line.³ Divided into 14 sub-villages, Panggungharjo has rural areas in the south and urban areas in the north. Having direct access to Yogyakarta Ring Road and being located close to Yogyakarta City, people in Panggungharjo enjoy easy access to jobs and economic activities. Most residents are farmers/farm labourers

³ Source: <http://bkm.panggungharjo.net/profil-desa/potensi/>

(16.97%), private sector employees (12.69%), or merchants (7.37%). Panggungharjo is also well known for its batik industry, statue, and furniture industries. Since the implementation of Village Law 6/2014, Panggungharjo has received a considerable amount of funds directly from the national and local governments. It also enjoys profitable assets, from which the bulk of its income is acquired.

Table 1. Income Structure of Panggungharjo, 2013–2015 (IDR million)

Year	Income	Village Allocation Funds	Village Funds	BHP/BHR	District Financial Assistance	TOTAL
2013	898.2	161.3	-	25.0	174.5	1,258.9
2014	1,445.3	155.7	-	5.0	321.6	1,927.6
2015	1,417.3	1.670.6	368,9	297.9	-	3,754.8

Source: Official Village Documents, 2016.

That is the context in which Wahyudi Anggoro Hadi won the village election in 2013, an unforeseen success as he was best known as an activist working on promoting traditional Javanese culture through toys. In this election, his competitor was backed by the majority of the members of Badan Permusyawaratan Desa, the village council. Before his non-political activities in village affairs, Wahyudi had been a leader of Persatuan Mahasiswa Islam Indonesia (PMII), a student activist organisation under Nadhlatul Ulama, while undertaking his undergraduate education at Universitas Gadjah Mada, Yogyakarta, in the 1990s. His campaign strategies were proven to be successful. He directly used a shaming approach when neighbourhood elites, claiming to represent their communities, asked Wahyudi for money and goods with the promise of mobilising their communities' votes for him. Moreover, Wahyudi also succeeded in shifting election discourse from 'vote for money'

to 'vote for village development'. Lacking the financial capital of his competitor, he focused on policy and development issues.

In this section, using a transformational leadership perspective, we descriptively explain how Wahyudi Anggoro Hadi initiated his reform agenda. Reform or innovation contains one or more of the following elements: efforts for power organising, actions to institutionalise new systems and procedures, and practices to enact new norms.

Improving Basic Administrative Services

For the past four years, the government of Panggunharjo has actively spread news of its change. The Office of Integrated Services is one indication that village services are now more oriented to the community. The original high-chambered service windows, which hindered citizens in communicating with village officials at eye level, have been replaced with wide serving tables, with no baffles. In addition, the air-conditioned serving room has been made wide enough to accommodate two dozen people. A large shelf, filled with a wide variety of books, is included on one side of the room so that people can read while waiting for their turn. At the other corner of the room, beside the main door, is hung a poster-sized photo that presents the "The Best-Performing Officer of This Semester"; at the time of writing, a portrait of an officer of the Service Section is in this frame.

People generally spend about fifteen minutes waiting. However, document processing time ranges from thirty minutes to one day, depending on the type of document registered. The office serves basic administrative needs such as identity cards (KTP), family cards (KK), birth and death certificates, as well as other documents that require village legalisation and/or notary certification.

RY (43), a resident of Jaranan Sub-Village, explained that administrative services are much better nowadays. The officers are welcoming and informative, as well as careful in handling the files

to ensure proper procedures are followed. Nonetheless, service is no less complicated. Rather, he needed additional clarification when completing the forms for making birth certificates and family cards. This daily labourer said:

Actually, if all the requirements are complete, we only need one day for service at the village. Usually, it takes three days to make family cards and birth certificates, from the submission of files at the village to the completion of the process at Bantul District. However, if the required documents are incomplete, people must go back and forth to the office, and it is time consuming. (RY, personal communication, October 30, 2016)

Furthermore, clarity is not only related to information, but also service hours. Office hours are now clearly written at the entrance: 08:00 a.m. to 04:00 p.m., including one hour off from 12:00 to 01:00 p.m. The fingerprint machine placed behind the main building ensures certainty in the work progress by monitoring hours of operation.

NS, a village officer of the Office of Integrated Services further explained that these office hours have only been effective for one year. Wahyudi Anggoro Hadi, elected the village head of Panggungharjo in 2012, attempted to apply the policy of eight-hour service from his first day in office. In conjunction with this rule, Wahyudi also applied principles derived from core Islamic values that emphasise discipline and cleanliness. However, the norms were introduced as unwritten and without sanction. As NS (personal communication, October 24, 2016) recounted:

Pak Wahyudi has not much to say. He tends to let disobedience pass with silence, and with no sanctions. For instance, he even scrubbed the dirty office restrooms by himself (instead of asking staff to do so). What he always emphasises is purity, a principle that he stresses. Never feed your family with uncertain food (which is unlawful according to Islam), including items derived from 'blind salaries' paid for not keeping working hours, for time corruption. This clarifies ethical living.

This 'passive strategy' in applying new working hour norms has essentially minimised conflict and resistance from the staffs. In the early days of the new rules' application, many officials openly refused and rejected them, indicating their cultural shock. It required time to become accustomed to these new working norms, as for the past eighteen years prior governments had only loosely applied its service hours. It had previously worked effectively between 09:00 a.m. and 01:00 p.m., and the village office would be entirely empty by 02:00 p.m. Inevitably, the applied new norm made the newly elected village head have awkward relations with his staff for the first couple of years.

Therefore, Wahyudi emphasises an ethical approach through his own exemplary conduct and practices, rather than showcasing his power and authority through written rules and sanctions. He demonstrates these community-oriented work principles by practicing them himself. Leadership by example has given a positive impression and thereby reduced resistance.

We observed a number of points of how Wahyudi's leadership has improved basic administrative services by ensuring working hours are kept and reorganising the bureaucracy. These methods of management have reformed the institution to be more citizen-oriented than under prior administrations. Through his exemplary style of leadership, derived from religious ethical values—including his anti-money politics stance during his candidacy—Wahyudi has created a personal-moral authority to have the ability to make changes more effectively than possible with written rules and sanctions. His status as leader has gradually turned into a role model for officers. At this point, Wahyudi has become perceived as an "engaged leader" with a discrete but firm approach to power.

Additionally, after a number of subordinates began to show trust and after bureaucratic reorganisation brought improvements to public services, Wahyudi began confirming rules, regulations, and policies as ways to reach consensus and settle issues related to improvements in bureaucratic culture. Rewards and moral

sanctions have effectively transformed employees' work ethics and procedures. Office hours have been applied in conjunction with performance assessments, formalising 3,200 workload points for the village government. These points, arranged by an independent consultant, have been further categorised by administrative section and arranged into individual staff performance targets.

Moreover, the village's achievement in the 2014 National Village Competition in Jakarta has accelerated changes in staff attitudes. Panggungharjo's winning the competition was perceived as momentum to transform the bureaucracy by motivating village officials and making their services more community-oriented. Out of Indonesia's out 72,000 villages, Panggungharjo was recognised for its innovations in serving the community. NS (2016), a village official who has worked in Panggungharjo for more than 10 years, said:

The previous (village) law conditioned passivity (employees). Start at 09:00 and leave at 13:00 was how it used to be. Now the new village head (works) from 08:00 until 16:00. For a couple of years, he was opening and closing the doors by himself (because no one was following his rules in the first year). Finally, my colleagues realised that the dozens of guests visiting the village (after our achievement at the national championship) showed that our village was worthy of winning. It made my colleagues believe in and acknowledge what the village head had done. Now (employees) are comfortable with their obligations, such as obeying working hours.

Institutionalising Village Social Security Provisions

Show the communities that we are changing, that we are more responsive, more transparent. This goal is to create trust, because we deal with people who do not trust (the government).

A number of officials said that Wahyudi has emphasised this principle repeatedly to his subordinates. Since his very first day on duty, he has had the vision of building new, trust-based relations

between the village government and the villagers. However, the absence of the state in equitable basic service provision has hampered the growth of trust. To build greater trust, Wahyudi aims to improve basic service delivery by creating new institutions to support bureaucratic structures in their provision of public services.

The main role of these new institutions is to support their implementation of the basic roles and functions of village working units at the grassroots level. A number of these new institutions deliver basic services directly to targeted vulnerable groups, such as neglected elderly group; disabled persons; abandoned children; and prenatal women from poor families. These changes reinforcing village governance have been recognised as the innovations that enabled Panggungharjo Village to win the National Village Competition in 2014. Wahyudi said:

Citizens' rights are often considered limited to public administration. Other than this issue, it is perceived as not being the government's domain. If the government already provides identity cards, it is as though the state has completed its tasks. It is essential... we need instruments through which the village government and its citizens can communicate beyond administrative services (Wahyudi, personal communication, October 23, 2016).

The persistent limitations of the bureaucratic machine under prior leaders made the village government's provision of public services sub-optimal. Despite the majority being of mature ages and a limited number of officials available for tasks, village officials were reluctant to examine their community's problems and needs of communities as they were unused to working with the community. This 18-year tendency created a perception that public service within the village bureaucracy was only concerned with the convoluted affair of legalisation. In overcoming this condition, Wahyudi has established new institutional structures outside the government bureaucracy as pulling motors to improve the bureaucracy's provision of basic services, particularly in long-neglected areas such as education, health, and waste management.

Welfare provision is one sector supported by this new structure. According to the village government structure, this sector's main duties and tasks are done by the Panggunharjo village government's Section of Public Welfare. Today, it is backed up by the BapelJPS (Implementing Agency of Social Safety Net) that was established in 2013 to achieve several service functions at the grassroots level. BapelJPS' functions cover affairs of education, women's and children's health, and basic health services for poor communities who have, for various reasons, not received aid from national or regional social safety net programmes.

Through community-generated data collection, BapelJPS fills discrepancy gaps in the state and local poverty data that, in 2013 and 2014, caused many cases of horizontal conflict, including in the distribution of direct cash assistance (BLT) and temporary direct cash assistance (BLSM). In 2015, the village government identified 688 people in vulnerable and needy groups—including the chronically ill, disabled, abandoned children, drop-out students, and malnourished children. Unfortunately, less than half of these 688 people were receiving aid through national and regional social security programmes. The remainder, who had not received any aid, are now being served and protected by the BapelJPS Programme.

Moreover, BapelJPS distributes living assistance of IDR 300,000 per month to neglected and elderly residents, as well as tuition fee assistance for students from poor families, education insurance for the "One Family, One College Graduate" programme, and prenatal and postnatal healthcare for women from poor families. BapelJPS has created partnerships with third party institutions, including the charity agency Baznas for free medical treatment, private hospitals for patrolling nurses, village-owned enterprises for school tuition assistance (paid through waste management), and an insurance foundation for education insurance. BapelJPS received IDR 139,188,000 or around 3.2 per cent of the village budget in 2016.

According to the preliminary establishment document,

BapelJPS was aimed to officially administer the “signature bonuses” given to the village head by companies as gratification for managing a specific number of government permits, such as a base transceiver station (BTS) tower, or for rental of village property. Whereas previously these “signature bonuses” were perceived as privileged funds to be managed privately by the village head, Wahyudi has administered these funds as another form of village revenue and included them in the village budget. In 2016, this income amounted to IDR 27,300,000 in posted grants and donations, which was used to finance the provision of basic services under the management of BapelJPS.

In this case, Wahyudi has built political and moral credibility based on intellectual leadership. Funds derived from the chief political appointments of the election campaign were used to promote innovative programmes to meet the needs of the communities. In terms of building transparency and accountability in financial management, the village government has also innovated by cooperating with the Development Finance Comptroller (BPKP). In addition, the village government has worked in partnership with the local Office of Archives to publish a local newspaper and encourage public transparency.

Despite BapelJPS being sited outside of the bureaucratic structure, its planning, operating, and financing activities are done under the coordination of the head of the Public Welfare Section. The responsibilities included in the Section’s main tasks and functions are gradually growing in number, with obvious financial consequences. Regardless of the incentive allowances, the increasing number of tasks eventually encouraged village officials to provide more public-oriented services. NS, an officer of the Public Welfare Section said that the increasing number of tasks he must do through BapelJPS make him feel satisfied, as he is able to deliver programme assistance to help the community.

BapelJPS is an incomparable contentment. I am very pleased and grateful to help people by delivering something already planned,

something that could benefit others. ... There is a great sense of excitement that I am able to help new mothers give birth, provide school tuition fees, and I only need to make a phone call to certain authorities to make it happen. It seems that only a word from me can mean something to help others (NS, 2016).

However, not all members of the community have learned of the changes. The majority of Panggungharjo's population, for instance, have yet to hear of BapelJPS' performance despite it being implemented in 2013. Its specific targeted groups, i.e. lower-income families, seems to make it only acknowledged by certain communities. Moreover, some beneficiaries are unable to distinguish whether the aid they receive comes from the central, local, or village government, or from similar programmes.

Changing Mindsets through Instruments

It is premature to conclude that Wahyudi has succeeded in installing a greater public-service orientation in the bureaucracy compared to the previous administration, which led the village administration for 18 years. Nevertheless, Wahyudi has introduced and applied several instruments and tools to change the bureaucracy and the community's perspective, including how it makes decisions, formulates development plans, and orients its delivery of public services towards meeting public needs.

In 2014, Wahyudi revitalised the Village Information System (Sistem Informasi Desa, SID) to create baseline data. This application had been introduced before his leadership, but was not fully used. Using the GIS platform, SID was optimised by integrating data from public service applicants and the village financial system. As such, the village government acquired more credible data and supported a principle: policymaking should be based on evidence. Voices or aspirations are insufficient. In deciding development priorities and targeted beneficiaries, therefore, the village must refer to the available data. SID, thus, has resulted in more transparent

village governance, not only by eradicating bribery in public service but also by eliminating abuse of the village budget.

Moreover, order to enact new budgeting norms, Wahyudi also introduced a new set of budget priorities. Within this set, the village government has allocated its annual spending to non-infrastructure projects, mainly programmes for strengthening the village government and developing the community. In 2015, the budget for the village government-strengthening programme represented 41.66 per cent of the total village budget. This money was spent on redesigning the front office (*ruang pelayanan*), financing village officials' tuitions (scholarships for selected officials to enrol in vocational education in the field of village public administration), for setting up new community-based institutions to implement village development projects, and for formulating and implementing a management system for the village bureaucracy. For instance, Panggunharjo is one of few villages that uses *Ketetapan Kinerja* (key performance indicators) to plan performance targets for each position in the bureaucracy and to help analyse the job qualifications required for those positions.

Aside from the village government-strengthening programme, a major portion of the budget was also allocated for community development programmes (including community and societal empowerment programmes). As mentioned above, these projects were implemented through newly established village community-based institutions. Among the eight priorities of the community development programme are education, health, community economic development, and participation. For instance, in the education sector, the Village Government has implemented the *Satu Rumah, Satu Sarjana* (One Family, One College Graduate) programme. In addition, land has been provided for educational purposes so that a stronger infrastructure can be built to support education. In the economic sector, Wahyudi's administration has supported the PKK programme, which focuses not only on women's economic development, but also supported programmes

such as dealing with unwanted pregnancy among youths. Below is Panggungharjo's annual budget allocation and its percentages. Table 2 depicts the village's 2016 budget, indicating its priorities in budget allocation. In 2016, the community development and empowerment programmes were the village's two biggest programmes, after government function. Meanwhile, as indicated by the allocation of funding for infrastructure, it is no longer considered a priority.

Table 2. Panggungharjo's Annual Budget, 2016 (After Mid-Year Revision)

Budget Items	Total
Income	4,183,458,559
Expenditures	4,266,063,231
Allocation for government functions	1,777,420,031
Allocation for village development	633,418,000
Allocation for societal activities	387,545,700
Allocation for community development/empowerment programme	1,467,679,500
Surplus/Deficit	(82,604,672)
Financing	
Financing income	557,719,748
Financing expenditures	424,962,500
Net financing	132,757,248

Source: APBDes Desa Panggungharjo 2016

The budget priorities set by the village government are meant to be tools for directing people's voices from physical infrastructure to community development/empowerment programmes. Wahyudi has the intention of changing people's mindsets about which projects should receive funding and which should not. He is trying to change the old norms that associated village development with nothing but physical infrastructure, transforming them into community

development/empowerment projects and human capacity building. He said:

The legacy of the New Order has created an infrastructure mindset among our people. When being asked what their needs are, people answer roads, bridges, and other physical infrastructure (Wahyudi, 2016).

The village budget is intended to promote the discourse that development reaches beyond infrastructure. The budget priorities enacted by the village government have succeeded in shifting village money to more substantial needs. At the village level, Wahyudi's policies have challenged the common mindset that focuses on physical infrastructure. This new list of priorities, for instance, has been used as the basis for village development planning discussions (*Musyawah Perencanaan Pembangunan Desa/Musrenbang*). Any development proposals that are outside the scope of this list of priorities are not accepted.

The idea for restructuring budget priorities came from Wahyudi. However, he utilised the *kepala dukuh* (sub-village head) and *Paguyuban Ketua RT* (neighbourhood head) forums to test his ideas. Discussions with these two groups were informal, and provided an avenue for Wahyudi to receive comments and suggestions, and even negotiate opportunities so that his ideas could become practically and politically feasible. Decisions in these informal settings indeed influenced the direction of formal discussions in development planning, both at the sub-village and village level.

Why and how were Wahyudi's ideas finally implemented? According to one sub-village head, it was not solely caused by Wahyudi's individual power. He elaborated:

It does not mean that Pak Wahyudi is so powerful. He kind of tested his ideas among the village bureaucracy and community-based institution staff so he could receive feedbacks. If certain ideas looked feasible to implement, then he would follow up those [ideas] (Wahyudi, 2016).

Informal negotiations regarding programme priorities

and funding allocation were also conducted with community-based institutions, including those established by Wahyudi's administration. All community-based institutions had to formulate their programme priorities and budgets through internal deliberation. As the programme and budget proposals were finished, each community-based institution held informal discussion session with Wahyudi. This approach differed from past practices, where people were mostly passive, held little substantial discussion, and always followed the village head's decisions regarding programmes and budgets. LN, one of the PKK officers, explained:

We were kind of subordinate (to the village government). We coordinated with the head of public services (*kepala pelayanan*). We would politely say, "this is your budget (the bureaucracy's), and we will implement this budget". Holding discussions first and creating synergy means the formal Musrenbang will last shorter; otherwise (our budget) would get erased. Consultation, hence, is better. Items erased in consultations are only a few. Almost all proposals are accepted (LN, personal communication, October 25, 2016).

Despite its effectiveness in consolidating Musrenbang forums at the village and sub-village levels, the use of these priorities to enact new norms in development planning and budgeting caused conflict with some village institutions, particularly older ones. The development priority list created by Wahyudi's administration changed the roles and influences of the old elites, who could not dominate the development policies and agenda as they had in the past. One old village institution that came in contention with the village government was the LPMD (*Lembaga Pemberdayaan Masyarakat Desa*), and as a result community groups under its coordination have been inactive at the sub-village level since Wahyudi initiated his policies. The community groups, called *Kelompok Kegiatan*, are the lowest organisations in the village, and are mainly tasked with programme implementation. Regarding the ill-functioning of LPMD, SP, a hamlet chief in Panggunharjo, stated:

The LPMD Committee has a dispute with *Pak Lurah*

(Wahyudi). Therefore, the organisation is inactive, not in operation. The budget for LPMD has been disapproved, so they have no activities to do. Since 2014, there have been no meetings! The problem is that the LPMD Committee is less active than the RT. PAKARTI, the RT forum, is very busy with activities. LPMD seems to have lost its focus. LPMD is no longer invited (by village government) to discussions (SP, personal communication, October 31, 2016).

As shown above, the village leadership has combined formal and informal approaches to change people's minds about what is termed "village development" as well as to hinder the intervention of old elites in development. Wahyudi successfully transformed the development discourse, from focusing on physical infrastructure to considering non-physical infrastructure such as community development and empowerment. In this regard, the setting of the village budget has been an instrument to change mindsets on development. Besides, Wahyudi has activated the village administration forum (consisting of sub-village heads and neighbourhood heads) to serve as informal consultation when establishing new programme priorities.

Implications of Leadership for Citizenship: Initial Insight

In the leadership processes of each reform or innovation initiative, how have the three dimensions of power worked in Wahyudi's leadership?

We found that the dimensions of power working behind leadership practices are more about defining changes rather than merely showing one form of leadership. The case of Panggunharjo reflected either transactional or transformational leadership approaches as strategic approaches towards exercising power that should be combined to realise improvement. Table 3 shows that the combination of these two types of leadership has not been merely connected their formal and informal strategies, but also integrated

their values, structures, and power capacities to set new agendas. Through this table, we explain transformative leadership through its practices in changing people's behaviours and thoughts.

Yet, we propose, such a view of different forms of leadership in determining individual and social hopes and changes as well as creating new cadres would be restrictive. Given the pervasiveness of leadership—as a relationship between leader and follower—we should not restrict the study of leadership to the narrow prescription that transformational leadership is an advanced form of transactional leadership and is more effective in realising substantive results through its teaching roles, which contain ideas, values, and knowledge. Rather we should take up the analytical challenge posed by the pervasiveness of crosscutting between transactional and transformational leadership and find ways to describe the dynamic process of negotiation between leader and follower in achieving specific goals.

This crosscutting consideration is essential, for instance, in explaining why the transactional leadership may fail to make certain improvements in one situation but work in other circumstances. Additionally, there is no certain formula for putting one form of leadership before the other. We found that the head of Panggungharjo Village used transformational leadership, rather than transactional leadership, as the former approach for several reasons, included smoothly managing prior power relations and minimising conflict.

As a former activist, Wahyudi has the ability to utilise his cultural capital to actively assess the provision of public services in the village. He also has the knowledge capacity to mobilise existing village resources to support his work, as well as to implement new ideas and plans for improving public services.

The leadership practices and dynamics of power in Panggungharjo are simply reflected in Table 3. A number of ongoing programmes in Panggungharjo contain notions of leadership's different forms and work simultaneously in multiple dimensions of power. The dimensions of power work in a continuum rather than

in a gradually exclusive range, where operational aspects of certain dimensions do not eliminate other dimensions and work to maintain the relations between the leader and his followers. Our conjecture is that, in all dimensions, there will be tension in leadership modes and power exercises, and that no dimensions will disappear. Regarding leadership practices, the continuum of power dimensions cover a wider spectrum of duties, as leaders might perform both aspects—transformational or transactional—depending on the applied instrument.

In the first dimension of power, transformational leadership includes the practice of wielding resources such as authority, political base, and legitimacy for resolving key issues. Some of the resolutions in Panggungharjo include reconditioning service centres, leading by example, establishing new institutions, and declaring gratifications in order to overcome such key issues as money politics, as well as imposing the presentation of public services beyond the basic ones. In the meantime, transactional leadership practices use rewards and punishments as collective consensus to create an institutional culture. While major leaders have applied transactional leadership through rewards and punishments to establish norms, Panggungharjo has practiced a transformational approach through “leadership engagement” to avoid the rejection of new norms. In this first dimension, combining leadership approaches has transformed the behaviour of the people in the village office. Rather than work without motivation to serve village residents, they serve them with a passion, especially addressing disadvantaged communities.

In the second dimension, a number of procedures and values are settled as the ‘rules of the games’, mobilising bias and imposing boundaries to define followers and non-followers. In Panggungharjo, this boundary has had several implications, including fragmented institutions. In the meantime, having a list of programme priorities has applied the principle that ‘money follow programmes’, with funding allocation being determined based by programme needs. In this dimension, leadership employs agenda-setting to change people’s

minds and development discourse by forming new institutions attached to the bureaucracy and encouraging consultation.

The third dimension is the highest achievement of transformational leadership practices, in which the bureaucracy has completely internalised all its innovations in Panggungharjo. In this dimension, leadership practices included overlapping both transformational and transactional approaches in providing public services and cultivating citizenship. However, this is only beginning to be discovered. Further examination is necessary to see the long-term implications of on-going village programmes.

Table 3. The Three Dimensions of Power in Panggunharjo

Dimension of Power	Transformational	Transactional
Dimension I	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Reconditioning service locket</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Leading by example</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Establishing new institutions</div> <div style="border: 1px solid black; padding: 2px;">Declaring gratification</div>	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Resolving performance assessment through a total of 3,200 points</div> <div style="border: 1px solid black; padding: 2px;">Rewarding the employee of the month</div>
Dimension II	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Declining LPMD by imposing Pakarti</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Managing gratification by APBDes</div> <div style="border: 1px solid black; padding: 2px;">Defining a list of programme priorities</div>	<div style="border: 1px solid black; padding: 2px;">Determining fund allocation based on the list of programme priorities</div>
Dimension III	<div style="border: 2px dashed red; padding: 5px;"> <p>Target achievement:</p> <p>The (state) bureaucracy has internalised transformational programmes to provide public service and cultivate citizenship. This research is limited in seeing the long-term implication of on-going programmes.</p> </div>	

The discussion of power dynamics in leadership practices leads us to the next question: To what extent do leadership practices cultivate or hinder citizenship?

We found that a number of norms and instruments developed by Wahyudi have used performed formality to create impersonal relationships with citizens. By institutionalising a professional bureaucratic culture that is more citizen-oriented, Wahyudi placed himself as an intermediary political agent mediating citizens' access to state resource and ensure the quality of citizenship. These approaches have differentiated Wahyudi from his predecessors in Panggunharjo, who retained their positions as village patrons by emphasising 'money power' and limiting access to state resources to shape their power relations with clients.

Since his campaign in 2012, Wahyudi had voiced a credo

that the state, including at the village level, must play a substantial role in fulfilling citizens' rights, including the right to welfare. Past village governments have solely provided administrative services, making this a subject for reform. Hence, Wahyudi has mainly focused on fulfilling residents' education and healthcare needs. Here, citizenship is embodied in the form of social protection for beneficiaries/recipients.

Whether healthcare and education needs can be met is hard to determine currently. What can be said is that Wahyudi has been trying to empower the people to dare to complain and give suggestions. He requires all staff and volunteers working at community-based institutions that serve the community to ask people about their concerns, complaints, or suggestions. This practice shows that citizenship is exercised in a given term which, in the words of Tessitore (2011), is bound in "consultation processes aiming at improving management and delivery" (p. 15).

Though citizenship is characterised as status given rather than as practice, Wahyudi actually provides indirect and stratified avenues for more participatory citizenship (Gaventa 2004; Dagnino, 2010), as we have seen in the previous section. This success has been realised by utilising organisations in the community that are sector- or spatial-based in nature—i.e. women's organisations such as PKK, or spatial organisations such as PAKARTI. The people of Panggungharjo are expected to be actively engaged in such organisations, such as by voicing their needs or project proposals. Aspirations gathered by these organisations are then brought up during informal consultation sessions, and, subsequently, during the formal Musrenbang meeting.

Given its origin (established by national government and village government) and partnering roles in governing processes, Grigsby (2012) names this "democratic corporatism":

Democratic corporatism describes patterns of government coordination of interest groups, government incorporation of interest groups into the actual governing process, and the presence of

peak interest group associations... [I]nterest groups are not outsiders relative to government but rather are partners with government... [D]emocratic governments designate interest groups as formal participants in the decision-making process and coordinate the activities of the groups.

And, as Grigsby (2012) explains, these community-based institutions in Panggungharjo have emerged “as the official spokespeople for their members” (p. 202).

Another key point is that the sets of instruments developed by Wahyudi to raise participation and underpin welfare are close to the notion of statecraft. Jayasuriya (2006) names “statecraft” as an intermediary process used by agents to elaborate and regularise the fundamental relationships between the state and its citizens. This “statecraft project” process is not simply about creating new instruments of public authority, but also concerned with the meaning and purposes under which that power is exercised. For example, through elements that promote the active participation of social actors in numerous welfare programmes, the most essential of which is new social contracts for citizenship.

In Panggungharjo, how citizenship is shaped by Wahyudi is also related to the Wahyudi administration’s technocratic style of policymaking. Panggungharjo is a semi-urban village, and public infrastructure is in place. No major roads or bridges need to be built. The indirect and stratified way citizens participate is also characterised by techno-guided participation. Overcoming people’s incapacity to propose needed development projects in the Musrenbang, Wahyudi has conducted a rational planning approach. In the short term, rational planning has helped Panggungharjo optimise its budget to ensure that priority programmes have sufficient funding. Questions have been raised as to whether this techno-guided planning should be implemented in the long term.

More research is necessary to understand whether Wahyudi is guided by cold empiricism or whether he simply uses technocracy as an instrument supporting his value-laden policies. These technocratic

practices, however, have led us to the classic tension between democracy and ordinary people, on the one hand, and technocracy and experts, on the other hand (Fisher, 2007). Community members are amateurs in politics (Stoker, 2006), so in the long term, the village government in Panggungharjo needs to place technocracy as a tool for facilitating people participation. Otherwise, citizenship as an active and dynamic action reaching beyond given boundaries would be difficult to realise.

To what extent has Wahyudi's leadership cultivated citizenship? Will his style lead to hegemonic leadership? When combined with his personal image as a person of moral and intellectual superiority, the long-term use of indirect, techno-guided, and stratified participation may lead to the risk of populism, which is not uncommonly hegemonic. According to Heywood (2013), transformational leadership results in a degree of personal dominance in certain policy choices, even when those are electorally unpopular.

The public are hardly able to oppose such power as, for the most people, such leaders "...demonstrate that they are articulating the concerns and interests of 'the people'". It is hegemonic, because people also perceive that "radical programmes of social, economic or political reform" can only be done by leaders who are persistent even as this persistence "may encourage a drift towards authoritarianism and lead to ideological rigidity" (p. 307). Nevertheless, at this point, it is too premature to conclude that there is a strong tendency towards undemocratic governance that undermines the cultivation of democratic citizenship.

Conclusion

We confirm that leadership matters in village governance reform initiatives. Moreover, at the core of the discussion, leadership is about using power to organise reforms. The paper shows that transformational and transactional leadership approaches are

effective when being utilised complementarily. Within the frame of those two fashions of leadership, in Panggunharjo case, several norms and instruments set by Wahyudi produce two implications. On the one hand, confirmed formality in promoting the active participation of social actors, numerous welfare programmes, and ultimately, new social contracts for citizenship. On the other hand, however, these instruments—so-called “democratic corporatism” and “statecraft projects”—have only begun to show evidence of creating “beneficiaries,” and not yet active citizens who are “shapers” or “makers.”

Depart from these findings, in order to sustain the reforms initiatives which were previously led by the village leadership, this paper suggests that efforts to build active citizens are necessary. This is one of the prerequisites to promoting democratic citizenship. In fact, the existence of active citizens also provides checks and balance so that the popularity of governance innovations at the village level will not lead to the rise of populism and undemocratic polity.

Acknowledgments

We would like to express our gratitude to Kristian Stokke, Gerry van Klinken, and Laila Alfirdaus for their questions, comments, and suggestions regarding our initial draft. Questions at the KITLV Conference on Citizenship in 2016 from Jacqueline Vel, Retna Hanani and Rizky Umar also helped sharpen this paper. Last but not least, Kusti Hestiwiningsih provided diligent and resourceful assistance during data collection, including by providing her consent to so that we could use her four initial interview transcripts (village head, village secretary, sub-village head, and a resident of Panggunharjo). These interviews provided initial data that we used to formulate our research questions. The authors declare there is no conflict of interest; the research was self-funded.

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