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DANA DESA ON CLEAN WATER AND SANITATION ACCESS IN INDONESIA: DOES CASH-FOR-WORK (PKT) MATTER?

Abstract:

This paper estimates the impact of Dana Desa as a form of the community-driven development program (CDD) on clean water and sanitation improvement in Indonesia. The data used is Indonesian National Socioeconomic Survey (SUSENAS) from Statistics Indonesia (BPS) and the amount of Dana Desa's money transfer in districts level from Ministry of Village, Development of Disadvantaged Regions And Transmigration (KEMENDESA) in 2015. The baseline data used is SUSENAS in 2014, and SUSENAS in 2016 as the data of post-intervention. The study used is quantitative analysis named difference-in-difference estimation (DID) which compare the outcome before (2014) and after (2016) the program using fixed-effect regressions. The analysis involves 405 districts and 810 observations of rural area. The study aims to assess the impact of Dana Desa on clean water and sanitation. The findings show that Dana Desa gives a positive and significant impact on sanitation access and clean water access in the districts where more people are working in informal sectors. Because they have more time to participate on supporting the program by joining cash-for-work (Padat Karya Tunai). This research is important to evaluate Dana Desa program as the biggest CDD program under President Joko Widodo's era.

Keywords:

Dana Desa, Community-driven development, difference-in-difference, cash-for-work, community participation, rural area

JEL Classification: C10, C19, O22