

# **The Ineffectiveness of Aid in Aceh Redevelopment Projects**

**Anggun Susilo**

*Lecturer at the International Relations Department  
Brawijaya University*

## **ABSTRACT**

*It is undeniable that developing countries depend on foreign aid for their development projects. Most of those countries rely on multi-billions dollars of aid from international organizations and donor countries. However, the problem occurs when the number of organizations is too many and the amount of aid is too much. The case of tsunami disaster in Aceh 2004 has convinced development experts and scholars that uncoordinated aid which is caused by works of many organizations lead to ineffectiveness of aid. In addition, the existence of international aid organizations in Aceh has changed indirectly social and cultural life of Acehnese. This paper examines how the aid works in Aceh, describes the work of BRR (Badan Rehabilitasi dan Rekonstruksi/ Rehabilitation and Reconstruction Agency) as government made body of aid coordinator and finally analyzes the change of social life of Acehnese.*

**Keywords:** *foreign aid, effectiveness, development*

In December 2004, the tsunami disaster impacted on some South East Asian countries. Indonesia and Thailand were discovered as the most suffering countries from the disaster. At the same time, Aceh and Nias (north Sumatra) were seriously affected by the tsunami that almost one generation had gone and left with social and physical damages and it needed immediate responses from the Indonesian government. However, since the government of Indonesia did not sufficiently respond to that situation because of limited funds and inadequate construction

equipment, therefore it was time to ask for assistance from international communities and world organisations. Afterwards, Aceh became the biggest disaster relief and development projects with millions of dollars through world charity and international NGO's that operated in that place. This paper will examine the impacts of the multi-actors of international NGOs and its contributions towards the Aceh reconstruction plan. The paper will be divided into three parts. The first part will provide brief information about the first response of tsunami and define the role of multilateral agencies. The second part will explore coordination issues among the agencies and how they coordinated. The last part will explain the role of *Badan Rehabilitasi dan Rekonstruksi* /rehabilitation and reconstruction agency (BRR) as a single and official coordinator agency, its role and functions and relate the BRR to governance issues in Aceh.

## **Background**

When the tsunami hit Aceh on December 2004, the impacts of the disaster were huge. More than hundred thousands people were killed and about five hundred thousand people became homeless. The infrastructure of Banda Aceh city was mostly destroyed by the tsunami. Moreover, as the communication was also damaged, Aceh became an area isolated from the world. Many efforts were conducted by the Indonesian government to help the people but it seemed inadequate. To respond the emergency situation, the government started to request assistance from "outsiders".

International organizations such as the UN and World Bank suddenly provided immediate responses as well as hundreds of international NGOs that intended to help the people. At that time, there were about 300 NGOs, both local and international, that initiated many programs in form of disaster relief projects. In addition, world charity toward tsunami disaster was tremendous. More than a billion dollars of money had poured into Aceh.

## **Foreign Aid and NGOs in Aceh**

There is an unquestionable assumption that foreign aid is the only way to promote development especially in Third World countries. These backward countries are heavily dependant on foreign aid for their development (Bauer 1995). In the case of Aceh after tsunami, the aid was not given to Indonesian government for several reasons. First, corruption and lack of public accountability. As the government of

Indonesia is known for its corrupt practices, there was a doubt that the aid would be given to suffering people but it would be used for other interest such as individual interests by national or local officers (Schulze 2005). Second, security issue. The Free Aceh Movement/GAM (separatist group) has recently signed a Memorandum of Understanding with the government of Indonesia to end 30 years of brutal and violence conflict (Barron et al 2005). However, the MoU does not guarantee that Aceh will be totally secure. Although the number of GAM rebels decreased, occasional fire contacts between GAM and Indonesian army still occurred. Because of this situation, the multilateral donors tended to work independently and only asking for security assistance from the United Nations agencies. Third, emergency issue. To some extent, disaster relief organizations such as Red Cross imply immediate actions and disregard of bureaucratic processes. In Aceh, since the numbers of people who need help were huge, the coordination and bureaucratic process with the government were ignored and therefore it was rational that the aid in form of medicine, tents and food would be directly given to the people.

Since the aid was not given to government like it ought to have been, the role of local and international NGOs are significant. The rise of NGO's role as private agents of development is inevitable in particular in the developing countries that have no accountability record.

The initial work of NGOs and its prominent role in Aceh development shows that the pendulum of aid agencies has moved to private authority. As defined private authority is a legitimacy that given to the private actor to act like a state (Pandya 2006). Unlike private authority, public authority is more centralized and top down approach. Both legitimacy and accountability are embodied elements of public authority. In fact, those two elements are not present in Aceh government. Acehnese tend to distrust their government for its lack of accountable and legitimate actions over security and poverty issues. Although public authority in Aceh has been criticized, however, the post-tsunami disaster relief requires collaborative policies and action among public and private authority.

The coordination works between public and private authority in Aceh has been framed in form of partnership because there is a belief that using partnerships with private agents is more efficient (Brinkerhoff 2002). The characteristic of partnership work are: use common language and system to achieve the goals, as well as mutual and beneficial work and coordinated work. Since the number of NGOs as private authority in Aceh development is overwhelming, the problem was how to coordinate the work and how to achieve the aims. Moreover, most of the international NGOs that operated in Aceh have their own systems, belief and logframes and sometimes contradict with other NGOs. To address the problem, the government of Indonesia initiated a single, independent and legitimate

organization in order to coordinate the aid of Aceh development. The organization was initiated in 2005; few months after the tsunami and was named BRR.

### **The Role of BRR**

The BRR was instituted for several aims namely redeveloping Aceh and Nias socially and individually; rebuilding infrastructure; reinvigorating the economic life of Aceh and Nias; redeveloping local government as a vital institution to serve public needs (BRR 2006). In order to achieve these goals, the BRR has collaborated with other agencies such as international NGOs, contractors and central government. The organization consists of dedicated people and has equal members of representative people from various stakeholders in Aceh. In addition, the BRR also designed a database system to organize the work and register the NGOs.

To analyze works by BRR, it is useful to trace several arguments that relate to aid coordination. Firstly, the coordination of aid should include the exchange of information; it should address more effective development and produce more productive activities (Ross 1990). However, to realize such objectives are extremely difficult, especially dealing with hundreds of development actors. Defining and classifying particular projects and pointing of particular agency to do the job are other difficulty. Almost all the private authorities have their own interests and therefore they work with their own staff and methods. Secondly, aid coordination is also related to fragmentation issue of the donors. It happens because of growing competition amongst donors to dominate the aid market. Using the example of a little girl who has measles symptoms in Banda Aceh because of she got three vaccines for measles in the same time from three different NGOs, it convinces that further discussion that aid fragmentation is one of the barriers to deliver effective aid (Djankov et al 2006). It also acknowledges the Paris Declaration, aid fragmentation is crucial problem and could be reduced by coordination, harmonization, mutual understanding and sharing information from involved donors on one specific project (Paris Declaration 2005). Aid coordination can be also defined as a process, the harmony of efforts towards appropriate, effective, efficient and coherent delivery of humanitarian relief (Bennett et al 2005). On the other hand, negative point of view argues that top down approach which is an embodied characteristic of aid coordinators will not be sustainable for the long term. It also argues that semi-autonomous institutions will reduce the complexity of multi actors of development (Stephenson and Schnitzer 2006).

The aid coordination issue in Aceh was not seriously addressed until the BRR was formed. The government of Indonesia has set up the BRR for five-year work period and after that period, all international NGOs must leave the country. However, things that considered deeply are the sustainable development after NGOs have left the country and capability of local government to handle the development and social changes of Acehnese society that have been largely affected by the second tsunami called “the tsunami of dollars”.

Coordinating hundreds of multilateral and international NGOs in Aceh is not an easy task. The common problems are registering and storing the data since most of the NGOs seldom report their works and these organizations tend to proliferate (Canny 2005). Because of this situation, the BRR’s job has expanded, not only coordinating the donors but also implementing and dealing with unfinished projects. Nevertheless, the BRR have done great jobs especially in housing and building infrastructure. More than 10.000 houses have been built along with roads and bridges. The work also emphasizes redeveloping economic activities through reactivating the ports (Ananta and Onn 2007).

### **The Impacts of Foreign Aid in Aceh**

The impacts of aid can be identified in many ways. It is obvious that foreign aid has diminished poverty in Asia and other African countries, however at the same time it also fails to improve several critical problems. Many scholars tend to describe aid in both ways either successful or failures (Martinussen 2003, 230). In order to improve aid effectiveness, a new strategy has been introduced. A Bottom-up approach in which development projects place people as the subject of development has been started since long time ago (Brohman 1996, 345). In fact, however empowerment and people-oriented development strategy does not necessarily address the problem. Although, this new strategy is embraced by many scholars who believe that bottom-up approach will entail more effective aid, however, at the same time it will raise the dependency issue in which people become more reliant on aid.

Foreign aid through development projects in Aceh had positive and negative impacts. The following paragraph will explore the negative impacts of foreign aid. Generally, the negative impacts of the aid can be classified into either direct or indirect impacts.

The first direct impact is economic gaps and inequalities among Acehnese people and between international NGOs staff and local staff. This assumption is derived from the reality that the effect of tsunami was only on the coastal areas and its surroundings. As a consequence, the aid has given only to those areas and not for

others. Since the aid volume was vast, the economic gap between affected areas and non-affected areas was huge. People who lived in affected areas had suddenly become rich as they received two millions rupiahs per month from the Indonesian government through the Jadup system (supporting allowance). Furthermore, they earned money from international NGOs since the NGOs usually gave them money after they conducted weekly meeting with local people as a part of their participatory appraisal approach. On the other hand, people who live in non-affected areas are still struggling from poverty. They depend on agriculture and fishery which is not sufficient for daily life. Moreover, gap also occurs among local and international NGOs staff. The international staffs receive much more money than local employees (Tjhin 2005).

The first direct impact leads to the second point which is social changes. It was known that Aceh is a place of Islamic society in which Syari'a law (Islamic law) is implemented. People in Aceh are also known for their adherence to Islam as their religion. However, even though the argument is still debatable, the tsunami and foreign aid has changed the social life of Aceh people. Today, the number of Acehnese who goes to *Meunasah* (Mosque) has decreased since they prefer to go to weekly meeting with the NGOs for economic motives and incentives. In addition, this situation has changed the role of *Meunasah* as the vital and critical element of society. Aceh people used to use *Meunasah* for their daily basis activities such as meeting, reciting the holy Qur'an and conducting *majelis tak'lim* (Islamic term for assembly) but at the present time especially after the tsunami, those activities are increasingly being replaced by the similar activities such as community development and capacity building programs which are conducted by international NGOs. In terms of social change, there are many NGOs are stuck on the ground since they have no idea how to deal with social change after the tsunami disaster and what should be done to overcome these changes (The Bridge 2005)

The third impact is maldevelopment. Maldevelopment is an indirect impact of foreign aid in the case of Aceh. The characteristics of maldevelopment are waste of resources, environment degradation, institutionalized consumerism, heavy reliance on external sources, the growing of unemployment and recession, the persistence of substantial pocket of poverty and intentional crisis on value and identity (The Scheveningen Report 1979, 9). This characteristics are fit to describe the present situation in Aceh after tsunami and millions dollars aid by the international donors. Building a modern hospital with high-technology usage and constructing houses without considering the plan are some examples of maldevelopment (Marulanda 2005). The reason is because those modern hospitals and high-end usage of technology on them become useless since the people can not sustain the project as they lack of knowledge and technological skill. Meanwhile, building houses without intensive planning will result more

dependency of people to NGOs. The NGOs tend to approve what people want for whatever they like and this situation is worsened by lack of coordination among NGOs and between NGOs and BRR.

The next indirect impact is on governance. As is well known that most undeveloped countries have very poor performance of capacity institutions and therefore establishing accountable and legitimate institutions is the main objective of development projects (Arndt 2000, 155). In the Aceh post-tsunami development project, improved governance is one of the major agendas too. The impact of foreign aid and international NGOs over the bureaucratic system and governance in Aceh can be categorized into both positive and negative. The positive impact is growing awareness of the necessity of public accountability of governance and an improved public service. The reason is because international NGOs usually imply certain conditionality before they provide the aid. One of the common conditionality by the international donors and NGOs is public accountability which is seldom exists in government, especially the government of Indonesia. The work by BRR as an official body over post-tsunami development projects in Aceh can be seen as perfect example of improved governance. Although, there are some criticisms and complaints toward BRR but in general it performs better. Another factor that contributes to improved governance in Aceh (BRR) is because of intensive watch-dog organizations that monitor and evaluate the BRR's work.

On the other hand, governance reform in Aceh opens new opportunities to establish international relations between Aceh and foreign governments since the relationship has been started from tsunami disaster through development projects.

The negative impact is related to the post BRR work. As mentioned earlier that the BRR will end its role by 2009 and it will be replaced by the local government. In fact, the local government has serious internal problems. As usual, the common and acute problem of governance in Indonesia is corruption. Foreign aid will contribute to greater opportunity for local for being corrupt (Pattiasina 2005). The recent government which is chaired by ex-rebellion leader will impact on critical internal problems too even though he was chosen by the people through open and fair general election. Moreover, the local government has been weakened by long domestic conflict in which has made Aceh become the most dangerous places in Indonesia.

### **The BRR Role after NGOs Left**

It is not surprising that the BRR's role after the NGOs left from Aceh is more challenging and more unrealistic. Since its establishment, the BRR's role is rehabilitating and reconstructing development. In fact, the job has been widening including coordinating hundreds of NGOs and completing unfinished jobs which are left by the NGOs. BRR becomes the only way to solve people's problems. Almost every problem which is related with Acehnese will be asked to and finally solved by the BRR even though the problems have no direct relationship with development projects. The change of BRR's main jobs to more extended and exaggerated jobs indicates that the BRR has become the temporally local government. Unfortunately, the BRR has to end the job and delegate the jobs to local government after 2009. There is doubtfulness among scholars and development workers that upcoming local governments will sufficiently sustain the projects.

## **Conclusions**

Aid coordination is obviously one of critical points in the aid business. The success or failures of development project depends on how it is coordinated among the actors. Coordination does not merely mean deciding who doing what, but also developing established and sustainable system in particular for long term projects. Secondly, coordinators of such projects have to have accountable and transparent system. To some extent, the aid coordinator is usually appointed by the receiver government, however, it does not guarantee that the coordinator is free from corruption especially dealing with millions dollars aid.

In the case of Aceh after the tsunami disaster, aid coordination becomes prominent issue for several reasons. The huge amount of dollars; hundreds of international NGOs; post-conflict rehabilitation; lack of transparency are few examples of the reasons. It is not surprising that the BRR as the main focal point of aid coordination have various jobs in order to managing and coordinating development projects.

Meanwhile, every international NGOs or active donor has their own interest and brings their own belief and system. As a consequence, the vulnerable people have become objects rather than subjects of development. The battle of ideology, system and approaches from different actors has worsened this situation. Moreover, the government-both central and local- do not contribute significantly to the development process. It is because Aceh people and Aceh local government have a negative track record of governance since Aceh province was known for its brutal violence and rebellion movement in the last 30 years. Since then, the relationship



of the government and Acehnese has been fashioned with distrust and prejudice. Lastly, the uncoordinated aid in Aceh leads to several impacts such as social change, maldevelopment, lack of governance and economic gap.

## **Bibliography**

### **Book**

- Bauer, P., 1995. Foreign Aid: Central Component of World Development? in Edward Arnold. *Development Studies: A Reader*. pp. 359-368.
- Bennett, J., 2005. *Coordination of International Humanitarian Assistance in Tsunami-Affected Countries*. London: Overseas Development Institute.
- Brohman, J., 1996. *Popular Development: Rethinking the Theory and Practice of Development*. Massachusetts: Blackwell Publisher Inc.
- Hjertholm, F. ed., 2000. *Foreign Aid and Development: Lessons Learnt and Directions for the Future*. London: Routledge.
- Onn, A. ed., 2007. *Aceh: A New Dawn*. Singapore: Institute of Southeast Asian Studies.
- Pattiasina, N., 2005. *Corruption Related to Foreign Aid to Indonesia after the Indian Ocean Tsunami*. University of Amsterdam.
- Baron, P., et al, 2005. *Conflict and Recovery in Aceh: An Assessment of Conflict Dynamics and Options for Supporting the Peace Process*. Washington: The World Bank.
- Pedersen, J.M.P., 2003. *Aid: Understanding International Development Cooperation*. New York: Zed Books.
- Schulze, K.E., 2005. *Between Conflict and Peace: Tsunami Aid and Reconstruction in Aceh*. London: London School of Economic and Politics.
- Djankov, S. et al, 2006. *Aid with Multiple Personalities*. World Bank.

Tjhin, C., 2005. *Post Tsunami Reconstruction and Peace Building in Aceh: Political Impacts and Potential Risk*. Jakarta: Centre for Strategic and International Studies.

### **Journal Article**

Brinkerhoff, J., 2002. Government-Nonprofit Partnership: A Defining Framework. *Public Administration and Development*, **(22)**: 19-30.

Brownlee, J., 2005. Strengthening Civil Society in the Midst of Natural Disaster. *The Bridge: Mercy Corps Civil Society Newsletter*, **(5)** 2nd Quarter.

Canny, B., 2005. A Review of NGO Coordination in Aceh Post Earthquake/Tsunami. Aceh, International Council of Voluntary Agencies (ICVA).

Marulanda, L., 2005. The International Community's Funding of the Tsunami Emergency and Relief: Local response study-Indonesia. Aceh, Tsunami Evaluation Coalition (TEC).

Pandya, C., 2006. Private Authority and Disaster Relief: The Cases of Post-Tsunami Aceh and Nias. *Critical Asian Studies*, **38** (2): 298-308.

Ross, D., 1990. Aid Coordination. *Public Administration and Development*, **10**: 331-342.

Schnitzer, M., 2006. Interorganizational Trust, Boundary Spanning, and Humanitarian Relief. *Nonprofit Management & Leadership*, **17** (2).

### **Online Article**

Nias, Aceh, 2006. Profile of BRR [online]. in <http://www.brr.go.id> (accessed September 22, 2007).