

A Conceptual Synthesis of Malaysia's Rural Transformation Programme (RTP) and Indonesia's *Dana Desa*: Narrative Perspective

Adi Syahid Mohd Ali

Department Planning & Property Development & Institute of Local Government Studies School of Government, UUM College of Law, Government and International Studies, Universitas Utara Malaysia

Tuan Muhammad Zukri Tuan Sembok

School of Applied Psychology, Social Work & Policy, Universitas Utara Malaysia

Suyatno Ladiqi

Faculty of Law & International Relations, Universitas Sultan Zainal Abidin Malaysia

Sholahuddin Al-Fatih

Faculty of Law, Universitas Muhammadiyah Malang, Indonesia



Corresponding email: adisyahid@uum.edu.my

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Abstract

Rural development remains central to socio-economic equity in Southeast Asia, yet governance approaches vary significantly across countries. This narrative review offers a conceptual comparison between Malaysia's Rural Transformation Programme (RTP), characterised by centralised policy control, and Indonesia's Dana Desa, which is rooted in fiscal decentralisation and community empowerment. While each model has strengths, neither fully addresses the complexities of diverse rural settings. Through a theory synthesis approach, the study analyses structural, institutional, and participatory differences, drawing on multi-level governance, empowerment theory, and problem-driven iterative adaptation (PDIA). Based on these insights, the paper proposes the Structured and Responsive Hybrid Governance (THBR) model, a flexible framework that integrates national policy coherence with local autonomy and adaptive feedback mechanisms. The model offers a scalable approach to rural development suited to varied institutional capacities, particularly within the ASEAN context. THBR contributes to both theoretical discourse and policy design by bridging the divide between top-down and bottom-up governance in complex rural environments.

KEYWORDS *Rural Development, Governance, Decentralisation, Structured and Responsive Hybrid Governance Model, Narrative Review*

Introduction

Rural development remains a cornerstone strategy in narrowing the socio-economic divide between urban and rural areas,¹ particularly in developing countries like Malaysia and Indonesia. In Southeast Asia, this agenda is further emphasized through various policy instruments designed to promote local livelihoods, infrastructural equity, and regional resilience.² Among these, Malaysia's Rural Transformation Programme (RTP),

¹ Yang Yu et al., "Integrating Rural Development, Education, and Management: Challenges and Strategies," *Sustainability* 16, no. 15 (July 29, 2024): 6474, <https://doi.org/10.3390/SU16156474>.

² ASEAN Secretariat, "ASEAN Master Plan on Rural Development 2022 to 2026," 2022, <https://asean.org/wp-content/uploads/2022/11/34-ASEAN-Master-Plan-on-Rural-Development-2022-2026.pdf>.

especially its Desa Lestari initiative, and Indonesia's Dana Desa programme³ under the Desa Mandiri scheme, stand out as flagship rural interventions.

Although both initiatives share a common goal of enhancing rural prosperity, their governance models exhibit stark contrasts. The Desa Lestari programme in Malaysia operates predominantly through centralized mechanisms, wherein government agencies orchestrate funding, planning, and project execution. Conversely, Indonesia's Desa Mandiri promotes a decentralized, community-driven model, emphasizing the empowerment of village-owned enterprises (BUMDes)⁴ to manage development and tourism projects with substantial local autonomy.⁵⁶

Theoretically, rural development discourses often oscillate between two governance paradigms. The top-down model emphasizes central authority in resource distribution and policy direction,⁷ whereas the bottom-up approach centers on participatory governance and local empowerment.⁸ Recent scholarly contributions argue for hybrid governance frameworks that reconcile these paradigms by integrating centralized oversight with adaptive, localized engagement.⁹ Such hybrid models are increasingly seen as necessary to accommodate the diverse institutional and socio-cultural contexts prevalent in rural Southeast Asia.

³ Zuhda Fitriana, Dessy Maeyangsari, and Eko Wahyudi, "Implementasi Prinsip Partisipatif dalam Pengelolaan Keuangan Desa (Studi Kasus di Desa Jabung, Kabupaten Lamongan)," *Jurnal Dedikasi Hukum* 1, no. 3 (November 2021): 266–83, <https://doi.org/10.22219/jdh.v1i3.18384>.

⁴ Zulkarnain Ridlwan, "Urgensi Badan Usaha Milik Desa (Bumdes) dalam Pembangunan Perekonomian Desa," *FIAT JUSTISIA: Jurnal Ilmu Hukum* 8, no. 3 (August 2015), <https://doi.org/10.25041/fiatjustisia.v8no3.314>.

⁵ Mohamad Fadhli Rashid et al., "Differentiation of Tourism Performance In Rural Areas: Case Study Of Desa Lestari, Malaysia And Desa Mandiri, Indonesia," *Planning Malaysia* 23, no. 2 (April 27, 2025): 320–34, <https://doi.org/10.21837/PM.V23I36.1722>.

⁶ Chrisna T. Permana and Budi Harsanto, "Sustainable City Planning Concepts and Practices in Emerging Economies: A Systematic Review," *The Journal of Indonesia Sustainable Development Planning* 1, no. 1 (April 30, 2020): 67–82, <https://doi.org/10.46456/JISDEP.V1I1.32>.

⁷ Richard Crook and James Manor, "Democratic Decentralization," in *Making Development Work: Development Learning in a World of Poverty and Wealth*, vol. 4 (Taylor and Francis, 2018), 83–104, <https://doi.org/10.4324/9781351324762-8/Democratic-Decentralization-Richard-Crook-James-Manor>.

⁸ Marc A. Zimmerman, "Empowerment Theory," in *Handbook of Community Psychology* (Springer, Boston, MA, 2000), 43–63, https://doi.org/10.1007/978-1-4615-4193-6_2.

⁹ Garry Rosario da Gama, "Village Governance and Development in Indonesia: Progress and Challenges - Devpolicy Blog from the Development Policy Centre," Devpolicy Blog, 2024, <https://devpolicy.org/village-governance-and-development-in-indonesia-progress-and-challenges-20241114/>.

Despite extensive scholarship on rural development and community-based tourism in both nations, comparative conceptual analyses remain limited. Much of the existing literature tends to treat these programmes in isolation, without adequately exploring the underlying structural, economic, and governance variables that shape their differential outcomes. This fragmented understanding represents a significant gap in the literature, particularly in relation to ASEAN-wide policy learning and institutional transfer.

In response, this narrative review aims to fill that gap through a conceptual synthesis that explores and compares the institutional architecture, participatory mechanisms, and socio-economic effects of the RTP and Dana Desa programmes. Specifically, this article seeks to answer two guiding questions: (1) What are the key similarities and differences in the governance frameworks and operational outcomes of Malaysia's and Indonesia's rural development models? and (2) How might a hybrid model be constructed to integrate the strengths of both approaches?

To address these questions, the paper employs a theory synthesis methodology,¹⁰ drawing from multi-level governance, empowerment theory, and problem-driven iterative adaptation (PDIA). The research method for synthesizing Malaysia's Rural Transformation Programme (RTP) and Indonesia's Dana Desa can be approached through a narrative review.¹¹ This method involves a comprehensive examination of existing literature to understand the conceptual frameworks and practical implementations of rural transformation initiatives in both countries. The narrative review allows for the integration of diverse perspectives and findings from various studies, providing a holistic understanding of the rural transformation processes.

The result is the proposition of a Structured and Responsive Hybrid Governance Model (THBR), which aims to inform the design of more inclusive, resilient, and context-sensitive rural development policies within

¹⁰ Elina Jaakkola, "Designing Conceptual Articles: Four Approaches," *AMS Review* 10, no. 1–2 (June 1, 2020): 18–26, <https://doi.org/10.1007/S13162-020-00161-0/TABLES/2>.

¹¹ Ciro Mennella et al., "Ethical and Regulatory Challenges of AI Technologies in Healthcare: A Narrative Review," *Heliyon* 10, no. 4 (February 29, 2024): e26297, <https://doi.org/10.1016/J.HELIYON.2024.E26297/ASSET/1DD7435A-9F70-4F4C-B1BE-A28E0C6DB767/MAIN.ASSETS/GRO05.JPG>.

ASEAN and similar regional settings. The proposed THBR model contributes to the literature by offering a scalable governance framework that balances strategic direction and community responsiveness, adaptable across diverse ASEAN rural contexts.

A Conceptual Comparison of Rural Transformation Programme and Dana Desa

Governance Orientation: Centralization vs Decentralization

RTP reflects Malaysia's tradition of centralized development governance. Federal agencies, including the Ministry of Rural Development and entities like RISDA and FELCRA, play pivotal roles in directing and funding programmes nationwide. This top-down model allows for uniform policy rollout and infrastructure delivery, but often at the expense of contextual sensitivity. Local needs and variations may be overlooked, as policy design and implementation tend to follow national frameworks without sufficient community input.¹²¹³

Dana Desa, in contrast, emerged from Indonesia's decisive shift toward fiscal decentralization. Enacted through Law No. 6/2014, it channels decision-making authority to village institutions, enabling community meetings (*musyawarah*) to determine priorities.¹⁴ This community-first approach fits within participatory development theories and aims to cultivate local ownership.¹⁵¹⁶ Decentralization in the Indonesian government represents a significant shift from a centralized

¹² K Swiderska et al., "The Governance of Nature and the Nature of Governance: Policy That Works for Biodiversity and Livelihoods," *Biodiversity and Livelihoods Issue Paper*, 2008, 173, https://archive.org/details/decentralization0000unse_e5e8.

¹³ Paul Smoke, "Decentralisation in Africa: Goals, Dimensions, Myths and Challenges," *Public Administration and Development* 23, no. 1 (February 1, 2003): 7–16, <https://doi.org/10.1002/PAD.255>; Requested Journal: 1099162X;Wgroup:String:Publication.

¹⁴ I Ketut Gede Rudiarta, I Wayan Arthanaya, and Luh Putu Suryani, "Pengelolaan Alokasi Dana Desa dalam Pemerintahan Desa," *Jurnal Analogi Hukum* 2, no. 1 (2020): 63–67, <https://doi.org/10.22225/ah.2.1.1619.63-67>.

¹⁵ Zimmerman, "Empowerment Theory."

¹⁶ Charlie M. Shackleton, "Will the Real Custodian of Natural Resource Management Please Stand Up," *South African Journal of Science* 105, no. 3–4 (January 19, 2010): 91–93, <https://doi.org/10.4102/SAJS.V105I3/4.51>.

system to one that empowers local authorities.¹⁷ This process, initiated in 1999, involves transferring political, fiscal, and administrative powers to local governments, primarily at the district level. The aim is to enhance local governance, improve public service delivery, and foster community participation in decision-making.

The juxtaposition of both models reveals inherent trade-offs. Central coordination, while efficient, may hinder responsiveness; decentralization promotes inclusivity but often wrestles with issues of administrative capacity. These realities support the adaptive logic proposed by Andrews,¹⁸ who argue that institutional reform in development settings should be iterative and locally driven.

Institutional Structures and Delivery Mechanisms

RTP's institutional framework is marked by strong central coordination through Rural Transformation Centres (RTPCs). These centres consolidate public services and facilitate programme delivery under federal supervision. The model is built on vertical accountability and planning discipline—strengths in execution, but weaknesses in contextual tailoring. By contrast, *Dana Desa* functions through village-led planning and budgeting systems like SISKEUDES, promoting transparency and local control. This model leans on digital governance and direct transfers, empowering local actors to design context-specific interventions. However, technical gaps and capacity shortfalls remain challenges for many villages. In sum, RTP and *Dana Desa* offer divergent delivery systems—one hierarchical and formalized, the other grassroots and decentralized. Their strengths and limitations reflect broader debates in governance literature about the balance between structure and flexibility, control and autonomy.

Approaches to Community Empowerment

Empowerment in RTP is largely framed from above. Communities are positioned as recipients of development benefits rather than active

¹⁷ Muluk Khairul, *Peta Konsep Desentralisasi & Pemerintahan Daerah* (Surabaya: ITS Press, 2009).

¹⁸ Matt Andrews, Lant Pritchett, and Michael Woolcock, "Escaping Capability Traps Through Problem Driven Iterative Adaptation (PDIA)," *World Development* 51 (November 1, 2013): 234–44, <https://doi.org/10.1016/J.WORLDDEV.2013.05.011>.

agents. The system's vertical orientation mirrors instrumental policy logic, where effectiveness is pursued through administrative control.¹⁹²⁰ Dana Desa, by design, cultivates community involvement through institutionalized participation. Villagers contribute to planning, implementation, and oversight, aligning with models of co-production²¹²² and collaborative governance.²³ Yet, practical outcomes are contingent on the institutional strength of village governance bodies. Without sufficient capacity, empowerment risks becoming procedural rather than substantive. These contrasts suggest that empowerment cannot be imposed or assumed; it must be constructed through embedded relationships and institutional trust. The PDIA approach again offers a useful framework, highlighting the need for experimentation, feedback, and adaptation.

Socio-economic Outcomes and Sustainability

Infrastructure development under RTP has improved access to essential services in many areas, yet its socio-economic outcomes vary depending on local implementation quality.²⁴ Dana Desa has contributed to poverty reduction and enhanced physical infrastructure at the village level, though disparities and governance risks remain salient.²⁵ Ultimately,

¹⁹ B. Guy Peters and John Pierre, "Governance Without Government? Rethinking Public Administration," *Journal of Public Administration Research and Theory* 8, no. 2 (April 1, 1998): 223–43, <https://doi.org/10.1093/Oxfordjournals.Jpart.A024379>.

²⁰ Tony Bovaird and Elke Loeffler, "Understanding Public Management and Governance," in *Public Management and Governance: Fourth Edition* (Taylor and Francis, 2023), 3–13, <https://doi.org/10.4324/9781003282839-2/Understanding-Public-Management-Governance-Tony-Bovaird-Elke-Loeffler>.

²¹ Elinor Ostrom, "Crossing the Great Divide: Coproduction, Synergy, and Development," *World Development* 24, no. 6 (June 1, 1996): 1073–87, [https://doi.org/10.1016/0305-750X\(96\)00023-X](https://doi.org/10.1016/0305-750X(96)00023-X).

²² Elke Loeffler and Tony Bovaird, *The Palgrave Handbook of Co-Production of Public Services and Outcomes*, *The Palgrave Handbook of Co-Production of Public Services and Outcomes* (Springer, 2020), <https://doi.org/10.1007/978-3-030-53705-0/COVER>.

²³ Tobias Bach and Kai Wegrich, eds., *The Blind Spots of Public Bureaucracy and the Politics of Non-Coordination*, *The Blind Spots of Public Bureaucracy and the Politics of Non-Coordination* (Springer International Publishing, 2019), <https://doi.org/10.1007/978-3-319-76672-0>.

²⁴ Eley Suzana Kasim et al., "Effectiveness of Rural Centers in Enhancing Community Empowerment and Social Well-Being: A Conceptual Framework," *Journal of Agribusiness Marketing* 12, no. 1 (2024): 63–72, <https://doi.org/10.56527/jabm.12.1.5>.

²⁵ Tessa Talitha, Tommy Firman, and Delik Hudalah, "Welcoming Two Decades of Decentralization in Indonesia: A Regional Development Perspective," *Territory, Politics, Governance* 8, no. 5 (October 19, 2020): 690–708, <https://doi.org/10.1080/21622671.2019.1601595;Wgroup:String:Publication>.

resource availability alone does not guarantee success. As Grindle (2004) contends, the institutional fit between policy design and implementation context is crucial.²⁶ Policy outcomes are shaped by networks of actors, decision pathways, and adaptation capacity, echoing the foundational arguments of Pressman and Wildavsky in Stuart Nagel (2020).²⁷

Table 1. Key Dimension of RTP vs *Dana Desa*

Dimension	RTP (Malaysia)	Dana Desa (Indonesia)
Governance Model	Centralized, top-down	Decentralized, village-driven
Policy Orientation	Uniform national alignment	Contextual, community-responsive
Delivery Mechanism	Rural Transformation Centres (RTCs)	Direct village fund transfers via SISKEUDES
Community Role	Passive beneficiaries	Active participants through <i>musyawarah</i>
Theoretical Anchors	Rational-instrumentalism; command and control	Empowerment theory; co-production; network governance
Institutional Strengths	Strategic coherence, infrastructure rollout	Local autonomy, participatory planning
Challenges Identified	Inflexibility, limited responsiveness to local needs	Capacity constraints, implementation inconsistency
Socio-economic Outcomes	Mixed impact, strong in infrastructure	Improvement in poverty, varied across villages

Sources: Authors, 2025 (edited)

Structured and Responsive Hybrid Governance (THBR)

Drawing from the comparative analysis of Malaysia's Rural Transformation Programme (RTP) and Indonesia's Dana Desa, it becomes evident that no single governance model is universally effective in managing rural development. Centralised systems, such as RTP, offer coherence and streamlined delivery, but often at the cost of flexibility and local responsiveness. Conversely, decentralised frameworks like Dana Desa

²⁶ Merilee S. Grindle, *Good Enough Governance: Poverty Reduction and Reform in Developing Countries*, Governance, vol. 17 (Blackwell Publishing Ltd, 2004), <https://doi.org/10.1111/J.0952-1895.2004.00256.X;Wgroup:String:Publication>.

²⁷ Stuart S Nagel, *Encyclopedia of Policy Studies, Second Edition*, Encyclopedia of Policy Studies (CRC Press, 2020), <https://doi.org/10.4324/9781003067207>.

empower communities and encourage participation but are frequently hampered by uneven capacity and inconsistencies in implementation.²⁸²⁹

These observations highlight the necessity of adopting a governance framework that is both adaptive and sensitive to local contexts. In response, this paper proposes the Structured and Responsive Hybrid Governance (THBR) model. This conceptual approach aims to establish a balanced relationship between the strategic direction provided by central authorities and the practical knowledge and autonomy of local communities. Rather than simply redistributing power, the model seeks to promote better alignment between national development objectives and the specific needs and conditions present at the local level.

The THBR model comprises three essential components. The first, Strategic Core, refers to the functions of the central government in setting national development goals, distributing financial resources, and providing technical expertise. This role ensures that foundational infrastructure and public services remain consistent and equitable across regions. The second component, Local Autonomy, focuses on empowering communities to take charge of their own development. This involves not only allowing local input but actively supporting community-led planning, decision-making, and implementation. The final component, Adaptive Interface, is a system of learning and feedback that enables both central and local actors to adjust their approaches based on real-world experience and evolving needs.

Table 2. Core Dimensions of the THBR Model and Their Functions

Dimension	Governance Function	Application Example
Strategic Core	National-level policy direction, resource allocation, technical support	Ministry provides infrastructure funds and guidelines to ensure equity across regions

²⁸ Dewi Puspita et al., *Two Decades of Fiscal Decentralization Implementation in Indonesia*, ed. Ubaidi S. Hamidi and Dewi Puspita (Jakarta: Badan Kebijakan Fiskal RI dan USAID, 2020), chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://fiskal.kemenkeu.go.id/files/buku/file/1670915701_2_dekade_desentralisasi_fiskal_letter_-_eng.pdf.

²⁹ Grindle, *Good Enough Governance: Poverty Reduction and Reform in Developing Countries*.

Local Autonomy	Community-driven planning, project execution, participatory governance	Village committees and local councils co-design and implement development projects
Adaptive Interface	Feedback mechanisms, monitoring, iterative policy adjustment	Data from implementation sites inform policy revisions and tailored local support

Sources: Authors, 2025 (edited)

To illustrate, under the THBR model, a national government may finance infrastructure initiatives, but the design and delivery of these projects are shaped collaboratively by local authorities and village organisations. This joint approach promotes accountability and ensures that development interventions remain relevant to those they are meant to serve.³⁰³¹

Theoretically, THBR draws from a range of governance and institutional frameworks. The model aligns with multi-level governance theory, which explains how responsibilities are distributed across different tiers of government.³²³³ It also incorporates the principles of empowerment theory, which highlights the role of community agency in achieving meaningful development outcomes.³⁴ Furthermore, the inclusion of feedback mechanisms reflects the logic of problem-driven iterative adaptation (PDIA), which values learning, flexibility, and local problem-solving.³⁵ Importantly, THBR is not intended as a fixed blueprint. Its strength lies in its adaptability. Regions vary in institutional capacity, political context, and developmental priorities. By design, this model allows for variation. In the ASEAN region, where such diversity is particularly pronounced, the THBR model offers a realistic and thoughtful approach to rural development that prioritises relevance, sustainability, and equity.

³⁰ R A W Rhodes, "Understanding Governance: Policy Networks, Governance, Reflexivity and Accountability," *Organization Studies* 20, no. 3 (1997): 394–96, <https://eprints.soton.ac.uk/336524/>.

³¹ Ostrom, "Crossing the Great Divide: Coproduction, Synergy, and Development."

³² Gary Marks, Liesbet Hooghe, and Arjan Schakel, "Patterns of Regional Authority," *Regional and Federal Studies* 18, no. 2–3 (April 2008): 167–81, <https://doi.org/10.1080/13597560801979506>.

³³ Veda Narasimhan and Jeffrey Weaver, "Polity Size and Local Government Performance: Evidence from India," *American Economic Review* 114, no. 11 (November 1, 2024): 3385–3426, <https://doi.org/10.1257/AER.20221712>.

³⁴ Zimmerman, "Empowerment Theory."

³⁵ Andrews, Pritchett, and Woolcock, "Escaping Capability Traps Through Problem Driven Iterative Adaptation (PDIA)."

Theoretical Foundations of The THBR Model

The Structured and Responsive Hybrid Governance (THBR) model is grounded in a synthesis of several theoretical approaches that complement one another and offer a practical framework for understanding the intricacies of rural development in emerging economies. Following the conceptual structure outlined by Jaakkola (2020),³⁶ the model is supported by both domain theories and method theories. Domain theories such as multi-level governance, empowerment theory, and network governance explain how power and responsibilities are shared among different actors and institutions. In parallel, method theories including problem-driven iterative adaptation (PDIA) and good enough governance guide the way policies are applied in practice, particularly in settings with institutional and capacity constraints.

Multi-Level Governance

This theory argues that effective governance does not rely on a single tier of authority. Instead, it involves collaboration and shared responsibilities between national governments, local authorities, and community actors. In the context of THBR, the central government retains responsibility for setting strategic direction and providing technical support, while local communities are encouraged to take an active role in identifying development priorities and executing programmes that reflect local needs and aspirations. This vertical partnership enables both coherence in national policy and flexibility in local delivery.³⁷

Empowerment Theory

Empowerment theory, as articulated by Zimmerman (2000), views empowerment as a process that extends beyond formal authority. It involves enhancing the capacity of individuals and communities to understand institutional structures, make collective decisions, and take meaningful action. The THBR model positions communities as central

³⁶ Jaakkola, "Designing Conceptual Articles: Four Approaches."

³⁷ Tanja A. Börzel, "Multilevel Governance or Multilevel Government?," *The British Journal of Politics and International Relations* 22, no. 4 (November 1, 2020): 776–83, <https://doi.org/10.1177/1369148120939872>.

agents in rural development. Their participation is not limited to consultation, but extends to co-planning, co-implementation, and co-monitoring, thereby strengthening their sense of ownership and influence across multiple dimensions.

Problem-Driven Iterative Adaptation (PDIA)

PDIA offers a pragmatic method of institutional reform that starts with identifying real, context-specific problems rather than importing ready-made solutions. It promotes small-scale experimentation, collective problem-solving, and continuous learning.³⁸ Within the THBR framework, this approach is reflected in a modular structure that allows for gradual adjustment and scaling, based on what works and what does not in each specific locality.

Good Enough Governance

According to Grindle (2004),³⁹ countries with limited administrative capacity should focus on establishing governance structures that are sufficient to support development, rather than striving for ideal models that may be unachievable in the short term. THBR acknowledges this perspective by incorporating institutional designs that are functional, responsive, and achievable within the limitations of the local context. This allows for steady progress without demanding overly complex or resource-intensive systems.

Network Governance and Co-Production

In addition to formal authority and community engagement, the THBR model incorporates insights from network governance and co-production theories. These frameworks stress the value of collaboration between public agencies, community organisations, and informal actors in shaping and delivering policy outcomes.⁴⁰⁴¹ In practice, this means that

³⁸ Andrews, Pritchett, and Woolcock, "Escaping Capability Traps Through Problem Driven Iterative Adaptation (PDIA)."

³⁹ Grindle, *Good Enough Governance: Poverty Reduction and Reform in Developing Countries*.

⁴⁰ Ostrom, "Crossing the Great Divide: Coproduction, Synergy, and Development."

⁴¹ Rhodes, "Understanding Governance: Policy Networks, Governance, Reflexivity and Accountability."

under THBR, development is not imposed from above but emerges through partnerships that connect government institutions with the lived experiences and capacities of rural populations.

Synthesis of Theories

Taken together, these theories provide a solid foundation for the design and justification of the THBR model. The domain theories clarify the relational dynamics between institutions and actors, while the method theories suggest how these relationships can evolve through adaptive and context-aware strategies. This theoretical synthesis ensures that the THBR model is both conceptually grounded and practically implementable in diverse rural governance settings, particularly within the Global South.

Modular and Adaptive Structure of The THBR Model

The Structured and Responsive Hybrid Governance (THBR) model is not intended as a static blueprint. Instead, it is designed as a modular and adaptive structure that responds to institutional diversity, community capacity, and contextual complexity across rural regions. The model incorporates five interdependent components that together form an ecosystem for inclusive, responsive, and sustainable rural development. These components are not meant to be implemented uniformly but are adaptable to different settings depending on administrative readiness, governance maturity, and socio-cultural dynamics.

Strategic Coordination at the Central Level

In the THBR framework, the central government continues to play a fundamental role in setting national policy directions, allocating development resources, and ensuring overall coordination. Agencies such as the Ministry of Rural Development provide not only top-level oversight but also technical facilitation and institutional support to local actors. Rather than micromanaging, the centre serves as an enabler that reinforces local implementation capacity while maintaining policy coherence.

Directed Community Autonomy

Grounded in the principle of empowerment, the model allows local communities to define development priorities through structured participatory mechanisms. This includes active involvement in planning, monitoring, and evaluation processes as a precondition for accessing public funding. In this way, the model ensures that community voices are not symbolic but materially influential in shaping rural development agendas.

Capacity-Based Modular Design

Recognising that rural areas vary in institutional strength, the THBR model introduces a tiered classification of local governance capacity. Villages or regions are grouped into high, moderate, or low capacity categories. Each group receives a corresponding level of programme design, with additional technical support and risk management protocols for those with weaker institutional foundations. This tailored approach prevents a one-size-fits-all application and ensures equitable outcomes across different localities.

Hybrid Monitoring System

To strengthen accountability and transparency, the THBR model employs a dual-layered monitoring mechanism. This includes formal digital systems such as financial and planning dashboards, as well as community-based monitoring practices such as social audits and participatory scorecards. The combination of top-down reporting and bottom-up feedback creates a balanced system of checks and trust that supports programme legitimacy and effectiveness.

Iterative and Problem-Based Adaptation

In line with the principles of PDIA, THBR encourages initial implementation at a small scale followed by adjustments based on real-time learning. Communities are encouraged to adapt strategies according to local cultural, geographic, and economic contexts. This iterative mechanism allows policies to evolve and mature as implementation progresses, reducing risks of policy failure due to rigid design or poor contextual fit.

Conclusion

This narrative review has examined two major approaches to rural development governance, specifically Malaysia's Rural Transformation Programme and Indonesia's Dana Desa initiative. Although both programmes are designed to improve rural livelihoods, they differ significantly in how they structure authority, distribute resources, and engage communities. The Rural Transformation Programme reflects a centralised model that emphasises national policy alignment and infrastructure delivery. Dana Desa, in contrast, represents a decentralised approach that encourages local decision-making and grassroots participation. Each model demonstrates strengths that are relevant in specific contexts but also reveals limitations that restrict their broader applicability.

To address these limitations, this paper introduced the Structured and Responsive Hybrid Governance model. This model is grounded in a synthesis of theories that include multi-level governance, empowerment theory, co-production, problem-driven iterative adaptation, and good enough governance. The model brings together central guidance with local autonomy and incorporates mechanisms for learning, adaptation, and accountability. It is structured in a way that allows for modular application, meaning it can be adjusted according to local capacity and institutional readiness. By proposing this model, the paper contributes to both the theoretical and practical understanding of rural governance. It provides a framework that is not only conceptually sound but also adaptable to diverse governance environments. Rather than offering a rigid formula, the model encourages flexible implementation, grounded in real-world conditions and responsive to community needs.

For policymakers, the THBR model offers a way to harmonise national priorities with local realities. It provides a strategy for improving the effectiveness, inclusivity, and sustainability of rural development efforts. For researchers, the model presents a foundation for future inquiry. It opens opportunities for empirical testing, comparative analysis, and methodological development in the study of decentralised governance and rural transformation. In summary, the Structured and Responsive Hybrid

Governance model provides a balanced approach to rural development. It recognises the value of national coordination while affirming the critical role of local actors. By combining these elements, the model lays the groundwork for governance that is not only effective but also equitable and contextually appropriate for the complex realities of rural life in developing regions.

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