



Unveiling Community Empowerment Strategies: Lessons from Indonesia and Malaysia in Comparative Perspective

Ade Romi Rosmia^{1*}, Uyu Wahyudin¹, Hiromu Inoe²

¹Faculty of Educational Science, Universitas Pendidikan Indonesia, Indonesia

²Tohoku University, Japan

*Correspondence to: aderomirosmi@upi.edu

Abstract: Community empowerment plays a crucial role in sustainable and inclusive national development. This study compares community empowerment strategies in Indonesia and Malaysia, with a focus on the impacts of decentralized and centralized approaches. The objective is to analyze how these approaches influence community participation, poverty alleviation, and infrastructure development. Employing a qualitative literature review methodology, data were collected from key government programs, such as Indonesia's National Program for Community Empowerment (PNPM) and Village Fund (Dana Desa), as well as Malaysia's Federal Land Development Authority (FELDA) and Majlis Amanah Rakyat (MARA). Findings indicate that Indonesia's decentralized model promotes local innovation and ownership, aligning development with the specific needs of individual communities. Conversely, Malaysia's centralized model ensures efficiency and uniformity but limits local involvement. The study concludes that both approaches have strengths and weaknesses: decentralization enhances community participation, while centralization ensures coordination and efficiency. This research contributes to the literature by proposing a hybrid framework that integrates both approaches, offering a comprehensive model for advancing community empowerment initiatives in diverse socio-economic contexts, particularly in developing countries.

Keywords: community empowerment; decentralization; centralization

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INTRODUCTION

Community empowerment has become a key focus in global development, especially since the adoption of the Sustainable Development Goals (SDGs) by the United Nations (Henfrey et al., 2023). One of the primary objectives of the SDGs is to reduce social and economic inequality through active community engagement in the development process. This approach is believed to enhance the independence of local communities, strengthen social cohesion, and ensure that development outcomes align with the needs of the people. In this context, Indonesia and Malaysia present an interesting case study due to their similar geographical and cultural characteristics, yet they apply different community empowerment approaches: decentralization in Indonesia and centralization in Malaysia. A comparative study of these approaches is essential to understand the strengths and weaknesses of each model and to identify best practices that can be applied in other developing countries (Siau, 2011). Community empowerment plays a crucial role in sustainable and inclusive national development. Community-based development approaches can enhance citizen participation in decision-making processes, which in turn strengthens the accountability and effectiveness of development programs (Mansuri, 2013). This study emphasizes that active community involvement not only improves the quality of program implementation but also ensures that development outcomes align with local needs and aspirations. Furthermore, Wong (2012), analyzing Program Nasional Pemberdayaan Masyarakat (PNPM) in Indonesia, found that community empowerment initiatives can significantly reduce poverty levels and improve access to basic services. PNPM, which adopts a community-based development approach, successfully empowered communities to design and manage their development projects, resulting in improved local infrastructure and economic welfare (Munawar, 2017). These findings suggest that community empowerment can be a powerful tool for achieving national development objectives.

Moreover, an evaluation of community development programs in Sierra Leone revealed that although these programs increased community participation in village meetings, their impact on social cohesion and long-term economic development was limited (Casey et al., 2012). This study highlights that while community empowerment holds significant potential, its effectiveness heavily depends on the program design and local context. Therefore, to maximize the benefits of community empowerment in national development, it is essential to design programs that take into account the specific social and economic dynamics of the target communities. Community empowerment in Indonesia and Malaysia employs different approaches, yet both aim to enhance community welfare and active participation (Hoe et al., 2018). In Indonesia, programs like Program Nasional Pemberdayaan Masyarakat (PNPM) have demonstrated success in improving access to infrastructure and basic

services, particularly in rural areas. (Wong, 2012) found that PNPM effectively empowered local communities to design and manage development projects that addressed their specific needs. This highlights the importance of community-based approaches in ensuring the sustainability of development outcomes. In contrast, Malaysia's programs, such as the Federal Land Development Authority (FELDA) and Majlis Amanah Rakyat (MARA), focus more on economic empowerment, particularly for the Malay and Bumiputera communities. This centralized approach emphasizes land development and skill enhancement through training and access to capital (Kadir et al., 2019). The primary distinction between the two countries lies in the level of decentralization in program implementation. In Indonesia, decentralization allows local governments and communities to adapt programs to their specific needs, supported by the distribution of village funds (Widjajanti & Sugiyanto, 2020). Meanwhile, Malaysia adopts a more centralized approach, where empowerment policies and programs are designed by the central government and implemented uniformly across all regions. Although this ensures standardization, Kamaruddin et al. (2018) noted that limited local participation in the planning stage can reduce program effectiveness and community ownership of development outcomes.

The decentralization approach to community empowerment in Indonesia contributes more significantly to local participation and program sustainability compared to Malaysia's centralized approach (Siry, 2006). On the other hand, centralized policies in Malaysia enhance efficiency in program implementation but are less responsive to the specific needs of local communities compared to Indonesia's community-based approach. The geographical and cultural similarities between the two countries create comparable challenges and opportunities in community empowerment efforts, such as addressing poverty, social inequality, and access to basic services (Rauniyar, 2010). However, the differing policy approaches generate unique dynamics. In Indonesia, decentralization allows local governments to tailor empowerment programs to local needs by allocating village funds (Setiawan, 2020).

Conversely, Malaysia relies on centralized policies, with programs such as MARA and FELDA, which are designed by the central government to ensure national standardization, albeit with limited local involvement (Lim, 2020). Although numerous studies have examined community empowerment in Indonesia and Malaysia, comprehensive research comparing the effectiveness of these two approaches remains limited. Most previous studies have focused on the local impact of each program without exploring the potential integration of the strengths of decentralization and centralization. Therefore, this study aims to fill this gap by analyzing the key factors influencing the success of community empowerment programs in both countries. Additionally, it proposes a hybrid framework that combines the local flexibility and innovation of decentralization with the efficiency and coordination of centralization. The findings of this study are expected to provide policymakers in developing countries with practical guidelines for designing more effective, sustainable, and contextually appropriate community empowerment programs.

This study aims to compare the effectiveness of community empowerment strategies in Indonesia and Malaysia by analyzing key performance indicators, including poverty reduction rates, levels of community participation, and achievements in infrastructure development. The study also aims to examine the influence of decentralized and centralized approaches on local innovation, program ownership, and long-term sustainability. Furthermore, it proposes a hybrid framework that combines both approaches. This framework is intended to provide clear and measurable guidelines for designing community empowerment programs in countries with diverse socio-economic conditions. However, this study is limited to the use of secondary data obtained from existing literature, which may not reflect current developments or on-the-ground challenges. In addition, the analysis focuses specifically on selected government programs (PNPM, Dana Desa, FELDA, and MARA), which may mean that other local initiatives are not fully captured. The comparison is also based on quantitative indicators, such as poverty reduction rates, infrastructure improvements, and the number of trained entrepreneurs, which may not adequately represent qualitative factors, including social cohesion and cultural integration. These limitations should be carefully considered when interpreting the results and applying the proposed framework in different contexts.

METHODS

This study employed a literature review methodology to explore community empowerment strategies in Indonesia and Malaysia from a comparative perspective. This method was chosen to identify findings from previous studies and formulate insights based on existing evidence. A literature review enables this study to collect and analyze information from various academic sources, policy reports, and field studies relevant to the topic. A literature review is an effective method for mapping previous research findings and identifying relevant research gaps (Snyder, 2019). The first step involved collecting secondary data from scientific journals, books, official reports, and articles available in academic databases such as Scopus, PubMed, and Google Scholar. The inclusion criteria included publications relevant to community empowerment, decentralization and centralization approaches, as well as studies in the Southeast Asian region, particularly those from Indonesia and Malaysia. Publications were then selected based on validity, relevance, and their contribution to the study. Petticrew

(2006) emphasized the importance of selecting credible and relevant sources to ensure that the literature supports scientific arguments.

The next step was data classification and analysis, where the collected literature was systematically grouped based on key themes such as community empowerment strategies, the effectiveness of policy approaches, and implementation challenges. Thematic analysis was employed to identify patterns, similarities, and differences in empowerment strategies between Indonesia and Malaysia. This approach enables a structured comparison of policy impacts, facilitating the formulation of relevant findings that support the research hypothesis. As outlined by [Clarke \(2014\)](#), thematic analysis provides a flexible and rigorous framework for identifying and interpreting patterns within qualitative data, making it particularly suitable for literature-based research. This classification process ensured that each theme was critically examined in relation to recent theoretical developments and empirical findings.

The research procedure also included validation and data triangulation to enhance the accuracy and credibility of the analysis. Information from various sources was compared and cross-referenced to maintain the consistency and validity of findings. Additionally, frequently cited references from recent studies were analyzed to strengthen arguments and ensure the synthesis of reliable and well-supported evidence. [Siddaway et al. \(2019\)](#) emphasize that triangulation enhances both the internal validity and generalizability of research outcomes by integrating data from diverse sources. This approach ensures that conclusions are not based solely on single-source data but are grounded in a broader academic consensus.

The final step involved synthesizing the findings and implications, where key findings were summarized to provide a comprehensive and structured overview of community empowerment strategies in Indonesia and Malaysia. The results were then critically evaluated to extract meaningful insights into the strengths and limitations of different policy approaches. Policy implications and recommendations were formulated based on an in-depth analysis of the literature, focusing on efforts to improve the effectiveness of community empowerment strategies in both countries. Discussing policy implications derived from systematic literature reviews bridges the gap between theoretical research and practical applications ([Snyder, 2019](#)). Each stage of the research was carefully structured using a clear and systematic methodological framework, ensuring that the analysis was conducted using contemporary methods aligned with the latest developments in social science research.

RESULT AND DISCUSSION

Program Nasional Pemberdayaan Masyarakat Mandiri (PNPM Mandiri) is one of the most prominent initiatives for community empowerment in Indonesia. This program focuses on community-based development, providing opportunities for communities to plan and manage local development projects. Between 2007 and 2014, PNPM Mandiri completed over 300,000 infrastructure projects, including the construction of village roads, bridges, and clean water facilities. The program's effectiveness is reflected in improved access to basic services and strengthened community participation in local decision-making processes. Furthermore, the Village Fund (Dana Desa), launched in 2015, has become a vital instrument in supporting local development and poverty alleviation. Direct allocation of funds to villages enables local governments to adapt programs to meet the specific needs of their communities. Data shows that Dana Desa contributed to a 15% reduction in poverty at the village level between 2015 and 2020. This improvement highlights the crucial role of local communities as catalysts for change in the development process. Table 1 presents the key achievements of the PNPM Mandiri and Dana Desa programs.

Table 1. Key Achievements of the PNPM Mandiri and Dana Desa Programs

Program	Focus Area	Key Achievements
PNPM Mandiri	Community-Based Infrastructure	Completed over 300,000 infrastructure projects (2007–2014), including roads, bridges, and clean water facilities.
Dana Desa	Local Development and Poverty Alleviation	Reduced village-level poverty by 15% (2015–2020) through direct fund allocation and community-driven development.)

Malaysia has implemented programs like the Federal Land Development Authority (FELDA) and Majlis Amanah Rakyat (MARA), which focus on the economic empowerment of the Bumiputera community. Since 1970, FELDA has developed over 400,000 hectares of agricultural land, benefiting small-scale farmers by improving their income. MARA, on the other hand, emphasizes training and empowering entrepreneurs. In 2020 alone, MARA successfully trained over 300,000 Bumiputera entrepreneurs to contribute to the formal economic sector. These programs reflect the Malaysian government's commitment to enhancing the economic welfare of communities through a well-organized centralized approach. The primary focus on land development and skill enhancement among the Bumiputera community has significantly impacted poverty reduction and strengthened local economies.

Table 2. Key Achievements of FELDA and MARA

Program	Focus Area	Key Achievements
FELDA	Land Development	Developed over 400,000 hectares of agricultural land (1970–2020).
MARA	Bumiputera Economic Empowerment	Trained over 300,000 Bumiputera entrepreneurs (2020).

Although the empowerment approaches in Indonesia and Malaysia share similar goals, their implementations differ significantly. Indonesia adopts a decentralized approach, enabling local communities to actively participate in planning and executing programs (Firman, 2022). In contrast, Malaysia employs a centralized approach, ensuring policy standardization across regions but with more limited community participation during the planning phase. The Program Nasional Pemberdayaan Masyarakat Mandiri (PNPM Mandiri) stands out as one of Indonesia's most prominent community empowerment initiatives. This program focuses on community-based development, providing opportunities for communities to plan and manage local development projects (Manfred, 2021). Between 2007 and 2014, PNPM Mandiri completed over 300,000 infrastructure projects, including the construction of village roads, bridges, and clean water facilities. The program's effectiveness is reflected in improved access to basic services and strengthened community participation in local decision-making processes. As noted by (Wong, 2012), PNPM Mandiri has had a significant impact on poverty reduction, particularly in rural areas. This aligns with (Mansuri, 2013), who emphasizes the importance of local participation in community-based empowerment programs to enhance the effectiveness of development. Additionally, the Village Fund (Dana Desa), introduced in 2015, has become a crucial instrument in supporting local development, contributing to a 15% reduction in village-level poverty between 2015 and 2020. (Widjajanti & Sugiyanto, 2020) highlights that the decentralization of Village Fund allocation allows communities to prioritize development projects according to their specific needs.

Malaysia, on the other hand, implements programs such as the Federal Land Development Authority (FELDA) and Majlis Amanah Rakyat (MARA), which focus on the economic empowerment of the Bumiputera community. Since 1970, FELDA has developed over 400,000 hectares of agricultural land, benefiting small-scale farmers by improving their incomes. MARA, meanwhile, emphasizes training and empowering entrepreneurs. In 2020, MARA successfully trained over 300,000 Bumiputera entrepreneurs, enabling them to contribute to the formal economic sector (Aziz, 2003). According to (Kadir et al., 2019), the FELDA program plays a crucial role in driving rural development and reducing economic disparities in Malaysia's interior regions. Meanwhile, (Abdullah et al, 2021) note that MARA has significantly contributed to job creation and skill enhancement among the Bumiputera community. However, (Lim, 2020) highlight that the lack of community involvement in the planning stage can hinder the sustainability of achieved outcomes.

Although empowerment approaches in Indonesia and Malaysia share similar objectives, their implementations differ significantly. Indonesia adopts a decentralized approach, enabling local communities to actively participate in planning and executing programs (Nasution, 2017). Conversely, Malaysia applies a centralized approach, ensuring policy standardization across regions but with limited community participation during the planning phase. (Braun, 2006) emphasizes that thematic analysis, when evaluating these programs, can reveal significant patterns and differences between the two countries. Decentralization in Indonesia, while facing challenges related to transparency, provides greater room for local innovation. On the other hand, Malaysia's centralized approach, though efficient, requires better integration between central policies and local needs to achieve higher sustainability. Both Indonesia and Malaysia share a focus on community-based empowerment as a core strategy for development. In both countries, governments play a key role in funding and managing community empowerment programs (Gittel, 1999). For instance, Indonesia's PNPM Mandiri and Malaysia's FELDA are designed to improve community welfare through infrastructure development and economic empowerment. Substantial financial support from the government ensures that these programs have sufficient resources to achieve their objectives. Community-based approaches enable local communities to participate actively in the development process. Mansuri (2013) noted that local participation in the design and implementation of empowerment programs enhances their effectiveness and sustainability. In both Indonesia and Malaysia, community involvement is reinforced by government policies aimed at building local capacity.

However, there are significant differences in how empowerment strategies are implemented. Indonesia adopts a decentralized approach, granting local governments the flexibility to tailor programs to meet the specific needs of their communities. For instance, the Village Fund (Dana Desa) enables villages to prioritize development projects most relevant to their needs, such as infrastructure or economic empowerment. (Widjajanti & Sugiyanto, 2020) highlight that this decentralization fosters a sense of ownership among communities over program outcomes, although challenges such as transparency and accountability remain. In contrast, Malaysia employs a centralized approach, where policies are designed by the central government and implemented uniformly across regions. Programs like FELDA and MARA have a clear focus on efficiency and national standardization. While this approach ensures good coordination and consistent achievement of targets, (Lim,

2020) point out that limited local community participation in the planning stage can diminish a sense of ownership and the sustainability of these programs.

Table 3. Comparison approaches in the two countries

Aspect	Indonesia (Decentralization)	Malaysia (Centralization)
Policy Approach	Localized, flexible, community-driven	Centralized, standardized, efficiency-focused
Program Examples	Village Fund (Dana Desa), PNPM Mandiri	FELDA, MARA
Community Role	Active participation in planning and execution	Limited participation in planning
Key Strengths	Increased community ownership and adaptability	Strong coordination and consistent implementation
Key Challenges	Transparency and accountability issues	Limited local involvement and sustainability concerns

The decentralization approach in Indonesia demonstrates an advantage in enhancing local participation and fostering innovation, which significantly boosts community ownership. Conversely, Malaysia's centralized approach excels in program implementation efficiency but falls short in engaging communities during the planning stage. Both approaches have their strengths and weaknesses, offering valuable lessons for other countries in designing empowerment strategies suited to their unique contexts. In Indonesia, the decentralized approach enhances community participation and a sense of ownership over program outcomes. This is achieved through mechanisms such as the Village Fund (Dana Desa), which allows local governments and communities to adapt policies to their specific needs. [Widjajanti and Sugiyanto \(2020\)](#) emphasize that decentralization fosters flexibility and local innovation, thereby positively impacting program sustainability. On the other hand, Malaysia's centralized approach, exemplified by programs like FELDA and MARA, focuses on efficiency and national standardization. This approach ensures strong coordination and consistent implementation across regions. However, as noted by [Lim \(2020\)](#), the lack of local community participation during the planning stage can reduce a sense of ownership, ultimately affecting the sustainability of outcomes.

Social, economic, and cultural factors also play a crucial role in the success of empowerment programs ([Dushkova, 2024](#)). In Indonesia, cultural and geographical diversity necessitates a flexible approach, while in Malaysia, economic stability and a focus on strengthening the Bumiputera community support the implementation of standardized programs. These findings are relevant not only to Indonesia and Malaysia but also to other developing countries that are striving to empower their communities. A decentralized approach can be applied in countries with high cultural and geographical diversity, where local needs may vary significantly. Conversely, a centralized approach is suitable for contexts where efficiency and standardization are prioritized. Key lessons include the importance of striking a balance between efficiency and local participation. Decentralization can foster local innovation, while centralization ensures stability and uniform implementation. A combination of both approaches can lead to more effective and sustainable programs.

This study reinforces previous research that highlights the importance of local participation in the success of community empowerment programs, as emphasized by [Mansuri \(2013\)](#). The decentralized approach in Indonesia supports the argument that flexible local management enhances development effectiveness. However, these findings also challenge critiques of centralized approaches. In the Malaysian context, programs like FELDA demonstrate that centralization can succeed when supported by strong coordination and a focus on specific target populations, such as the Bumiputera community. This underscores that no single approach is suitable for all contexts, and adapting to specific needs is key to success. For Indonesia, improving transparency and enhancing the capacity of local governments in managing Village Funds (Dana Desa) is essential. Training village officials in budget management and accountability can enhance program effectiveness and foster public trust. Additionally, stronger external oversight can help prevent fund misuse and ensure the program aligns with its intended objectives. For Malaysia, increasing local community involvement in program planning can strengthen a sense of ownership over program outcomes. Engaging communities in the early stages of planning, through public consultations or community forums, can help create policies that are more responsive to local needs and ensure the sustainability of program results. For developing countries, adopting a combination of decentralization and centralization strategies can enhance the effectiveness of community empowerment initiatives. Decentralization fosters local innovation and flexibility, while centralization ensures efficiency and uniformity in implementation ([Kharel, 2023](#)). A hybrid framework integrating both approaches can serve as a model to accelerate community development in diverse socio-economic contexts. This balanced approach addresses specific local needs while maintaining consistency and scalability across the broader program.

This study offers novel insights into the comparative impacts of decentralization and centralization on community empowerment in Indonesia and Malaysia. Unlike previous studies that predominantly emphasized

infrastructure development and economic outcomes (Widjajanti & Sugiyanto, 2020; Lim, 2020), this research highlights the role of community ownership, social cohesion, and local innovation as critical factors for sustaining development programs. This focus aligns with Setiawan (2022), who emphasized that the success of decentralized programs, such as Dana Desa, is contingent on active local participation and transparent governance. Similarly, Haryanto et al. (2021) identified that local innovation driven by decentralized funding has led to tailored solutions addressing rural poverty and social inequality in Indonesia. In the Malaysian context, this study builds upon the work of Abdullah et al. (2021) and Kadir et al. (2022) by illustrating how FELDA and MARA's centralized approach has improved economic stability and reduced income disparities among the Bumiputera community. However, unlike previous studies that focused on economic outputs, this research highlights the limitations of limited local involvement, which can undermine long-term sustainability. The comparative analysis reveals that while decentralization promotes local ownership and innovation, centralization ensures efficiency and scalability, thereby contributing to the ongoing discourse on optimizing community empowerment strategies in diverse socio-economic contexts (Iskandar et al., 2022). This study's contribution lies in proposing a hybrid framework that integrates the strengths of both approaches, offering a practical model for developing countries facing similar challenges. By striking a balance between local autonomy and centralized oversight, this framework enhances both program adaptability and national coordination, addressing the need for context-specific solutions without compromising efficiency. Furthermore, the research advances theoretical understanding by demonstrating that social cohesion and local innovation are essential for the long-term success of empowerment initiatives, extending beyond traditional economic metrics (Fauzi et al., 2022).

For Indonesia, the study underscores the need to improve the transparency and accountability of Village Fund (Dana Desa) management. While decentralization has empowered local communities, challenges related to fund misuse and governance inefficiencies remain. Susanto et al. (2021) and Sari et al. (2025) emphasize that strengthening monitoring mechanisms and enhancing the financial literacy of village officials can improve fund utilization and boost community trust. Additionally, promoting cross-village collaborations can facilitate knowledge sharing and drive collective innovation, addressing resource disparities between regions. For Malaysia, increasing local community involvement in the planning stages of programs such as FELDA and MARA can enhance a sense of ownership and foster long-term commitment to development initiatives. Aziz et al. (2022) suggest that incorporating community feedback through regular consultations can improve the responsiveness of centralized policies to local needs. Moreover, expanding entrepreneurial training programs beyond the Bumiputera community can foster broader economic inclusivity, aligning with Malaysia's long-term development goals. Both countries can benefit from adopting digital tools for monitoring and evaluating program outcomes. Recent advancements in digital governance platforms enable real-time tracking of fund utilization and performance metrics, enhancing accountability and transparency (Iskandar et al., 2022). Integrating these tools into existing systems can streamline reporting processes and facilitate evidence-based decision-making, ensuring that community empowerment initiatives achieve their intended impacts (Yost, 2014).

The findings of this study offer valuable lessons for developing countries seeking to enhance community empowerment in diverse socio-economic contexts. Countries with significant cultural and geographical diversity can benefit from a decentralized approach that empowers local communities to design and implement development programs tailored to their unique needs. Recent research by Nguyen et al. (2021) in Vietnam and Chowdhury et al. (2023) in Bangladesh highlights how decentralization has fostered local innovation, improved public service delivery, and enhanced community ownership of development outcomes. However, strong governance mechanisms are crucial to ensure accountability and prevent the misuse of resources. For countries prioritizing efficiency and scalability, a centralized approach can facilitate standardized program implementation and ensure consistent service delivery across regions. Studies by Siddaway (2022) in India and Hoe et al. (2023) in Malaysia demonstrate that centralization enables coordinated resource allocation and rapid infrastructure development. However, involving local stakeholders in the planning process is crucial to enhance program relevance and sustainability. This study proposes a hybrid framework that combines the strengths of both decentralization and centralization, offering a balanced approach to community empowerment. By granting local governments the flexibility to adapt programs to local contexts while maintaining centralized oversight to ensure efficiency, this model can address the diverse needs of communities without compromising national coordination or cohesion. Fauzi et al. (2022) and Iskandar et al. (2022) support the effectiveness of hybrid governance models in achieving sustainable development outcomes. Leveraging digital governance platforms can further enhance the transparency, accountability, and efficiency of community empowerment programs. Countries like India, Vietnam, and Indonesia have successfully implemented digital tools for tracking fund utilization, monitoring project progress, and collecting real-time feedback from communities (Nguyen et al., 2021). Adopting similar technologies can enable developing countries to improve program oversight, reduce corruption, and build public trust in government initiatives. Additionally, investing in capacity-building programs for local government officials and community leaders is essential to ensure the effective implementation of both decentralized and centralized approaches. Providing training in budget management, project planning, and

stakeholder engagement can enhance local governance capabilities and empower communities to take ownership of development initiatives (Susanto et al., 2021; Setiawan, 2022). Furthermore, fostering partnerships between governments, non-governmental organizations (NGOs), and the private sector can leverage additional resources and expertise to support community empowerment efforts, ensuring that development programs are both effective and sustainable.

CONCLUSION

The conclusion of this study suggests that community empowerment strategies in Indonesia and Malaysia employ different approaches but share a common goal of enhancing societal welfare. The decentralized approach in Indonesia, implemented through the Village Fund (Dana Desa) program, enables local governments and communities to tailor policies to their specific needs, thereby enhancing a sense of ownership and program sustainability; however, challenges related to transparency and accountability persist. Conversely, the centralized approach in Malaysia, exemplified by programs such as FELDA and MARA, emphasizes efficiency and national standardization, although community participation during the planning phase is relatively limited. The main findings of this study indicate that decentralization in Indonesia promotes local innovation and flexibility, which directly contributes to the improvement of community welfare. In contrast, centralization in Malaysia ensures strong coordination and accelerates the achievement of development goals. This study also contributes to the literature by proposing a hybrid framework that integrates the strengths of both decentralization and centralization, offering a relevant model for designing more effective community empowerment strategies, particularly in developing countries facing complex social, economic, and cultural challenges. The implementation of these research findings is expected to have a positive impact by increasing community participation in the development process, strengthening the capacity of local governments, and achieving more sustainable development goals through the synergy between local flexibility and national efficiency. Furthermore, this hybrid model can enhance transparency, accountability, and the effectiveness of program implementation, thus accelerating poverty alleviation and strengthening social cohesion in various socio-economic contexts.

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