



Research Paper

People Participation in State Budget Arrangement in West Sulawesi Province

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ABSTRACT: The purpose of the research is to know the implementation of people participation in State Budget (APBD) arrangement together with the government in West Sulawesi Province, and also the implementation of people participation in State Budget arrangement together with Regional People's Representative Assembly (DPRD) official in West Sulawesi Province. The data analysis method is by using the qualitative case study. The result is The people of West Sulawesi Province generally has showed good participation in the process of aspiration channeling in development planning discussion (musrenbang) and recess activities by giving suggestions and programs for DPRD officials in State Budget arrangement, but there are still some points lacking, such as most program aspirations are not yet accompanied by the ability of making program proposal as well as the lack of youth figure roles in village meeting activities for the discussion of State Budget arrangement of West Sulawesi Province.

KEYWORDS: People Participation, State Budget, West Sulawesi

Received 07 July, 2021; Revised: 19 July, 2021; Accepted 21 July, 2021 © The author(s) 2021.
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I. INTRODUCTION

Understanding towards the process of a whole participatory budgeting, which is resulted through interaction/dialogs in this study becomes the author's research to interpret and describe what, how, and why the participatory budgeting has an important position in order to achieve common welfare. Therefore, this preconception is expected to bear a synthesis about a more effective and adaptive participatory budgeting as a form of interactive and dynamic relation between stakeholders in the region. Based on the statements above, the researcher conducted the research which is titled "People Participation in State Budget Arrangement in West Sulawesi Province."

II. THEORETICAL AND LITERATURE REVIEW

2.1. Participatory Theory

Asngari (2001) stated that participatory budgeting is based on general understanding and the existence of the definition is because people communicate and interact with each other. In welding the role, the following criteria from every parties have to be achieved: 1) A free or democratic situation, and 2) Togetherness. Next, Slamet (20013) stated that people participation in development is the opt in of the people in development, as well as utilizing and enjoying development results. Gaventa and Valderama (1999; in Arsito, 2004), noted that there are three traditions of participatory concept, especially when linked to democratic society development, those are: 1) Political Participation; 2) Social Participation; 3) People Participation.

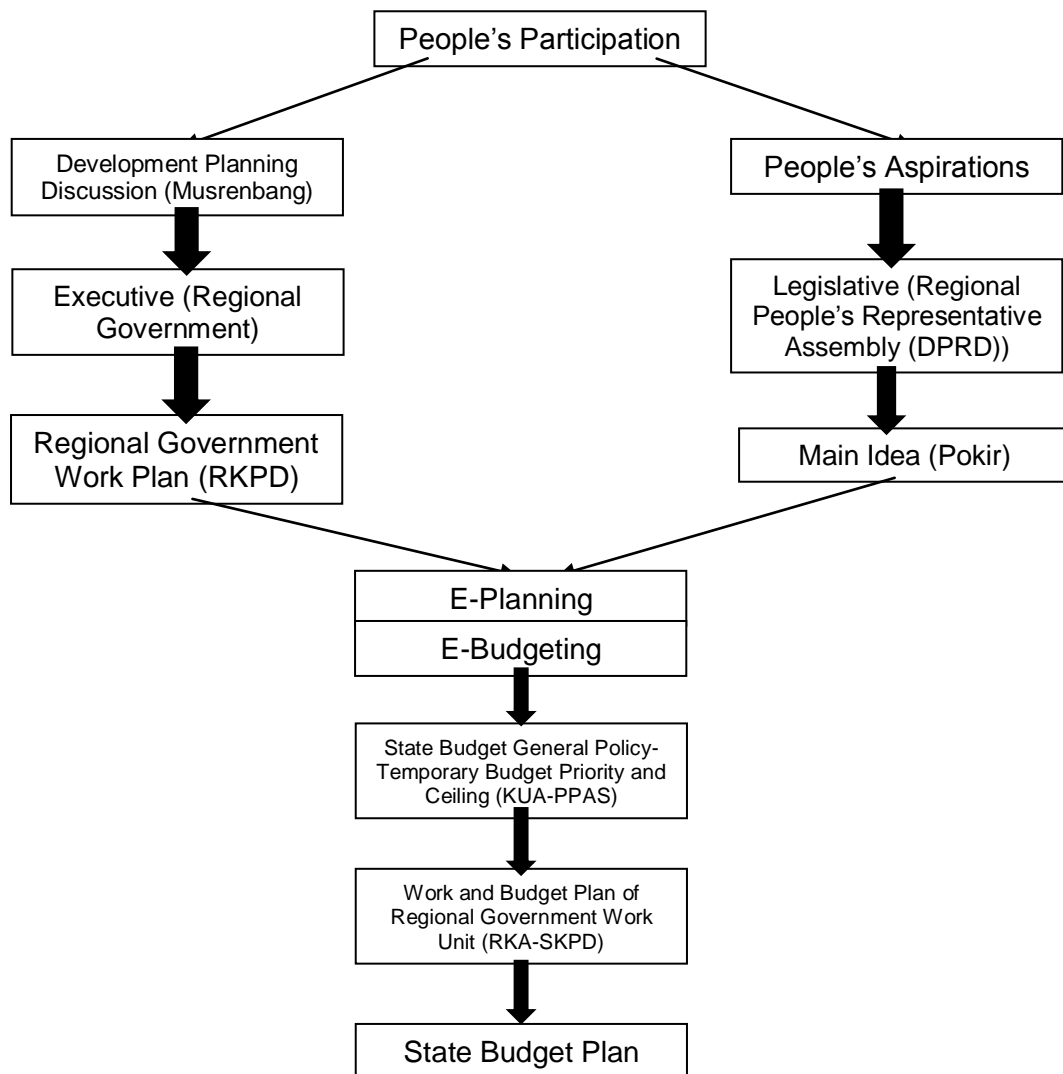
2.2. Agency Theory

Agency Theory explains the principal relation of rooted agent in economics theory, choice theory, sociology, and organizational theory. The agency theory analyzes the contractual structure between two or more individuals, groups, or organization. One principal makes a contract, implicitly or explicitly, with other agents with the hope of the agent will do the job expected by the principal. Lupia & McCubbins (2000) stated as such: "Delegation occurs when one person or group, a principal, select another person or group, an agent, to act on the principal's behalf".

2.3. Participatory Budgeting

Budgeting is a financial plan which systematically shows the allocation of human resources, materials, and other resources. Various budgeting systems are developed to serve various purposes such as financial control, management planning, priority of budget utilization, and responsibility fulfillment to the public. According to Wampler (2000), participatory budgeting is an innovation in the process of making decisions, where people are directly involved in the making of policies.

III. CONCEPTUAL FRAMEWORK



Picture 1. Conceptual Framework.

IV. RESEARCH METHODOLOGY

4.1. Research Location

Research location is West Sulawesi Province. The main reason the researcher chose this location is because West Sulawesi Province is a developing region which is an interesting location to do a research about participatory budgeting towards regional development planning.

4.2. Data Types and Resources

This research a legal-economy research, or usually known as empirical research. Data that are analyzed consists of library and field interview data.

4.3. Data Gathering Techniques

4.3.1. Interview

Interview is a direct dialogue of asking and answering questions by using interview guidelines which has been prepared before.

4.3.2. Questionnaire

This is done by providing a set of questions which has been constructed systematically towards the fixed respondents in this research

4.3.3. Documentation, or Library Research

This is done by recording data directly from documents which contains data relevant to the research, such as legislations, books, articles, journals, seminar results, and internet sites relevant to the research.

V. RESULTS AND DISCUSSION

5.1. Stage implementation and APBD arrangement based on participatory in West Sulawesi Province

Participatory budgeting planning is a process of budget arrangement with budget allocation in the hands of public. In the process, public participates autonomically. Participation is done through various forums, where public could control and direct regional government in making budget allocation policies. Parties responsible in the process of participatory budgeting arrangement is still regional government, but in the process, public takes the role fully. From suggesting to the determination of budget allocation.

Related to the people participation of West Sulawesi Province people with the APBD arrangement process in the field, the participation process is considered good, some of them are:

- (1) People participation which is still dominated by certain elite groups
- (2) Active People participation in budget preparation activities,
- (3) People participation that brings aspirations to develop their respective regions by providing input during the preparation of general State Budget directions and policies
- (4) Changes to the State Budget when announced to the public will result in an iterative budget preparation process.
- (5) According to one of the West Sulawesi DPRD staff, criticism and suggestions from the community are considered to be able to determine the strategy and priorities of the State Budget.
- (6) There is synergy between the people and the executive in consultation on the basis of the State Budget draft.
- (7) People create forums to become effective media for budget revision and implementation
- (8) Community group meetings, opinion polls, and mass media studies as well as effective public discussions in the preparation of the State Budget Planning (RAPBD) have gone well.

Socio-Political expenditures received a challenge from people whose income is low and traditional politically is outside of the system, now they received a chance to get involved in making policies. The government and people did this program with the purpose of: i) advancing the public learning and active citizenship; ii) getting social justice through improvements in policies and resources allocation; and iii) reformating administration apparatuses.

In participatory budgeting, some stakeholders discuss, analyze, prioritize, and supervise the decision about government expenditure budgets. These stakeholders include the public, poor people, and marginalized people such as women, and other stakeholders such as business world, parliamentarian, and lending institutions (Darwanto, 2004).

Cahyono (2006), stated the development planning process based on people participation has to pay attention to interests of the people which aims to improve public welfare, so that in the process of participatory development planning, some things have to be considered, such as:

- (1) program planning must be based on facts and realities in the society;
- (2) the program must take the technical, economic and social capabilities of the community into account;
- (3) the program must pay attention to the groups elements of interest in society;
- (4) people participation in the program implementation;
- (5) existing organizations are involved as far as possible;
- (6) the program should include short-term and long-term programs;
- (7) provides ease for evaluation;
- (8) the program must take the available conditions, space, time, tools and manpower (KUWAT) into account.

On the previous research, an empirical fact was found, that people participation affects significantly towards State Budget arrangement. State Budget arrangement has to involve people participation so that in the

implementation it does not cause a miscommunication between regional government and people. People participation is felt really important in State Budget arrangement because through that the regional government is able to know the ongoing phenomenon in the people and what is needed by the people. Transparency is the main key between people participation and State Budget arrangement. Regional government should be open to the people who wants to access the information about State Budget so that it could make the APBD implementation successful and not cause sparks that will cause separation between government and people (Zainal et al., 2015).

Other research result shows that people participation in State Budget arrangement is still considered something utopical due to the lack of socialization to the people so that only some groups could access information and suggest programs. Besides that, when the City Development Planning Discussion (Musrenbangkot) activity stops, it will cause a problem related to State Budget, and even more, problems related to politics (Sopannah, 2010). Based on Legislation No. 32 Year 2004, Legislation No. 33 Year 2004, and Legislation No. 17 Year 2003, the cycle of regional budget planning as a whole consists of:

- 1) Regional government announces the State Budget general policy next fiscal year as a base of State Budget planning arrangement, no later than mid-June of ongoing year. The general policy of State Budget is based on Regional Government Work Plan (RKPD). The RKPD arrangement process is done by doing development planning discussion (musrenbang) which is, other than involving governmental elements, also involves and/or channeling aspirations of people, such as profession association, college, non-governmental organizations (LSM), traditional leader, religious leader, and business world;
- 2) Regional People Representative Assembly (DPRD) then discusses the State Budget general policies that was announced by regional government in the RAPBD of next fiscal year preliminary talk;
- 3) Based on the State Budget general policies approved with DPRD, regional government together with DPRD discusses priority and ceiling of temporary budget to be set as benchmark for every Regional Government Work Unit (SKPD);
- 4) Head of SKPD as a user of budget arranges RKA-SKPD for the next fiscal year referring to the priority and ceiling of temporary budget set together by regional government together with RAPBD;
- 5) The RKA-SKPD is then announced to DPRD to be discussed in preliminary talk of RAPBD;
- 6) RKA-SKPD discussion result is announced to regional budget manager official as a material of Regional Regulation Arrangement material about the next fiscal year of State Budget;
- 7) Regional government submits the regional regulation about the State Budget together with explanations and supporting documents towards DPRD on the first week of October;
- 8) Decision making by the DPRD regarding the draft Regional Regulation on State Budget is carried out no later than one month and one year in which the relevant budget is implemented.

Regional budget planning consists of budget policy formulation and budget operational planning. The first step in the preparation of the regional budget is to formulate the direction and general policies of the State Budget. The direction and general policies of the State Budget are included in the category of budget policy formulations that become a reference in budget operational planning. Budget policy formulation is related to fiscal analysis, while budget operational planning is more focused on resource allocation.

5.2. People Participation of Getting Involved in Musrenbang

People participation in budgeting has to be done on every step of budgeting cycle starting from arrangement, ratification, implementation, to responsabilization. Those involved in the process of State Budget planning consist of society together with governmental elements with each function as following:

In State Budget arrangement, not only DPRD officials, but also several other parties participate each with their own role. Society in this case consist of public figures, youth, and religious leader. Society in the beginning process could channel aspiration through village discussions together with each village State Civil Apparatus where aspirations of the people will be collected by village head to be then channeled into activity proposals or budget planning aspiration.

According to Lembang-Lembang Village head, Mr. Muhammad Afdal Nur, stated that the problems found during the to-be submitted program discussion:

“The problem is, people are still lacking in literacy, especially in administration related to proposal. The thing that is a must is to catch the aspiration of the people, but the people does not understand mechanism in submitting suggestions for DPRD main ideas”.

The village head mostly makes proposal related to suggestions of the people to be submitted on recess activity. Other problem found is that the aspiration of village people sometimes is an authority from district and not provincial authority. It will be better if the youth figures are also active in networking in village, but the participation of the youth figures are still lacking due to the jobs of each individual. Even though youth figures are considered as one of the parties that could support the aspiration proposal arrangement activity, according to

Fajrin, one of the youth figures:

“The youth participatory in the process of education to the people is not yet maximum, due to the worries of youth narrations appearing riding on certain importance over people’s aspirations. Even though invited on recess, most friends are absent and choose to focus on each other’s jobs.”

Public figure, Mr. Samad Gurliyono stated that:

“For the achievement of society aspiration channeling optimization, the youth figures are expected to be more active on village discussion or recess activities, but up to now, most youth figures that are invited are absent. Those that are present, are still passive and still haven’t shown maximum participatory”

Research results found that problems in Musrenbang process are as following:

1. Musrenbang result inconsistency resulting in subdistrict Musrenbang still happens a lot
2. People participation is ended at subdistrict Musrenbang with some people hoping that it is the task of village apparatuses to attend subdistrict Musrenbang so that the suggestions of village Musrenbang is not comprehensive.
3. Low participation of DPRD officials in supervising Musrenbang process.

Lessons taken in the process of Musrenbang are:

1. The government and society as a linear partner in managing development;
2. The importance of keeping consistency of suggestions from lower level Musrenbang to high level Musrenbang;
3. People participation in development is crucial. Therefore, people participation has to continue;
4. Guidelines and mechanism about the need of DPRD involvement in musrenbang process is needed.

5.3. Society Roles in Recess

Aspiration absorption activities are done with Recess, Regional Regulation Socialization, Activities supervised by academical consultants, Hearing Dialog, even Call/Video call oftentimes become media to network aspirations outside of field recess activity. After board member networks people aspirations, next is to input the data through E-POKIR information system, then it will be filled by legislative officials as aspiration channeling from the people online to then be followed up with budget agency (Bangar) to be submitted to executive in State Budget planning.

All people aspirations that have been accommodated will then be discussed by related orders accompanied by academic consultants with DPRD members and then submitted to Bangar.

According to Ministry of Home Affairs Regulations No. 31 Year 2016 about Regional Revenue and Expenditure Budget Arrangement Guidelines Fiscal Year 2017, regional revenue and expenditure budget (APBD) is an annual budget planning of regional government that is discussed and approved by regional government and DPRD, and set together with regional regulations. APBD structure based on Ministry of Home Affairs Regulation No. 13 Year 2006, is a union of:

- 1) Regional Revenue;
- 2) Regional Expenditure;
- 3) Regional Funding;

Before doing planning of APBD performance, planning documents on region like RPJPD, RPJMD, and RKPD is a set of documents that becomes the basis of APBD arrangement or regional budget management, as stated in Legislation No. 25 Year 2004 (Article 25 Section 2) that: RKPD is the basis of APBD arrangement.

In the Government Regulation No. 58 Year 2005, Article 34 Section (1) it is stated that Region Head based on RKPD as meant as Article 32 Section (1) arranging the General Policy of APBD plan. Meanwhile in Article 34 Section (2) it is stated that the arrangement of General Policies of APBD as meant in section (1) is based on APBD arrangement guidelines approved by Ministry of Home Affairs every year.

Contributing in APBD arrangement is not easy to do. In implementing the budget function, knowledge of budgeting is the main capital in arranging APBD. Knowledge is strongly related to education and experience. For that, board member’s capability in implementing budget function in APBD arranging is the same as how far the board member understands budgeting. The better the knowledge of the board member, the better they will implement the budgeting function. DPRD as a legislative agency, which is people’s partner, is impossible to exclude from people. For that, DPRD materially has an obligation to give service to people or public led. DPRD as a people representative in acting has to adapt with norms amongst the people.

Thus, DPRD will not do any disgraceful act, profit an individual, and burden people’s budget for its’ own good. The involvement of society in APBD arrangement is expected to support the function of DPRD

budgeting to work better, totality, and honest. Therefore, aspiration networking is done together with board members.

In the implementation of APBD arrangement, legislative and society work together so that in the implementation, miscommunication of APBD arrangement does not happen.

Recess time is an important time which is the obligation done by DPRD officials once every 3 months to go to electoral district to meet constituents to network people's aspiration.

An official of West Sulawesi DPRD, Atta Kainang, SH, stated that:

"People's aspiration result from the recess activity is 5.035 programs sourced from 45 board members who did visiting to 6 districts. Routine recess activity is done 3 times a year with the purpose of optimizing aspiration networking program or people's aspiration absorbing".

The problems visible at the recess process is people's lack of understanding of administrative completion process to pass or realize aspiration of what he announced. Aspiration announced does not need a long time to be realized because it needs to be submitted together with proposal to be followed up.

This recess activity is aimed to get a main idea. Main ideas of DPRD officials are people's aspiration entrusted to board members to be discussed in RAPBD discussion.

Like planning, budgeting procedure heavily depends on political, social, and governance system of a country. In the context, at least there are four types of budgeting practices which signals the existence of four planning paradigms, such as:

- 1) Budgeting procedure focusing on government role in doing cyclical process from beginning to the end through a state mechanism.
- 2) Budgeting procedure focusing on society role through social agreement and market mechanism.
- 3) Budgeting procedure focusing on the role of resource management experts.
- 4) Budgeting procedure focusing on activist role as an organizer of people and controller of government.

Guidelines of regional regulation planning comes from DPRD initiative is mentioned in DPRD regulations. For example, Article 138 of DPRD West Sulawesi Province No. 01 Year 2014 about West Sulawesi DPRD Regulations stated that:

1. At least 15 (fifteen) members of DPRD officials suggesting initiative proposal towards Regional Regulation Plans;
2. The proposed initiative as referred to in paragraph (2) is submitted to the leadership of the DPRD in the form of a Regional Regulation Planning (Ranperda), accompanied by a written explanation and given a key number by the DPRD secretariat;
3. The proposed initiative by the DPRD leadership is submitted at the DPRD Plenary Meeting after receiving consideration from the Deliberative Body;
4. In the Plenary Session of the DPRD as referred to in paragraph (4) the proposers are given the opportunity to provide an explanation of the proposal as referred to in paragraph (3);
5. Discussions on a proposed initiative are carried out by providing opportunities for:
 - 1) Other DPRD members to provide their views;
 - 2) Governor to give opinion;
 - 3) The proposers provide answers to the views of DPRD members and the Governor's opinion.
6. Before it is decided to become an initiative of the DPRD, the proposers have the right to propose changes or revoke it;
7. The discussion ends with the DPRD's decision to accept or reject the proposal to become DPRD's initiative;
8. The procedure for discussing the Ranperda on the initiative of the DPRD follows the applicable provisions in the discussion of the Ranperda on the initiative of the Governor.

In the Regulation of the Ministry of Home Affairs No. 13 of 2006, Article 103 paragraphs (1), (2), (3) and (4) further stated that:

- (1) The draft regional regulation on the APBD that has been prepared by the (Regional Financial Management Officer) PPKD is submitted to the regional head.
- (2) The draft regional regulation on APBD as referred to in paragraph (1) before being submitted to DPRD is socialized to the public.
- (3) The socialization of the draft regional regulation on the APBD as referred to in paragraph (2) is to provide

information on the rights and obligations of the regional government and the community in implementing the APBD for the planned fiscal year.

(4) Dissemination of the draft regional regulation on APBD is carried out by the regional secretary as the coordinator of regional financial management.

If socialization has been done by Regional Secretary, Region Head announces Regional Regulation Draft about APBD along with the financial notes to DPRD to be discussed further in order to get mutual agreement, which in Government Regulation No. 58 Year 2005 Article 43, states that Region Head announces regional regulation draft about APBD to DPRD along with explanations and supporting documents on first week of October previous year to be discussed in order to achieve mutual agreement.

VI. CONCLUSION

6.1. Conclusion

The people of West Sulawesi Province generally has showed good participation in the process of aspiration channeling in development planning discussion (*musrenbang*) and recess activities by giving suggestions and programs for DPRD officials in State Budget arrangement, but there are still some points lacking, such as most program aspirations are not yet accompanied by the ability of making program proposal as well as the lack of youth figure roles in village meeting activities for the discussion of State Budget arrangement of West Sulawesi Province.

6.2. Suggestion

It is advised for West Sulawesi Province DPRD officials to do an education program for people that could support aspiration networking process, such as training to make program proposal, or people activity which later could support the idea submitting optimization for APBD planning of West Sulawesi. The utilization of E-POKIR also has to be optimized so that information received could be stored in information system which later could give ease of access.

It is also expected for youth figures to be more active in village discussion and recess to participate for regional development through aspiration networking activities to formulate an APBD plan.

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