

Ceremonial Budgeting: Public Participation in Development Planning at an Indonesian Local Government Authority

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Abstract

The purpose of this case study is to explain how public participation (Musrenbang) in development planning was practiced at the Local Government level in East Java, Indonesia. Public participation is a process of planning development in which citizens are involved in proposing and planning development projects to ensure fruitful implementation. The research is based on an interpretive paradigm, using the technique of phenomenology analysis to explore the effect of participation on local government budgeting. It was found that although most participation mechanisms followed existing policies and regulations in terms of 'form' the 'substance' of the regulation was lacking. It was seen that that participation in local government budgeting is still assumed to be merely a formality, done as part of a required ceremony to fulfil certain local government obligations. The budgetary process is mostly ceremonial because only certain members of the public can access information about the purpose of the program, i.e. there is low socialisation by the wider community of stakeholders.

Key Words:

**Public Participation
Local Budgeting
Local Government
Budgeting Process
Musrenbang
Phenomenology**

Introduction

In the last decade, with demand for transparency, the issues of good governance have been hotly debated. From the government's point of view, this equates to the use of public resources more efficiently and effectively (Osborne dan Gaebler, 1992; Barzelay, 1992; Cohen and Brand, 1993; Sumarto, 2004; Sukardi, 2009). From the citizen's point of view, this equates to more public participation in organising public affairs including local government planning and budgeting (Callahan, 2002; Ebdon, 2002; Muluk, 2007; Syarifudin, 2010; Razak, 2011).

Since reformation in Indonesia, the term *governance* and the term *participation* have become well-known. Almost all activities of local government development have the term 'participative' embedded: i.e. "participative approach", "participative development" and so on. However, although the word has become common, the real meaning of the term "participative" appears to have been forgotten.

Public participation in formulating local budgets (termed *Musrenbang* in the Indonesian context)¹ is defined in various regulations, including the 2004 law no. 32 and 33 on *Local Government and the Financial Balance between the Central and Local Governments*; the 2007 Domestic Minister Regulation No. 59 on the *Changes of the Domestic Minister Regulation no.13 on the Manual on the Local Financial Management*; the 2004 Law no. 25 on the *National Development Planning*; and the Joint Letter between the National Planning Board and the Domestic Minister no. 1354/M.PPN/03/2004050/744/SJ on the *Manual for the Implementation of Musyawarah Perencanaan Pembangunan (Musrenbang) forum and Local Participative Planning* (a full list of Regulation is provided in the Appendix).

The meaning of the various regulations above is that the people may be involved in the planning process, in the implementation, and in the accountability of any development that uses funds from local budgets. However, prior

¹ A "Musrenbang" forum is the shortened term for *Forum Musyawarah Perencanaan Pembangunan*, in the Indonesian context.

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research indicates that ‘actual’ public participation is still low and that citizens rarely take part in the full *Musrenbang* process. For example, Sopanah (2003, 2004, 2005a,b and 2008) confirms that while public participation in the local budgeting is encouraged by various regulations, in fact actual participation is still very low and ineffective.

Other research about public participation in the process of establishing public policies in other countries also confirm these Indonesian findings; i.e. public participation is low (see, Cooper and Elliot, 2000; Layzer, 2002; Navaro, 2002; Adams; 2004). The evidence was mainly visual, often shown by the low level of attendance at various public gatherings and stakeholder meetings. However, the general consensus was that although such public gatherings are considered to be less effective as a tool for rational persuasion, they still help to maintain the perception of a local democratic system at work.

Making local budgets in Indonesia is a multi-tier mechanism from Village (*kelurahan*), Sub-District (*kecamatan*), and Regency (*kabupaten*) levels.² Such a budget is expected to become a medium for setting priorities in development to provide what people really need. The result of participative budgeting (or *musrenbang*) process is a local government working plan, which is used as a basis for making a general policy on the local budget and a priority plan for a unit of local Government (called a *SKPD*); a budgeting working plan for unit of local Government, and a local regulation plan of local budget (called a *APBD*).

Thus, to ensure an integration of planning and budgeting processes in the context of local budgeting, each local government is expected to improve its process of *musrenbang* by improving public participation, guiding proposals from Village to Subdistrict, and from Subdistrict to Regent. If the whole process is made inclusive, transparent, and

² Village level budgets are made from January-February, and feed into Subdistrict budgets in February-March, and the Regency budgets in March-April. Before Regency budgets are formulated, a budgeting working plan for unit of local government (called *SKPD*) evolves via participation at a *SKPD* forum set to help synchronisation of budgets.

sincere, the local budget (if it is run well and is monitored honestly) is supposed to, at the very least, improve the peoples’ prosperity.

This research is an extension of previous studies done by Sopanah (2003, 2004, 2005a,b, 2008, 2009) of public participation in the process of planning local budgeting in different local governments in the *Malang Raya* area of Indonesia. However, since Malang Raya does not legally possess a local regulation on public participation in the process of establishing public policies, the research was mainly observing voluntary participation rather than participation that had a mandatory legal backing. The site of this present research is in Probolinggo regency, an area in East Java, Indonesia, which is covered by local regulation no. 13 on 2008 about *Transparency and Participation in Development Planning*. Therefore, the objective of this research is to describe the process of development planning viewed from a Village, Sub-District, Sectoral Forum, and Regency *participative budgeting* perspective, in a Regency covered by legislation. As such, in this research, interpretive paradigms with the phenomenology approach is employed to explore the phenomenon of public participation required by law in the process of local development planning.

Framework for Public Participation in Budgeting

Definitions of Public Participation

Over the last two decades, the term “participation” became important in the local and regional government. Local development planning requires social interaction among various concerned parties from executives, parliament, and also community. The importance of public participation according to Mahardika (2001) is that development projects will fail if they do not involve people in the process of planning, implementation, and long-term governance. There are many definitions of “public participation”, including the following:

Participation is an act of taking part in an activity, meanwhile public participation is the peoples involvement in a process of development in which they take part from the stage of establishing program, planning and

development, formulating policies and making decisions (Mubyarto, 1997).

Participation is meant to be one's involvement in full of awareness into social interactions in a certain situation. This means that one may participate if he or she finds her or himself with or in a group, through various processes of sharing with others in terms of common values, tradition, feelings, loyalty, obedience and responsibility (Wazor, 1999).

Public participation is the taking part of the people in the process of identifying problems and potency existing in the community, of choosing and making decisions of solution alternatives in solving problems, making any effort to solve the problems and involving people in the process of evaluating the changes happening (Isbandi, 2007).

According to Moynihan (2003), there is a typology of public participation on the basis of types of participation, and the level of representativeness namely: false, partial, and full participation. Meanwhile, Vaneklasen and Miller (2002) divide participation into six types: symbolic, passive, consultative, the one with material incentives, functional and interactive participations. From the typologies of participation that Moynihan (2003) and Vaneklasen and Miller (2002) propose, one can conclude that the benefits of involving people in decision making will be affected by interests, issues, and problems left unsolved.

Public participation in different areas depends on the environmental, economic, cultural and political characteristics of the areas. If the level of public participation is compared between one area and another, a continuum may be made from non participation to highest participation where people hold the full reins. A well known theory showing the levels of public participation is proposed by Arnstein (1971) as a *Ladder of Participation*.

In Arnstein (1971)'s ladder of participation theory, there are three levels of participation which are then subdivided into eight ladders of participation. The lowest level is non participation consisting of two sub ladders namely manipulation and therapy. The second level is the symbolic participation that shows that there is a higher participation than the first level, namely, information, consultation and concession. The third level is full participation, showing that power redistribution is given by

the government to the people as shown by partnership, authority delegation and control by citizens.

Planning as a Reference for Budgeting

Planning and budgeting are interrelated. As a tool of management, planning should be towards achieving an objective, and budgeting should set the monetary framework to achieve it. Both planning and budgeting are essential to manage local governments efficiently and effectively. Both planning and budgeting should consider how much money is available to implement the strategies required to achieve the objectives (Financial Ministry of the Republic of Indonesia, 2010). Local government budgeting is a process of arranging incomes and expenses within a certain time period. The document of local development planning has a strategic function since it involves a choice of programs, activities, and policies that will be implemented by a local government. Therefore, the process of arranging the development planning document should involve the people, and should be sensitive to the people's needs and wants and their reaction to the document (feedback).

In localities covered by legislation, it is required that planning should proceed as stipulated in the regulations. The local budget (*APBD*) formulates general policies to resolve problems in society. The general policies pertaining to local budgeting has a strategic function, since the programs to be executed in the local budget are the ones that have been stated in the general policies. Discussions of the general policies of local budgeting should be open to the public so that people may know the intentions of the parliament and of the Regent (Bupati) to assist the programs of public interest. If participation is not taken seriously, it is the people who will become the victims, because the source of Government money is the people themselves (Sopanah, 2005a).

The local budgeting plan is a short-term planning document (one year) translating general policies in terms of specific programs. The *budget policy formulation*, in contrast, is concerned with fiscal analysis, and the *budget operational planning* gives more emphasis to the allocation of resources based on longer-term strategies and priorities. Accordingly, the

preparation of general policies; strategies and priorities should be based on the local long-term development program as a five year planning document.

The term *musrenbang* (public participation in budgeting) is not strange especially for the Indonesian people, NGOs, academics and even for public officials either from the executive or from the parliament. A *Musrenbang* is a forum for people to be able to participate using a bottom-up approach. The *Public Empowerment and Village Government Body* manages participative budgeting at the village level as a medium for those who want to express their needs and aspirations. This body has authority to control the operation of the village-level government and can make the village government involve people in the development program in the village (Suwondo, 2000). It is expected that participative budgeting may prioritise any formulation of activities which substantially give more attention to the public interest.

Public participation at the grass-roots level is very important since the policies of autonomy and decentralisation should increase public aspirations and interest. If public participation in a certain area is high, the process of decentralised governance will also run smoothly. On the contrary, if public aspiration and interest are not given enough attention, this may result in some problems in the area including disharmony (Achmadi, et. al., 2002). A perception at the Central Government and Local Government level is that such problems may result in difficulty in implementing the 2004 law no 33 and 34 that covers issues of local autonomy and may even lead to social unrest. Also, high public participation may produce a budget which is clearly publicly determined. Participation in various forums lets the public control and lead the Local Government. The body responsible for the process of making participatory budgets is the Local Government. The public, however, ideally should control the process.

Research Methodology

This research is qualitative in nature and was made by using various established methods of undertaking such research. Moleong, (2005) explains that qualitative research seeks to understand a phenomenon in its natural

context. The paradigm this research adopted is an interpretive one. This paradigm gives an emphasis to the meaning or interpretation one makes of a symbol. The objective of this research is to interpret or to understand, instead of trying to explain and predict as stated in a positivism paradigm. As Thomas Schwandt states (cited in Crotty, 2008, pp 66-110) “*interpretivism is regarded as a reaction to an effort to develop a natural science from social one*”. According to Burel and Morgan (1993), an interpretive paradigm has the same perspective as that of functionalist, but it is more subjective. This paradigm accepts social facts as they are. It involves awareness. The social facts are constructed by one’s awareness and action in order to look for meaning behind something. The followers of this paradigm, however, still stress a regularity aspect since there is an assumption that the community is a regular and unified structure.

In this research, a phenomenology approach was adopted. This approach is intended to understand human existence, and human experiences are understood as making interactions (Saladien, 2006). Phenomenologists believe that in living creatures, various ways to interpret experiences through interactions with other people are available (Moleong, 2005). Therefore, *phenomenology*, according to Husserl (1982) is an approach to obtain knowledge of things (objects) as they are, and that this knowledge becomes our basis of awareness. The method used in this approach consists of intuition, analysis and description stages and the ‘whole’ results in phenomenological descriptions. In this research, a hermeneutic and empirical approach was adopted.

In qualitative research, the process of data analysis may be made by the researcher during and after data collection. The technique of analysis employed in this research is that of Sanders (1982). Sanders (1982) in Rahayu et. al. (2007) defines four stages of data analysis in phenomenological research, namely (1) describing phenomena, (2) identifying themes, (3) developing thematic correlates and (4) abstracting essentials or universal truths from the thematic correlates.

This research was conducted in Probolinggo Regency. The object of analysis in this research is the level public participation in the

2010 Participative budgeting process in which there were interactions between individuals and government officials. The research questions were formularised as follows:

1. What is the local budgeting process at the Probolinggo Regency?
2. How much public participation is there in Village budgeting, Sub-District budgeting, and Regency budgeting in the Probolinggo Regency?

The subjects chosen were government officials and community figures who were directly involved and had experiences in participative budgeting processes. In presenting the findings arbitrary initials, not real names are used. The data was collected for one year from January to December in 2010, from participation observations, in-depth interviews and documentation.

Research Results

From observation and direct involvement in the local development planning forum for the whole of 2010 and from the results of in-depth interviews with informants, this study shows that the public involvement in the budgeting processes in Probolinggo Regency follows the *participative budgeting (musrenbang)* mechanism as stipulated in the 2004 laws no 25 and the 2008 local regulation no. 13 on transparency and participation in development planning. Various stages of participative budgeting, from Village-level, Sub-District-level, Sectoral Forum-level, and Regency-level proceeded formally and followed the 'form' that was expected in the regulations, but not the 'intent' of the regulations. In other words, it is demonstrated in the paper that 'participation' in local government budgeting was seen as a mere formality, i.e. done as part of a required 'ceremony' to fulfil certain local government obligations. The budget process was mostly ceremonial because only certain members of the public had access to the required information about the purpose of the program, i.e. there was low socialisation by the wider stakeholders. The public involvement was observed to be merely quasi-participation, and not real involvement. In this paper we refer to this type of participatory budgeting as *ceremonial budgeting*.

In the paper it is also demonstrated that such participation for formalities sake is not effective, namely because: (1) participation is still dominated by certain elites, (2) participation is mobilised by certain interest groups, and (3) participation is packaged as entertainment. The following interviews capture the essence of public participation in each budgeting (*musrenbang*) stage.

Village-level Participatory Budgeting (Musrenbangdes)

Musrenbangdes is an annual deliberation forum of stakeholders in order to plan village development for the year. Details of how to conduct the village-level *participative budgeting (termed Musrenbangdes)* came in a letter from the Probolinggo regent, giving all the procedures to be followed by those involved. The objectives of a *Musrenbangdes* are as follows: (a) to rank in order of importance the proposals made by the village, (b) to determine priorities for village activities funded by the local budget, and (c) to determine priorities for village activities that will be proposed and discussed in the higher level sub-district participative budgeting. As in other villages, local regulation no. 13 made the budgeting process in the area of Probolinggo Regency become more participative as evidenced by a large amount of people attending the *Musrenbangdes* from each village. The Head of the Planning Development Body (an agency for the Local Development Council) of Probolinggo Regency said this:

*"The process of making the Local Budget in Probolinggo Regency became relatively participative after the 2008 Local Regulation no. 13 on Transparency and Participation in the Development Planning was issued. The public participated in the development planning by attending village musrenbang. I hope that by attending the musrenbang, they will ensure that any development in their area will be more beneficial and will improve their prosperity, although there are many hindrances to implementing such musrenbang"*³(T, 22 March 2010)

³ An interview with the head of Bappeda, March 22, 2010, after holding the SKPD forum in Economic Field in the room of Bappeda, Probolinggo Regency.

The success or failure of a proposal which results from public participation is really dependent upon the process of shepherding it from the Village to the Sub-District and to The Regency-Level participative budgeting processes. In the field, it was observed that the mechanism of participative budgeting as a way for the people to take control of the local budget still faces various hindrances.

However, as it was required by regulation, it was also observed that, despite large numbers turning up for the *Musrenbangdes*, the participative budgeting process undertaken was done merely as a formality. Not much feedback was obtained from the villagers, most of who appeared to turn up merely because it was seen as a 'social outing'. This was participation is packaged as entertainment, or vice-versa. This observation is supported by the statements made by a Development Facilitator in the Probolinggo Regency as follows:

*"There were some villages in Probolinggo Regency that did not implement the musrenbang process as stipulated in the regulations. They said that because no money came from the government, such processes are merely a formality. In fact, the programs proposed to be funded are mostly not realised"*⁴ (S, March 23, 2010)

The problem that such village-level participative budgeting forums (*musrenbang*) are conducted merely as a formality not only happens in Java, but also out of Java, as suggested in Razak (2011) and Ridwan (2012). Razak (2011) stated that people felt that they were there merely as observers, not participants. The discussion was still controlled by administrators, lawyers, and special interest groups. The *musrenbang* forum merely serves as "magnet" (i.e. to draw the crowd) and a symbol of the importance of participation; but with no real power given to the participants themselves. This is "quasi-public participation", which gives more emphasis to the procedure of counting heads, rather than actual participation. The recorded large numbers gives the appearance of

⁴ From an interview with one of the Development Facilitators on March 23, 2010. The Development Facilitators are appointed by the Government to guide the development processes from the planning, implementation and evaluation processes on the basis of the Local Regulation No. 13.

involvement; but in reality it is a deception which is done as a mere formality or for ceremony's sake, since those involved in the activity did not know the essence of how to plan using inputs via participative budgeting. Similarly, Ridwan (2012) states that village-level participative budgeting in another Regency of Indonesia, was also merely an annual routine activity. The people there just sat as listeners, without knowing what was expected of them and what their rights were.

Sub-District-level Participatory Budgeting (Musrenbangcam)

Sub-district-level *participative budgeting* (termed *Musrenbangcam*) is a forum of stakeholders at a sub-district level intended to get inputs of activities from villages and to agree on activities that take priority in the working plan of local government for the coming year. The objectives of a *Musrenbangcam* are as follows: (a) discussing and agreeing on the results of the participative budgeting that will be given priorities in the development activities in the sub district. (b) discussing and determining priorities of development activities at the sub-district level that have not been accommodated as village development priorities, and (c) classifying priorities of sub-district development activities according to the functions of the Regency unit of the local government.

The participative budgeting forum in the Sukapura sub-district (within the Probolinggo Regency) in the 2011 budget year was undertaken in February 2010. It was observed that almost all of the requisites in *musrenbangcam* were met except the priorities of local development activities for the coming years. The membership of the team undertaking the implementation of *musrenbangcam* was dominated by the sub-district political party. The role of the people was again just as observers. The results of interviews with the subdistrict party suggested that such a role was intended to facilitate co-ordination so that it would save time and cost. This condition makes it impossible to use the *musrenbangcam* as a learning process for the people to improve their knowledge and to exercise their power.

Based on the schedule and agenda, the *musrenbangcam* should have been held over two days. The first day was for ceremonial-

type programs and for proposing the requirements from each village and the activities involved. The second day was to focus on discussing the priorities of programs and activities in line with field groups; namely facilities and infrastructures, social and cultural fields, and economic issues. However, the *musrenbangcam* was just held for a day, supposedly requested by the participants (mainly from the government party) themselves. It was stated by some of the organisers as follows:

*“This subdistrict Musrenbang should be held for two days as the schedule, but in fact, the participants asked that the musrenbang be held in one day for effectiveness and efficiency. As the organisers of the sub-district level, we just do what they want.....”*⁵ (S, February 22, 2010)

In my opinion, it doesn't matter if the implementation of the musrenbang was held for one day instead of two days as long as the outputs are good and the duties are complete. But there should be an agreement between the participants and the organiser. (A, February 22, 2010).

Different from what is expressed by the participations from the government party, one of the *musrenbangcam* facilitators and one of the representatives of the people said that the process of planning was done in a hurry and that this may result in less precise planning, although they admitted that there is no guarantee that if such planning was over a longer time it will produce better outcomes. The following are views from a facilitator and a representative:

“As a facilitator, I object if the Musrenbang is done for one day, instead of two days, for the sake of effectiveness and efficiency. If such planning is made in a short time and in a hurry, it must produce results of lesser quality.....” (GS, February 22, 2010)⁶

⁵ An interview with one of sub-district staff that became the committee of the *Musrenbangcam* held on February 22, 2010.

⁶ For the implementation of the 2008 Local Regulation no. 13 on Transparency and Public Participation in Development, the Regency Government chose people who become facilitators for guiding the development.

“As representative from women figure, I do not have any objection if the Musrenbang would be held just for one day, as long as the outputs are good. But I am uncertain about the quality of the planning that is made in such a short time, since the discussions must be short, besides, our understanding of the matters, as lay persons, is still low....” (S, February 22, 2010).

Based on the researcher's own observations during the process of *musrenbangcam* and also based on the results of interviews with various participants, it was observed that the sub-district participative budgeting was once again merely a formality; intended to give the appearance of proper development planning. In other areas in Indonesia such as Bima, Dompu (NTB) and Sawah Lunto (Sumbar) regencies, such *musrenbangs* are held for five consecutive days, so that there is time for informal discussions among participants and for lobbying with officials at Sub-District level. However, as these were not observed in this study, it cannot be ascertained if the longer-form of *musrenbang* results in more genuine participation, or not. This is an area for further research.

Participatory Budgeting in Sectoral Forums

A *Sectoral Forum* integrates various development actors and the planning and budgeting processes. This forum discusses priorities of development activities produced from the results of sub-district participative budgeting, combined with the unit of local government input, in order to make the unit of local government working plan. A sectoral forum is intended to: (a) synchronize development priorities that will be included in the unit of local government work plan, (b) determine activity priorities that will be included in the unit of local government work plan, (c) adjust priorities of the unit of local government work plan to the unit of local government fund and (d) identify effectiveness of various regulations in terms of the unit of local government functions to support the realisation of the unit of local government work plan.

The sectoral forum is expected to integrate the development priorities at the provincial and national levels. Inputs from the Regency government have also to be incorporated, especially information regarding the previous

year's unit of local government strategic plans and unit of local government work plan that were not implemented. These have to be incorporated in the new plans, resulting in much repetition of programs each year. In the sectoral forum, public involvement is usually very limited since there are no formal delegate-invitations issued to the community. The participants at this level are usually dominated by government officials and other bureaucrats. Their responsibilities are heavy since they had to compile a list of activities for the whole subdistrict; and from this list submit proposals for the sub-district work plans. Moreover, they have to estimate the cost of each proposal. This needs significant time to realise and also requires an adequate capability of carrying out the tasks involved. Most of such individuals are not versed in the basics of managerial accounting and budgeting, and thus the costing of such proposals is often erroneous.

In the sectoral forum observed, it seems that there was asymmetric information about development and budgeting priorities due to the asynchronous scheduling of each planning proposal. The final document emerging from the sectoral forum was distributed to sub-district representatives. However, the village delegates did not get copies of this document; so that proposals of programs could not be confirmed. In addition, the public representation was observed to be very limited in the sectoral forum, and none of the representatives made any independent proposals. From the observations, it could be seen that if there were any proposals, they were guided by the by government officials themselves. Therefore, whilst there was the perception of participation, real participation was not observed. Again, 'form' dominated 'substance', with the participation being done as part of a required 'ceremony' that must be carried out to satisfy the legislation. As such the budget that emerged was a 'ceremonial budget'.

Regency- level Participatory Budgeting (Musrenbangkab)

In theory, the *Musrenbangkab* is very strategic in the process of local planning and budgeting. Its function is to improve consistency and synchronization between the development actors with regards to the various planning documents. Viewed from a budgeting

perspective, it serves to obtain agreements from the development actors regarding development commitments and costs. This participative budgeting forums (*termed Musrenbangkab at the Regency level*) is to perfect the unit of local Government work plan that resulted from the sectoral forum. The objectives of implementing the *musrenbangkab* are (a) to obtain detailed inputs to improve the work plan of local government that determines the priorities of development and to obtain the sources of funds (b) to get a detailed preliminary program of the work plan for the unit of local government, and (c) to have a detailed preliminary program of the outline of the regulations according of the unit of local government related to development.

The 2011 participative budgeting in Probolinggo Regency was held on March 25, 2010, with the theme "*Improving the availability of foods for people supported by improving productions of agriculture/ plantation, animal husbandry and fishery results and reinforcing the real sector, investment and local infrastructure*". The theme for the agricultural sector is a part of the effort by the Central Government to strengthen foods tenacity supported by improvements in the agricultural field.

The implementation of *musrenbangkab* is under the responsibility of the Regional Planning Agency. Here, the organising team is made on the basis of the Regent's letter, and is dominated by bureaucrats. Public involvement in holding such a Regency-level *musrenbang* is limited through a delegate system. The followings are quotations of interviews with participants from the Regional Planning Agency and from the people who attended the Probolinggo *musrenbangkab*.

"Musrenbangkab is the last planning mechanism where the people are still be able to be involved; although in reality they are are merely represented by some special-interest groups and NGOs with their own agendas. After the Musrenbangkab finishes, the next step is to make a hearing with the executive and legislative representatives, but here the people involvement is stopped. In this stage, programs the people have proposed are not guided anymore, so that it is very possible that the people proposals are ignored, since in this

stage, a political process tends to dominate” (M, March 25, 2010)⁷

“I agree that the mechanism of musrenbang as a form of the realisation of public participation in the process of making a Local Budget formally exists since there is a regulation governing it. It is in its implementation that some weaknesses exist, especially those dealing with the officials who are involved in the musrenbang process...” (I, March 25 2010)

“The mechanism of public participation in the process of making a budget has been stated in the regulations. Although it is merely a formality, as it seems, it is not my business. I think that almost all Cities/Regencies face the same hindrance. In order to minimise any deviations, we, from Bappeda, always do monitoring and evaluation to local government and to the people...” (A, March 25, 2010)

Based on the results of interviews, it can be concluded that the mechanism of participative budgeting as the last stage in the development planning process has been implemented by the Regional Planning Agency according to the ‘letter-of-the-law’ of prevailing regulations. Note that, besides the participative budgeting mechanism, there is a *Public Aspiration Network* (called *Jaring Asmara*, or *Jasmas*) set up by the Local Parliament; which is intended to dig out public aspiration and needs, and hopefully reduce any negative images of the lack of public participation in the budgetary planning process or that participative budgeting is merely a formality. The quote below pertains to this.

“We, from the Parliament members, really hope that the people are actively proposing programs through their *Jaring Asmara*. We have a *Jasmas* fund for the people. Hopefully, the people may really enjoy benefits from what we give ... so that the level of public participation will improve. The higher the public participation, the better it will be ... it means that the level of good governance is high” (W, March 25, 2010)⁸

⁷ A member of Local parliament from PKS the fraction

⁸ A member of Local parliament from Golkar political party the fraction

Although there are still some weaknesses in the participative budgeting process, it cannot be denied that the 2008 Local Regulation No 13 on Transparency and Participation in Development Planning has improved the public participation level. Such participation was non-existent before. Considering Arstain (1971)’s participation theory, this legislation has increased participation from level one (no participation) to level two (symbolic participation). Meanwhile according to Moynihan (2003)’s participation theory, formal participation in such ‘ceremonial budgeting’ is known as partial participation with a broad representativeness. But according to Vaneklaesn and Miller (2002)’s participation theory, participation tending to be formal is included into the fifth type, namely functional participation, meaning that people participate since there is a request from an external organisation in order to fulfil an objective, including a request from a law.

Conclusions and Limitations

Based on the results of observations in the field, and the above discussion, it may be concluded that the implementation of participative budgeting in Probolinggo regency, East Java, Indonesia, was ‘formally’ conducted according to the mechanism as regulated in the 200 Law No 25 and 2008 Local Regulation No. 13 on Transparency and Participation in Development Planning in Probolinggo Regency. Through various stages, from Village, Subdistrict, Sectoral Forum, and Regency, participative budgeting was undertaken in the ‘form’ required, although the ‘substance was akin to *ceremonial budgeting*. If it is related to meaning and nature of participation, the real existing mechanism of participation was observed to be merely a formality. One could even say that such a ‘show’ of public participation is deceitful, and does not follow due process. The reasons why it can be concluded that such participation is deceitful and ineffective is: (1) the participation is still dominated by certain elites; (2) the participation is mobilised by certain interest groups; and (3) the participation is still packaged in a ceremonial entertainment program.

At the Village-level and Sub-District level, there were large numbers from the respective communities attending (as against

participating), but from the Sectoral Forum level, representation from community (even in terms of attendance) was minimal, so that there were limited recognition of the people's proposals made by lower-level *Musrenbangdes* and *Musrenbangcam* participation forums. The last budgeting planning mechanism is *musrenbangkab* that was undertaken by the Regional Planning Agency, and was according to the prevailing regulations. However, despite having participative budgeting mechanism covered by legislation; and the additional mechanism of a *Public Aspiration Network (Jaring Asmare)* set up by the Local Parliament to dig out public aspirations and needs; it was observed that the budgeting planning process of participative budgeting was carried out merely as a *formality*. Despite this, however, it cannot be denied that the 2008 Local Regulation no 14 on Transparency and Participation in Development Planning has improved the level of public participation from no participation (manipulation) symbolic participation (attendance). Perhaps, this is a necessary first step in the ladder towards 'full participation'.

There are some limitations in this research. Since the researcher was directly involved in the process from *musrenbangdes* to *musrenbangkab*, there could be subjectivity in the conclusions arrived at. The qualitative research methods of phenomenology approach itself have documented weaknesses in terms of generalisability of the findings.

There are some practical outcomes that results of this research: (1) for the Government of the Probolinggo Regency, it is expected that this research will improve socialisation and the quality of participative budgeting ; (2) for the people in Probolinggo, it is expected that they will proactively be involved themselves in the process of planning, implementation, and development accountability in their Regency: (3) for the Members of the Local Parliament, it may improve the *Public Aspiration Network (Jaring Asmare)* of the people, in order to improve the supervisory function of the development programs funded by the Probolinggo Regency.

Finally, further research can be done to investigate the incorporation and value of local wisdom in other areas that require local participation such as environmental audits and social audits. In many cases, these are also

covered by legislation and require input from affected stakeholders. It will be of value to determine if participation in these audits is also mostly 'ceremonial', and if so, what actions can be taken to prevent this.

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