

Is There Civic Groups Participation in Budget Planning? A Study Budget Planning in Malang City, Indonesia

SALAHUDIN

Universitas Muhammadiyah Malang, Indonesia.

Email: salahudin@umm.ac.id

JAINURI

Universitas Muhammadiyah Malang, Indonesia.

ACHMAD NURMANDI

Universitas Muhammadiyah Yogyakarta.

Email: nurmandi_achmad@umy.ac.id

ABSTRACT

This article aims to explore the relationship between local government and civic groups in the budget planning of the local government of Malang in Indonesia. A qualitative method are applied in this study. The findings indicate that; firstly, there is a relationship between local government and civic groups showing that the principles of democracy (equality, participation, and justice) remain insufficient in the budget planning. Secondly, the local government has dominated civic groups in the process of approval of the budget planning. These findings contribute to developing budget planning in Malang to find a way to establish democratic budget policy and to establish budget policy regarding public needs and preferences. Therefore, the local government should realize that public participation is a way to achieve democratic budget policy. On the other side, civic groups may need to build civic awareness and a willingness to participate in the budget policy, through civic education.

KEYWORDS: Local Government, Civic Group, Budget Planning, Democratic Principles.

ABSTRAK

Penelitian ini bertujuan untuk mengeksplorasi hubungan Antara pemerintah daerah dan kelompok masyarakat dalam perencanaan anggaran pemerintah daerah Malang, Indonesia. Metode kualitatif diterapkan dalam penelitian ini. Temuan pada penelitian ini menunjukkan bahwa; Pertama, ada hubungan Antara pemerintah daerah dan kelompok masyarakat yang menunjukkan bahwa prinsip demokrasi (Kesetaraan, partisipasi dan keadilan) tetap tidak mencukupi dalam perencanaan anggaran. Kedua, pemerintah daerah telah mendominasi kelompok masyarakat dalam proses persetujuan perencanaan anggaran. Temuan ini berkontribusi dalam mengembangkan perencanaan anggaran di Malang untuk menemukan cara untuk menetapkan kebijakan anggaran yang demokratis dan

menetapkan kebijakan anggaran mengenai kebutuhan dan preferensi masyarakat. Oleh karena itu, pemerintah daerah harus menyadari bahwa partisipasi masyarakat adalah cara untuk mencapai kebijakan anggaran yang demokratis. Di sisi lain, kelompok masyarakat mungkin perlu membangun kesadaran kewarganegaraan dan kemauan untuk berpartisipasi dalam kebijakan anggaran, melalui pendidikan kewarganegaraan.

KATA KUNCI: Pemerintah Daerah, Kelompok Kewarganegaraan, Perencanaan Anggaran, Prinsip Demokratis.

INTRODUCTION

Since 1998, the Indonesian government has adjusted several regulations from the rules based on authoritarian system towards the rules based on the democratic system, including at the local government, such as the budget planning. However, the system has not successfully been implemented. The local government has not succeeded in implementing democratic principles such as participation, justice, and equality principles in the budget planning ([King 2000](#); [Souza 2001](#); [Jainuri 2014](#)).

In addition, the civic groups do not participate actively in the process of preparation (budget planning) of the budgetary policy. This shows that there is the unawareness of socialization under the supervision of the city government and the parliament whilst the mechanism of development plan meeting is just for ceremonial. At the same time, there is a low level of the awareness of the residents. In particular, the levels of participation of the lower and middle income levels remain relatively small. The civic group has been undermined by the local government. The local government through the executive (regional head and the administration officials) and legislative members (parliament) fully control and direct the major substance of budgetary policy ([Alfred and Franklin 2009](#); [Bryer 2014](#); [Davenport and Skandera 2000](#); [He 2011](#); [Jainuri 2014](#); [King 2000](#); [Souza 2001](#)).

One crucial issues in budget planning is civic group participation. This may indicate that the relationship between the local government and civic group is related to create various problems in the preparation of the budgetary policy (budget planning). The relationship between local government and civic

groups in formulating the budgetary policy belongs to political activity. This means that the connections between local government and civic groups cannot be separated from the democratic political system. Regards with this argument, Davenport and [Skandera \(2000\)](#) describes that the democratic system provides particular room for relevant stakeholders to dialogue, discuss, and even debate to maintain their own political interests, in which the dynamic politics should occur in the democratic political system. The democratic political system requires the active role of the local government as well as civic groups in carrying out their respective functions in shaping and determining public policy including budgetary policy. Additionally, the active role and participation society in political process are to minimize the frictions of politics. [Huntington \(1999\)](#) believes that through the public participation, the problems of society life can be solved. In addition, the society would gain a greater level of knowledge to develop a sense of social responsibility, and reach a new perspective beyond the boundaries of personal life. In line with Huntington, [Lock \(1998\)](#) suggests that democratic politics may provide a maximum opportunity for relations among the stakeholders (local government and civic group) in public policy process. The relevant stakeholders may interact and engage in public spaces to maintain their political arguments.

However, unfortunately the laws have not been implemented yet. Based on the previous studies, there were limited public engagement in budget planning ([Salahudin 2009](#); [Wijaya 2008](#); [Widowati 2009](#); [FITRA 2011](#); [Wahyudi and Sopanah 2009](#); [Jainuri 2014](#)). The relationship between local government and civic groups in budget planning at the local level in Indonesia does not reflect democratic values. This is due to the lack of socialization on the part of city governments and parliament, so the mechanism at development planning meetings is just ceremonial and low awareness of the people; especially, middle and lower income groups. Civic groups' access to participate actively is also undermined by local government. Local government from

the executive (regional head and the administration officials) through to the legislative members (parliament) fully control and direct the major substance of budgetary policy. Consequently, budget policy does not incorporate citizen's needs. Therefore, this research aims to study the relationship between local government and civic group in budget planning in Malang city, and to describe the civic group impact of the relationship with the local government on a regional budget policy.

INTERNATIONAL PRACTICE OF BUDGET PLANNING PARTICIPATION

There are many previous research on participatory budget planning in different countries. One study did in Los Angeles city and Bukgu city South Korea found that there is limited citizen participation budget planning process due to officials lacked knowledge about citizen preferences; citizens lacked mechanisms for monitoring their agents and holding them accountable through citizen participation in the budget process ([Kim, S., & Schachter, H. L. 2013](#)). Similar findings raised by some scholars that PB needs mostly the connection between communication and empowerment, particularly in handling with the resistance from bureaucrats or the powerful persons ([Baiocchi, G. & Ganuza, E. 2014](#)). There is substantial evidence in the literature that participatory budgeting needs not only financial resources (to back the investment projects) but also, and crucially, political commitment from the local governments ([Avritzer 2010](#)). Indeed, the political factor is pivotal factor affecting the citizen participation in budget planning whenever the politicians think that budget transparency is politically benefit for them. [Caamano, et al \(2013\)](#) confirmed that the negative relationship between coalitions and transparency or governments officials prefer to to enhance transparency when inheriting a heavy fiscal burden (high debt) and enacting sound spending policies (low deficit).

Meanwhile, [Franklin, Ho, and Abdon \(2009\)](#) in results of their research showed that society participation by government

procedures such as survey and public hearing is less effectiveness. They call the government system making society difficult to engage in public policy process. According to them, the participatory mechanism under the law of government is less valued and less likely to include representative input. If government administrators occasional input from citizens who up at public hearing, they may fail to obtain a balanced and comprehensive on budget priorities. King, Feltey, and Sulsel (1998) also stated similar findings that the government officials have less willingness to engage people to budget planning process. They said that although there is theoretical and practical recognition that public must be more involved in public decisions, many elected officials are ambivalent about the public participation in budget planning. Consequently, society participation in budget planning occurred less satisfaction (Brautigam 2004).

The lack of public participation also occurs in Indonesian budget planning due to the people did not understand the participatory procedures (Widianingsih and Morrel 2007). Another issue is that domination of local elites still occurred in budget planning and a list of new projects has been made before. In many regions, political transformation and the new wave of democratization have not made any significant change to development planning. [Dixon and Hakim \(2009\)](#) discussed deeply on the challenge of linking planning and budgeting at the local level in Indonesia. As the other scholars elaborated above, by their research, they showed that the budget planning at the local level has problem particularly in society engagement. Local society was less knowledge how to involve in budget planning. It is caused by the local government that less care to the society involvement. In sum, there are many limitations on the participatory budgeting. In which case, [Reddick and Norris \(2011\)](#) said that the budget participation is a political necessity that government officials need to involve the public more in budgetary decision-making given the new normal fiscal environment. The most important thing in budget planning is that government should build a good

communication with citizen effectively. However, It may give the public a false sense of political empowerment, but when the public eventually realizes that their input does not lead to more effective policymaking and good public services, the democratic process will be discredited and public trust in governmental institutions will eventually decline, as experienced in many developed countries. Therefore, the participatory budgeting needs a good communication of government officials in undersatanding local society how to participate in budget planning. It means that the local government officials should have a great capacity in all stages of the budget process.

[Ho, A. T. K. \(2013\)](#) suggest that new thinking on participatory budgeting integrates not only budgetary decision-making and citizen participation, but also performance measurement, performance management, performance reporting, and public communication. In line with [Ho, A.T.K \(2013\)](#), [Hong, S. \(2015\)](#) in his study on the correlation between inclusiveness and increasing citizen participation in the budget planning revealed that inclusiveness has a positive, not negative, association with the level of efficiency of participatory processes merits attention. It implies that increasing the number of citizens participating in policy making may encourage “the wisdom of crowds.” This challenges the notion that expanding participation will necessarily undermine efficiency by making it increasingly difficult to maintain a high average level of knowledge and expertise on policy issues among a growing number of citizens participating in the deliberations.

[Jainuri \(2014\)](#) revealed that local government’s domination in arranging budget and expenditure policy (*APBD*) was resilient. The findings conducted in a local government in Indonesia endorsed that the aspirations of the people supported by civic groups not fully contributed as a part of the policy design. Neither residents are invited to participate in the determining of budget policy documents nor are the civic groups considered as partners. In addition, [Souza \(2001\)](#) distinguished that budget

planning was dominated by the local government. The local government applies a bureaucratic system during the budget planning. The system does not provide an opportunity for civic groups to take part in budget planning. In addition, research investigated in a local government in China by [Souza and King \(2001\)](#), they explain that the budget process is based on a political paradigm in which the involvement of politicians, such as political parties and parliament, is a part of civic group participation. This means that civic groups in the budget process are represented by politicians.

In addition, [Souza and King \(2001\)](#) reveal that the relationship between local government and citizens is dominated by the role of government officials. They arrange the budget based on legal procedures. Commonly, the procedures are designed to map the bureaucratic budget. In this context, civic groups have limited time to be involved in the budget process. Therefore, the budget policy may be seen as taking the side of the administrators of public affairs. As highlighted by [Alfred and Franklin \(2009\)](#), budget planning is underlined by the actions of administration officials. This causes a disproportionate distribution in favor of government over social affairs when it comes to budget policy. The findings of this study indicate that civic groups have the least power in the budget planning. On the other hand, the local government has a strong power in arranging the budget policy. Consequently, the local government made budget policy based on interests of politician and bureaucrat. Civic groups have built collective action and awareness through the political namely, education, seminar, publication, and workshop. They hope that the efforts can be made civic groups participate in the budget planning actively.

METHOD AND DATA COLLECTION

The qualitative methodology has been applied in this study concerning the issues of dynamic political process in budget planning. It means that actors who involve in budget process having

difference perspective and interest on the budget planning. Therefore, to understand the dynamic political process of budget planning, we should be taking part in the field as principles of qualitative method. [Flick \(2014, 17\)](#) noted, “Qualitative research takes into account that view points and practices in the field are different because of different subjective perspectives and social backgrounds related to them.” In line with this argument, we explored the objectives of this study by understanding the background of actors such as elected officials and social activists related to this research. In this case, we have taken place into part of the field during this research. We cannot be doing it in isolate space as quantitative method.

We observed the all stages of budget planning process such as public hearing process (*Musrenbang*), elected official meeting, and discussion between government officials and members of legislature on approval budget to be legislation on budget policy. By the observation, we got and understood the issues of this study. We interviewed a member of legislature, three government administrators, and forth social activists of civic groups. On other sides, we also used the documents regarding with this research such as laws of local government on budget planning, local government, civic group participation, and so on. By the procedures analysis, researchers revealed that there is relationship between local government and civic groups in budget planning.

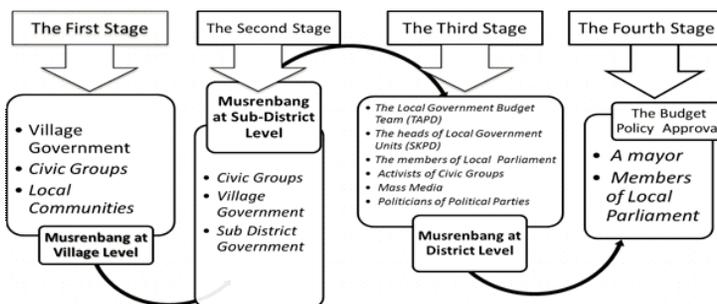


FIGURE 1. THE BUDGET PLANNING PROCESS AT LOCAL LEVEL IN INDONESIA

RESULTS

As stated in several laws of the Indonesian government, to understand the relationship between local government and civic groups in budget planning at the local level can be accomplished by understanding and addressing the different stages of the budget processes as expressed in the existing legislation. In line with the Regulation of the Minister of Domestic Affairs No. 13/2006, about guidelines for the preparation of the local budget, the mechanism for devising local budget policy starts with the formal 'Discussion on Development Plan' (*Musrenbang*) at Village level on January up to February, *Musrenbang* process at sub district level on March up to May, *Musrenbang* process at District Level on June up to August, Ceiling setting stage of annual budget (Plafon Prioritas Anggaran Sementara-PPAS) and Policy stage of annual budget preparation process, and leads to the approval of the local budget in the form of a 'Local Regulation' (*Perda*) on August up to December. This mechanism can be described as a chart follows.

PUBLIC DELIBERATION (MUSRENBANG) PROCESS AND THE POLITICAL INTERESTS OF ELITES AT THE LOCAL LEVEL

Under government law of Indonesia No. 13/2006, the purpose of *Musrenbang* process is to formulate development programs based on the aspirations and needs of the community, the integration of cross sector of development programs and among SKPDs, and realizing the pro-people budget. However, based on the interview result from the recourse persons, those objectives cannot be achieved well due to the power of the politicians and bureaucrats who have a low level of willingness in determining the direction of development in Malang. A member of local parliament elaborated, "The *Musrenbang* is often ineffective. The results of *Musrenbang* are disconnected, because of many invisible interests of the elite and the effect on the circle of power. Consequently, the Mayor fully understands it and follows the

politics climate (Interview, March 2, 2016).”

Legislator’s statement above shows that *Musrenbang* is ineffective due to the behavior and attitude of pragmatic political elite and status quo of the regional head (the mayor of Malang). The mayor of Malang reduced society groups deemed willing to strike his performance and leadership down by providing a budget to pragmatic groups or individuals of politicians and to government officials in Malang. Furthermore, a member of local parliament said, “Mayor of Malang is very influential. He is able to control the executive, judicial, and legislative branches. Three institutions have been established by the Mayor to follow and obey orders well (Interview, March 2, 2016).”

Indeed, based on the explanation of a key informants above, the political power of local elites (the Mayor of Malang) is very influential in creating pseudo-democracy space included in *Musrenbang* process. Overall, the local elite leadership behavior as stated above greatly affects the dynamics of *Musrenbang* process.

In addition, politician and bureaucrat elites at village level, sub-district, and even the neighborhood level have implemented *Musrenbang* without the real meaning of democracy as explained by [Thompson \(2010\)](#), namely, social justice, participation, and transparency governance. An activist of Learning Community Forum (FMPP) Malang revealed, “People have never been involved in *Musrenbang* process. Local government already involved the community leaders but it is just a normative comment (Interview, March 10, 2016).”

Moreover, politician and bureaucrat elites at the level of sub-districts and villages do not require people to be involved in *Musrenbang* process. It is caused by elite behaviors that have not been democratic sense. It is also influenced by the lack of public understanding on the meaning of *Musrenbang* process. In this case, an activist said, “The public is not understanding about goals of *Musrenbang* process. Society does not know *Musrenbang* processes (Interview, March 10, 2016).”

Most people did not understand how to involve in the budget planning. It is influenced by the lack of elected and pointed official willingness to build the society capacities to taking part of the budget process. On the other hand, the administrators address that the budget policy process should be run without citizen participation. However, the local government officials made report of the implemented budget planning that is based on the democratic values. It means that the democratic principles are only showed in the paper policy, not in the real implemented democratic system.

On the other sides, the active role of the elite at Community Empowerment Organization at village level (LPMK) is highly expected as a companion and the voice of the community. However, they build collusive the relationship between the formal structure of village and sub-district government. An observer lamented, “LPMK is one of civic group organization. People hope that the LPMK can involve actively in the *musrenbang* process. In fact that they just build the collusive relationship with the elected government officials. This is due to their interests to get benefit from the budget policy (Interview, March 10, 2016).”

In addition, the game of power and authority of the communities of the lower level colors the process of designing development programs (budget planning). The collusive manner of bureaucratic structures at lower levels is increasingly visible during the implementation and management of the program. They support each other in the bad management yet beneficial for them to multiply the income of each. Every effort is made including claiming the results of governmental programs and making false statements. A head of a group of houses in the same neighborhood (RT) in Merjosari Lowok Waru explained, “The village development program is only used and enjoyed by the village officials such as LPMK staffs, village government staffs, and other figures that come into play. They cooperate to corrupt the budget. This happens everywhere (Interview, March 15, 2016).”

This collusive manner is so strong that it makes development

programs lose the direction and brings no positive meaning for the people. Development programs are only used as a way for those in power to “steal money” from the country. The politician and bureaucrat elites are not responsible for that programs and the programs often do not correspond to the needs of the community. In addition, A leader of society community told, “We do not know anything, as we are not invited. Some development program depends on the closeness, family, friends, acquaintances; you know collusion among them. If you do not have it, then you will find hard times (Interview, March 15, 2016).”

Based on the explanation of Wahyudi above, it shows that the musrenbang process has been manipulated by local government officials and some politicians. As well, they have pressured the society to receive their programs. One of example is in Merjosari Village as part of the Sub-District Lowok Waru of Malang, there is the development program not needed by the local community; it is the development of Landfill Wastewater. According to people around the village, the development of Landfill Wastewater was not very important because the villagers still have an area for sewage. However, because of the interests of the elite including the Head of the neighborhood and village official interests, construction of pall keeps running despite opposition from local residents. Furthermore, a leader of local community told, “There is a program in our area but not required by our citizens that is building a Landfill Wastewater. We do not need Pall because our housing is still very wide (Interview, March 20, 2016).”

The key informant’s explanation above shows that the relationship between government officials and society communities in arranging the local programs is not showing the good relationship as the democratic principles and as the collaborative governance principles ([Davenport 2000](#); [Emerson 2011](#); [Thomson 2010](#)). In addition, a leader of local community told revealed, “Residents living around the construction of The Landfill Wastewater want to build *Musholla*, a place of worship for the

Muslim as a place of worship. Therefore, the plan of residents cannot be realized because of the construction site for *Mushollah* that was for The Landfill Wastewater building (Interview, March 20, 2016).”

The program as explained a key informant above is not proposed by the community (not in accordance with the needs of the community) and it has not been resisted the sustainability of regional development. It creates new problems in regional development. The collusive manner at the bottom level structure including neighborhood heads makes every development effort to gain personal advantage.

In line with the explanation of several informants of the research, it shows that the relationship between the citizens and the government officials in *Musrenbang* process (budget planning) is described in the following chart.

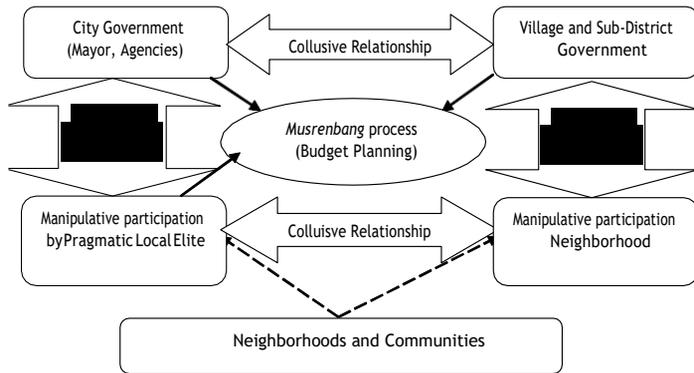


FIGURE 2. THE RELATIONSHIP BETWEEN THE CITIZENS AND THE GOVERNMENT OFFICIALS IN THE *MUSRENBANG* PROCESS.

In short, the relationship among stakeholders above shows that *Musrenbang* process is not implemented according to the existing regulations. These problems are caused by: (1) the leadership behaviors of status quo by local elites, (2) the pragmatism of the local elites, and (3) the collusive manner among government structures. Nevertheless, the local government has arranged public policy according to the conventional participation that

society participation in public policy process is limited ([Baogang 2011](#); [Celina 2001](#); [King 2008](#)).

THE MANIPULATIVE PARTICIPATION IN MUSRENBANG PROCESS

The implemented *Musrenbang* has been gone too far away from the essence of democracy because the government restricts people to engage in it. According to the explanation of government Malang, almost the people are not involved in the implementation of *Musrenbang*. Communities invited to the *musrenbang* process at the village level is RW and LPMK staffs. Two elements of this society deemed to have represented the interests of whole communities. The aspiration of RW and LPMK staff is accommodated by the village government in sub-district level *Musrenbang* process. A secretary of Merjosari village government explained, “The interests of people were not fully accommodated by village government. The development programs were arranged region-based (Interview, June 1, 2016).”

The research informant’s statement above indicates that not all aspirations of society are articulated as an important part to be accommodated. Aspiration submitted should be based on the area or region not the interests of society as a group or class. A appointed official suggested, “The village government required RW and LPMK staffs to make the program details based on region that each of RW (The Same Neighborhood of Society) and LPMK staffs (Community Empowerment Organization at Village Level) has a list of each area to be related to the development document far more accurate with the Medium Term Development Plan (RPJMD) (Interview, June 1, 2016).”

Indeed, this is clear that the village government aims that LPMK and RW staffs make the program details per area as to bring stability in *Musrenbang* process. For the village government, the long debate among participants is an example of ineffective *Musrenbang* process. The village government needs to avoid a long debate among participants with the purpose to have the same

perceptions of the strategic programs in villages to be discussed further in *Musrenbang* sub-Districts level. The village government passed several representatives of village government to participate in *Musrenbang* at Sub-District level, and the representative should have the same understandings and perceptions of the village government.

The point of the village government is the same as the district government officials' perspective that every citizen is not involved in *Musrenbang*. A government official, an official, explained, "Of the elements of the community, we invite the media, universities, and MUI (an Islamic Organization under the Indonesian Government). members. The organizations such as Muhammadiyah (the oldest social organization in Indonesia) and NU (the largest social organization in Indonesia) are not invited because they are represented by MUI members (Interview, June 10, 2016)."

The perceptions of local government both at village level and at the district level as described above show the formation of manipulative participation in *Musrenbang* process. The communities involved in *Musrenbang* process are LPMK and RW members and they should have perceptions (interests) equal to the perceptions (interests) of the government. The community was designed by the government to have the same view in formulating policy and regional development program. Therefore, the development programs are not purely established on the aspiration of the people of Malang.

THE INTERESTS OF POLITICIANS AND BUREAUCRATS

Normatively, the budget policy draft (KUA, PPAS, budgets) should be based on RPKD (Local Government's Programs) compiled through *Musrenbang* process. In fact, RPKD was not used as the reference of budget policy arrangement in Malang city. An activist of Political Education and Anti-Corruption from Malang Corruption Watch (MCW) said, "*Musrenbang* is only considered complementary of the whole process of public budgeting. However, it was obvious that the public budget was right

for the people of Malang (Interview, June 20, 2016).”

The activist’s statement is supported by a politician of the local level who concurred, “The budget based on performance existing only on rules or books, in practice it is based on the interest of groups or individuals (Interview, June 25, 2016).” On the other side, according to the politician’s argument, the interest-based budget is a budget favoring the interest of the authorities, employers, and businesspersons. They have a great importance on the budget policy of their mutual interests.

A mayor of the local government has a collusive relationship with the businesspersons and politicians. Therefore, the mayor push the budget team (TAPD) to arrange the budget that is based on their interest. The mayor give budget to the businesspersons by some project programs. In this case, the mayor need a support of the politicians to arrange the budget and programs going to the businesspersons. Finally, the businesspersons got the budget and programs. Consequently, the businesspersons give lot of money to a mayor and politicians. In addition, an elected official said, “The mayor of Malang has a strong relationship with businesspersons. In addition, the Mayor of Malang has a strong relationship with third parties. Therefore, the policy formulation process was still far from democratic values as learnt by academics in colleges (Interview, June 25, 2016).”

Consistent with Mahfud, the policy process is part of the political process then it is not a problem that budgeting is influenced by political interests. Although the public is entitled within the legal regulations to be involved in policy making; structurally, the community does not have the political power so the policy is not on the same side of the people. A member of political party addressed, “In practice political interests often direct budget since the budget is part of politics, then interests take more place, the strong wins (Interview, June 25, 2016).”

The explanation above indicates that the relationship between Mayor, members of Parliament, and head of SKPD is based on political interests of them to win and get benefit from the bud-

get policy. The Parliament and SKPDs have a common interest that is to get a benefit from the budget policy. SKPDs want to get a budget then use the political power of Parliament to put pressure on the Local Government Budget Team (TAPD) Malang to direct budget based on the interest of SKPDs. A member of TAPD revealed, “The most crucial part of the process is the discussion of the priority program and budget (PPAS). PPAS is the point. It is all about whose interests. SKPDs know nothing and they finally got the budget as the Parliament do it (Interview, June 26, 2016).”

The political power defeats the existing legislation. Political power determines the format and structure of budgetary policies (APBD). In this context, the executive political power even defeats the political power of the parliament that is not only the political power of parliament but also through the Mayor, as a member of the local parliament explained, that the Mayor of Malang was a very influential man. A politician explained, “The Mayor is able to control the executive, judicial, and legislative branches. Three institutions have been set by the Mayor to follow and obey orders well (Interview, July 1, 2016).”

As well, a government official told, “We are faced with political interests of politicians and we usually follow political persons. This is difficult to arrange the budget for people (Interview, July 5, 2016).” Too, an activist explained, “If on a budget, both mayor and DPRD have an interest. The Mayor has interest and so does DPRD. The budget for DPRD is IDR 45 billion, in addition to the salary, the budget for the workshop and for a work visit. DPRD only consist of 45 people, but they need so much. The budget policy does not run according to the rules (Interview, July 5, 2016).”

Indeed, all the elaboration of the data above lead to the point that is the issue on the budget (APBD) policy which is not in accordance with the principles of the existing law (the principles of democracy), neither based on the needs of the community, nor based on performance of local government. Nevertheless, the budget policy leads to the needs and interests of a group of

political elites and bureaucrats of Malang, the Mayor, DPRD, SKPDs, as well as businesspersons due to they have the political power to push and to arrange the budget policy.

Consequently, civic groups in Malang have tried to establish communications with the local government and stakeholders as a form of efforts to bring the budget in favor of the interests of the community. A civic group activist says, “We are aware that our local budget is still far from the public interest. Therefore, we are trying to establish communication with the government through workshops, seminars, workshops, focus group discussions, and publication books. We are confident in ways like this. By the ways, the government will open up to civil society to develop a policy of a more equitable budget (Interview, July 5, 2016).” Although the civic groups have tried to build the relationship, the relationship has not been effective to push the local government to arrange and to make the budget policy based on the society needs and preferences. The civic groups can only communicate with the local government officials and politicians through the seminar, workshop, and publications. The ways have not been strong to push the local government officials and politicians. Therefore, the budget policy in Malang is still far from people needs. Precisely, the budget policy only pays attention to the political interests of government officials and politicians including businesspersons as described on Figure 3.

This finding is also related to the findings of existing research investigated by [King & Feltey \(1998\)](#). They reveal that most local government in democratic era do not have a clear mission to apply the authentic participation. Citizen participation is more symbolic than real.

The power that citizens yield is aimed at blocking or redirecting administrative efforts rather than working as partners to define the issues, establish the parameters, develop methods of investigation, and select techniques for addressing problems. Consequently, elected and pointed government officials cover and arrange the budget planning based on their perspective. In

addition, the collusive structure of the government and employers occurs in the policy development budget while civic groups have tried to build relationships with the government and people of Malang based on democratic values for a pro-people policy. The below figure describes the relationship between civil society and government Malang.

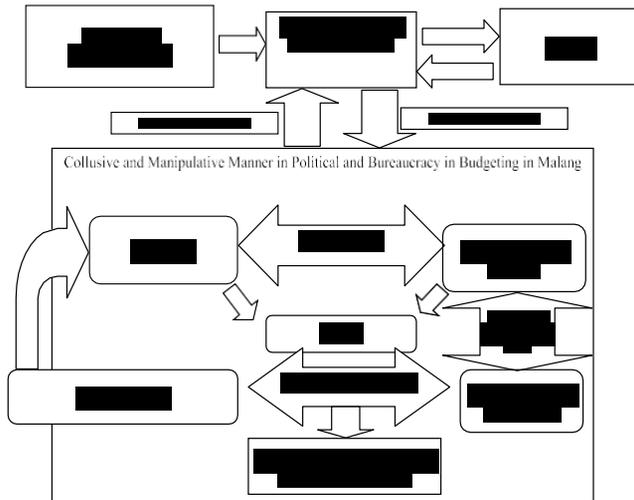


FIGURE 3. THE RELATIONSHIP BETWEEN CIVIC GROUPS, TAPD, THE MAYOR, DPRD, SKPD, BUSINESSPERSONS, CIVIC GROUPS, AND CITIZENS IN THE BUDGET PLANNING IN MALANG.

THE IMPACT OF THE RELATIONSHIP BETWEEN LOCAL GOVERNMENT AND CIVIC GROUP ON THE BUDGET POLICY

The relationship between local government and the civic group as discussed above directly determines the budget policy in Malang favoring the interests of the government officials and political elites. Most expenditure budget of budget policy supports to the local government official affairs and politician interests. Consequently, public affairs do not prioritize the budget policy as one of the most important issues. This implies that the distribution of expenditure budget of budget policy has a disproportionate distribution between government official affairs, politician interests, and society needs. In this part, this study dis-

cusses the disproportionate distribution. Here is the data of Malang budget for Fiscal Year 2015. The total revenue in Fiscal Year 2015 is IDR 1,396,042,125,492.87 while the number of local expenditure is IDR 1,490,561,138,516.98. Thus, total revenue and expenditure is IDR 1,487,036,331,031,030, 67.

Based on the Regulation Number 13 of 2006 on financial management, all of the budget are to fund the implementation of government affairs under the authority of the government of Malang consisting of compulsory affairs, alternative affairs, and the affairs of a particular field that could be implemented jointly by the government of Malang and other local governments. Funding for the implementation of the three matters mentioned is known as local expenditure. This is divided according to expenditure group, consisting of indirect and direct expenditure. The total budget of indirect is IDR 739,950,302,940,93 that it is for the government affairs such as office administration, salary, and so on, while the total direct expenditure budget is IDR 750,610,835,575,05 which it is related to the development programs.

Therefore, the direct expenditure budget is the highest of the indirect expenditure budget. It means that the budget policy of Malang government leads to support the regional development in Malang. However, if the budget understood properly, carefully, and critically, the direct expenditure budget on the structure of the budget does not directly encourage the establishment of regional development. Based on the results of an interview with a member of the legislature, some activists of civic groups, and administrators of government as described previous, the items of the budget including in direct expenditure budget on each SKPD are not based on necessity and proportional analysis. However, the budget is determined by the political interests of the politician and bureaucrat elites.

DISCUSSION

In brief, based on the results of this research as elaborated

previous, the findings of this study can be discussed and explained according to the objectives of this study as follows.

THE RELATIONSHIP BETWEEN LOCAL GOVERNMENT AND CIVIC GROUP IN BUDGET PLANNING

The first objectives of this research is to study the relationship between local government and civic group in budget planning. The findings of this objective are as following.

The first finding suggests that the *Musrenbang* process is far from democratic values (participation and equality principles of a democratic system). This issue is caused several issues in the *musrenbang* process. The first issue is that the collusive relationship occurs between the Mayor, the village government, and the sub-district government. The second issues is that the collusive relationship occurs between the sub-district government, village government, RW staffs, and LPMK staffs. The third issue is that the collusive partnership occurs between the Mayor and pragmatic groups in Malang. The fourth issues is that the collusive partnership occurs between pragmatic groups with RW staffs and LPMK staffs. The fifth issue is that civic groups do not have the opportunity to access *Musrenbang* process. These issues are relevant to the state theory that the institution government has a great power to arrange the policy. [Manan \(2007\)](#) says that one of state characteristics is to cover the power resources pushed to their interests. As well, [He \(2011\)](#) explains that the dominant political of elected officials and political elites in the participatory budgeting influences the civic groups to have a difficulty in participating in the stages of the budget planning.

The second finding is that the manipulative participation takes place in the budget planning (*musrenbang* process). The local government perspective is that the community involvement in the activities of *Musrenbang* is supposed to be limited for the activities run without conflict. Therefore, it is represented by certain groups considered to have similar interests, like MUI organization, considered as part of the mass organization of Muhammad-

iyah and Nahdlatul Ulama (NU). The government view shows that participation in *Musrenbang* process is a manipulative participation. The manipulative participation is a form of efforts of the government to make public interests go in line with their interests. These matters have been discussed by scholars such as [King \(1998\)](#). He supposes that several public officials view close relationship with citizen as both necessary and desirable, most of them do not actively seek public involvement. These government administrators believe that a greater citizen participation increase inefficiency because participation creates delays and increase red tape. [King also \(1998\)](#) recommends that the participation form is called as conventional participation. Participation in this form is ineffective and conflictual, and it happens too late in the process.

The third finding is that the budget policy process is dominated by politicians and government officials. This problem is caused by a collusive manner between elected officials, appointed officials, and legislative officials as follows. *Firstly*, the political communication of the Mayor with the legislative members is mutual respectively. *Secondly*, the Mayor promotes the interests of businesspersons rather than the interests of society. *Thirdly*, the team of arranging budget policy (TAPD) cannot work professionally under the rules of law due to the strong influence of political interests of the Mayor and the legislative members (DPRD). *Fourthly*, the head of SKPDs promotes political communication with DPRD to get its budget, instead of promoting the performance of professionalism. *Fifthly*, the head of SKPDs as budget users prioritizes communication with business implementing the budget (the private sector). *Sixthly*, the communication between the civic group and the government is still very limited through seminars, workshops, demonstrations, publications, and public education. These issues are related to existing researches investigating the elected and administrator officials having a strong power and authority in the stages of budget planning. Therefore, they construct the collusive relationship among

them. As well, politicians come from the political parties taking sides of the relationship. Consequently, they assert the budget policy going to themselves ([FITRA 2008](#); [Jainuri 2014](#); [Salahudin 2009](#); [Sopannah 2009](#); [Suharmawijaya 2008](#); [Widowati 2009](#)).

THE IMPACT OF THE RELATIONSHIP BETWEEN LOCAL GOVERNMENT AND CIVIC GROUP IN BUDGET PLANNING

The second objective of this study is to describe the impact of the relationship between local government and civic group in budget planning. The finding of this objective is as follows. The impact of the collusive relationship between the government officials and politician elites is the structure of the budget policy not directly perceived by the people. The budget for the programs seems to be irrationally allocated or not in accordance with society needs and preferences. [Jones \(2008\)](#) elaborates that the collusive relationship among stakeholders is caused directly by the deficient society participation in public policy. [Jones \(2008\)](#) mentions the greatest political roles of government and politicians in public policy process produces public policy that takes sides of political interest of politicians and bureaucrats.

In addition, [Emerson \(2011\)](#) describes that if there is no a good collaboration between local government officials and other stakeholders such as citizens and private groups, it will create a local governance not supporting to achieve the goals of government institutions. Therefore, [Emerson \(2011\)](#) suggests that public policy process should be based on the good collaboration among stakeholders such as local government officials, local communities members, social activists, and members of local parliament. In this context, He calls it as the principled engagement form occurring over time and may include different stakeholders at different points and take place in either face to face or virtual formats, either cross organizational networks or private and public meetings, among others settings.

CONCLUSION

The findings show that the local government (government officials and politicians) dominates the civic groups in the budget planning (Musrenbang process) through the collusive manner of the Mayor, members of DPRD (the local house representative), Head of SKPD of Malang so that budget policy favors the interests of the political elite and bureaucracy. Based on the findings, the relationship between regional government (executive-legislative) and civic group in budget planning requires efforts towards the relationship based on the democratic principles such as participation, equality, and justice. There are some suggestions which would be useful to develop the constructive relationship between the local government and civic group. Firstly, civic groups should develop a collective force to make sure that the local government budget is allocated to the public interest. Public awareness (collective force) should be able to compete against political force and bureaucracy so that the regional government budget emphasizes on the needs of the local society. Secondly, instead of treating the regional government as an opponent, the local society should consider the government as partners to establish public-oriented regional government budget. Thirdly, Politicians and local bureaucrats should provide access to civic groups during the process of regional government budget policy-making so that the budget policy becomes a fair and responsible one.

There are limitations in term of time and cost constrains for the future research needed to take into account. An example of the weaknesses is that this study may not completely cover concerning the participation levels of citizens in the budget planning, particularly in the part of the *musrenbang* process. This study only describes the issues of musrenbang process by descriptive explanations. Hence, it may be useful for future research to focus on; *firstly, the* mixed methods comprising the advantages of both qualitative and quantitative research methodologies useful to help increase a greater level of understanding the circumstance

REFERENCES

- Avritzer, L. (2010). Living under a democracy: Participation and its impact on the living conditions of the poor. *Latin American Research Review*, 45(4), 166-185.
- Baiocchi, G., & Ganuza, E. (2014). [Participatory budgeting as if emancipation mattered](#). *Politics & Society*, 42(1), 29-50.
- Bryer, A.R., 2014. Participation in budgeting: A critical anthropological approach. *Accounting, Organizations and Society*, 39 (7), pp.511-530. [doi: 10.1016/j.aos.2014.07.001](#)
- Brütigam, D. 2000. *Aid dependence and governance* (Vol. 1). Stockholm: Almqvist & Wiksell International.
- Bungin, B. 2007. *Methodology quantitative research communications, economics, public policy, and other social studies*. Prenada Media, Jakarta.
- Caamaño-Alegre, J., Lago-Peñas, S., Reyes-Santias, F., & Santiago-Boubeta, A. 2013. Budget transparency in local governments: an empirical analysis. *Local Government Studies*, Vol. 39, No. 2, pp. 182-207. [doi: 10.1080/03003930.2012.693075](#)
- Dixon, G., & Hakim, D. 2009. Making Indonesia's Budget Decentralization Work: the Challenge of Linking Planning and Budgeting at the Local Level. *International Public Management Review*, 10(1), 119-169. [Doi: 10.1108/S0732-1317\(2009\)0000018011](#)
- Davenport, D., & Skandera, A. 200). *Civic associations*. Never a Matter.
- Ebdon, C. and Franklin, A.L., 2006. Citizen participation in budgeting theory. *Public Administration Review*, 66(3), pp.437-447. [doi: 10.1111/j.1540-6210.2006.00600](#)
- Emerson, K., Nabatchi, T. and Balogh, S., 2012. An integrative framework for collaborative governance. *Journal of public administration research and theory*, 22(1), pp.1-29. [Doi: 10.1093/jopart/mur011](#)
- Franklin, A.L., Ho, A.T. and Ebdon, C., 2009. Participatory budgeting in Midwestern states: Democratic connection or citizen disconnection?. *Public Budgeting & Finance*, 29(3), pp.52-73. [doi: 10.1111/j.1540-5850.2009.00936](#)
- Flick, U. 2014. *An introduction to qualitative research*. Sage, London.
- Gaffar, A. 1997. *Javanese voters: A case study of an election under a hegemonic party system in Indonesia*. Gadjah Mada Press, Yogyakarta.
- He, B. 2011. Civic engagement through participatory budgeting in China: Three different logics at work. *Public Administration and Development*, 31(2), 122-133. [doi: 10.1002/pad.598](#)
- Hungtington, Samuel P. 1996. *The clash of civilizations and the remaking of World Order*. Simon Press, New York
- Indonesian Forum for Budget Transparency. 2011. *The ability of local government in budget management*, October 01. Accessed 11 March 2015. <http://seknasfitra.org/?lang=en/publication/>.
- Jurnali, T. and Siti-Nabiha, A.K., 2015. Performance Management System for Local Government: The Indonesian Experience. *Global Business Review*, 16(3), pp.351-363. [doi: 10.1177/0972150915569923](#)
- Jainur. 2004. *State versus civil society: Civil society resistance against to the local government policy in the budget planning, and in the modernization market Dinoyo*. Litera Book Publisher, Yogyakarta.
- Jorawati. 2007. *Budgetary policy at local level in Indonesia*. Malang Corruption Watch, Malang.

- Kim, S., & Schachter, H. L. (2013). Citizen participation in the budget process and local government accountability: Case studies of organizational learning from the United States and South Korea. *Public Performance & Management Review*, 36(3), 456-471.
- King, C.S., Feltey, K.M. and Susel, B.O.N., 1998. The question of participation: Toward authentic public participation in public administration. *Public administration review*, pp.317-326. doi: [10.2307/977561](https://doi.org/10.2307/977561)
- Locke J. 1998. *The two treatises of government*. The Federalist Paper Project, New York:
- Levin-Waldman, O. M. 1996. *Reconceiving liberalism: Dilemmas of contemporary liberal public policy*. University of Pittsburgh Press, Pittsburgh.
- Levin-Waldman, O.M., 2013. Income, civic participation and achieving greater democracy. *The Journal of Socio-Economics*, 43, pp.83-92. Doi: [10.1016/j.socec.2013.01.004](https://doi.org/10.1016/j.socec.2013.01.004)
- Malang Corruption Watch. 2015. *Gerakan sosial anti korupsi*. MCW Publisher, Malang.
- Manan, M. 2005. *People's movement against elites*. Resist Book Publishers, Yogyakarta.
- Souza, C. 1997. *Constitutional engineering in Brazil: the politics of federalism and decentralization*. Macmillan.
- Sopannah, W. 2014. *Phenomenological study: reveals participation in the process of preparation of budgets*. Brawijaya University, Malang.
- Rachlin, H., & Jones, B. A. (2008). Altruism among relatives and non-relatives. *Behavioural processes*, 79(2), 120-123.
- Reddick, C., & F. Norris, D. 2013. E-participation in local governments: An examination of political-managerial support and impacts. *Transforming Government: People, Process and Policy*, 7(4), 453-476. Doi: [10.1108/TG-02-2013-0008](https://doi.org/10.1108/TG-02-2013-0008)
- Thompson, D. F. 2010. *The democratic citizen*. Cambridge University Press, Cambridge.
- Widianingsih, I., & Morrell, E. 2007. Participatory planning in Indonesia: seeking a new path to democracy. *Policy Studies*, 28(1), 1-15. Doi: [10.1080/01442870601121320](https://doi.org/10.1080/01442870601121320)
- Wijaya. 2003. *Titik Berat Otonomi pada Daerah Tingkat II*. Jakarta: PT Grafindo Persada,
- Widowati. 2007. *Kajian partisipasi masyarakat dalam perencanaan dan penganggaran pembangunan daerah di kabupaten Pati*. Universitas Diponegoro, Semarang.