

## Public participation in budgeting practices in village government

Ana Sopanah, M Sodik, Gunarianto, Syamsul Bahri, Endah Puspitosarie

Universitas Widyagama Malang

e-mail: [anasopanah@widyagama.ac.id](mailto:anasopanah@widyagama.ac.id), [hmsodik@yahoo.co.id](mailto:hmsodik@yahoo.co.id), [gun\\_uwg@yahoo.co.id](mailto:gun_uwg@yahoo.co.id),  
[syamsulbahri.uwg@gmail.com](mailto:syamsulbahri.uwg@gmail.com), [puspitosarieendah@gmail.com](mailto:puspitosarieendah@gmail.com)

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### Abstract

*This research aims on estimating public participation level and based on the estimated participation level, creating a model of public participation on local development and local budgeting. Research approach is qualitative using interpretative paradigm. Type of research is case study involving five informants. Data collection technique is interview, observation and documentation. Data analysis technique includes data reduction, data presentation and data conclusion. The results of this case study to be used by central or local governments as the base of consideration or decision-making in their efforts to improve public participation on local government and local budgeting. The results of case study in Sumberporong Village could be generalized to another village or region to emphasize not only on formal mechanism but also informal mechanism if improving public participation becomes their concern. The contribution of this review is quite relevant to the development of new theories and new models regarding public participation in local development and local budgeting*

*Keywords: Development Planning Deliberation, Local Budgeting, Local Development, Public Participation.*

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### INTRODUCTION

The change of budgeting paradigm has been in conformity to the mandate given by Local Autonomy Act that required public participation in budget supervision. This position was valid through several legal instruments such as Law No. 32 of 2004 concerning Local Governance, Law No. 33 of 2004 concerning Financial Balancing between Central and Local Governments, Government Regulation No. 58 of 2005 concerning Local Financial Management, Decree of Domestic Affairs Minister No. 59 of 2007 concerning Revision on Decree of Domestic Affairs Minister No. 13 of 2006 concerning Procedures of Local Financial Management, Law No. 25 of 2004 concerning National Development Planning, Joint Circular of National Development Planning Agency and Domestic Affairs Minister No. 1354/M.PPN/03/2004050/744/SJ concerning Procedures for the Forum of Development Planning Deliberation (*Musrenbang*) and Local Participative Planning.

Main intention of public participation is to be an instrument that provides enough space and opportunity for the people to be involved actively in the governance in which the people can ensure what benefit they can obtain from policy made by central and local governments (Latif et al., 2019). Under budgeting context in public sector accounting, public participation in budgeting is a vital component for local autonomy (Arfiansyah, 2016). Local autonomy could give authority to any chief of village to manage and develop their villages through their own decent way. This branch of autonomy is then called as village autonomy, which has been arranged in Law No. 6 of 2014 concerning Village. One of principles behind Village Budget (APBDes) in Village Act is to build public participation in budgeting, development and supervision. This principle signifies that the recommended approach to village budgeting is *bottom up*. Such budgeting model is aimed to ensure that village programs and the procedures to implement those programs can be suited to the demand of village people to increase their welfare (Fanani, 2019).

### LITERATURE REVIEW

There are three approaches to budgeting, namely *top down*, *bottom up*, and *mix* involving *top down* and *bottom up* (Raghunandan et al., 2012). Public participation is a highly respected value in Indonesia because at

least Indonesia is a democratic country. Public participation in Indonesia usually takes three forms, respectively *team work*, *discussion*, and *mutual cooperation*. The most popular approach to budgeting is *bottom up*, which the government involves the people in the making of public policy and public decision.

*Bottom up* approach is popular in public sector because the contribution of this approach to this sector is considered more meaningful than other approaches. The contribution of this approach includes expanding opportunity for the people to take active participation in resource allocation, giving priority to social policy programs that have been effectively implemented, and supervising the usage of public budget. Relevant to this matter, public participation becomes a social control instrument used by the people to monitor budgeting process, and such participatory budgeting could improve government financial accountability (Wu & Wang, 2011). Mariana (2015) said that the key for village autonomy and village welfare is by ensuring that programs and activities planned in APBDes have accommodated aspirations and demands of village people. Therefore, APBDes is not only seen as an administrative process conducted by village government but also as a political process at village level. As a political process, village budget must produce a policy and the process toward this policy should represent interactive dialog involving village participants. Only through this arrangement, APBDes can surely be a reflection of policies and be functioned to accommodate public aspirations.

The success of a development program is not only determined by government competence but also by public participation in the implementation of the program (Agustin, 2016). Public participation is also defined as the involvement of people into development process, either on planning or on implementation of development programs. Improving public participation is an effort toward public empowerment in order to attain development outcomes that correspond with public demands. Public empowerment is an effort to utilize and manage public resources more actively and more efficiently (Adisasmita, 2006). Indeed, public participation is inseparable part of the development. All people have equal right and standing in receiving the benefit of development. If the development does not invite public participation either in planning or implementation, then failure becomes obvious. This position is supported by Sopanah (2011) who said that rejection against development is evident because public participation is never invited in the planning and implementation of development.

Although public participation is needed to confirm that people have understandings on development process, but few previous studies found that in reality, public participation was very low. This position is in line with the findings given by Arifin (2006); Sopanah and Wahyudi (2005); Sopanah and Wahyudi (2005); Sopanah (2010); Sopanah (2012); and Hardianti et al., (2017). For instance, Hardianti et al. (2017) found that public participation in every stage of rural development was very low or suboptimal.

Several studies examined public participation through *local wisdom* base by taking context from Tengger Tribe and Osing Tribe (Jayasinghe et al., (2020); Sopanah (2015); Sopanah et al. (2013); Sopanah et al. (2017). Those studies generally found that public participation in Tengger Tribe and Osing Tribe was full participation, which is consistent to participation theory proposed by Moynihan (2003). This finding confirms that the characteristics of a locality represent local wisdoms that always affect the lifestyle, cultural concept, tradition and self-belief of the inhabitants.

Public participation level may differ with localities and local characteristics. Therefore, the researcher attempts to investigate public participation on local development and local budgeting in Sumberporong Village in order to estimate the level of public participation and based on the estimated participation level, to create a model of public participation on local development and local budgeting in Sumberporong Village. The expected contribution from this research is quite relevant to the development of new theories and new models regarding public participation in local development and local budgeting.

## RESEARCH METHOD

This research is qualitative which uses interpretative paradigm and takes a type as case study. Research is located at Sumberporong Village, Lawang District, Malang Regency, East Java Province, Indonesia. The determination of informants uses four criteria (Djamba & Neuman, 2002), which respectively are that informants should have relevant experience, informants should be field personnel, informants are eager to spend time with researcher, and informants must be non-analytical person or be capable in using

pragmatical common sense. After sorting the available candidates, researcher obtained five informants which their detail are described in the Table 1.

**Table.1.** Research Informant

No	Informant	Position
1	Mrs. ID	Chief of Sumberporong Village
2	Mrs. SA	Chair of <i>Badan Permusyawaratan Desa</i> (BPD) for Sumberporong Village
3	Mrs. PN	Resident of Sumberporong Village
4	Mr. PR	Resident of Sumberporong Village
5	Mr. HD	Resident of Sumberporong Village

Data relevant to this research were collected through three techniques, respectively interview, observation and documentation. Then, the data were analyzed using data analysis model suggested by Huberman and Miles (2002). In this model, data analysis will involve data reduction, data presentation and conclusion remark. Researcher also employs source triangulation which is conducted by checking data validity through several sources. The process of source triangulation is carried out during interview in order to obtain relevant data. Then, relevant data were put on credibility test to support data validity. The test involves several activities such as: extending observation period to collect more data; analyzing the data; using minutes of interview, documentation, and archives as supplement references of research; and checking data given by informants.

## RESULTS AND DISCUSSION

### Process of Local Budgeting Planning in Sumberporong Village

*Musyawarah Perencanaan Pembangunan Desa* (Musrenbangdes) is a deliberation forum in which stakeholders make agreement over Development Work Plan (RKPDes) in planned budget year. In Sumberporong Village, before *Musrenbangdes* was done, each hamlet that makes up the village must do smaller scale deliberation called hamlet discussion. In this discussion, the presented residents have equal right to express their aspirations and then these aspirations become ideas that must be discussed in *Musrenbangdes*.

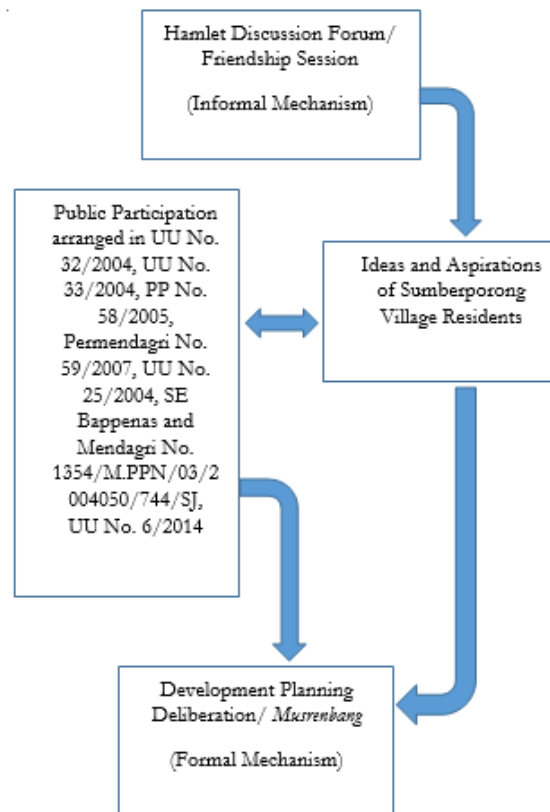
There is no rules or laws that yet regulate hamlet discussion. Moreover, this discussion is often initiated by informal meetings. Among the popular one is friendship session (*temu silaturahmi*). *Musrenbang* in Sumberporong Village is definitely formal mechanism whereas friendship session is informal mechanism. After deciding which way that can facilitate interview, researcher emphasized more on informal mechanism. Researcher attended a discussion forum at a hamlet in Sumberporong Village and then conducted several interviews and observations on the process of local budgeting planning. Several interviews with informants on the process of local budgeting planning had been successfully carried out. One interview was held with the Chief of Sumberporong Village, Mrs. ID, on 19 September 2021 at the Office of Sumberporong Village. She gave description as following:

*“Village deliberation is preceded by hamlet discussion. This discussion is often presented as friendship session among hamlet residents. Chief of hamlet collects some ideas from the residents and bring these ideas at village deliberation forum. The forum is where we establish what we call “Village Government’s Work Plan” (RKP). We make priority scale to determine which priority that we must finance first based on urgency or demand. After village deliberation, we have other deliberation for development planning, which is called “musrenbang”. In musrenbang, we remove priority that cannot be funded. This must be done due to limited fund allocation from Local Budget of The Government of Malang Regency”.*

*“During my work with villagers, I make a session called “ngobrol pintar” (ngopi) where I talk with villagers informally. Just now, I organized village profile contest to celebrate August 17 of Indonesia Independence Day. As we know, we are not allowed to hold events or activities that produce massive gatherings due to the concern on COVID-19 pandemic. The contest requires every hamlet to send us one video that we upload at youtube channel of Sumberporong Village.”*

It must be noted that the implementation of *Musrenbangdes* is a formal mechanism which cannot be separated from hamlet discussion forum as its informal mechanism. Although no rules or laws exist yet for informal mechanism but formal mechanism in Sumberporong Village has corresponded with rules and laws prevailed, which village residents are involved in the process of local budgeting planning.

Taking into consideration of the statements above, a model depicting both formal mechanism and informal mechanism of local budgeting planning in Sumberporong Village has been created. This model is shown as following:



**Figure.1.** Model Depicting Both Formal Mechanism And Informal Mechanism

### Public Participation on Local Budgeting in Sumberporong Village

Development Planning Deliberation must involve all public elements in order to absorb ideas regarding which priority that will be funded in planned budget year. Researcher asked about the attendees of the Deliberation to the Chief of Sumberporong Village, Mrs. ID. She described as following:

*“We have many attendees. One for sure is the Chair of Badan Permusyawaratan Desa (BPD) due to mandatory function as deliberation organizer. The other includes hamlet representatives, village elders, religion leaders, and speakers from youth and female organizations, including from Pemberdayaan & Kesejahteraan Keluarga (PKK). Sometimes, we invite representative from disability group. Our main intention is to produce collective agreement that prevails for all stakeholders.”*

*“Musrenbangdes is held periodically but in 2021, we must conduct it online. The village deliberation is held when there is revisions on the budget or there is urgent changes on activities. Normally, we organize village deliberation four times in a year. For times ahead, I will have village deliberation to make agreement on SDGS and RKP for budget year 2022.”*

*“My people work averagely as civil servant, which represents 75% of the population. Human resources in Sumberporong Village are already good averagely. But, this has positive and negative sides. High education background makes residents become more critical to the way of the government does. We as the government have worked the best we could to be transparent, especially in coping with COVID-19 pandemic. During the outbreak, we give a lot of explanations concerning revisions on budgeting plans because several items should be changed or refocused toward the*

*treatments for COVID-19. For example, buying Alat Pelindung Diri (APD) becomes the top most priority. We also need to buy disinfectants. Those items are unpredictable expenses. In budget year 2021, people want those items to be put in Village Budget. We attempt to agree with public aspirations as long as it corresponds with the direction and goal of the budget.”*

The interview with Mrs. ID was conducted on 19 September 2021. Researcher returned to the Office of Sumberporong Village on 20 September 2021 to perform direct observation on the minutes of *Musrenbang* of Sumberporong Village. There were three project plans for the village which will be granted with funds, respectively the implementation of village development, the fostering and empowerment of village residents, and the mitigation of disaster and urgent events in the village.

Budget Information Graphic for Sumberporong Village in Budget Year 2021 showed the number of budgeted fund for each item. Briefly, Item *The Implementation of Village Development* will be given fund from Village Budget as much as IDR 334,017,000. Item *The Fostering and Empowerment of Village Residents* will get IDR 86,700,000. Meanwhile, the greatest proportion was allocated to Item *The Mitigation of Disaster and Urgent Events in The Village*, which was counted as IDR 422,211,000. Totally, all these items will take expenses from the 2021 Village Budget as much as IDR 842,928,000. Researcher did not stop after getting information about project plans for Sumberporong Village in budget year 2021. Interview was then carried out with the Chair of Village Deliberation Agency (BPD) for Sumberporong Village, Mrs. SA. She gave explanation as following:

*“Public participation is good. Residents are quite happy to be invited for village deliberation or hamlet discussion. However, their aspirations are always about physical structure and infrastructure, especially those related with COVID treatments. Some residents have ideas for public fostering and empowerment. We must take in all ideas and keep them on balance.”*

After having an interview with Mrs. SA, researcher interviewed three residents of Sumberporong Village. This interview is needed to confirm that the statements given by the Chief of Sumberporong Village, Mrs. ID, and the Chair of Village Deliberation Agency for Sumberporong Village, Mrs. SA, have corresponded with the reality of public participation on local budgeting in Sumberporong Village. First interview was conducted with Mrs. PN, a resident of Sumberporong Village. She explained as following:

*“Thanks to God for we are invited into every Village Deliberation. Sometimes, the invitation is only given to hamlet representative but the ideas from our hamlet are basically same as those from other hamlet. We agree each other easily in Village Deliberation.”*

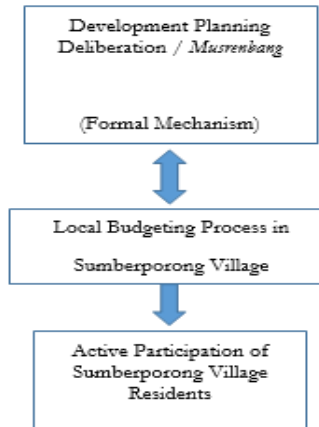
Second interview was carried out on 21 September 2021 with Mr. PR who is also a resident of Sumberporong Village. He clarified as following:

*“During COVID pandemic, people in here (Sumberporong Village) are still involved in Village Deliberation. For instance, we have ideas for COVID treatment. They (the government) buy Alat Pelindung Diri (APD) and disinfectants for us. Our ideas have been accepted and fulfilled by Village Deliberation.”*

Third interview was held with Mr. HD, also a resident of Sumberporong Village. He gave clarification as following:

*“Few time ago, there was a hamlet discussion. I proposed an idea for budgeting masks to be given to the residents of Sumberporong Village. The masks will help the residents to obey health protocols and to stay healthy. The representative of my hamlet brought my idea to Village Deliberation.”*

Pursuant with the results of interviews above, it can be said that local budgeting process in Sumberporong Village is the reflection of development planning deliberation, which also cannot be separated from the participation of Sumberporong Village residents. Pertinent to this statement, then a model is created that describes the relationship between formal mechanism, which is development planning deliberation, and local budgeting process that cannot be detached from public participation. This model is depicted as following:



**Figure 2.** Model Relationship Between Formal Mechanism in Budgeting

**Public Participation on Development Implementation in Sumberporong Village**

The implementation of development in Sumberporong Village is referred to the fund allocation given by Village Budget to Item *The Implementation of Village Development*, which is counted as IDR 334,017,000. To get more information concerning development implementation in Sumberporong Village, researcher asked about it to the Chief of Sumberporong Village, Mrs. ID during interview on 19 September 2021. She gave elaboration as following:

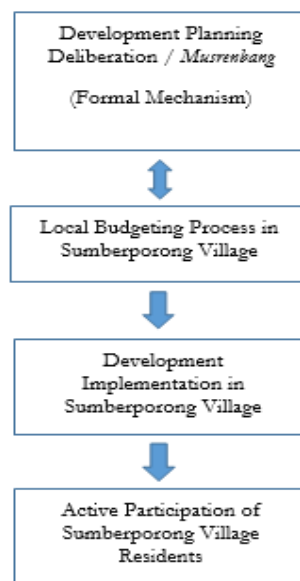
*“This year, we build Village Health Polyclinic.”*

*“We respect public participation. The development of this village must involve the residents. We plan to use 30% of village population to work in development projects and they will be paid in cash.”*

A question about public participation in village development was asked to the Chair of Village Deliberation Agency for Sumberporong Village, Mrs. SA. She elaborated as following:

*“People will take active participation in village development. Workers for development projects are the residents while the materials are provided by village government.”*

Based on the results of interviews, it can be said that the implementation of development projects in Sumberporong Village has involved the residents. The relationship involving formal mechanism, which refers to *Musrenbangdes*, with local budgeting process, development implementation, and public participation in Sumberporong Village, is modelled as following:



**Figure.3.** Model Relationship Between Formal Mechanism in Development Implementation

### Accountability for Budget Realization for Sumberporong Village

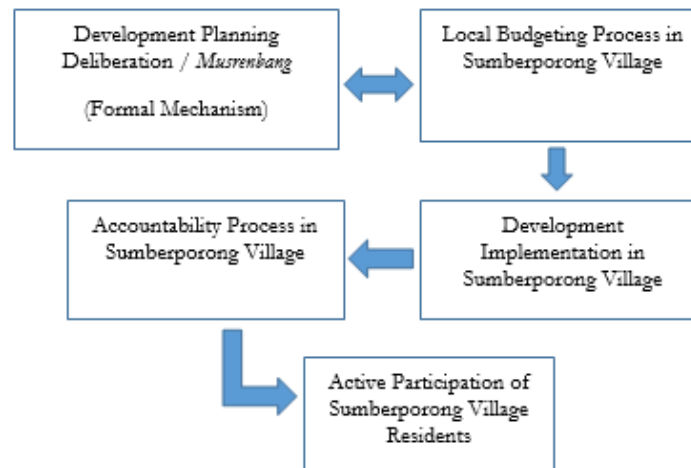
Local budgeting process is followed up by development implementation. After completing the development projects, the phase continues to accountability. Researcher asked about this accountability process to the Chief of Sumberporong Village, Mrs. ID. She explained as following:

*“For accountability process for the realization of Village Budget, we have three principles, namely transparency, accountable, and participative. As the village government, we must submit first semester report and final semester report to the Regent. For the public, we explain village financial position in Village Deliberation. Very often, the Deliberation is led by Village Deliberation Agency (BPD) and held in the end of the year.”*

*“For transparency, we have written budget realization in a banner, which then we put at the front yard of Village Office. Every resident of Sumberporong Village can see it.”*

*“During accountability phase, we give opportunity as wide as possible to the residents of Sumberporong Village to see and discern accountability report over financial management for Sumberporong Village.”*

By virtue of the results of this interview, it can be said that the achievement phase also invites the participation of Sumberporong Village residents. Related to this statement, a model is then created, which describes the relationship of formal mechanism, represented by *Musrenbangdes*, with development implementation and public participation. This model is described as following:



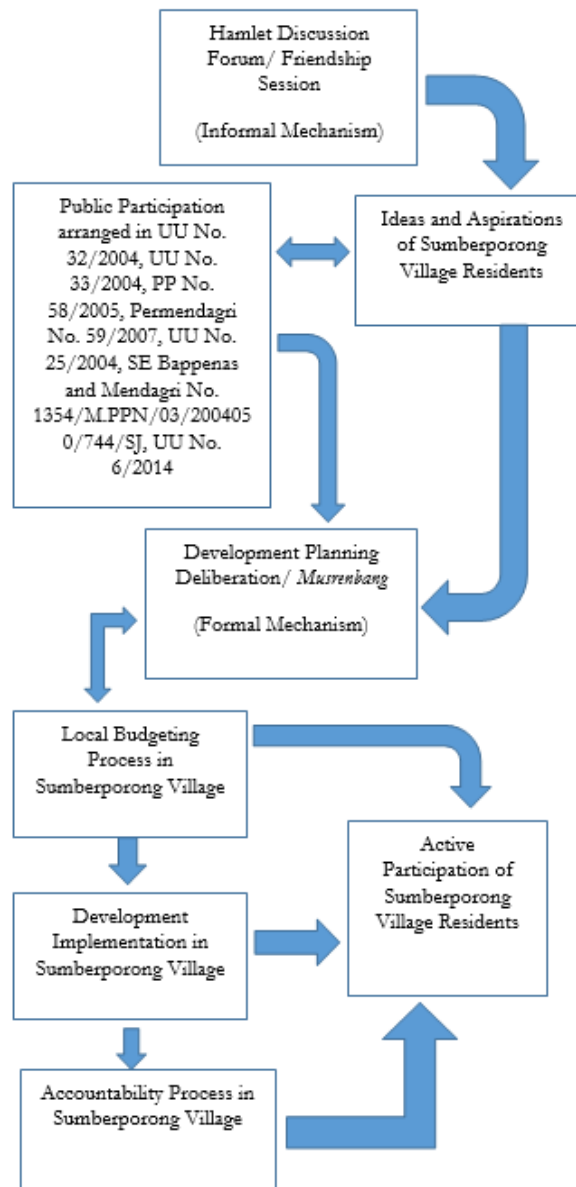
**Figure.4.** Model Relationship Between Formal Mechanism in Accountability for Budget Realization Public Participation on Local Development and Local Budgeting in Sumberporong Village

Luhmann (1987) said that not all components in a model have good connection or some components may not have connection at all. Therefore, any researcher is required to look for the effective or selective way to connect those components. In the context of this research, public participation on local development and local budgeting in Sumberporong Village has been arranged into a model, which is displayed as in Figure 5. Referring to the model above, which depicts public participation on local development and local budgeting in Sumberporong Village, Lawang District, Malang Regency, East Java Province, Indonesia, it can be said that the implementation of village development planning deliberation in Sumberporong Village has been as expected. The deliberation, also known as Village Deliberation, has invited public participation. Moreover, the Deliberation cannot be separated from hamlet discussion forum, which represents informal mechanism that always supports formal mechanism represented by Village Deliberation. Public participation is also found to be vital on local budgeting process, development implementation, and accountability process. The vital position that public participation has on any phases of development and budgeting processes in Sumberporong Village signifies that the type of public participation in Sumberporong Village is full participation.

All research models are supported with observation conducted by researcher in Sumberporong Village. Researcher attends Village Deliberation along with the Chief of Sumberporong Village, Mrs.



Idhinningrum and other village officers in the form of informal gathering, or also called *friendship session*. The photographs show the picture of this gathering.



**Figure.5.** Model Public Participation on Local Development and Local Budgeting



Picture.1. Observation



Picture.2. Gathering

By the findings of models, results of interview, and results of observation, it has been proved that referring to participation theory proposed by Moynihan (2003), public participation in Sumberporong Village is classified as full participation.



## CONCLUSION

It is concluded that the implementation of Development Planning Deliberation in Sumberporong Village is generally similar to that in other villages. Possibly, the only difference is that in Sumberporong Village, the Deliberation is held not only under formal mechanism but also through informal mechanism such as discussion forum and friendship session. According to participation theory proposed by Moynihan (2003), public participation in Sumberporong Village is classified as full participation. This finding is quite interesting because full participation is rarely found in other villages or other regions. Researcher recommends the results of this case study to be used by central or local governments as the base of consideration or decision-making in their efforts to improve public participation on local government and local budgeting. Researcher expects that the results of case study in Sumberporong Village could be generalized to another village or region. It is also suggested to other village or region to emphasize not only on formal mechanism but also informal mechanism if improving public participation becomes their concern.

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