

EVALUATING DEVELOPMENT PLANNING DELIBERATION (THE MUSRENBANG) AS A PARTICIPATORY BUDGETING PRACTICE IN INDONESIA: A CASE OF BATU CITY GOVERNMENT, EAST JAVA PROVINCE

インドネシアにおける住民参加型予算配分(Musrenbang)の評価：Batu市の例

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Abstract. 参加型予算配分 (PB) は、一般市民が公的な予算を配分することに参加できる仕組みで、民主主義推進の有効なツールと見なされている。増加しつつある PB について今まで複数の研究が異なる視点から調査しているが、より包括的な理解ができる評価方法までは至っていない。本研究では、Batu 市政府の事例を用いて、インドネシアにおける PB、即ち「Musrenbang」と呼ばれる取り組みを4つの側面から評価を行った。定性的および定量的アプローチの両方を用いて、詳細な聞き取り調査、非参加者観察、文書化、アンケート、評価シート等を通じてデータ収集を行った。その分析結果として、Batu 市は PB としてまだ基本的なレベルにしか達していないと判断する。財政/予算面では、Musrenbang が用いられる資源、例えば特定の割り当て、課税政策などはまだ十分ではない。市民参加と地方自治体参加の面で見ると Musrenbang は意思決定のプロセス、除外された者の存在、監視と制御の仕方、情報の共有と普及、プロジェクトの完結方法、立法上の位置づけに問題があると析出された。さらに、Musrenbang は地方分権化、農村エリアや空間的均衡への注意を払っていないことが分かった。しかし、Musrenbang は国家計画と予算策定の枠組みの中で制度化されていることは評価すべき点であると言える。

Keywords: Participatory Budgeting, the Musrenbang, dimension, evaluation

1. Introduction

In the past two or three decades, the Participatory Budgeting (PB) that involves ordinary citizens in a democratic process of public funds decision-making has been granted as one of the most effective participatory instruments¹⁾. According to Sintomer et al., “Basically, PB allows the participation of nonelected citizens in the conception and/or allocation of public finances”²⁾. Initiated in the late 1980s in a Brazilian city of Porto Alegre, PB spread first in Latin America and then proliferated worldwide in varied transformations³⁾. In the context of PB implementation in Least Developed Countries (LDCs), Kuruppu et al. (2016) asserted PB as a substantial component of New Public Management (NPM) and New Public Governance (NPG) that has the targets of “...democratizing democracy, eradicating corruption and clientelism, and improving the living conditions of the most deprived”⁴⁾.

Considering its importance, therefore, many studies have been conducted in order to investigate the practice of PB in different countries and continents. Some results evince success through certain adjustments within adoptions of the original form of Porto Alegre PB or even through a highly differentiated process, for instances in the United States, Spain, and Italy⁵⁾. However, there are also evidences where PB faced remarkable challenges—mostly political practices—that impeded its implementation such as in China, Sri Lanka, and Argentina⁶⁾.

Notwithstanding the growing literature on variants of PB across the world, it should be admitted that there is still limited research evaluating PB by using comprehensive dimensions. The existing case studies mainly emphasize certain perspective on how PB works. Accordingly, this study intended to fill the gap by descriptively researching the practice of PB in one of the Southeast Asian countries, Indonesia, which was one of the seven Asian countries with participatory budgets⁷⁾.

Classified as a ‘developing economies’ country with lower middle income⁸⁾, Indonesia continues to implement significant political and governance changes after the overthrow of the New Order regime in 1998. The launch of the decentralization process in 1999 outlined in Law No. 22/1999 (that was replaced by Law No. 32/2004 with its twice amendments, afterwards replaced by Law No. 23/2014 with its twice amendments lastly with Law No. 9/2015) was one of the central government’s strides to foster the participatory approach in the development planning process. The central government enabled citizens to get involved in local governance through the *Musrenbang* standing for *Musyawaharah*

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This study operated a concept of the Musrenbang as defined by the Local Governance Support Program (LGSP), i.e. “a deliberative multi-stakeholder forum that identifies and prioritizes community development policies”⁹). Furthermore, the Musrenbang has objectives of “negotiating, reconciling, and harmonizing differences between government and nongovernmental stakeholders and reaching collective consensus on development priorities and budgets”¹⁰). Local government’s planning agency is responsible to implement the Musrenbang in order to accommodate citizens’ aspirations and priorities.

Thus, this research examined the PB process in the Musrenbang by conducting a case study in one of local governments in East Java Province of Indonesia, Batu City Government. Since stipulated as an autonomous region in 2001, Batu City has experienced a significant growth, particularly in the economy sector. Based on data of the *Bappelitbangda* (Local Research and Development Planning Agency), the economic growth in 2016 was 6.69 percent¹¹). It was even higher than the East Java province’s and Indonesia’s economic growth, i.e. 5.57 percent and 5.02 percent respectively¹²). This was mainly supported by investment of more than 1.8 trillion rupiahs – more than 100 million U.S. dollars¹³). Another achievement of Batu City was evident by the 2016 Human Development Index (HDI), 72.62 percent¹⁴). Again, it was considerably above the provincial attainment of 69.74 percent¹⁵). Recently, Batu City was awarded *Anugerah Pangripta Nusantara* (APN) in 2016 and 2017 as the first rank in the category of “city with the best planning” by *Kementerian Perencanaan Pembangunan Nasional* (the National Development Planning Ministry). This award aims at motivating all local governments to continuously enhance the quality of development planning in their region. Based on this noteworthy achievement, examining development planning in Batu City is therefore relevant.

2. The Musrenbang in Batu City Government

The following sections review findings derived from five techniques of data collection within an exploratory sequential mixed methods design, i.e. in-depth interview, nonparticipant observation, documentation, questionnaire, as well as assessment and evaluation sheets.

2.1 Budgetary dimension

When discussing the budgeting/financial dimension of the Musrenbang in a district/city, it is advantageous to review the local government’s budget and financial system as a whole entity. Different from other countries that have separated budgetary for PB implementation, there is no resource allocated to cover the Musrenbang as an independent public event. In other words, the Musrenbang is not tied to any allocation. Thus, the budget is very limited because top-down planning mechanisms—in national, regional, and local scope—also exist. Firstly, having the debated allocation below 2 per cent brings an inevitable consequence. The government found that it is hard to optimally accommodate the public demands. This circumstance, in turn, leads to citizens’ apathy and pessimism. What happens in Porto Alegre is extremely different. The allocation for PB practice is almost 10 per cent of the entire city’s budget that could reach 100 per cent of the investment resources¹⁶). The percentage of investment, however, might fluctuate year by year. Without budget difficulty, Porto Alegre PB is able to focus on the prioritizing of the proposed projects. Secondly, despite allocated resources is limited, Batu City Government provides particular funds through the *Bappelitbangda* as the agency responsible to conduct and manage the Musrenbang. The funding allocation finances the meetings held at every level and phase, especially for the rented venue, office administration (printing and copying the materials), catering, and transportation cost for the citizens attending. Thirdly, there is a significant disparity between Batu and Porto Alegre in taxation policies. Drawing on laws and regulations concerning decentralization, local governments in Indonesia are entitled to autonomously manage its local revenues and expenditures. Nevertheless, there is no chance of the public involvement in determining what and how the municipality’s finance operates. Along with local levy revenue, local own-source assets revenue, and other legal local own-source revenue, local tax revenue becomes one area of the government’s authority. On one hand, any action to enhance revenue on the tax sector does not have any effect on the Musrenbang implementation due to the absence of resources distributed. On the other hand, the results of the Musrenbang also do not prompt any improvement of taxpaying patterns. In Porto Alegre case, the descent of tax nonpayment from 20 per cent to 15 per cent in less than a decade had contributed to 6 per cent upsurge of the municipality’s revenue¹⁷). This escalation influences positively to the practice of PB in which PB has more resources to deliver works and services. Subsequently, productive implementation PB stimulates the citizens to avoid tax evasion.

2.2 Participatory dimension

Participatory is deemed as a crucial element of PB. Evaluating the Musrenbang based on this dimension, therefore, is remarkable. The Musrenbang is an indirect or representative democracy in which citizens are represented through their leaders from the lowest level of community. In fact, the higher level of the Musrenbang is, the smaller number of common public involving. At the *desa/kelurahan* (village/neighbourhoods) level, the member of village-level organizations and community chiefs attend the meeting. At the *kecamatan* (subdistrict) level, only the *desa/kelurahan* chiefs and three representatives are allowed to join the meeting. Finally, at the city level, only the *desa/kelurahan* chiefs are able to take part in the meeting. This presence does not mean that they can actively participate during the process. Furthermore, there is no specialized body responsible to the Musrenbang practice. Basically, the Bappelitbangda is the entity that has authority over it. Nonetheless, the Bappelitbangda of Batu City Government tends to solely execute a coordinative function. With regard to inclusiveness, it is officially regulated that the Musrenbang practice has to involve all elements of the society. Yet, this involvement is still in representative-based through legal organizations acknowledged by the government. At the city level, representatives of NGOs, business actors, marginal groups, women groups, and professional organizations are invited. In terms of monitoring and evaluation, the Bappelitbangda also takes the responsibility. Thus, it is troublesome to have fair and thorough oversight and oversee in this vulnerable mechanism. Actually, the Ministry of Home Affairs has issued a decree No. 050-187/Kep/Bangda/2007 on Guideline of Assessment and Evaluation of the Practice of the Musrenbang. This instrument assesses and evaluates the Musrenbang practice from the preparation, execution, result quality, and post-execution facets. This study, therefore, utilized this instrument to enrich the comprehension on the Musrenbang practice in Batu City. The Musrenbang in Batu City fulfilled 71 out of 119 indicators of assessment and evaluation. The percentages reveal that the score of execution and post-execution are less than 50 per cent. The result quality is slightly above with 60 per cent accomplishment. The only good news is that the preparation stage is outstanding with 91.30 per cent. Moving to the participatory dimension of the local government, the Musrenbang tends to be a ceremonial or formality. Informants stated, explicitly and implicitly, the government was less enthusiastic to create a conducive environment of PB. Some problems emerged especially at the lower level such as: lack of communication from local government agencies, lack of information concerning the unit price standard in drafting proposal, less commitment from local government agencies, and the weak role of city legislative assembly.

2.3 Normative and legal-judicial dimension

The Musrenbang is a national program institutionalized by some legal basis such as Law No. 25 of 2004 on National Development Planning; Law No. 32 of 2004 on Regional Governance; Governmental Regulation No. 8 of 2008 on Stages, Procedures of Arrangement, Controlling, and Evaluation of Regional Development Planning Practice; and Home Affairs Ministerial Regulation No. 54 of 2010 on The Implementation of Governmental Regulation No. 8 of 2008 on Stages, Procedures of Arrangement, Controlling, and Evaluation of Regional Development Planning Practice. In addition to these national laws and regulations, local governments are feasible to stipulate their own technical regulations according to their local needs. However, Batu City Government—in this case is the legislative body—has never stipulated any local regulation on the Musrenbang. Moreover, the Bappelitbangda did not have initiative to construct guidelines on the Musrenbang to be referred by all stakeholders. In the case of Porto Alegre, the Council of Participatory Budget (COP) as the central body determines the prevailing system including the decision-making system, the criteria of resources allocation, the plenary meetings schedule, as well as discussion themes.

2.4 Spatial/territorial dimension

Based on the laws and regulations prevailing in nationwide, the Musrenbang in Batu City Government took place on the base of the existing administrative division that is in 9 (nine) *desa* and 15 (fifteen) *kelurahan* within the scope of three *kecamatan*. In other words, regarding ruralization, the Musrenbang undergoes both in urban and rural area. Furthermore, Batu City Government only executes the reinforcement on the legal territories.

3. Conclusion

Some literatures acknowledged the Musrenbang as a practice of Participatory Budgeting conducted in Indonesia. Many research, both national and international, have investigated the performance of the Musrenbang by considering numerous point of views. As many studies researching PB practices in diverse countries, participatory has become a paramount dimension to determine its success. However, it should be admitted that there are other dimensions that require to be taken into account in order to have more comprehensive evaluation. This study, therefore, utilized four dimensions of PB, i.e. financial/budgetary, participatory, normative/legal-judicial, and spatial/territorial dimension.

Analysis on collected data derived from five different techniques has led to a conclusion that in general the performance of the Musrenbang in Batu City Government was still in the range of minimalist implementation. Lacking of debated resources, specific allocation, and taxation policies evinced that the financial/budgetary dimension of the Musrenbang was poor. Ineffective circumstance was also found in the participatory dimension comprising participation form, decision maker, participation of the excluded, monitoring and control, information sharing and dissemination, projects completion, and legislative role. Furthermore, the Musrenbang did not touch spatial/territorial dimension raising issues of intramunicipal decentralization, ruralization, and investment. Nonetheless, the normative and legal-judicial dimension of the Musrenbang indicated a conducive environment through institutionalization and relationship with other planning instruments.

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