

Politics Political Dynamics and Accountability of Regional Budgets in Creating Budget Transparency

Dinamika Politik dan Pertanggungjawaban Anggaran Daerah Dalam Menciptakan Transparansi Anggaran



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ARTICLE INFORMATION	
Keywords Political; Regional Financial Accounting; Transparency; E-budgeting;	ABSTRACT The article discusses the politics and accountability of regional budgets, which are used as an analysis in analyzing transparency, accountability and efficiency of regional finances. In this study, the authors used a qualitative approach with descriptive-critical methods with strength analysis and in the data processing using literature study. To discuss politics and accountability for local budgets, three conceptual frameworks are used. First, supervision to control and check the performance of regional governments in the implementation of regional autonomy and regional wealth management Strategies to improve local government performance. Second, the use of agencies as legal rules that are formulated indirectly by the government to carry out budget transparency by presenting data that will become one of the pillars in shaping public management. Illustrates that the legislature as an agent of government has the authority to take action by the executive. Third, a fiscal policy which aims to accelerate the country's economic activity, namely to increase economic growth. Where the fiscal policy executive to make a sustainable regional development plan. So that conclusion can be drawn that politics has an important role in creating transparency in regional financial budgets by involving the legislative and executive institutions. Where the legislative institution has a central role in discussing regional financial plans because it has the right to comb through budget items that are deemed less useful and give criticism to the executive if many of the proposed budget plans do not make sense or are prone to being a field of corruption. In addition, the executive has a fairly central function because it is the entry point for transparency by making regional financial budget plans based on community needs.
Kata Kunci Politik; Akutansi Keuangan Daerah; Transparansi; E-budgeting;	ABSTRAK Artikel ini membahas tentang politik dan pertanggungjawaban anggaran daerah yang digunakan sebagai pendekatan dalam menganalisis terciptanya transparansi, akuntabilitas dan efisiensi keuangan daerah. Pada penelitian ini, penulis menggunakan pendekatan kualitatif dengan metode deskriptif-kritis dengan menekankan pada kekuatan analisis serta dalam proses pengumpulan data menggunakan studi kepustakaan. Untuk membahas tentang politik dan pertanggungjawaban anggaran daerah menggunakan tiga kerangka konseptual. Pertama, pengawasan untuk mengendalikan dan pemeriksaan kinerja pemerintahan daerah dalam pelaksanaan otonomi daerah dan strategi pengelolaan kekayaan daerah untuk meningkatkan kinerja pemerintah daerah. Kedua, penggunaan agensi sebagai aturan hukum yang memaksa secara tidak langsung pemerintah untuk melakukan transparansi anggaran, dengan menyajikan data yang akan menjadi salah satu pilar dalam membentuk manajemen publik. Memberikan gambaran bahwa legislatif sebagai agen pemerintah yang memiliki wewenang untuk mengawasi tindakan yang dilakukan eksekutif. Ketiga, melalui kebijakan fiskal yang memiliki tujuan untuk mengerakkan aktivitas ekonomi negara, yaitu meningkatkan pertumbuhan ekonomi. Di mana eksekutif memiliki kebijakan fiskal untuk membuat rencana pembangunan daerah yang berkelanjutan. Sehingga bisa ditarik benang merahnya bahwa politik memiliki peran penting dalam menciptakan transparansi anggaran keuangan daerah

	<p>dengan melibatkan lembaga legislatif dan lembaga eksekutif. Di mana lembaga legislatif memiliki peran yang sentral dalam hal pembahasan rencana keuangan daerah karena memiliki hak untuk menyisir pos-pos anggaran yang dirasa kurang memiliki manfaat dan memberikan kritikan kepada eksekutif jika rencana anggaran yang disodorkan banyak yang tidak masuk akal atau rawan sebagai ladang korupsi. Selain itu eksekutif memiliki fungsi yang cukup sentral karena pintu masuk dimulainya transparansi dengan membuat rencana anggaran keuangan daerah berdasarkan kebutuhan masyarakat.</p>
<p>Article History send 03th August 2020 Review 01th November 2020 Accepted 01th December 2020</p>	<p>Copyright ©2021 Jurnal Aristo (Social, Politic, Humaniora) This is an open access article under the CC-BY-NC-SA license. Akses artikel terbuka dengan model CC-BY-NC-SA sebagai lisensinya.</p> <div>  </div>

Introduction

Based on Law No. 33 of 2004 concerning Regional Financial Balancing, regional government institutions; executive and legislative, have the authority to regulate regional financial management which is then stipulated in the Regional Revenue and Expenditure Budget (APBD). APBD deals with the regional budgeting mechanism for carrying out development programs. This mechanism begins with a plan based on the aspirations of the community which is accommodated in development deliberation forums both at the village level and at the district level. The aspirations that are collected in the various mechanisms that have been passed are then formulated and allocated to each activity which will later be carried out by the executive agency, especially the Regional Apparatus Organization (OPD). After going through the planning mechanism, The APBD must be passed before it is implemented for the current year. In the process of APBD ratification involving the executive and legislative bodies, political dynamics cannot be separated.

The process of planning and ratifying the APBD cannot be separated from political elements. Politics has a central enough role in determining whether a proposal is approved or rejected. A budget determination that cannot be separated from the world of politics is inevitable, although ideally budgeting should be based on community needs. Even though politics is the starting point of the budget approval process, it does not mean that the process of budget implementation or realization can be done arbitrarily, there is a different mechanism, namely accountability. The government has a moral obligation to the community to be accountable for the use of the budget obtained from taxes (Rios, Bastida, & Benito, 2014). The government budget is a financial plan that determines how resources will be used for certain policy purposes. The budget has a dominant role in the running of a government.

In the budget planning process carried out by the government, it involves the roles of two state institutions, namely the executive and the legislature. Where these two institutions have their respective roles, the executive provides the financial draft, and the legislature approves the budget. The approval process conducted by the legislature is prone to political transactions or agreements. It is no longer an open secret when the budget setting process becomes a bargaining ground for the executive and legislature. It's not that the political deals that happen are bad, but sometimes the agreements that happen are mutually beneficial solutions. The agreement is taken to pay attention to and accommodate the interests of the community.

Some developing countries, the public budget is still considered a state secret and in the process is still fully controlled by the executive. So that when carrying out accountability,

the public doesn't know. The need for transparency in the use of the budget is imperative for the government, and accountability mechanism needed to verify that the government is fulfilling its duties as it should. Transparency is often seen as a prerequisite for building trust, legitimacy and reputation (Wehmeier & Raaz, 2012). Transparency gives freedom to the public to see the results of the government's performance. Budget transparency has a key role in the credibility of government policies, besides budget transparency also has a role in fighting poverty. Because if the government carries out budget transparency, it will be easier for the public to control so as to minimize budget misuse.

Government accountability to the community is a key element in gaining trust. Specifically, the purpose of accountable use of the budget is to provide useful information for decision making and to demonstrate the credibility of the government to the public. The government which is given the authority to run the government, development and community services is obliged to submit a financial accountability report to be given an assessment of whether the government has succeeded in running the government or not. In 2006, the International Budget Partnership (IBP) published an open budget index by referring to the criteria from the IMF, the results of which stated that the average open budget index score was still small in various countries in the world. (Rios, Bastida, & Benito, 2014). Based on IBP data for 2019, Indonesia is ranked 18th out of 117 countries surveyed. Meanwhile, on the scale of Southeast Asia, Indonesia is ranked second and below the Philippines. When viewed from 2010 to 2019, Indonesia's ranking in the IBP survey can be said to have fluctuated (International Budget Partnership, 2019).

The budget formulation process in various countries has involved public participation. Public participation in budgeting can be done using the Participatory Budgeting Method (PAP) in which the community is directly involved in making budget decisions. Community involvement in providing, identify community needs so that which one will be done first (internationalbudget.org, 2013). Transparency in budget discussions is a prerequisite for realizing public participation to be involved in the budget discussion process. Like the Philippines in 2019, the budget management transparency figure received an assessment of 76 out of 100. This is directly proportional to its public participation rate, which is 31 out of 100. When compared to Indonesia in the same year, the value of budget management transparency reached 70 out of 100. On the other hand, the level of public participation gets a score of 20 out of 100. Another factor that determines public participation is the clarity of budget documents. Clarity of budget documents is the extent to which the wider community

can understand these documents. This factor is also one of the indicators used by the IBP to see the budget transparency of the countries surveyed called citizens budget. When compared to the Philippines in 2019, the number of Indonesian citizens budget was 67 out of 100. Meanwhile, Indonesia was 67 out of 100 (International Budget Partnership, 2019).

Meanwhile, Indonesia in the budget openness survey report conducted by the National Secretariat of the Indonesian Forum for Budget Transparency (Seknas FITRA) which states that out of 115 countries on five continents in 2017, Indonesia in the budget openness index only received 64 points out of 100 points. (Sicca, 2018). Meanwhile, in terms of public participation at the Southeast Asia level, Indonesia is still inferior to the Philippines, which is ranked 41. The high public involvement in the Philippines is due to several factors, starting from the understanding of the public who understands general openness and the geographical conditions of the country. Public participation is essential, considering that the principle of the state financial budget is used for the benefit of the community. Although the existence of community participation does not have to be absorbed completely because in absorbing the people's aspirations it must be adjusted to the needs of the region which refers to the long-term regional development plan (RPJPD) and the regional medium-term development plan (RPJMD).

Politics and regional financial accountability are very important and have been chosen as an approach in creating transparency, accountability and efficiency of regional finances because it cannot be denied that the function of politics determines how policies can be formulated and implemented. Meanwhile, accountability has a role in seeing the results of evaluating the use of the budget. So that both of them have a strong framework on how to establish transparency from the beginning of the budgeting process to evaluation, transparency has been implemented, accountability and budget efficiency will emerge. Logically, when the government is transparent and has high accountability, budget efficiency will emerge. Since there is no opportunity for budget fraud or corruption that could be perpetrated by elements of the government, if there is budget fraud, the public can protest to the government. Budget fraud, as previously described, has occurred in several regions in Indonesia, such as in DKI Jakarta and Lambata District, NTT. In 2019 in DKI Jakarta there was fraud in the education office, namely the entry of aibon glue which would be distributed to elementary school students with a nominal amount of IDR 82.8 billion. Such as in DKI Jakarta and Lambata District, NTT. In 2019 in DKI Jakarta there was fraud in the education office, namely the entry of aibon glue which would be distributed to elementary school students with a nominal amount of IDR 82.8 billion. Such as in DKI Jakarta and Lambata

District, NTT. In 2019 in DKI Jakarta there was fraud in the education office, namely the entry of aibon glue which would be distributed to elementary school students with a nominal amount of IDR 82.8 billion. (Raditya, 2019). This problem arose when traced on the e-budgeting website owned by the DKI Jakarta provincial government, and the public was busy asking how the budget was included in the 2020 APBD and demanded clarity from the government until clarification from the local government emerged. This proves that when transparency appears in the budgeting process, the easier it is for the public to supervise the government and ask for accountability, it will also be easier by using various media, one of which is e-budgeting. Budget misappropriation can occur in the process of formulating in determining the budget. As happened in Lembata District-NTT, there is any inconsistency between the Local Government Work Plan (RKPD) document and the stipulated APBD. This inconsistency, As a result, not all of the aspirations are absorbed in development deliberations at each level in the APBD. This can occur because of the political process between the executive and legislative bodies (Burin, 2015).

The importance of budget transparency in government is because it cannot be denied that one of the elements of a country with a healthy democratic system will have a large level of government transparency, and vice versa, if the level of transparency of the government in terms of budgets, the level of democracy of the country will also be lower as in countries with low levels of government transparency. Adheres to an authoritarian system, in a country that adheres to an authoritarian government system, the level of budget transparency is very small or even non-existent because public freedom is little or even non-existent. Transparency is an important element in a country because of the people's right to know how the budget is used. In simple terms, the community wants the government to be accountable for taxes that have been paid to the state.

Transparency is one of the basic principles of good governance. However, to achieve transparency in budget management, several formulations are needed, namely: supervision, agency, and fiscal policy. This formulation is the result of the author's elaboration of several scientific studies including; Supervision of Budget Implementation by the Regional People's Representative Council (DPRD) Rokan Hulu Regency in 2014 (Anisah, 2017), Budget Transparency and Legislative Budgetary Oversight: An International Approach (Rios, Bastida, & Benito, 2014) and Regional Financial Management in the Era of Regional Autonomy: A Theoretical and Empirical Study (Hamsiah, 2019). Anisa, in her journal, explained that supervision has the role of providing feedback to the government besides that supervision also includes information as an early warning to the government. In addition,

Rios also explained in his journal that in order to create transparency, the role of an agent is needed, in this case, the legislature to oversee the executive in running the government, Rios uses agency theory to describe an emphasis in which the community or citizens must be able to hold the agent (government) accountable. Meanwhile, Harsiah, in his book, provides an explanation that fiscal policy plays an important role in promoting development, poverty reduction and rural economies. Broadly speaking, Harsiah provides a point of emphasis that fiscal policy can describe how the government determines the priority scale related to programs and activities to be implemented. By elaborating on the formulation in order to achieve transparency in regional budget management, this article provides a new alternative approach to realizing transparency in budget management.

Government accountability in budget management is reflected in what activities have been carried out within a certain period of time. Accountability is mandatory because by providing accountability to the community indirectly strengthens legitimacy, so that the basic assumption is that the government will carry out its duties according to the needs of the community. From the long description above, the researcher formulates two fundamental problems regarding budget transparency. First, how to create ideal regional financial transparency? Second, what is the concept of the role of politics in creating budget transparency in the regions? From these two research questions, the researcher wants to provide an overview of the creation of budget transparency at the regional level based on the concept of supervision.

Method

In this article, the author uses a qualitative approach with a descriptive-critical method. The descriptive-critical method is a method that emphasizes the power of analyzing data obtained through various sources from books, journals and writings by relying on existing theories to be interpreted clearly and in-depth. (Huda & Feriandi, 2018). The research process begins with the preparation of basic assumptions and rules of thought that will be used in the research, which are systematically used in data collection and data processing to provide explanations and arguments. In his explanation, he emphasizes the power of data analysis from existing data sources. These sources are obtained from various books, journals and other writings by relying on existing theories and concepts to be interpreted clearly and deeply. As for the data collection process using library research (library research), which is a data collection method by conducting a study of a number of books, literature, journals and supporting documents related to the problem being studied.

(Sugiono, 2012). Library studies make use of library sources to obtain research data, and simply library studies limit its activities to literature studies without requiring field research (Zed, 2014).

In this article, the researcher uses descriptive-critical research by emphasizing the strength of the analysis of existing sources and data by relying on existing theories and concepts to be interpreted based on writings that lead to the discussion. These sources can be obtained from works written by experts or academics who discuss the budget.

1. Manuel Pedro Rodriguez Boliviar, etc. (2015). Online Budget Transparency in OECD Member Countries and Administrative Culture. *Administration & Society*, 47 (8), 943-982.
2. Ana Maria Rios, Francisco Bastida, & Bernardino Benito (2014). Budget Transparency and Legislative Budgetary Oversight: An International Approach. *American Review Of Public Administration*, Vol 46 (5), 1-23.
3. Daniel C Lewis, Sandra K Schneider, & William G Jacoby. (2015). Institutional Characteristics and State Policy Priorities: The Impact of Legislatures and Governors. Sage Pub, 447-475.
4. Brian FongB. (2015). The politics Of Budget Surpluses: the case of China's Hong Kong SAR. *International Review of Administrative Sciences*, 134-157.
5. Roni Ekha Putera. (2016). Transparent Regional Financial Management in Tanah Datar District in Implementing Fiscal Decentralization. *Sociohumanities*, 261-269.
6. Muhammad Aufa. (2018). Regional Budgeting: Political Dynamics Towards Consensus. *Journal Of Islamic Accounting and Tax*, 172-184.

In this study, the data collected was adjusted to the research topic by mapping them into sequences, patterns, and data categorizations. After carrying out a selection process for the collected data, then the data are analyzed systematically based on the formulation of the problem and the research objectives. In order to ensure the validity of the data in this study, the authors also used triangulation techniques to verify the data by comparing with other relevant data.

Results and Discussion

Based on the formulation of the problem and the purpose of writing, this chapter will be divided into two parts. The first part describes how to achieve budget transparency in the regions. In answering this matter, several formulations will be used such as supervision, agency, and fiscal policy. This formulation is the result of elaboration on several scientific

works that are considered relevant to the topic of this article. In the second part, the author will describe and explain the role of politics in regional financial management.

Regional finance has a very important meaning in the framework of implementing governance, development activities and community services in the regions. Therefore, regional finances are a milestone and must be endeavored in such a way as to be successful and beneficial for the benefit of the community. A government budget is a financial plan that determines how public resources will be used for specific policy purposes. Budget transparency can be one of the accountability mechanisms. Transparency is used in many ways and in many government operating settings. So that in order to create budget transparency in the regions, several formulations are needed.

Supervision

Supervision is the control and inspection of regional government performance in the implementation of regional autonomy and regional wealth management strategies to improve the performance of regional governments (Anisah, 2017). Supervision that is carried out in budget management is carried out to ensure that the collection of regional revenue and regional expenditure expenditures is in accordance with the plans, rules and objectives that have been set. The main essence of supervision is to compare how the implementation and plans and targets have been set, by looking at what obstacles occur in the field, weaknesses, failures and efficiency as well as performance effectiveness so that they can find a way out if there are obstacles.

Supervision is carried out in the budgeting and implementation process, manifested in the form of transparency. Where when the government's performance in the budgeting process can be monitored, it can be ascertained that there is a form of transparency carried out by the government. Transparency can be done through online mechanisms such as a journal written by Manuel Pedro et al, with the title Online Budget Transparency in OECD Member Countries and Administrative Culture, which discusses the e-government process and its implications for accountability and transparency of information, as well as seeing an international perspective in the application of transparency fiscal and budget (Boliviar, Perez, & Hernandez, 2015). In the context of accountability, public administration is being demanded to be more efficient, to provide transparency to the public by using an operating framework that facilitates competitiveness, thereby increasing more participation in public life.

The repressive government should be based on increasing the involvement of citizens as clients and increasing accountability by increasing accessibility and transparency. Accountability information is a fundamental factor by promoting transparency and accountability. Technological advances have a positive effect in implementing budget transparency, this is because technological advances provide lower costs for the government to provide public openness, one of which is uploading budget documents online. Budget information has traditionally played a fairly relevant role in achieving accountability in government because it directly provides information openly to the public (Boliviari, Perez, & Hernandez, 2015). Improved budget transparency and expenditure management can control intangible transfers or budget gimmicks aimed at bypassing fiscal constraints. Meanwhile, the modern economic budget which is very complex has its own effect on the implementation process which aims to balance the bureaucratic behaviour model.

The application of new technology in government can increase efficiency, transparency and accountability in the use of public resources. It is also the duty of citizens to make effective decisions because they can access and evaluate information from the government. The use of technology can increase the government's response when there is input from the community, through two-way communication, making the government more democratic and indirectly empowering the community. The concept of transparency by using online media is very helpful for the process of accountability and democracy because it is an effective tool to guarantee citizens' access to information. Budget transparency is achieved by implementing the legal requirements of the democratic control process, such as parliamentary control, mass media control and so on. The use of technology encourages the creation of e-democracy so as to create a strong democracy through online media. E-Democracy is a new innovation in the world of politics, where public participation in building a democratic climate can be through electronic media such as the use of e-voting (Hardjaloka & Simarmata, 2014).

As one of the tools used to increase information disclosure and better performance of the accountability task, the use of information technology also has a quite good domino effect when used in several other sectors. The accountability report that is published on a web page makes monitoring possible by all levels of society anywhere and anytime. In the monitoring process, using online media allows the public more freedom to provide input. Publication on web pages has the hope of the public to be more active in analyzing, although it is likely that many people do not care about the openness carried out by the government.

Budget reports published in online media have been carried out by several countries in the world, especially in Europe (Boliviari, Perez, & Hernandez, 2015). As in the Scandinavian countries and the Netherlands, with a strong enough orientation to meet the needs of the community, the accountability documents made by the two countries are not only year-end reports but also made every half year, moreover detailed with monthly reports based on what achievements are made. Has been done in a certain period of time, an orientation based on the needs of the community gradually creates a climate of integrated supervision between the government and the community. It is hoped that the supervision carried out by the community association will provide a better colour in the budgeting process carried out by the government. The monitoring process, which is carried out periodically is expected to reduce the number of budget fraud and corruption.

Agency

Principles of agency theory regarding the rule of law that shape the way government is transparent (Rios, Bastida, & Benito, 2014). Where, on the one hand, the rule of law is considered to have the power to present data and become one of the pillars in public management. Regarding the role of the legislature and the impact on civil society, it provides an illustration that the legislature as an agent of the government which has the authority to oversee the actions taken by the executive also applies to the use and realization of the budget carried out by the government. Agency theory generally provides a simple analogy in which society or citizens must be able to hold the agent (government) accountable. Problems often arise when the government has little incentive to disclose clear and transparent budgets. In fact, the lack of budget transparency can be properly addressed by regulatory standards, The legislature will use its power to expand their power over policymaking through legislative oversight mechanisms. By conducting checks and balances on executive policies, oversight by the legislature should be able to increase transparency to the public. So it can be said that the legislature has a fairly central role in ensuring public openness. In other words, the level of performance of the legislature in terms of budget oversight has an impact on strengthening government accountability and promoting greater transparency in the management of public finances. Meanwhile, the information asymmetry between the government and society that comes from this theory can be reduced by legislative oversight. Legislatures around the world have the constitutional power to consider national budgets (Rios, Bastida, & Benito, 2014).

The annual budget process can be divided into four phases, namely preparation, approval, implementation and evaluation; however, the role of the legislature from one

country to another has a different role at each stage. The annual budget process is embedded in the broader socio-economic and political environment and influences the potential for legislative oversight. Political competition sometimes drags down the role of the legislature in the budget process. When the interests of the majority of the legislature coincide with the interests of the executive, what happens is a political compromise. This can occur because of the same goals and desires, so that sometimes when the common goal between the executive and legislature results in weakening the oversight exercised by the legislature.

Where the executive will dominate the formulation and implementation of the budget, so that participation of participants in the budget process depends on the relationship with the executive. If there is a minority government, then the legislature has relatively more power in budget discussions. There are some indications that the legislature is investing in more complex oversight structures. There is a growing awareness of weaknesses in government oversight mechanisms and accountability and the need to increase horizontal accountability of institutions. The ability of the legislature to operate as an independent institution in "horizontal accountability" is expected to be more developed in democratic countries than in authoritarian regimes where weak democracies grow. (Rios, Bastida, & Benito, 2014). Horizontal accountability describes an external relationship between the apparatus and their environment, in this perspective, the apparatus has a responsibility in addition to the organization as well as the obligation to be accountable to society or the social environment (Fariyansyah, Irianto, & Roekhudin, 2018).

Some of the changes resulting from environmental conditions, the evolution of stakeholder needs and the development of models of public sector organizations have influenced the concept of transparency in terms of the extent to which organizations disclose relevant information about internal work in order to engage the public in public decision making and to shape planned future pathways. By the government to achieve its goals. At a higher level transparency can increase the value of public services and help transform the public sector, but it is a large process because it involves great cultural changes in context and structure (Cucciniello, Maria; Belle, Nicola; Nasi, Greta; Valotti, Giovanni; 2015). In this context, transparency through institutional websites is not only limited to presenting information about administration but emphasizes the overall disclosure of public institutional information. Information about how public institutions perform their duties and how much they have accomplished.

In the journal, Maria wrote in her work entitled *Assessing Public Preferences a the Level of Transparency in government Using an Exploratory Approach* states that

transparency does not have to be formal in nature but must be a strategic tool used by the government to interact with stakeholders and inform about several key areas such as service implementation and the results obtained. This seems to emphasize how the exchange of information to the public wants feedback from the public, the simple logic that can be said that the government provides access to information to the public aims to get responses from the public on the performance of the government, and it is hoped that the community will provide input to the government for the future.

Large access to information provides a way for the public to take part in monitoring the performance of government in terms of budgets. Because it cannot be denied that when the budget is no longer an exclusive thing and only a handful of stakeholders are allowed to know, it is certain that government accountability will increase along with the increasing level of government transparency. One indicator that can be used in looking at the transparency of a government is how much information is shared with the public about the management of government budgets. Stakeholder orientation is a condition where effective transparency can take place, although when transparency is increased, it will make government organizations more vulnerable in some cases, so transparency still requires receptors capable of processing to work. So that the stakeholder orientation can be started with several small scale innovations.

The ability of democratic citizens to access the workings of government is equally important, such as providing the widest possible access for the public to explore the budget absorbed by the government. (Harwood, 2017). With the information needed to make the right decisions, so that people know the facts and the state when making decisions is not a problem by the community.

The agent principle theory is another branch of the new institutional economy which emphasizes that actions taken by the government are not maximal but must prioritize service to the community (Kim & Eom, 2015). The existence of a transparent government is needed because what is used to run the wheels of government is money that comes from the community. In the process of regional budgets, they have political control and have a direct impact on public spending. With information disclosure, the public and non-governmental organizations can monitor how government performance is going, and can provide some constructive input for creating public accountability. Non-government agencies have a central role to control and provide input to the government.

Fiscal Policy

Fiscal policy is one of the policies in the economic world, where fiscal policy has several objectives in mobilizing the country's economic activity, namely increasing economic growth, price stability and equal distribution of income. Broadly speaking, the fiscal policy presents the choices of the government in determining the amount of expenditure or expenditure and regional revenues. Operationally, fiscal consolidation or reforming the government budget is carried out by controlling the budget deficit with several steps. First, by increasing state revenues, the emphasis is on increasing tax revenues and optimizing non-tax revenues. Second, controlling and refining the priority of state expenditure allocations by minimizing expenditures but still using the minimum standard of budget allocation. Third, sound management of state debt in order to cover the financing gap imposed on the government. Fourth, improving the structure of state revenues and allocations for spending. Fifth, management of state finances that is more effective, efficient and sustainable by improving through the management of state expenditures.

In public budget management, the government usually uses the maximum possible budget; the existing budget is usually adjusted to regional revenues. The determination of the amount of the budget is usually adjusted to the financial capacity obtained from both tax and other income. Pressing the budget deficit to cover shortcomings, especially making the budget a surplus, the key to budget deficits and surpluses lies in the budgeting process and in the implementation process carried out by the government. Institutional competition adds to the struggle for influence over the budget process, where the executive and legislative institutions compete by utilizing budget analysts to justify the allocation priorities they are fighting for and make the process seem rational.

Daniel C. Levis et al, explained in his journal entitled *Institutional Characteristics and State Policy Priorities: The Impact of Legislatures and Governors*, stating that the characteristics of the legislative and executive institutions can influence policy priorities. (Lewis, Schneider, & Jacoby, 2015). So that in general it can be said that the executive can consolidate decisions into documents and submit them to the legislature for approval. Theoretically, the executive represents everyone. Between the executive and the legislature have their respective roles in allocating regional budgets. Where the executive provides regional expenditure and revenue plans to the legislature, and it is legislative ed that the budget approval is carried out. However, both the legislature and the executive have something in common in deciding fiscal policy, namely the tendency to distribute the budget for the prospect of the next election or the next election (Lewis, Schneider, & Jacoby, 2015).

The executive has the fiscal policy to make sustainable regional development plans and has a fairly central role in financial planning, however, what the executive programs is sometimes a representation of its constituents so that sometimes it conflicts with the political interests of the legislature. The budget process carried out by the two government institutions often experiences deadlock or deadlock in the budgeting process so that approval can be delayed for some time. The impasse in the budgeting process can occur because the legislature has control over budget approvals.

Budget absorption is sometimes also a problem faced by executives, causing a surplus or deficit. Surpluses can occur because there are several factors in the budgeting process. First, low budget absorption, it can be said that the program that was planned when the implementation process was not optimal, or there were obstacles in the implementation process. Second, increased tax and non-tax revenues, resulting in increased state revenue and an impact on budget surpluses. In addition, there is a separate strategy that causes a budget surplus, such as a journal written by Brian Fong with the title *The Politics of Budget Surpluses: the case of China's Hong Kong SAR* which explains the long tradition of fiscal conservatism that began when it was still in British colonization. At that time, Hong Kong strived to achieve a budgetary balance and to maintain a sizeable fiscal reserve. In the management of public funds, the Hong Kong government applies a prudent financial principle where this principle has the aim of balancing or surplus the budget every year. (Fong, 2015).

The government budget is considered not only as a technical statement but rather a constraint of political documents, government preferences and priorities as well as evidence of government power in the political sector. So that when referring to the government in Hong Kong, which historically used a bureaucratic political system, it has turned into a democracy, so that bureaucrats cannot dominate the budget process and change to the legislative council (Fong, 2015). The budgeting process involves several sectors ranging from the legislative council to the finance secretary and the general public.

In addition to the formulation used to achieve budget transparency as previously described, regional budget management cannot be separated from political aspects. This is because the formulation and determination of the budget contain a collective mechanism that determines decisions about "who will get what" and "who will bear the burden". In the regional budget formulation process that involves the executive as a compiler of the budget, where the executive has an obligation to design the regional budget and revenue set forth in the form of a document. The resulting document becomes a political document in which the

proposed program is mostly a representation of the wishes of the executive. In the legalization process, it is submitted to the legislature for review and approval. At this time, political agreements are not uncommon for the sake of passing the planned budget. If there is no agreement between the executive and the legislature, what happens is a deadlock, and the budget plan cannot be properly realized. This can happen when the legislature is controlled by the opposition; the role of the opposition is to balance out the supporters of the government in the legislature (Noor, 2016). In order to prevent deadlocks from occurring, there is negotiation carried out by the executive by entering the legislative wishes or commonly known as Win-Win Solutions. In the legalization process, some were done quickly and some were done a little tough, depending on the political climate in each region.

In financial management, which is basically a public fund, the government has an obligation to provide the necessary financial information that is accurate, relevant and credible. Starting from the planning process to accountability for established programs and budgets. The submission of accountability reports to the general public is an indication of transparency (Putera, 2016). The principle of transparency is highly regarded as a means of enhancing and supporting democracy. Transparency is now considered an important part of democratic governance because democratic countries are not only more likely to be transparent; they produce more information than governments with authoritarian systems. Greater participation also provides a more general opportunity to make a contribution to formulating solutions and proposals to government.

Countries that adhere to a democratic system have an obligation to implement transparency in the use of the budget because the degree of democracy in a country is also determined by how much the country provides information disclosure to the public. Information disclosure is a key element in a democratic country. Openness in budget accountability is an obligation because it cannot be denied that there are many misuses of budgets in the implementation process because there is no transparency in budget use. In order to increase transparency and make government work better and more efficiently, the public must be considered a strategic key to information disclosure. Information disclosure indirectly makes the relationship between politicians and constituents more dynamic (Cucciniello, Maria; Belle, Nicola; Nasi, Greta; Valotti, Giovanni, 2015).

In addition to public participation, there is the role of mass media in creating regional financial transparency, where the mass media has a function as the party that investigates reportage to reveal scandals, controls the political elite by conducting constructive criticism and becomes the advocate of civil society. (Wehmeier & Raaz, 2012). Apart from the mass

media, which has a role in supervising the use of the budget, there are also non-governmental organizations or NGOs that focus on moving in the budgeting process, implementation to the evaluation process. The role of non-governmental organizations has a fairly central role because it represents community groups to provide oversight to the government, institutions that are established from initiatives from the community may be professional because they are not directly involved in the budget preparation process, budget approval, and implementation of activities. The participation of many non-governmental organizations is regional and even international, where they have their respective functions and targets whose aim is to create budget transparency for the sake of creating public accountability.

Stakeholders, both executive and legislative, have a clear orientation in terms of budget transparency. If we look at the pattern of government, both the executive and legislative branches have constituents whose political promises must be fulfilled. Fulfilling political promises by using program planning instruments arranged in the regional budget plan is one concrete form of fulfilling political promises. So that the role of budget transparency is increasingly attracting attention from both local and international organizations, this is reasonable to do because it is to prevent financial abuse involving the government. Tracing the research conducted by Muhammad Aufa on Regional Budgeting: (Aufa, 2018).

With the progress of the times and the willingness of telecommunications to have a positive impact on the government, one of which is by utilizing technological sophistication, the transparency process can be created quickly and well. E-Government is not only a means to help the government become more efficient but also a tool to create transparency so that people can be more involved in the process. If e-government is to truly function optimally as a transformative tool of government in terms of citizen participation, then e-government must be centred and focus on people in terms of development and implementation. The internet makes it easier for governments to achieve transparency in practical terms,

The use of e-budgeting by the government is expected to open the faucet of information about the budget allocation set by the government. Budget allocations published in e-budgeting can be accessed anywhere, and the public at large can provide input to the government if there are problems regarding budget allocations. Public participation is actually the main key in terms of budget transparency by the government. When people do not have the desire to gain access to information, what happens is scepticism so that when information is given openly, the public still does not care. A common thread can be drawn that transparency is not only the willingness of the government but also the desire of the

public to obtain information so that accountability and a democratic climate can be created properly.

The institutional dimension shows the level of transparency and is also related to the mission of the government is showing the public about the work program as well as the allocated budget. The political dimension describes the level of accessibility of information about political representation, political mandate, legislative council activities, and salaries, so that information emerges about the ins and outs of legislative members. Likewise, the financial dimension assesses the level of transparency with regard to the use of financial resources, the probability of government and other financial issues.

Budget transparency can be realized when there is an attempt by the government to provide comprehensive information to the public. Cooperation between elements of government can create a climate of transparency in accordance with a democratic system. The problem of party polarization is sometimes unavoidable. When party polarization increases, it is likely that budget delays will also increase (Birkhead, 2016). In short, when one party disagrees with the program and budget objectives, what happens is a delay in budget approval. In the budget approval process, the legislator undergoes several bargains before the budget is passed. When bargaining fails between politicians, the political polarization is getting stronger. Actually, the legislators have concerns, and the simple logic is that when there is polarization in the parliament, they are worried that they will suffer electoral sanctions because of the tough effects or delays in budget approval.

Problems with budget approval also occur around the world that applies democratic systems. Where the parliament is always filled with parties which sometimes do not have the same vision and mission or can be said to be government parties and parties outside the government or the opposition. From these two big groups, sometimes there are conflicts, and it is not uncommon for them to argue before passing the budget proposed by the executive. The strength or weakness of the opposition made by the opposition is seen from the majority, if the majority of the opposition is greater or stronger in the number of votes, the rejection or delay can be acknowledged by not approving the proposed budget.

The political approach and regional financial accountability is an ideal approach in forming a government that is transparent, has high accountability, and is efficient in regional finances. This is based on several key propositions. First, politics has a fairly central role in creating a government that is transparent, has high accountability and makes regional budgets efficient. Politics can increase transparency by using a structural institutional approach where the legislature and executive are political positions. Political positions, which means they

have a political tendency for future sustainability, such as advancing in the upcoming elections and building a political image.

Second, when politicians have opened the tap of transparency, they are encouraged to create a healthy political climate, because it is impossible when transparency has been implemented, but the accountability of politicians does not increase. This is because it is the responsibility of politicians to open the tap of transparency as well as to show the accountability of what politicians have done when they hold political positions. The executive will be accountable for the use of the budget to the people's trustee council and published in the online media so that it can be reviewed by the wider community, and this is what allows politics to create accountability, even though it takes political will from politicians to create a government that has high accountability.

Third, politics has a key role in the budget efficiency process. The key role in question is to create or comb budgets that are unnecessary or deemed odd. This can be done by the executive or by the legislature, where these two institutions have their respective roles to make regional budgets efficient. Such as executives who have a role when designing budgets and making programs that are truly based on the needs of the community, although they must pay attention to aspects of sustainable development so that the programs made are based on the principles of need. Furthermore, when making programs and budget allocations are made in such a way as to be more efficient. Meanwhile, the legislature has a key role because in this case, the legislature has the right to pass the budget plan. In the budget discussion process carried out by the legislature, the legislature has the opportunity to comb through budget plan posts that are prone to abuse or corruption fields, as well as pick out which programs are not eligible to be passed. By using these two institutional instruments, both the executive and the legislature, in the budget planning process, it is good then how to implement or realize the program that has been planned.

When two institutions (executive and legislative) have carried out their duties optimally in budgeting, what will be obtained is the efficiency of regional budgets because plans for programs that consume regional finances but have no benefit will definitely be discarded. Budget efficiency is not only about saving regional budgets but rather on how to use the allocation of regional funds as maximally as possible and use oriented to the needs of the community. So in broad terms, it can be said that politics has a fairly central role in creating a regional financial climate that is accountable, efficient and transparent. However, political will is needed from each political official at the executive and legislative levels.

Regional financial accountability is one of the important propositions in creating a transparent, accountable and efficient government. Because it cannot be denied that regional financial accountability has a very central role because it contains what has been done and what has not been done. Regional financial accountability can be disaggregated in its use. First, regional financial accountability can be an entry point for how budget transparency is enforced. It does not rule out the possibility that regional financial accountability contains reports on the use of budgets when this is not published to the public so that only a handful of elites know, Second, regional financial accountability creates a responsible government. Where the responsible government is the government that implements the wheels of government based on the needs of the community. So that a common thread can be drawn that regional financial accountability in creating a government that has high accountability depends on how the accountability report provided accommodates the interests of constituents or the people.

Third, regional financial accountability can create an efficient climate by cooperating with politicians to carry out sustainable budget sweeping and supervision and asking for public participation to always guard programs that have been legalized and budgeted so that corruption does not occur in their implementation. Because it does not rule out fraud at the implementation stage. When the budgeting process is running well, but when the implementation is not going well, there is still much need to be evaluated, such as unsustainable supervision between institutions. Budget efficiency can be manifested in the regional financial accountability mechanism by means of a surplus budget.

The simple logic that must be used when the budget is in surplus is that all kinds of programs that have been budgeted for a certain period of time can be implemented with certain targets and objectives, but when there are activities left over, the remaining money for these activities is collected and becomes a surplus-value in the budget. With a note that the activity has been running as well as possible and is running in accordance with the operational, procedural requirements of the activity. So that when all kinds of activities that have been carried out run optimally and have leftovers, what happens are budget efficiency.

Conclusion

From the above analysis, several propositions can be drawn about local politics and financial accountability. First, to create budget transparency in the regions, it is necessary to use several instruments such as supervision, agency and fiscal policy-oriented based on community needs, which will gradually create a climate of integrated supervision between

the government and the community. It is hoped that the supervision carried out by the community association will provide a better colour in the budgeting process carried out by the government. When this concept is implemented by local governments, Second, politics has an important role in creating transparency in regional financial budgets by involving legislative and executive institutions. Where the legislative body has a central role in discussing regional financial plans because it has the right to comb through budget items that are deemed less useful and give criticism to the executive if many of the proposed budget plans do not make sense or are prone to being a field of corruption. And the executive has a fairly central function because the entry point is to start transparency by making regional financial budget plans based on community needs. So that when these two institutions work together, budget transparency can be ensured.

The benefit of e-budgeting apart from providing information to the public quickly is that it gives the impression that the government is giving the widest possible access to the public to access so that budget transparency measures are increasingly given by the government in online form. Submitting budget reports using the internet has a considerable impact on budget transparency because whoever and whenever the community wants to access it is given flexibility, and when there is a response from the community, ideally, they will get a fast response from the executive, even though the response will be accommodated in advance for consideration.

In addition to politics making budget transparency more realized, politics also makes government accountability greater with a domino effect of budget transparency. This effect gives politicians a touch to be professional in carrying out their duties because it always goes hand in hand when the level of transparency of a government is high, the accountability of the government will also be high, this is because transparency and accountability are closely related to regional financial openness. Apart from politics making transparency, accountability also makes regional budgets more efficient. Because of the simple logic, when the government has implemented budget transparency and high accountability, the government has carried out budget efficiency by maximizing all existing potential, When the executive and legislative bodies collaborate to create transparency, accountability and budget effectiveness, it can be said that it is easier, because the key to opening up regional financial plans lies with the executive and legislature. The openness of the budget is expected to increase public participation, because public participation has a fairly central role, with high public participation, it is hoped that budget control will increase and have a positive effect in increasing the level of democracy of a country. Because it cannot be denied that a high level

of democracy has high accountability, transparency and efficiency along with a high level of community participation.

Acknowledgement

Thank you to the Master Program in Political Science, Faculty of Social and Political Sciences, Airlangga University Surabaya for providing support from the beginning to the completion of this manuscript. And thanks to all those who provide moral support for the completion of this journal manuscript.

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