

Inclusion-Elitist Paradox in Participatory Public Budgeting:

A Case Study on Surakarta City, Central Java, Indonesia

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Abstract—Participatory public budgeting is believed as a model to improve budgeting's politic accountability. Such the approach is based on democratic elements: representation, participation, and inclusion. Democratic elements are paradoxical in nature, thereby presumably impacting on participatory public budgeting practice. This topic provided critical reflection on massive incentive of participatory public budgeting mechanism organization, generating the excess establishment of pseudo participation practice. The research method employed was case study with participatory budgeting planning mechanism in Surakarta City, Central Java Province, Indonesia, as observation object. The result of research found one paradox in participatory public budgeting, namely inclusive vs. elitist paradox. Such the paradox arouse due to derivative contradiction in democratic principle underlying participatory budgeting model. Participatory principle required inclusive element, while representation principle needs certain competency criteria some elite group had.

Keywords—budgeting; participatory; paradox; accountability

I. INTRODUCTION

Participatory budgeting (thereafter called PB) is used as a democratization model of public financial resource management. PB model is believed as making the government more accountable to citizens for its budget allocation policy. Does critical point in PB model impact on harming the public accountability? One answer to this question traces to PB mechanism budgeting. Such the process involves governmental element as accountant/agent and civil society as accountee/principal. Agency theory perspective assumes that agent and principal has personal interest and experiences information asymmetry, thereby potentially generating opportunistic behavior [1].

PB potentially contains inclusive paradox with elitist representation. Government and society make a consensus on budgeting process occurring in institutional environment structure, regulation, procedural rule, and certain social cultural environment. Structural and cultural environments color the participative public budgeting process model occurring [2]. The choice of bureaucratic action holds all forums, both formally and procedurally, due to the demand for

meeting the mandate of regulation. Government issues technical instruction of forum organization to make the forum more controllable. The bureaucratic official's decision to have transparency and citizen involvement exerts substantial effect. The official has authority of deciding on (1) who will participate, (2) how they will participate, (3) how values and attention/care distributed to the public are integrated into decision making process, (4) how they reflect in on outcome, and (5) how the result is realized [3]. Government determines who should be involved in PB forum with the excuse to make the process runs effectively and efficiently. This action results in elitist bias of participatory representation [4]. It is because politically, government with its work unit as public official is required to undertake participatory method. They take a brief attempt of bridging such the process through a relationship to the leader of community-based organization. Thus, the leader of civil society organization serves as intermediary elite between government and citizen. Government elects the representative considered as understanding the concept of budget. Technical competency of citizen representative becomes one of paradoxical sources in PB [5].

Inclusiveness-elitist paradox potentially results in pseudo participatory budgeting. This finding is similar to that of Kapp and Baltazar in Brazil [6]. They found that participation potentially leads to conflicting perception between government and society and existing social, economic environments, and power relation. Government is an entity responsible for the process of defining rule, objective, and forum target, and who participates. Meanwhile, society as participant should adjust with forum protocol the government has established. Such the condition makes the citizen participation not supporting the improvement of citizen's autonomy qualitatively in controlling the government, and weakens the citizen's autonomy.

II. RESULTS AND DISCUSSION

The procedure of community involvement in local budgeting process as the manifestation of local budgeting democratization in Indonesia is governed in Law No.25 of 2004 about National Development Plan System. All of areas enact development discussion forum from neighborhood to

municipal/regency and discussion forum between local apparatus and community. Formally and procedurally, a discussion forum is established by involving community (society), but in practice the community follows more the figures' opinion because they are reluctant to have dissenting opinion. This phenomenon indicates the presence of value contradiction becoming the paradoxical source of PB (participatory budgeting). The value contradiction occurring between formal norms designed to regulate behavior is defeated by individual or kinship relation norm despite occurring in the format of a rational-based organization structure.

Civil society involvement in the context of budgeting planning process in Surakarta City results in inclusive versus elitist paradox. This paradox is due to supply-driven and demand-driven causes. Supply-driven paradox derives from opportunistic culture of government bureaucracy. Demand-driven one derives from culture co-modification among participating civil society. Bureaucratic opportunity is the government's tendency to apply some rules favorable to its domination [7][8]. Government elects the participating citizens to be complement of PB forum to meet regulation instruction. Meanwhile, society co-modification culture means the utilization of citizen group forum for activist group's interest [9][8].

Those that can attend citizen forum tend to have special legitimacy. The preconditions include: (i) the head or administrator of organization or citizen association enlisted in government service, Nation Unity Office (*Kantor Kesatuan Bangsa*), (ii) having symbol of community's prominent figure, (iii) having mass power under its control, and (iv) other elitist power. The citizen having such an attribute tends to be embraced by government on behalf of public engagement. Instead, the procedure to meet inclusive element results in elitist boxes among citizens. There are some elitist groups among citizen and here are those groups and their explanation. The first one is elitist group because there is a proximate relationship to government structure, for example RT (neighborhood association)/RW (citizens associations). The second elitist group is capital power, for example, employer/business performer association. There is also elitist group due to science, for example, academician. Then, there is elitist group because they have massive power of adherents, for example community figure, religious figure, chief of citizen forum group, NGO activist, head of association or mass organization, and similar. Finally, it is this elitist group that dominates citizen forum representative space. Thus, inclusiveness element results in elitist or dominative paradox.

The paradox arising is who is dominant and who is marginalized in decision making thereby the result is not inclusive. Because decision making participants are citizen representatives, the paradox arising is the presence of domination of group with larger competency and other social capital [9]. Thus, inclusive representative potentially results in exclusive decision despite a process with democratic and participatory mechanism procedure. Elitist and dominative citizen representative forums will be harmful to the functioning of balance between budget allocation priority and agenda of distributing development evenly. The domination of

more vocal and highly supported group tend to get more budget allocation but not priority. For example, *kelurahan* (administrative village) with good physical environment and facilities will be getting richer because it has strong representative in budgeting process. Otherwise, election area with less strong representative in budgeting process tends to be left behind in its area development. Meanwhile, priority and even distribution elements should be balanced to reduce the risk of intergroup conflict. Priority element promotes the partiality to certain group because of rational deliberation. Whereas, even distribution element promotes the attempt of relieving conflict by divide the existing resource evenly to all of groups.

This inclusive-elitist paradox makes the participatory budgeting system keeps running procedurally, but there is dysfunction substantively, for example budget injustice, majority group's domination, patronage, clientelism, and corruption [10][11]. It is in line with Celina Souza (no year) finding authentic participatory paradox. Authentic participatory paradox is the deviation of participatory mechanism tending to change the leader of civil society and institution into broker of political interest not based on society need. It results in disruption in the achievement of justice value in public budget allocation.

The result of research in Surakarta showed that the actor's perspective on the advantage of participatory budgeting forum affects the forum utilization behavior. This attitude and perspective is connected to incentive and disincentive they receive from the implementation of participatory budgeting forum mechanism, it is here that the convergence between procedural formalism culture orientation and vulnerable co-modification culture results in pseudo participatory pathology in participatory budgeting process.

In practice, currently the incentive for the government to hold participatory budgeting forum is to bring down the procedural obligation mandated by regulation. Such the incentive is related to government performance assessment system concerning participatory development still oriented to procedural assessment, for example: whether or not participatory forum has been held, the number of participant representatives present by gender, evidence of forum document signing, and similar. Meanwhile, the incentive for the society representative to be involved is dominated by the interest in maintaining status as civil society activist having close relation to government power. The proximate relation to government becomes the source of access to co-modification of various interests. Incentive encouraging the citizen's presence in accountability forum is varying, because the citizen's collective action is a complex link of interest and incentive. Informants of research showed that interest and incentive included material (transport money, project work, special facility) and immaterial ones (known by official, known by media, having social access network). The result of research on Surakarta City showed that elitist behavior of forum representative brings about disincentive risk for the motivation of citizens involved in participatory forum. Other members of community become apathetic with participatory forum because they are disappointed with the co-opted forum implementation by government and elite domination. It means

that, there should be an evaluation non counter-productive incentive system in the quality of social accountability.

III. CONCLUSIONS

The conclusion was that at certain condition, participatory budgeting practice potentially encounters deviation leading to dysfunction if the related variables interact inappropriately. Procedural orientation of bureaucratic forum and community co-modification culture become the source of inclusive-elitist paradox in participatory budgeting process in Surakarta City, Indonesia. The consequence of such the paradox is the institutionalization of pseudo participatory budgeting forum mechanism. Pseudo participatory budgeting results in a bias in the achievement of budgeting democratization values, namely justice aspect, even distribution of access and social accountability.

The recommendation for further research was that the next research should apply Theory of Change to study the citizen's incentive growing demand-driven to participate genuinely in order to have control power among the ruler. The civil society's care about genuine participation becoming demand driven reduces the effect of representative selection in the elitist participatory budgeting forum. The future challenge is how to make the access the citizens obtain in participatory budgeting forum results in improved knowledge among the public budgeting policy-literate citizen and social capital reinforcement for the efficiency of public resource and social justice, for example improving productivity and job opportunity, maintaining life environment quality, improving public service, and developing other public information literacy quality. There should be an innovation in the improvement of participatory budgeting mechanism organization quality and dissemination of public budget information so that the stakeholders can grow genuine participation to be involved in Participatory Budgeting.

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