

The Determinant Factors in the Policy Formulation Process for the Regional Revenue and Expenditure Budget

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ABSTRACT

The new paradigm for implementing regional autonomy in Indonesia is basically based on the principles of local democracy and good governance. With this basis, the regional government and the Regional People's Representative Council as local institutions are responsible for the implementation of regional autonomy as a manifestation of local community representation. The shift of power from the center to the regions and the empowerment of the Regional People's Legislative Assembly has formed its own dynamics in the interaction relations of the two institutions so that it is often colored by conflicts that have political compromises in the process of formulating and discussing the General Policy on Budgets-Priorities of Budget Ceilings and Draft Regional Revenue and Expenditure Budgets. . Therefore the formulation of the problem in this study is: What are the determinant factors in the policy formulation process for the 2019 Regional Budget for Fiscal Year in Sidenreng Rappang Regency?. This study aims to: Know the determinant factors in the policy formulation process of the Regional Revenue and Expenditure Budget for the 2019 Fiscal Year in Sidenreng Rappang Regency. This study used a qualitative approach with data collection techniques through in-depth interviews and documentation studies. The results of the study show that the determinant factors in the policy formulation process for the Regional Revenue and Expenditure Budget for the 2019 Fiscal Year are: (a) Political factors, (b) the interest of policy-making actors, (c) Capacity factors of policy-making actors, (d) Organizational experience factors of formulating actors and (e) Bargaining of policy formulating actors.

Keywords: Determinant Factors; Policy Formulation; Regional Revenue and Expenditure Budgets

INTRODUCTION

The failure of the centralized and autocratic pattern of government in the New Order era has raised a collective awareness of the importance of a decentralized and democratic pattern of government. And the process towards this coveted democracy is not an easy road to take (Sanusi & Widyastuti, 2020). One of the reasons for the fall of the New Order regime was the domination of the central government over local government (Hadi & Kasuma, 2012). As in the case of budget policy formulation, local governments do not have a significant role in the process of budget policy formulation so that local government budget policies do not reflect demands from regional needs but are oriented towards the interests of the central government in the regions (Ishak, 2005). Therefore the reform movement that overthrew the New Order was also influential in the development of regional government legislation.

One of these influences was the birth of Law no. 22 1999 concerning Regional Autonomy and Law no. 25 of 1999 concerning Central and Regional Financial Balance. The two laws introduced the concept of regional autonomy which prioritizes local democratization, strengthening public participation, equity and justice in development based on regional potential

and empowerment, as well as strengthening the role of the DPRD as a representative body for the people in the regions. With the existence of this concept of autonomy, it is hoped that in the process of policy formulation, especially regarding budgeting, it can facilitate the regions in accelerating development according to the conditions and capabilities of the region.

This participation is realized by providing space for public participation in the policy formulation process, especially regarding the budget through a forum called the Development Planning Meeting (Musrenbang) (Fadil, 2013). The guarantee of the existence of space for public participation in planning is outlined in the Law on the National Development Planning System Number 25 of 2004 which mandates the existence of a forum for public consultation in the process of development planning in every government unit. Theoretically, the ideas for change regulated by the two laws have opened positive public spaces for local communities to be able to participate and develop their own areas. It regulates a system for the process of formulating policies, especially budgets that must go through the Musrenbang as a form of openness of public space in the process of formulating bottom-up budget policies. However, in practice this public space did not work as expected because the culture of the government apparatus was still influenced by the top down culture of the apparatus due to the customs of the New Order era.

The shift of power from the center to the regions and the empowerment of the DPRD, at least, has formed its own dynamics in the interaction between the local government and the DPRD which is often colored by conflict and also conditions with collusion. In addition to conflicts that occur within the body of the government system, conflicts also often occur in the realm of the financial system. The regional financial system itself is regulated in Law no. 33 of 2004 concerning Financial Balance between the Central Government and Regional Governments. Then it was confirmed through Government Regulation Number 58 concerning Regional Financial Management and Permendagri 13 of 2006 concerning Guidelines for Regional Financial Management which later became guidelines in the process of formulating Regional Revenue and Expenditure Budget policies throughout Indonesia.

Usually conflicts occur at the stage of seeking agreement to be determined as APBD, what occurs is a tug-of-war between the local government and DPRD. Meanwhile, the Musrenbang results are only used as an alternative to the tug-of-war of interests between the local government and DPRD. The description above shows that community involvement in the planning and budgeting process is only limited to participatory formalities (Matdoan, 2014).

People's representative institutions in a democratic government system are the most important elements (Wati et al., 2022). In every democracy, citizens either directly or through their elected representatives in representative institutions, should be involved in making political decisions. Law No. 17 concerning the People's Consultative Assembly, the People's Representative Council, the Regional Representative Council and the Regional People's Representative Council which regulate and facilitate relations between the people and DPRD members through Recess and Constituent Meetings with the aim of capturing aspirations from the community to be fought for into the APBD.

Technically, this RKA includes RKA-SKPD and RKA-PPKD. In the RKA (SKPD and PPKD) in format refers to the APBD structure (revenue, expenditure and financing) which is classified according to government affairs, financial functions, organization, programs and activities.

In Sidenreng Rappang Regency, the process of drafting KUA and PPA that were submitted by the executive to be discussed and enacted into the 2019 Regional Budget Draft

received a negative response from members of the Sidenreng Rappang Regency DPRD, with the consideration that the KUA and PPAS that were proposed by the executive did not yet reflect partiality to the community, as stated by the Head of the Fraction Democrat DPRD Sidenreng Rappang.

The budget preparation process has four objectives as stated by Mardiasmo (2004) which are as follows:

1. Helping the government achieve fiscal goals and improve coordination between departments within the government.
2. Help create efficiency and fairness in providing public goods and services through a prioritization process.
3. Makes it possible for the government to meet spending priorities.
4. Increasing government transparency and accountability to the DPR/DPRD and the wider community.

With various logical considerations and the reality of the preparation of the budget carried out by the Sidenreng Rappang Regency Government in 2019 and on the basis of various development proposals resulting from the DPRD recess which were still not accommodated, the discussion of the budget became sometimes hampered. The DPRD as guardian of the regional budget said that in terms of budget preparation transparency, the government had not been fully open so that the public and even members of the council had difficulty accessing the budget preparation process.

The interaction between the DPRD and the regional government in Sidenreng Rappang Regency in the process of formulating policy formulations is characterized by dynamics, especially in the process of formulating and discussing policies on the Regional Revenue and Expenditure Budget. Based on the author's observations, the interaction between the DPRD and the local government occurs in an associative form, that is, accommodative and cooperative which leads to a unified opinion. On the other hand, dissociative social interaction includes competition, disagreements that lead to conflict occasionally coloring discussion meetings, both those that occurred during the KUA-PPAS discussion and during the discussion on the RAPBD, however, after bargaining, a compromise occurred in order to fight for each other's interests. so that much criticism of the DPRD and local government is due to the neglect of the interests of the 'aspirations' of the people because they are not accommodated in the RAPBD.

In the Regulation of the Minister of Home Affairs Number 13 of 2006 it is stated that the Regional Revenue and Expenditure Budget (APBD) is the basis for regional financial management within 1 (one) fiscal year and is determined no later than 1 (one) month before the implementation of the relevant fiscal year. The deadline for setting the APBD should be a reference for the regions in the process of preparing the APBD.

Based on the data which obtained from Legal Section of the Regional Secretariat of the Sidenreng Rappang Regency, it can be seen that for 13 Fiscal Years, the determination of the Sidenreng Rappang Regency APBD has always been on time, although it has often experienced delays in submitting the draft to the DPRD for discussion. This condition raises questions regarding what are the determinant factors that influence actors in the formulation process of regional budget policies. So the authors decided to conduct research with an objective field experiment approach.

Based on the description of the problems stated above, the authors have carried out research with the title "The Determinant Factors in the Policy Formulation Process for the Regional Revenue and Expenditure Budget".

METHOD

The type of research used is descriptive with a qualitative approach, which provides an overview of the interaction of the DPRD and local government in the policy formulation process for the Regional Revenue and Expenditure Budget for the Sidenreng Rappang Regency for the 2019 Fiscal Year. This qualitative research method is also called a naturalistic approach. The scope of interaction in the focus of this research is the interaction of the DPRD and the regional government during the General Budget Discussion Meeting and the Provisional Budget Ceiling Priorities (KUA-PPAS) and the discussion meeting on the Draft Regional Revenue and Expenditure Budget (RAPBD) held by the Regency Regional People's Representative Council. Sidenreng Rappang 2019 Fiscal Year. Research informants consisted of: 1) Head of DPRD Budget Agency, 2) Head of Financial Management, 3) Head of Bappeda, 4) Head of Regional Revenue Service, 5) Head of Human Settlement Service, 6) Head of Commission, 7) Head of Faction, 8) Head of the Legislative Body, 9) Member of the Budget Committee, 10) Head of the Regional Secretariat Legal Department, 11) Head of the Secretariat Legal Department, 12) public Figure.

According to Sugiyono (2008) data analysis is the process of searching and systematically compiling data obtained from interviews, field notes, and other materials so that it can be easily understood and of course can be informed to others. The technique for testing the validity of the data in this study uses the Triangulation examination technique which is an examination technique in terms of criteria and credibility. According to Moleong (2005), Triangulation Techniques can be carried out by: (1) Comparing observed data and interview data with informants, (2) Comparing what people say in public with what is said privately, (3) Comparing what people say about the researchers' situation with what is said all the time, (4) Comparing the state of a person's perspective with various opinions and views on the problem according to the actual experience they had seen, (5) Comparing the results of interviews with the contents of a related document. Data analysis model that researchers use is the interactive model by Miles, Huberman, and Saldana (2014) which consists of; (1) data condensation, (2) data display, and (3) drawing conclusions.

RESULT AND DISCUSSION

Based on the results of observations, interviews, secondary data and facts found at the research location, regarding the interaction of the DPRD and the Regional Government in the formulation process of the Sidenreng Rappang Regency APBD policy with the research focus set in the previous section accompanied by several perspectives on the contents and contents of the APBD Fiscal Year 2019. Then the following research results are obtained.

Regional institutional construction must reflect the existence of a mechanism of checks and balances between DPRD and local government, and the community. Likewise with political positions and career positions there must be clear differences to minimize the politicization of civil servants in the regions. It is difficult to create a mechanism of checks and balances between the regional executive and DPRD without community involvement. The lack of public

participation will lead to a tendency for local government and DPRD to collaborate negatively because there is no 'pressure to be competitive'. Pressure from the community in the form of 'demand and support' both to the regional government and to the DPRD. This is in line with the opinion of Nadeak et al., (2014) which states that "in this UUPD, in addition to oversight of DPRD members, pressure from the community is also needed in the form of demand and support for both the executive and the DPRD".

In addition, the DPRD as the spearhead of legislation in the region is faced with various internal problems that greatly affect the performance of the DPRD, especially the problem of the quality of legislators who have minimal understanding of the functions they have, especially the budgeting and legislative functions (Kamar & Tinov, 2013) . This weakness of course results in the DPRD's performance being so low, especially in drafting regional regulations as one of the DPRD's responsibilities in carrying out its function of forming regional regulations. DPRD as people's representatives should be a source of initiatives, ideas and concepts regarding various regional regulations that will bind the community, because they are the ones who should know exactly what the public needs.

Types of actors in public policy formulation include: ordinary citizens, organizational leaders, members of the DPR, leaders of legislative bodies, party activists, party leaders, judges, civil servants, engineers, and managers of the business world (Lindblom, 1984). If grouped, the actors in the policy formulation process can be divided into two groups, namely: official actors and unofficial actors.

To respond to the aspirations and needs of the community, the determinants in the process of formulating policies on the Regional Revenue and Expenditure Budget for Sidenreng Rappang Regency are as follows:

Political Factors

In formulating a policy, support is needed from various policy actors, both actors from the government and non-government circles, especially actors from the People's Representative Council which are indeed representatives of political parties. Likewise, what happened in Sidenreng Rappang Regency, one of the determining factors in the process of formulating the Regional Revenue and Expenditure Budget policy is the political factor. The politicization of public budgets can be traced from the size of the budget received and who benefits and who loses. At a time when there is weak control from the community and there is no moral attachment of DPRD members to their respective constituencies, of course the policies set are very detrimental to the community, even though the public agenda has been held since the village level with the village Musrenbang, it was defeated by an agenda full of political content. The institutional agenda is the crystallization of the collective political interests of political parties and regional bureaucracy.

Factors of Interest of Policy Formulator Actors

The phenomenon of the interests of local elites in the discussion of the Sidenreng Rappang Regency APBD for the 2019 Fiscal Year is very complex. Based on the results of the interviews, it is known that one of the factors influencing the smooth process of deliberating and establishing the APBD for the 2019 Fiscal Year is the interest of DPRD members to fight for aspirations that have been received and accommodated during the Recess and Constituent Meetings in their

respective constituencies. Vice versa, the regional government represented by the Regional Government Budget Team must also fight for the results of the Musrenbang and the routine expenditure of each regional apparatus organization. It can be seen that both of them have interests that must be fought for to be accommodated into the APBD for the 2019 Fiscal Year in Sidenreng Rappang Regency, however, in fact both the results of the Musrenbang and the results of the recess for DPRD members must be fought for because both are in the public interest. However, budget constraints lead to an unavoidable situation where interests are not accommodated in the APBD.

This is in accordance with the opinion of Thomas R. Dye (1978) that elitism means that public policy does not so much reflect the will of the people but the will of the elite. Therefore, to reach an agreement or understanding of the two different interests between the executive and legislative parties, negotiations are carried out. Negotiations carried out by both parties were carried out through formal and informal mechanisms. This formal mechanism is carried out through official forums or meetings both in the internal area to involve both parties. Informal mechanisms are implemented after official forums (lobbying). This is used as a powerful step to overcome deadlock situations in the budgeting process.

The impact of negotiating the interests of the formulating actor is that there is a shift in the budget or a reduction in the allocation which is then transferred to other posts in accordance with the agreement of the DPRD Budget Agency and the Regional Government Budget Team. This condition is in line with the opinion of Anderson (1984) who sees that there are several kinds of values that underlie the behavior of decision makers in making decisions, including: political values (political values) - decisions are made on the basis of the political interests of political parties or groups certain interests.

Capacity Factor of Policy Formulator Actors

Weaknesses of DPRD members, by some people it is assumed that the minimum human resource capacity of DPRD members is due to the recruitment of political parties that is not going well. The process of recruitment and regeneration of political parties in general did not work as it should. Likewise the Regional People's Legislative Council of the Sidenreng Rappang Regency, in general, candidates who only register with a certain political party without going through an education and cadre process can be accepted as candidates. Based on the results of interviews, it is known that the quality capacity of human resources owned by DPRD members is still very limited because the recruitment process is not through selection or HR capacity testing or not based on the experience and discipline they have but is carried out by general elections. This allows candidates or candidates who have the financial ability, popularity and emotional closeness to certain communities and have an accurate strategy to get the most votes and succeed in occupying seats in the DPRD.

Based on secondary data obtained in the field, the education level of members of the Sidenreng Rappang Regency DPRD is still very minimal because they are still dominated by legislators who have no educational experience in legislation training. From the data obtained, only 8 out of a total of 35 members of the Sidenreng Rappang DPRD are old faces from several political parties or factions, while 27 are new faces. So to be able to meet the workforce that has the ability to carry out the function of forming regional regulations, the budget function and the supervisory function are very limited. Therefore the implementation of education and technical

guidance is expected to be able to improve the skills, knowledge and attitudes or behavior of policy-making actors. Besides that, there are still many obstacles that arise, including: low motivation in the process of increasing human resources, lack of information owned by local governments to determine the required performance indicators in the APBD, difficulties translating performance indicators into budget elements, and changes in regulations legislation that guides the preparation of the APBD. The impact of the low ability and expertise of DPRD members of Sidenreng Rappang Regency has resulted in many regional policy proposals being initiated by the regional government. As a result, it seems that members of the Legislation Body sometimes only accept proposals and then discuss them to be proposed as a regional policy.

Organizational Experience Factors of Formulating Actors

Ideally, members of the Sidenreng Rappang Regency DPRD in the process of formulating and discussing the APBD for the 2019 Fiscal Year in carrying out their functions and authorities are quite good and able to know their duties and responsibilities in carrying out the budgeting function. However, in reality, there are still overlapping authorities and workloads that do not follow the schedule set by the DPRD Deliberative Body. So it seems that in the process of finalizing the formulation and drafting of regional bylaws which will be discussed by each of the council's instruments, it is often late and even some members of the council are often absent.

According to the results of the researchers' observations that DPRD members who are lazy to attend meetings are indeed closely related to the experience of the organization they have. Most of the experiences and professional backgrounds possessed by legislators in Sidenreng Rappang Regency come from business backgrounds, entrepreneurs and only a small number of old faces who already have work experience in legislative institutions. Besides that, organizational experience can also influence attitudes and actions in the public budgeting process. In other words, the experience of DPRD member organizations and the Regional Government of Sidenreng Rappang Regency has been very supportive in the discussion process of the 2019 Fiscal Year Draft Regional Budget.

Factors of Cooperation (Bargaining) of Policy Formulator Actors

The relationship between the local government and the DPRD is a working relationship that is equal in position and is a partnership. An equal position means that the regional government institutions have the same and equal position, meaning they are not supervising each other. Therefore, the pattern of cooperation (bargaining) is a form of interaction that always characterizes the relationship between actors formulating policies. Good cooperation from the two local government institutions is absolutely a supporting factor because it will affect the success of forming a public policy. As seen in the process of interaction between the DPRD Banggar actors and the Regional Government Budget Team (TAPD) in the process of discussing and establishing the Regional Revenue and Expenditure Budget (APBD) policies for the 2019 Fiscal Year of Sidenreng Rappang Regency.

Based on the results of the interviews, it is known that local governments play a more dominant role in the process of formulating and formulating policies, while members of the Regional People's Representative Council dominate more in the discussion process of the RAPBD. Therefore, to prevent conflicts between the two policy formulation institutions, a win-win solution is needed. This is where a pattern of cooperation occurs in the form of (bargaining)

in completing public policy. As a result of this bargaining, there is a shift in the budget or a reduction in the allocation which is then included in other posts in accordance with the agreement of the DPRD Budget Agency and the Regional Government Budget Team, but when budget constraints occur, it is included in the budget changes or in the following fiscal year.

The above conditions are in accordance with Anderson's statement (1984) which confirms that the bargaining process can occur in three forms, namely negotiation, mutual giving and receiving (take and give) and compromise (compromise). In fact, the explanation of bargaining is rooted in the term that if there are two or more actors or groups of actors, each of whom has a certain authority and position but can make adjustments (sharing) that is expected to be built into the discussion system.

CONCLUSION

There are 5 determinant factors that influence the formulation of APBD policies for the 2019 Fiscal Year, namely: (1) Political factors, one of the determining factors in the process of formulating Regional Revenue and Expenditure Budget policies is political factors. The politicization of public budgets can be traced from the size of the budget received and who benefits and who loses. (2) The interest factor of the actors formulating the policy. Based on the results of interviews, it is known that one of the factors that influences the smooth process of discussing and determining the APBD for the 2019 Fiscal Year is the interest of DPRD members to fight for aspirations that have been received and accommodated during Recess and Constituent Meetings in their respective constituencies. (3) The capacity factor of the policy formulation factor, it is known that the education level of members of the Sidenreng Rappang Regency DPRD is still very minimal because it is still dominated by legislators who have educational experience and have never received legislation training. From the data obtained, only 8 out of a total of 35 members of the Sidenreng Rappang DPRD had previous experience in political parties. (4) The experience factor of the organization of the drafting actors. Experience and professional background possessed by legislators in Sidenreng Rappang Regency mostly come from businessmen, entrepreneurs and only a small number of old faces who already have work experience in the legislature. And (5) Cooperation (Bargaining) of policy formulation actors, it is known that local governments play a more dominant role in the process of formulating and formulating policies, while members of the Regional People's Representative Council dominate more in the discussion process of the RAPBD.

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