

PARTICIPATORY BUDGETING IN EMERGING ECONOMIES: ENHANCING TRANSPARENCY AND ACCOUNTABILITY

Ari Purwanti¹
Oktavie Fresiliasari²
Zakiyuddin Abdul Malik Alfaruq³
Sudjono⁴
Tekat Sukomardojo⁵

¹Universitas Dian Nusantara
Jl. Tj. Duren Bar. 2 No.1, RT.1/RW.5, Tj. Duren Utara, Kec. Grogol petamburan, Kota Jakarta Barat, Daerah Khusus Ibukota Jakarta 11470, Indonesia

²Universitas Semarang
Jl. Soekarno Hatta, RT.7/RW.7, Tlogosari Kulon, Kec. Pedurungan, Kota Semarang, Jawa Tengah 50196, Indonesia

³Universitas Widyatama
Jl. Cikutra No.204A, Sukapada, Kec. Cibeunying Kidul, Kota Bandung, Jawa Barat 40125, Indonesia

⁴Universitas Esa Unggul
Jl. Arjuna Utara No.9, Duri Kepa, Kec. Kb. Jeruk, Kota Jakarta Barat, Daerah Khusus Ibukota Jakarta 11510, Indonesia

⁵Politeknik Penerbangan
Jl. Jemur Andayani I No.73, Siwalankerto, Kec. Wonocolo, Surabaya, Jawa Timur 60236, Indonesia

Correspondence Email: ari_purwanti@undira.ac.id

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ABSTRACT

This study explores how participatory budgeting can improve government transparency and accountability in developing countries. The study uses a qualitative approach by collecting data from various relevant sources and analyzing the data to identify key findings. The study results show that despite significant challenges, such as bureaucratic resistance and budget constraints, participatory budgeting has increased citizen participation, improved resource allocation, and strengthened government relations. Public participation has successfully promoted transparency in decision-making and reduced the potential for abuse of power. The success of participatory budgeting implementation depends heavily on political commitment and bureaucratic reforms that support openness and public participation, participatory budgeting can contribute to more inclusive and sustainable development with adequate support.

Keywords: Participatory Budgeting; Transparency; Accountability; Developing Countries.

ABSTRAK

Studi ini bertujuan untuk mengeksplorasi bagaimana penganggaran partisipatif dapat meningkatkan transparansi dan akuntabilitas pemerintah di negara-negara berkembang. Studi ini menggunakan pendekatan kualitatif dengan mengumpulkan data dari berbagai sumber yang relevan, dan menganalisis data untuk mengidentifikasi temuan-temuan utama. Hasil studi menunjukkan bahwa meskipun menghadapi tantangan signifikan, seperti resistensi birokrasi dan keterbatasan anggaran, penganggaran partisipatif terbukti dapat meningkatkan partisipasi warga, memperbaiki alokasi sumber daya, dan memperkuat hubungan antara pemerintah dan masyarakat. Partisipasi publik berhasil mendorong transparansi dalam pengambilan keputusan dan mengurangi potensi penyalahgunaan kekuasaan. Keberhasilan penerapan penganggaran partisipatif sangat bergantung pada komitmen politik dan reformasi birokrasi yang mendukung keterbukaan dan partisipasi publik, penganggaran

partisipatif dapat berkontribusi pada pembangunan yang lebih inklusif dan berkelanjutan dengan dukungan yang memadai.

Kata Kunci: Penganggaran Partisipatif; Transparansi; Akuntabilitas; Negara Berkembang.

BACKGROUND

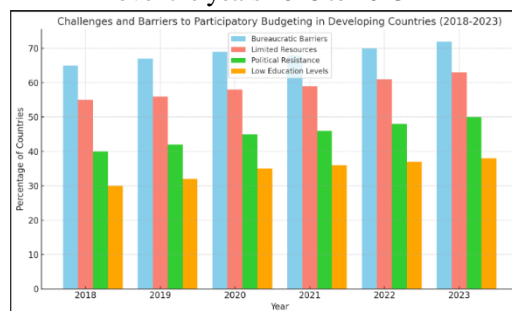
In the modern era, the challenges in governance in developing countries are increasingly complex. One issue that remains a concern is how governments can manage public resources effectively and efficiently while maintaining adequate transparency and accountability. In many developing countries, communities often feel marginalized from decision-making, especially in managing the state budget. This condition is exacerbated by the problems of corruption, injustice, and weak supervision of public funds, resulting in a lack of public trust in the government. (Sofyani et al., 2020).

Differences in political culture and levels of community participation are also challenges. In many developing countries, the tradition of governance tends to be top-down, where a group of political elites make important decisions without involving the wider community. (Dick-Sagoe, 2020).

Increasing demands from the global community for openness and accountability have forced governments in developing countries to seek innovative solutions in recent decades. (Cantarero, 2020). Although participatory budgeting has been successfully implemented in several developed countries, implementing this concept in developing countries still faces various challenges. One of them is resistance from parties interested in maintaining the status quo, as well as the inability of some communities to participate effectively due to a lack of access to information or minimal understanding of the budgeting process. (Bartocci et al., 2023).

To better understand the scope of these barriers, recent data from 2018 to 2023 offers insight into the key challenges countries encounter when attempting to introduce and sustain participatory budgeting efforts. The data highlights how these factors have evolved, providing a clearer picture of the ongoing difficulties and areas that require further reform or support:

Figure 1. Challenges and barriers to implementing participatory budgeting in developing countries over the years 2018 to 2023



Source: data proceed

Over the period from 2018 to 2023, several challenges and barriers have consistently impacted the successful implementation of participatory budgeting in developing countries. Bureaucratic barriers have steadily increased, from 65% of countries facing such issues in 2018 to 72% in 2023. This indicates that structural inefficiencies within government institutions continue to pose significant hurdles, preventing smooth and transparent processes in budget decision-making.

Resource limitations have gradually increased from 55% in 2018 to 63% in 2023. This reflects the ongoing struggle many developing nations face regarding financial and human capital, which restricts the government's ability to fully embrace and implement participatory budgeting frameworks.

Political resistance has also grown, with the percentage of countries experiencing such resistance climbing from 40% in 2018 to 50% by 2023. This data suggests that, in many cases, political elites are reluctant to relinquish control over budgetary decisions, leading to a lack of political will to support these participatory mechanisms.

Low education levels have slightly increased, from 30% in 2018 to 38% in 2023. In countries where citizens may not fully understand or engage in the participatory budgeting process due to educational gaps, this remains a critical barrier to effective public involvement.

External influences such as dependence on international aid also affect the dynamics of budget management in developing countries. Many developing countries rely heavily on foreign aid to finance their development programs, often putting governments in difficulty. (Mohsin et al., 2021).

Public dissatisfaction with government budget management in developing countries is not new. In many cases, the budget that should be used to improve public services such as education, health, and infrastructure is allocated to projects that do not directly benefit the community. Massive protests have occurred as a form of resistance to injustice in budget allocation, and this situation demands reform in how the government manages public resources. (Polzer et al., 2023).

Pressure from civil society to create a more transparent and accountable government is also growing, along with increasing public awareness of their rights in the public decision-making process. In this context, participatory budgeting has emerged as a potential solution. (McDonough & Rodríguez, 2020).

Many participatory budgeting initiatives fail to achieve their objectives due to a lack of political commitment, weak institutional capacity, and minimal active participation from the public. (Touchton et al., 2024). Participatory budgeting processes are often just formalities, where input from the public is not genuinely accommodated in decision-making. Another challenge is the limited resources, both financial and human, which make it difficult for governments to implement inclusive and transparent budgeting processes. (Manes-Rossi et al., 2023).

Examining how developing countries can overcome these obstacles and take concrete steps to increase public participation in budget management is important. Participatory budgeting not only has the potential to improve transparency and accountability

but can also provide an impetus for creating a more inclusive and responsive government to the needs of the public. A budget is a management tool for achieving goals. So, a budget is not a goal and cannot replace management. (Safaeian et al., 2022).

Not every organizational work plan can be called a budget. Because the budget has several unique characteristics that distinguish it from just a plan:

1. Stated in monetary units

Other quantitative units can also support writing in monetary units, such as units. Preparing the work plan in monetary units aims to make it easier to read and understand the plan. A work plan realized in a long story will make it difficult for organization members to read or understand. Therefore, the budget should be prepared in a concise quantitative monetary form. (Carpenter et al., 2021).

2. Generally, it covers one year.

It does not mean that the budget cannot be prepared for a shorter period, for example, three months, or for a more extended period, such as five years. The time limit in preparing the budget will provide a limit to the work plan. (Afonso, 2021).

3. Contains management commitment

The budget must be accompanied by efforts from management and all organization members to achieve what has been set. Without serious efforts from management to achieve it, the budget preparation will not benefit the company. Therefore, in preparing the budget, the company must carefully consider the resources owned by the company to ensure that the budget prepared is realistic. (Astuty et al., 2022).

4. The budget proposal is approved by an official higher than the budget implementer. The budget cannot be prepared individually by each part of the organization without the approval of the superior of the drafter. (Rumadhan, 2021).

5. After approval, the budget is only changed if exceptional circumstances exist.

So, management may not change the budget at all times and in all circumstances. The budget may be changed if the internal and external situations of the organization force the budget to be changed. Changes in internal and external assumptions force the budget to be changed because, if maintained, the budget will no longer be relevant to the existing situation. (Alsharari, 2020).

6. If there is a deviation/variance in its implementation, the cause of the deviation must be analyzed.

Without a more in-depth analysis of the deviation, the potential for it to recur in the future is excellent. The purpose of analyzing the deviation is to find the cause of the deviation so that it does not recur in the future. That future budget preparation becomes more relevant to the existing situation. (Zhang et al., 2020).

Participatory budgeting is a process in which individuals are involved and influence the preparation of budget targets whose performance will be evaluated and possibly rewarded for their budget achievements. Participatory budgeting is a creative innovation in the process of making policies. In this case, the community is directly involved in policy-making (Kuruppu et al., 2023). Budget participation is a process in an organization that involves all

parties in determining budget objectives that are their responsibility. The regional budgeting process with a performance approach in the Kepmendagri contains guidelines for the preparation of the draft APBD, which is implemented by the executive budget team together with the regional apparatus organizational unit (work unit) (Mærøe et al., 2021).

The term transparency can be interpreted as clarity or openness of information. Transparency is a principle that guarantees everyone's access to or freedom to obtain information about the implementation of government, namely information about policies, the process of making and implementing them, and the results achieved. Transparency has no hidden intentions, is accompanied by the availability of complete information needed for collaboration and cooperation, and is free, clear, and open. (Milić et al., 2022).

Transparency in public financial management is a principle of good governance that public sector organizations must meet. The public will obtain actual and factual information by carrying out this transparency. (Matheus et al., 2021).

Hari Sabarno says, "Transparency is one of the fundamental aspects for realizing good governance." Transparency is essential for implementing government functions and the people's mandate. Given that the government has the authority to make crucial decisions that affect many people, the government must provide complete information about what is being done. With transparency, lies are difficult to hide. Thus, transparency becomes important to save government aid funds from corruption. (Bauhr & Carlitz, 2021).

Minister of Home Affairs Regulation No. 13 of 2014, concerning guidelines for regional financial management, states that transparency is a principle of openness that allows the public to know and obtain access to the broadest possible information about regional finances. Transparency guarantees access or freedom for everyone to obtain information about the implementation of government, namely information about policies, the process of making and implementing them, as well as the results achieved (Kusi et al., 2020).

Accountability can also be interpreted as the obligations of individuals or authorities entrusted to manage public resources and those concerned to answer matters concerning their accountability. Accountability is closely related to instruments for control activities, especially in achieving results in public services and conveying them transparently to the public. (Dewi et al., 2021).

According to Dubnick, public accountability is traditionally understood as a tool used to monitor and direct administrative behavior by providing obligations to provide answers to several external authorities. Furthermore, Sri Minarti explained that Accountability is a condition of a person who is assessed by others because of the quality of his performance in completing tasks to achieve goals that are his responsibility. Meanwhile, according to McKinsey and Howard, accountability is a condition where a person has and uses specific authority that can be controlled and is limited by the scope of the use of power by external control instruments, including the internal value system that applies in the institution concerned. (Overman & Schillemans, 2022).

The main focus of this research is to explore in depth how participatory budgeting can play a role in increasing government transparency and accountability, especially in

developing countries that often face various social, economic, and political challenges. The research highlights that participatory budgeting, involving citizens in the decision-making process regarding budget allocation, offers excellent potential to improve governance towards a more open and inclusive government. The research emphasizes the importance of bureaucratic reform, strong political support for participatory budgeting to be effective, and its contribution to more inclusive and sustainable development.

METHOD

Research Approach

This research adopts a qualitative approach to explore the role of participatory budgeting in enhancing government transparency and accountability in developing countries. A qualitative method is particularly suitable for this study as it allows for a nuanced and in-depth understanding of the complex phenomena under investigation. This approach will collect data from various relevant sources, including previous research studies, reports, and case studies focusing on participatory budgeting practices in emerging economies.

The research aims to identify relationships between participatory budgeting and its impact on governance, mainly how it influences transparency and accountability. It also seeks to uncover challenges and opportunities while implementing participatory budgeting in different socio-political contexts.

Data Collection

The primary data sources will include academic publications, government reports, and case studies from countries implementing participatory budgeting. These sources will be selected based on their relevance to the research questions and the credibility of their findings.

Data Analysis

Once the data has been collected, it will be analyzed using a thematic analysis method. This involves systematically reviewing the collected materials to identify recurring themes, patterns, and relationships that align with the research objectives. The thematic analysis will focus on key aspects such as the degree to which participatory budgeting enhances transparency, fosters accountability, and engages citizens in the budgetary process. Additionally, the analysis will assess the relationship between the success of participatory budgeting and various contextual factors, such as political will, bureaucratic capacity, and resource availability.

The study will also explore causal connections, where possible, by examining how specific elements of participatory budgeting contribute to improved governance outcomes. This process will involve comparing case studies and drawing insights from patterns across different contexts. The results of this analysis will provide valuable insights into the practical implications of participatory budgeting, contributing to academic discourse and policy-making in developing countries. (Pahleviannur et al., 2022).

RESULT AND DISCUSSION

Public Participation in the Budget Preparation Process

Public involvement in budgeting is important in creating a transparent and accountable government. In the context of developing countries, public participation in budget decision-making is becoming increasingly relevant, given the frequent dissatisfaction with the way the government manages public resources. This process directly involves the public in setting budget priorities, where citizens can provide input on allocating funds following their needs. Through participatory budgeting mechanisms, the government seeks to create a constructive dialogue between authorities and the public to ensure that the use of public funds reflects real needs on the ground. By involving the public in decision-making, it is hoped that budget allocations will be more responsive to the problems citizens face, thereby increasing the efficiency and relevance of development programs implemented by the government.

This process is not always easy. Public involvement often faces various social, cultural, and political challenges that can limit effectiveness. In developing countries, the public may still be accustomed to an authoritarian political culture, where decisions are made top-down by a handful of elites without involving public participation. This results in resistance to participatory budgeting initiatives from both the government and the public. In addition, cultural factors also influence the extent to which communities can be involved in the budget process. In some communities, social norms prevent certain groups, such as women or minorities, from actively participating in public forums. Local political dynamics play an important role, where dominant political forces may feel threatened by increased community involvement in budget management. Fear of losing control of public resources often triggers resistance from parties interested in the status quo, thus slowing down the participatory budgeting process.

Public involvement in public budgeting has excellent potential to improve the relationship between government and citizens. One of the most significant positive impacts of public participation is increased public trust in government. When citizens feel involved in the decision-making process concerning public funds, they are more likely to believe that the government is working in their interests. This involvement strengthens government accountability because citizens can directly monitor budget use and provide critical feedback. The potential for corruption and misuse of the budget can be minimized because there is direct supervision from citizens involved in the process with active participation from the public. The trust built through public involvement can impact social and political stability, where citizens are more likely to support government policies that are accountable and transparent.

Public participation in the budgeting process varies across different emerging economies. Public involvement is typically implemented through town hall meetings, online platforms, community surveys, and public consultations. These mechanisms enable citizens

to voice their opinions, prioritize public projects, and provide feedback on government expenditures. The extent of involvement often depends on the level of commitment from the government and the public.

The participation process offers varying degrees of influence. In some cases, it provides significant space for the community to shape the allocation of resources, allowing citizens to suggest and vote on key projects that directly impact their communities. The role of the public may be limited to advisory functions, where their input is considered but not necessarily adopted into the final decisions.

Governments in emerging economies have taken several steps to enhance public participation. These include increasing access to budget-related information, providing training on engaging in budget discussions, and establishing more transparent and accessible channels for communication. Some governments have employed digital platforms to facilitate broader participation, especially in remote or underserved areas.

The challenge remains in ensuring that the public has absolute power in decision-making. While the government can create opportunities for participation, true empowerment requires overcoming barriers such as low civic engagement, lack of trust in public institutions, and limited public awareness of the budgeting process. Further research could explore the effectiveness of different participation models in fostering a more engaged and informed public and how governments can overcome these challenges to increase meaningful participation.

One notable example of public participation in the budgeting process is the "Musrenbang" (Musyawarah Perencanaan Pembangunan) in Indonesia, a series of public consultations at the village, district, and provincial levels. Local communities are invited to propose development projects and voice their priorities for government spending. This participatory budgeting process ensures local government planning aligns with the population's needs, fostering greater accountability and transparency in budget allocation.

The government facilitates these consultations by providing access to information about the national and regional budgets and offering training sessions for citizens to understand the process. These efforts help increase awareness and ensure the public is meaningfully involved in decision-making. In some regions, the feedback gathered from Musrenbang is directly incorporated into the local government's annual budget, demonstrating a tangible impact on resource allocation.

The local government in Yogyakarta implemented a digital platform to enhance participation in Musrenbang. Citizens can submit project proposals online, track the status of proposals, and receive updates on how their feedback is incorporated into the budgeting process. This digital approach has been especially helpful in increasing participation from marginalized communities and individuals unable to attend physical meetings. The government's role in this process is to facilitate the consultations and ensure that the proposed projects are feasible and aligned with national development goals.

To achieve effective public participation, communication barriers need to be overcome. Access to adequate information and communication remains a significant

challenge in many developing countries. Limited communication infrastructure, such as unequal internet access, means that some citizens do not receive sufficient information about the budget process. Low literacy levels and public understanding of budget issues are also obstacles. Many citizens do not understand the budget process, making participation difficult. The government needs to invest in building the capacity of citizens to be more involved in the budget process, for example, through education or training programs that provide a basic understanding of public budget management.

Public participation must also be expanded to various regions, predominantly rural areas often marginalized in the budget process. In many developing countries, public involvement tends to be higher in urban areas, while residents in rural areas still have difficulty accessing public participation forums. This condition can create inequities in budget allocation, where development priorities focus more on urban areas than rural areas. Therefore, the government needs to ensure that public participation can be reached by all levels of society, both in urban and rural areas. There needs to be an inclusive and proactive policy from the government to open up space for participation in areas that are geographically difficult to reach or where access to information is minimal.

In facing these challenges, public involvement in the budget process remains an important strategy to strengthen democracy and good governance. Governments in developing countries can build stronger trust with their citizens by addressing social, cultural, and political barriers and expanding access to public participation. This increases transparency and accountability in budget management and provides opportunities for communities to contribute directly to their countries' development.

Public Oversight System for Budget Management

The public oversight mechanism of budget management is an important foundation for creating transparent and accountable governance. This oversight involves the active participation of the community in monitoring, controlling, and evaluating the implementation of the government budget. With direct community involvement, the government can be forced to be more responsible for how public funds are allocated and used. The role of the community in this oversight not only helps detect potential budget irregularities or misuse but also encourages the use of public funds that are more targeted and efficient. That way, the community can ensure the allocated budget follows their needs and priorities. Strengthening the role of the community in budget oversight creates an environment where transparency becomes more important so that the government can no longer carry out fund management in a closed manner.

Strengthening the role of the community in budget oversight is not always easy. One of the most crucial aspects is transparency in the allocation of public funds. This transparency includes the government's openness in providing clear and accessible information to the public regarding the source and use of funds. When transparency is implemented correctly, the public can understand how the government uses public resources to monitor budget management more effectively. Budget transparency is still a significant problem in many

developing countries. Many governments have not fully disclosed budget information to the public, creating room for corruption and abuse of power. Lack of transparency reduces the effectiveness of oversight and creates distrust among the public towards the integrity of the government. Therefore, increased transparency in budget management will positively impact the effectiveness of public oversight and create better and more efficient budget management.

Encouraging transparency of budget use information often faces significant challenges. One is resistance from stakeholders to the lack of transparency. Governments, especially in developing countries, may fear that by publicizing budget information, they will lose control over public resources and face strong criticism. In addition, there are also technical challenges in providing information that is accessible to all levels of society. Many citizens do not have access to information technology or do not understand the technical terms used in government budget reports. This imbalance in access to information creates a gap in public participation, where only a tiny portion of the public can access and understand government financial reports. As a result, many people cannot fully participate in the budget oversight process, making oversight less representative and effective.

The public plays a crucial role in overseeing budget management through several mechanisms, such as Musrenbang (Musyawarah Perencanaan Pembangunan), a participatory budgeting system, and the Public Financial Accountability Forum (FAPBD). These systems allow citizens to contribute to budget planning and ensure local governments are responsive to community needs. One of the main actions for the public is to actively participate in Musrenbang, where they can propose development projects and suggest priorities for the budget at the village, district, and provincial levels. This is essential for involving the public in determining how government funds are allocated. Citizens' inputs during these consultations are expected to shape the final budget, influencing local projects like infrastructure improvements, education funding, and healthcare services.

The Public Financial Accountability Forum (FAPBD), organized by civil society organizations, provides another platform for public oversight. This forum engages citizens in monitoring budget implementation at the local government level. It lets the public track whether the budget allocated for specific projects is used effectively. In some cases, community groups or non-governmental organizations (NGOs) work to assess the performance of government projects and hold local authorities accountable by providing feedback and raising concerns in public hearings.

The effectiveness of public oversight in Indonesia has been mixed. In some regions, the Musrenbang process has successfully increased citizen participation and ensured community priorities are reflected in local budgets. For instance, in Yogyakarta, the local government implemented a digital platform for Musrenbang, enabling citizens to submit proposals online and track the status of their suggestions. This platform has facilitated greater participation from rural and marginalized communities who might otherwise be excluded from physical meetings.

The implementation of public oversight mechanisms often faces challenges. In certain regions, the public's role is still limited to providing feedback, and their influence on

budget decisions is sometimes minimal. Local governments may prioritize their agendas or political interests over public input in these cases. In some areas, public participation is also constrained by limited access to information, low civic engagement, and mistrust of government. For example, while public budget consultations are held, citizens often lack the knowledge or resources to analyze budget proposals or monitor government spending effectively.

The Indonesian government has introduced various steps to improve the effectiveness of these public oversight mechanisms. These include enhancing the transparency of budget documents through digital platforms, making budget information more accessible to the public, and conducting public education campaigns to increase understanding of budget processes. Furthermore, initiatives like the Public Expenditure and Financial Accountability (PEFA) framework are being implemented to improve budget transparency and strengthen public oversight mechanisms. In some areas, the government is also working to improve the capacity of civil society organizations and local citizens to engage in meaningful budget monitoring and advocacy.

To overcome these challenges, efforts must be made to improve oversight mechanisms that allow for direct feedback from the public. One way to do this is to simplify and clarify budget information to make it easier for the public to understand. The government can create more transparent budget reports and present them in more accessible formats, such as infographics or concise reports that do not use complicated technical terms. In addition, the use of information technology can also be an effective tool to expand public participation in budget oversight. Through digital platforms, the government can provide space for the public to provide direct feedback on budget use. With this feedback, the public can provide constructive suggestions, criticisms, or input regarding budget implementation so the government can respond more to public needs and aspirations.

Public education on budget management is also an important step in strengthening the oversight mechanism. By increasing budget literacy among the public, citizens will be better prepared to participate in the oversight process through public forums and digital platforms. Training, seminars, or educational campaigns involving the public can provide education on the basics of state financial management and government budget mechanisms. The government can also work with civil society organizations to expand public access to budget information and involve them in oversight. Thus, the role of the public in budget oversight will be more decisive, inclusive, and participatory.

Government Involvement in the Participatory Budget Process

The role of government in facilitating participatory budgeting is crucial to creating transparent and accountable governance. As the central authority, the government is responsible for opening up space for public participation so that they can be directly involved in the budgeting process. The steps taken by the government to support public participation in budgeting can vary depending on the level of openness and political commitment in each country. One common step is to provide a formal mechanism that allows citizens to

participate in budget planning and allocation. For example, the government can hold public consultations, deliberation forums, or open meetings where the public can convey their views and suggestions regarding using public funds.

In addition, the government can also use digital technology to facilitate public access to budget information and allow them to provide feedback online, which can reach people in remote areas. These steps encourage public involvement and strengthen the sense of ownership of decisions made regarding public funds. In addition to providing participation mechanisms, the government must develop specific policy strategies to increase accountability through participatory budgeting. One often applied strategy is to integrate the principles of transparency and accountability in every budget stage, from planning to evaluation. The government must set clear standards for how budget information is conveyed to the public so that all parties have equal access to the information. In addition, the government can also encourage closer collaboration between government institutions and civil society organizations, which serve as a liaison between the public and the government in the budget process. Through policies that support openness and accountability, the government can increase public participation and build public trust in the integrity of the budget system.

However, the implementation of participatory budgeting does not always run smoothly. One of the main obstacles faced is a rigid and inflexible bureaucracy, which often slows down the participation process. In many cases, complicated and convoluted bureaucratic procedures can hinder the community from effectively participating in budgeting. For example, overly strict administrative requirements or time-consuming approval processes can make it difficult for the community to convey their aspirations promptly. Therefore, bureaucratic reform is significant in accelerating the participation process. This reform can include simplifying budgeting procedures, reducing unnecessary bureaucracy, and increasing the capacity of government employees to manage public participation. The government also needs to provide training for state officials to better understand the importance of public participation and interact with the community more effectively. The participatory budgeting process can run more efficiently and inclusively by overcoming bureaucratic obstacles.

In addition to bureaucracy, political and leadership factors also play an important role in determining the extent of the government's openness to participatory budgeting. The attitudes and commitments of political leaders greatly influence the level of public participation in budgeting. Participatory budgeting processes run more smoothly in countries where political leadership supports openness and participation. Conversely, in countries where political elites feel threatened by increased citizen involvement, efforts to promote participatory budgeting often encounter obstacles. Proactive leadership in encouraging citizen participation is essential to ensure that participatory budgeting processes are a formality and a genuine tool for increasing government accountability. Leaders with a vision of transparency and inclusivity are more likely to open up space for broad participation in the community and provide the political support needed to implement budget reforms.

The influence of political factors is also evident in the power dynamics that occur at the local level. In some areas, local leaders may be more interested in maintaining complete control over budget management, so they are reluctant to provide meaningful participation for the community. This conflict of political interests often slows down or hinders participatory budgeting initiatives. Therefore, efforts are needed to encourage a more open political culture and support public participation in budget management. In addition, the success of participatory budgeting also depends on the political will of the legislature to provide the necessary support, both in the form of budget allocations and policies that support public participation. Active legislative involvement and support for public participation can put tremendous pressure on the executive to implement participatory budgeting more effectively.

The Indonesian government plays a significant role in the participatory budgeting process, primarily through the Musrenbang mechanism, which is held at the village, district, and provincial levels. The government sets regulations that require local authorities to involve the public in budget planning, allowing citizens to propose projects and provide input on budget priorities. Additionally, digital platforms are being used in some regions, like Yogyakarta, to facilitate online participation, making it easier for people, even in remote areas, to provide input.

The effectiveness and efficiency of public participation in budgeting vary. This process is more effective in more urbanized or developed areas, and the public often influences budget decisions. On the other hand, in remote areas, participation is often limited to symbolic activities without much impact. Major obstacles include limited internet access and a lack of public understanding of the budgeting process.

Although regulations like Law No. 25/2004 on Public Participation provide a solid legal foundation, implementation at the local level still faces challenges. Many regions cannot effectively implement these regulations, meaning public participation in budgeting often remains limited. Therefore, while the government has taken positive steps, such as increasing budget transparency, much more needs to be done to ensure that public participation leads to meaningful impacts on budget decisions.

Barriers and Potential to Increasing Transparency and Accountability

The challenges and opportunities in improving transparency and accountability through participatory budgeting reflect complex dynamics at the government level and among the public. One of the main obstacles to implementing transparency and accountability is resistance from parties who feel disadvantaged by such openness. Some elements in government, especially in rigid bureaucratic environments, often see participatory budgeting as a threat to their control over budget allocations. This tendency slows the decision-making process and creates friction between the government and the public. In addition, the lack of technical capacity and understanding among the public also hinders the implementation of participatory budgeting. Communities that are less informed

about the budget process may find it difficult to participate effectively, which can reduce the impact of such participation on transparency and accountability.

However, despite the many challenges, involving the public in managing the state budget also opens up great opportunities to improve governance. Public participation allows the government to better understand the needs and aspirations of the public so that the resulting budget policies can be more targeted. Communities involved in the budgeting process also have a greater sense of ownership of the decisions made, which can ultimately increase public support for government policies. In addition, participatory budgeting also creates a space for dialogue between the government and the community, strengthening the relationship between the two parties. This opportunity allows the community to provide input and play an important role in overseeing budget implementation, ultimately encouraging higher accountability.

The social, economic, and political environment also significantly impacts the effectiveness of participatory budgeting. In social environments that tend to be closed or unsupportive of public involvement, efforts to promote transparency and accountability may face more significant resistance. For example, in societies with low levels of trust in government, public participation in budget management can be challenging, as people tend not to believe that their voices will be heard or taken seriously. Economically, countries with limited fiscal capacity may not have sufficient resources to implement comprehensive participatory processes, so transparency and accountability cannot be optimized. Politically, political stability and government commitment play a significant role in determining the extent to which participatory budgeting can be implemented. In countries with unstable political dynamics, public participation in budgeting may be more challenging because the government is more focused on maintaining stability than promoting public involvement.

Several key factors need to be considered to maximize the benefits of participatory budgeting in improving accountability. First, the government needs to increase the capacity of the community to understand the budget process so that they can participate more effectively. This can be done through intensive public education and by providing transparent information on budget flows and mechanisms. Second, the government must strengthen public oversight mechanisms for budget use. The public must be given full access to budget information that is presented clearly and easily understood so that they can monitor budget implementation more effectively. Third, the government must also overcome bureaucratic obstacles hindering public budgeting involvement. Bureaucratic reform that focuses on increasing the efficiency and transparency of information is essential to ensure that the participatory process can run without significant obstacles.

Case Studies of Participatory Budgeting in Developing Countries

Participatory budgeting in developing countries presents a unique context influenced by complex social, economic, and political factors. One of the challenges facing developing countries is governments' limited resources and capacity to implement participatory budgeting programs effectively. Many developing countries struggle to achieve economic

and political stability, which often hinders prioritizing citizen participation in the budget process. In addition, high dependence on international aid or limited budget allocations narrow the government's fiscal space, reducing flexibility in responding to citizen input.

Despite these challenges, several developing countries have successfully implemented participatory budgeting with varying degrees of success. In some cases, citizen participation has identified local needs that the central government had overlooked. Communities involved in the process are often able to offer more contextual solutions to the problems faced by their communities. For example, in allocating budgets for basic infrastructure such as clean water and sanitation, community voices often bring a more realistic and practical perspective than bureaucracies' technocratic approach.

Local political dynamics often influence participatory budgeting in developing countries. In many countries, the influence of strong local elites can determine the extent to which citizens can participate in the budget process. There are cases where political elites try to manipulate the participatory process to maintain control over budget allocations, thereby reducing the positive impact of citizen participation. On the other hand, there are also examples where political pressure from below, through civil society groups and non-governmental organizations, has succeeded in pushing for greater transparency in budget management.

The opportunities arising from implementing participatory budgeting in developing countries cannot be ignored. With the increasing awareness of the importance of citizen participation, many governments in developing countries have begun to strengthen the institutional framework that allows for broader participation. The use of information and communication technology (ICT) is one effective way to expand the reach of citizen participation, even in remote areas. Through digital platforms, citizens can more easily convey their aspirations and follow the progress of the ongoing budget, even though they are far from the center of government.

This combination of challenges and opportunities creates a unique dynamic for participatory budgeting in developing countries. Although many obstacles remain, such as political instability, economic inequality, and weak institutional capacity, participatory budgeting remains an important tool in promoting accountability and transparency in the public sector. In the future, participatory budgeting in developing countries has great potential to contribute to more inclusive governance, where citizens actively allocate resources that directly impact their lives.

CONCLUSION

Participatory budgeting has improved government transparency and accountability, especially in developing countries facing structural challenges. Although the process is often hampered by complex bureaucracies, resource constraints, and resistance from some stakeholders, participatory budgeting offers significant opportunities to improve public governance. Involving citizens in the budget process enables governments to understand local needs better, strengthen relationships between government and citizens, and increase

accountability for using public funds. To maximize the benefits of participatory budgeting, governments must overcome several obstacles, including bureaucratic barriers and political challenges. Reforms in the bureaucracy and capacity building of citizens are essential to ensure that participatory processes are effective. Strong political support and commitment from the legislative and executive branches are also key to creating an enabling environment for public involvement. With these steps, participatory budgeting can improve transparency and accountability and contribute to more inclusive and sustainable development in developing countries.

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