

Local Government Budget Orientation: A Critique of Budget Policy

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Abstract

This study aims to determine the orientation of the budget in the process of preparing and determining local government budgets. The research was conducted by the local government of Gorontalo City. Habermas's communicative action theory approach as part of the critical approach was chosen as the method in this research to capture the reality of budget orientation in the preparation and determination of local government budgets. Data collection techniques were carried out through in-depth interviews, observation, and documentation. The informants in this study were from BAPPEDA, members of BANGGAR, and several officials from offices related to regional finance as many as 10 people.

This study finds that the act of compromise in the communication pattern of local government administration on budget policies is motivated by political interests. Budget policy decisions are dominated by the power possessed by actors to determine budget priorities. Communication practice is characterized by negotiation and compromise and ignores the value of honesty as a prerequisite for validity to fulfil comprehensive aspects of communication competence (truth, accuracy, honesty). Communication that is built only because of interest as the cause of communicative action is not effective. The results of the study show that the shackles of communication harmony are the basis for consideration for making policy changes by prioritizing rationality to gain legitimacy and trust from the public to government administrators.

Keywords: Budget Orientation, Communicative Action, Budget Policy

1. INTRODUCTION

The budget has been understood as a tool that connects the planning process and the organizational control process. Usually, with the limited resources owned by the organization, it is necessary to have control to keep the budget allocation right on target. It takes commitment from policy-making actors to decide on financial needs and priority allocation.

In the context of public sector accounting, the budget can be used as a very important source of financial information that reflects the activities undertaken and the resources required.

Local government finances at the provincial, city, and district levels, it is known as the Regional Revenue and Expenditure Budget whose implementation is carried out annually based on Law No. 17 of 2003 (Pramono, 2014; Oktora and Pontoh, 2013).

When viewed from the APBD posture, four posts are considered important, namely Personnel Expenditures, Goods and Services Expenditures, Capital Expenditures, and other expenditures. So that the view that the APBD is the main instrument in fiscal policy in the context of implementing public services in the regions is considered appropriate because the APBD is intended as a driver of economic growth and improving people's welfare through development in various sectors. The APBD, which is planned annually, will obtain prior approval from the DPRD which shows the sources of regional income, the allocation of expenditure for the implementation of programs/activities, as well as the financing that arises in the event of a surplus or deficit. The budget in the APBD is also an accountability tool to realize good governance.

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Unfortunately, the figures listed in local government budgets are sometimes interpreted differently and have different meanings. Differences of opinion, both in the preparation and in the determination of the APBD, usually lead to conflicts between regional heads and DPRD. Look at the examples of cases that had surfaced when the DKI Jakarta provincial government and the DKI DPRD gave different interpretations of the use of the budget in the e-budgeting program against the substance of the APBD. This case caused the delay in determining the APBD due to differences in interests in resource management (Puspitasari, 2013). Several studies also show that budget targets, which are actually for the public interest, are distorted by the truth based on the pragmatic interests of the authorities, and on the other hand budget decisions are left to the power holders (executive and legislative) by the public (Nurak and Wardani, 2021). There is almost no public space in the budgeting process and tends to be carried out formally just to fulfil the provisions of the legislation. As a result, the planning, programming, and budgeting processes are used more as a political strategy.

Conflicts of interest caused by limited resources and the position of public officials in the regions encourage regional financial management to be based on political practices developed between public officials (executives and DPR). Lowi (1995) stated that the emergence of conflict is caused by the scarcity of resources and positions. According to him, the limited position of public officials in the regions is because the role of officials cannot be carried out in different places and functions together, while limited resources are the limited availability desired by the parties in need. He further stated that political dynamics and group dynamics that often occur in policy formulation are determined by the type of policy. Through this policy, regional budgets are prepared based on an agreement as outlined in the Regional Medium-Term Development Plan (RPJMD) as a translation of the vision and mission of the regional head.

The process of producing program policies and budget allocations that are filled with political intrigue in the implementation of translating the vision and mission of regional heads, in the end, raises various problems such as planning at the OPD (Regional Apparatus Organization) level which seems to absorb more of the budget and shows less on a priority scale. Another problem in the legislative position is that it tends to prioritize the interests of its constituents, thus forgetting the benefits of the program. Certainly, the impact of realizing an effective and efficient budget and improving community welfare is difficult to achieve (Setiawan, Irianto, and Achsin, 2013). These problems have drawn criticism because they are seen as incompatible with

building communication rationality, a barometer of communicative action. The communicative action promoted by Habermas (1984) gives the view that to reach consensus, a balanced communication is needed that is free from pressure and domination from one party to another. Communicative actions ignore interactions that are sole to accommodate personal and group interests as is often the case in the practice of government administration.

Several previous studies have focused more on the use of indicators in the preparation of instruments in the form of questionnaires related to budgeting. This study focuses on the use of communicative action as an alternative in providing solutions to problems that often occur when preparing and determining budgets. So this is the novelty in this research.

Moving on from the conditions that the author has described previously, the purpose of this study is to determine the orientation of the budget in the process of preparing and determining local government budgets.

2. RESEARCH METHOD

This research is part of economics and political science and seeks to determine the orientation of the budget in the process of preparing and determining local government budgets. As a social reality, the budget is strongly influenced by the behavior of the people around it. Besides, the budget process is influenced by intrigue, negotiation, politics, and power (Siegel and Marconi, 1989). On this basis, the qualitative method is considered appropriate to explore the social realm in depth which cannot be answered by quantitative methods. Qualitative research places humanistic research that places humans as the main subject in social events.

Then to understand the social structure in the interaction between individuals in society, the author uses a critical theory approach. The choice of this approach is based on consideration of actions to make humanistic social changes to the social conditions that occur. Therefore, Habermas' theory of communicative action is a critical approach as the most appropriate foothold. According to him, to reach an agreement, all issues must be communicated in a space free from domination where the position of the participants is equal so that ethics becomes an important thing in the act of communication.

The primary data in this study came from BAPPEDA, BANGGAR members, and several officials from offices related to regional finance. Meanwhile, secondary data were obtained from relevant previous studies.

The technique of collecting information is done through direct and personal interviews to reveal hidden

things as important information for the author. In addition to direct interviews, the techniques used are observation and documentation to understand the attitude of the informants in interacting.

Activities in analyzing data are carried out using data reduction, data presentation, and concluding. Checking the validity of the data is done through the same source with different techniques.

3. Findings and Analysis

3.1. Regional Budget Political Process

As a policy instrument, the regional budget occupies a central position in efforts to develop the capability and effectiveness of local governments in carrying out their functions and roles efficiently. To achieve budget effectiveness, it is necessary to align its capabilities with the demands and needs of the public (World Bank, 1997 in Mardiasmo, 2002).

The process of preparing the budget in the local government, starts with the work plan for each work unit through the budget proposal document (RKA=Budget Work Plan). This will then be investigated by the local government budget team to see the feasibility which will be accommodated in the RAPBD which will be submitted to the legislature. At this stage, the political process of determining the APBD is determined by the executive and the legislature. Caiden and Wildavsky (2004) indeed stated that all budgets are political and in the political game, budgeting is understood as part of it.

It is undeniable that the budget target, which is actually for the public interest, is distorted by the pragmatic interests of the authorities, and on the other hand budget decisions are left to the power holders (executive and legislative) by the public. The budgeting process tends to be carried out formally just to fulfill the provisions of the legislation. As a result, the planning, programming, and budgeting processes are used more as a political strategy and provide less access to the public to see how far the implementation of the budget process is until it is determined.

During the discussion of KUA-PPAS, for example, the public did not have access to see its implementation. As stated by Iman, a civil servant at a government agency in Gorontalo City admitted that:

“This (KUA-PPAS) is intentionally closed to prevent the community from being too overly observing so that our work here is not optimal.”

Iman in his gaze said:

“After all, KUA-PPAS is only discussed by the executive-legislative. It also depends on the

regional head. Moreover, no regulation regulates the discussion of KUA-PPAS, the public can access it.”

The statement above suggests that there is something hidden from the discussion, even though the people have the right to know about the APBD planning. The same thing is the delay in the determination of the APBD due to the tug of war of interest which has an impact on the penalty for delaying the distribution of balancing funds. The data that the author obtained related to this problem is that the budget work plan document that will be discussed in the DPRD's budget (budget body) has not been accepted as an operational standard in the APBD discussion. The political aspect is no less interesting with the existence of political power that is not balanced with the authority of the local government which results in an imbalance in the discussion of the APBD draft. Another aspect is the aspect of human resources where the executive has more knowledge than the legislature. This is in line with the explanation of one of the officials in the BPKD (Regional Financial Management Agency):

“We have been trying to provide an understanding for the board to understand what we mean. But again, we also take care not to give the impression of being patronizing, taking care not to offend them. Not all of them have the same understanding. But yes, that's how it is. This is indeed a dynamic that we inevitably have to face.”

Before the APBD is drafted, the reference is the RKPD (Regional Government Work Plan). Not all members of the Council have the skills to read the RKPD, which triggers information asymmetry between the executive and the legislature when discussing the draft APBD. As a result, the proposals given during the APBD planning are no longer based on the RKPD. As stated by staff within City Bappeda:

“If it's just a suggestion, yes. But not all of them (board members) read the RKPD”

This phenomenon raises the suspicion of a relationship pattern of differences in perception and triggers the creation of a gap between the two due to the opportunistic behavior caused by both of them. Especially when the power is owned by members of the legislature whose position is in the budget agency (Banggar). With the power to control the budget, without their approval, a budget item or a proposed budget increase cannot be approved and included in the APBD. This authority if you look at the definition of power (power) by Coleman in his book entitled Foundations of

social theories is a person's ability to control resources (controlling resources) that other people are interested in. Power increases along with (a) the greater the interest or interest of others in resources and (b) the increasing number of people who are interested in resources.

According to Riyanto (2018), the weakness of the DPRD in the functions and roles of other fields is due to the domination of the executive during the New Order era. Now, when the reforms have taken place, what has happened is that the legislature has gone too far for the functions it has been given. Law No. 22 of 1999 and Law No. 32 of 2004, as well as Law No. 12 of 2008 on Regional Government, grant members of the DPRD the right of initiative, amendment rights, and budget rights (submitting the RAPBD, submitting the form, and direction of budget policies). revenues and expenditures, determine budget allocations according to programs and locations, etc. With the rights granted, the main function is to control the running of government in the regions, so that the position of the legislature is not the dominant actor.

In the preparation of the APBD, the cooperative relationship between the two-state institutions, its position is as a partner in regional government. So that in carrying out these functions, both of them should have a mutually supportive relationship, not be a competition between them.

3.2. Dynamics of PAD as a Source of APBD

APBD contains sources of regional revenue consisting of PAD, Balancing Fund, and other legitimate income. Of course, studies and considerations are needed in allocating these sources of revenue as stated in one of the functions of the APBD, namely the allocation function. What is meant by the function of the allocation is that the APBD is directed to be able to create jobs and reduce unemployment, as well as increase the efficiency and effectiveness of the economy. Thus, regional independence is needed so that the function of the APBD can work.

To produce regional independence, the region must have the ability to generate regional financing sources. Generally, the problems faced are the collection of funds originating from the region itself, especially when programs and policies for developing regional potential are made, managing finances effectively and efficiently, increasing sources of regional financial financing, and reducing dependence on the central government to obtain funds.

One source of funding for regional development is local revenue (PAD). The reality is that the contribution of PAD is still low and has not been able to accommodate the number of funds needed to finance regional

development. If you look at Law Number 32 of 2004 concerning Regional Government and Law Number 33 of 2004 concerning Financial Balance between the Central and Regional Governments, it is sufficient to become a pillar for regions to implement broad autonomy as well as be responsible. That is, the two laws become the basis for regions to explore and utilize all resources in increasing regional income and independence. The higher the regional discretion in using PAD as far as possible, it is adjusted to the aspirations, needs, and priorities of regional development. This increase is not only a concern of the executive, but the legislature also has an interest in considering the size of the PAD will have an impact on the salary structure of members of the council.

Especially during the political year when the Pilkada takes place, the misuse of the APBD on the PAD side may be marked-down. This pattern is often seen in several regions, and according to FITRA (Indonesian Forum for Budget Transparency) data, several regions such as East Java, Central Java, and West Java experienced an average PAD decline of 7.2 billion compared to 2016. The cities of Bandung, Bekasi, and Tangerang is the biggest decline and every three years have the same pattern. It is undeniable that the opportunity for regional head power is absolute when the status of regional autonomy is granted. Moreover, the absence of structured supervision makes the led bureaucracy an object of commercialization of power. Although the regulatory tools related to local budget management are sufficient, the problem is the behavior and commitment of regional leaders which are the obstacles.

The APBD is a reflection of the quality of the planned development sectors in a region. It can be seen which development sectors receive priority scale, besides that, the economic growth sector can be observed. It's just that the reality on the ground is that the regions experience difficulties in terms of PAD capacity, delays in determining APBD Regional Regulations, APBD absorption capacity, and human resource capacity (Bumulo, 2009). So it is not surprising that in a plenary session of the Faction's Views on the Accountability of the 2018 Fiscal Year APBD in Gorontalo City, many criticisms related to the problem of PAD have not been managed optimally. In addition to highlighting the PAD aspect, the legislature also highlights the absorption of the DAK budget that has not been well absorbed by regional apparatus organizations (OPD).

Indeed, if you look at Law 32 of 2004 and Law No. 33 of 2004, the central government does not only provide authority and financing to regions but what is more important is how regions can manage their financial

resources to improve welfare and provide services to the community.

Both the Gorontalo city government (executive party) and the legislature have different interpretations regarding the PAD issue. The two institutions have different interpretations in understanding and interpreting the budget for the substance of the APBD to be evaluated. On the one hand, the legislature sees the need for optimization of PAD while the executive believes that there has been a significant increase from year to year in PAD for the city.

Sourced from an informant who served in the city Inspectorate service said:

“It is commonplace that PAD is not achieved optimally. If it is increased high and continues to be unattainable, then there is no PAD incentive. That's why they are deliberately humiliated to achieve the target and get incentives. Usually, the PAD target is around 60%-70% of the potential that can be achieved.”

In line with the statement above, Firdausy (2017) argues that the low PAD is due to the first, the lack of regional sensitivity in finding cultural advantages and the original potential of the region. Second, the compliance and awareness of taxpayers or levies are relatively low. Third, the weak legal system and local revenue administration. Fourth, is the weakness of the quality of human resources in the apparatus. Fifth, the bureaucracy worries about failure in carrying out its program. Sixth, not being optimistic about the possible results. Seventh, often the costs used to run the program are marked up from the start in each budget. If the budgeting of program costs is made as efficient as possible from the start, then the remaining balance can be used to run other programs to improve the quality of public services.

The above conditions certainly lead to budgetary slack due to the ineffective delivery of information between the executive and the legislature. Therefore, Riza Faisal, a young politician from the Democratic Party faction said that local governments need to make better innovations to maximize PAD, such as loading breakthroughs to increase PAD and minimize tax leakage.

3.3. Increased Bureaucratic Spending

The term bureaucracy was absorbed from the ancient Greek concept, then by Vincent de Gournay (1712-1759) a leading scientist from France who discussed bureaucracy and translated the great works of ancient Greece. Vincent sees that the bureaucracy is an institution in which officials, clerks, secretaries,

inspectors, and managers are appointed not to serve the public interest, but to serve the king (ruler). From its development until now, bureaucracy has always been synonymous with government organizations. This understanding cannot be faulted because, as previously explained, the beginning of the emergence of bureaucracy is always related to government.

However, in practice empirically, the tendency of bureaucracy always contains a negative image and stigma of government behavior that is expensive, wasteful, full of fraud, and so on. This is what causes the bureaucracy to get a response that seems stiff and makes it difficult for the community. Efforts to improve the negative impression to date are looking for an ideal form of bureaucracy through bureaucratic reform as an institution whose role is to serve the community.

The purpose of bureaucratic reform is to make state institutions simpler, faster in service and licensing, and more efficient. But in fact, until now the problem of bureaucracy continues to reap criticism. And it is common knowledge that fat bureaucracies have sucked up nearly half of the state's revenue and expenditure budget each year. This condition makes the government's ability to spend capital for infrastructure development, education, and health continue to decline. Budget management both at the central and regional levels is mostly absorbed for personnel expenditures, which causes many parties to judge that the development budget tends to get the umpteenth priority.

Senior Economist at the Institute for Development of Economics and Finance (Indef) Didik J Rachbini, said that there was waste in terms of spending, even in the regions there was around 80 to 90 percent not for development but spent on routine budgets. Whereas physical development in the form of the availability of adequate infrastructures such as rehabilitation of roads, bridges, and irrigation is important because it can increase regional economic growth which can give birth to multiple economic effects. The condition where personnel expenditure is still a priority compared to public spending will result in government goals such as poverty alleviation, and improving the quality of public services (education and health) being difficult to achieve.

To give the author confidence, the author confirmed to one of the officials in the Gorontalo City BPKD environment, he said:

“It is also difficult to reduce personnel expenditures, which tend to increase every year as long as there is no commitment from local officials. Because this is also related to the political aspect. It means that in his leadership he must also obtain minimal support by placing or accepting honorary employees in his area.”

Then based on the poverty rate data that the author obtained in the last four years, there were fluctuations in the poor in Gorontalo City. Meanwhile, data for personnel expenditures in the same four years has increased. Seeing this condition, the function of the budget structure when it is associated with the budget allocation, its use tends to be for bureaucratic spending. Responding to the author's question, an official within the City BPKD said:

“The budget is limited, so policies are needed so that the budget can be used efficiently and effectively. So it takes a good mentality to generate a budget, especially those used for shopping. Yes, it is ideal that capital expenditure should be above but yes, that's how it is. Because politics is like that.”

The statement implies that the budget that should be allocated for the prosperity of the people, including for poverty alleviation, is used to spend on routine activities such as salaries and office needs that are not crucial. When viewed in several regions, the APBD posture for indirect spending occupies a larger percentage than direct expenditure. Direct shopping is about 30-40 percent of its use. While indirect spending is above 50 percent (Kemenkeu, 2013).

KPPD (Regional Implementation Monitoring Committee) in a release saw that the design of APBD in several regions in Indonesia is far from the ideal concept of a fiscal instrument. It is as if the APBD is a government budget that makes people understand that the portion of the budget for the government is bigger. So it is natural that the weakness of budget politics as part of the fiscal instrument for public services and creates a burdensome misallocation of government institutions. This violates the principle of good budgetary governance.

3.4. *Compromise in Regional Budget*

Citing the submission of the former Minister of Home Affairs, Tjahjo Kumolo, that the budget planning of the Regional Government (Pemda) is not yet free from the interests of certain parties. According to him, this has led to the proliferation of dirty practices carried out by unscrupulous regional heads.

"17.07 percent of programs in the RPJMD (Regional Medium-Term Development Plan) are not spelled out in the RKPD.”

Furthermore, Tjahjo said, there was considerable inconsistency in the determination between the RKPD and the Priority and Temporary Budget Ceiling (PPAS).

The inconsistency is 25.03 percent. In addition, Tjahjo said, several regional heads also still have slow performance. This is because the compliance with the determination of the Regional Revenue and Expenditure Budget (APBD), which should have been completed on time, is only at 78.2 percent.

This condition is similar to what happened in the Gorontalo city government. The RAPBD should have been ratified one month before the new fiscal year has been implemented and has been prepared by the regional head. However, when it was submitted to the DPRD, it was raw or not directly ratified because there were still many things that had to be accommodated, corrected, and adjusted. If the RAPBD is not ratified on time, it will affect government performance. Budget absorption is not optimal. The wheels of regional development driven by the government will be disrupted, such as infrastructure development, health, education, money circulating in the community will stagnate, and several other problems. The political scent will be very thick when the discussion of the RAPBD reaches the Council level. As stated by Erna, a head of the field within the DLH (Environment):

“Usually, before we expose it to the council, we expose it to the deputy mayor, mayor, regional secretary, and Bappeda, discussing the budget that we propose. They will ask for details on how to use it. If something is deemed inappropriate, then our application is rejected and must be revised again. When they arrive at the board, they usually correct it again.”

In a discussion with a member of the Gorontalo City council, he said:

“In us, its function is not only to control but also to budget. So we also have our budget to accommodate. So what is offered by the executive we will adjust whether it is really for the needs of the community. So what are the needs of the community? It must be adjusted to the location of the people who need it.”

The statement above illustrates that there are differences in interpretation between the executive and the legislature in interpreting the budget. The difference is that the executive sees the budget as a technical issue, while the legislature sees it from a political perspective. Generally, the budget is understood by the DPRD as an effort made by government officials to control the process of preparation to the determination of the budget whose purpose is for the benefit of the community. However, the opinion of the informant above implies a less than ideal situation for the role of DPRD in budget politics. This has the potential to lead to opportunistic

behavior through adverse selection and rent-seeking. Adverse selection occurs due to differences in the amount of information held by the principal and agent so that the principal cannot distinguish whether the agent is doing something good or not (Faria and Silva, 2013). Meanwhile, the concept of rent-seeking departs from the assumption that each interest group (self-interest) seeks to obtain the maximum economic benefit with the least amount of effort. So that to achieve these efforts, all political economy resources owned, such as lobbying, will be carried out. The problem is, that if the product of the lobby is in the form of a policy, the impact is also very large (Yustika, 2012). This can be seen from the government's tendency to increase spending to serve interest groups.

It is undeniable that in the process of budgeting discussions, not only determining the quality of budget policies but deciding on the right targets of budget policies, especially efficient in terms of spending is not something easy. Because of allocating a budget, local governments are faced with various choices and community needs. However, choosing from the various options raises various interests. In this context, the nuances of budget politics are getting thicker when discussing the issue of budget constraints.

Khan and Hildreth (2002), argue that bureaucrats behave like rational behavior in economics, namely placing their preferences before legislative preferences and acting to maximize their benefits. The preference aims to increase the salary of the bureau chief and his subordinates; increase bureaucrats' desire for power and prestige; and improve the reputation of both the institution and the head of the service. It is further stated that the legislative domination model adequately describes the relationship between the principal (legislature) and agent (executive) in budgeting. The legislature controls the executive. The legislature also refers to its system of committees, the requirement of a majority to power, and the desire of its members to pursue their self-interest over control of institutions. In short, Khan and Hildreth (2002) view that there is a control structure for the flow of information throughout the budgeting process, especially during the legislative budgeting stage. The existence of a relationship that maintains mutual interests, and the attitude of compromise shown by the regional head and DPRD is just a formality and lacks the courage to express their opinions conscientiously.

This condition indicates the ineffectiveness of communication to produce budget policies that are intended for public welfare. In Habermas' view, to produce ideal communication requires an agreement between actors in a balanced condition, free from domination because each individual has his or her

autonomy (Hardiman, 2009). The prerequisite for individuals is communication competence through several validity claims, namely: truthfulness, accuracy, and honesty. Truth leads to a preference for objective facts. Honesty leads to opinions expressed by conscience. Accuracy leads to conformity with applicable norms or rules. If these three prerequisites are met, a comprehensive claim will result in an ideal consensus.

To fulfill the validity of the truth, the data obtained from the discussion of the Regional Government Activity Plan (RKPD) and the Principal Ideas (POKIR) are objective facts to fulfill the validity of the truth. Likewise, the administration of government that follows the applicable rules and regulations is a form of fulfilling claims of accuracy. However, it seems that the validity of honesty is minimal because the communication that is built marginalizes the public's desire to gain access to information.

In Habermas's view, this condition is not intended to achieve the welfare of society because the essence of the communication that is built seems to be only to fulfill goals for certain groups and individuals (instrumental rationality). Habermas (1994) through his communicative action theory places the values of honesty in communication and ignores individual pressure or domination over other individuals.

The budgeting process that is full of interests, both individual and group interests, is a sign that compromising behavior is unavoidable in this situation. Meyer (2012) stated that compromise is a necessary action if the parties involved do not have sufficient power to fulfill their personal goals. More precisely, the compromise emphasizes cost efficiency so that the party holding the dominant role remains in its interests.

The trend in this communication pattern requires deals, especially informal communication in the preparation of the APBD. From some of the informants I met, I prefer informal communication to formal communication. As stated by Sardi (pseudonym), a member of the DPRD. In his view stated:

“It is natural that we carry out discussions outside the context of formal discussions. It's more relaxing if it's done like in a coffee shop or a café. In such an atmosphere, one avoids being rigid and free to express opinions. If it is said that it is a political compromise, yes it is. But don't be negative. In a compromise, we bring the wishes and aspirations of the people. Because we sit in the Council are representatives of the people who are elected from the people. So we also don't make noises because to voice the aspirations of the community, the competence of board members is very much needed.”

Compromise as an extension of lobbying is legal as long as the use of the budget is utilized to fulfill the public interest. In terms of time, the discussion seems quite efficient and effective, but this opens up opportunities for negative effects to be created. The use of power for coercion of the will to emulate other powers that seem weak is one of the effects of compromise. Prioritizing the achievement of results in government administration shows that harmonious communication practices are not yet at an ideal level. The built rationality tends to be instrumental. So that the orientation of the public budget does not fully reflect the needs of the people.

4. Conclusion

APBD in its context is a reflection of the quality of the planned development sectors in a region. In the APBD, the priority scale of the development sector can be identified. On the other hand, sectors of economic growth will be observed. However, in the very long drafting process up to the stipulation stage, it cannot be separated from the political process between the two government agencies, the executive and the legislature. Both have control and power in the preparation and determination of the APBD. It is not easy to decide on a budget policy, especially to allocate it to the right target given the limited resources available from various options. So in this context, budget orientation may be the face of the two actors who determine budget policy because it is colored by the political process in practice. The allocation of bureaucratic spending in the APBD posture indicates the ability of public officials to get out of the political zone is unavoidable because they clash with various interests. So what is clear in the APBD is that the position of personnel expenditure is still high compared to capital expenditure.

Compromise in the discussion and stipulation of the APBD is treated as a matter of course because the compromise contains informal communication, which is mostly more appreciated than formal communication. However, compromise can have a negative meaning as long as its implementation does not accommodate the interests of the community. The compromise that runs away from the real meaning has implications for the formation of instrumental rationality that prioritizes purposeful action compared to communicative action. Communicative action requires three valid claims, namely truth, accuracy, and honesty. The validity of the act of honesty is still questionable in budget policy because the portion given to the use of the budget for the welfare of the people is still distorted by interests that are laden with political nuances.

The results of this study provide information on the shackles of communication harmony as the basis for

consideration for making policy changes so that in the discussion and determination of regional budgets, the priority is on the balance of communicative rationality. The values of honesty as a norm that is upheld in social life are the basis of communication rationality and are manifested in policy determination. This is important to gain legitimacy and trust from the community for government administrators.

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