Initiating a Good Governance Formulation Model with a Perspective on Mainstreaming Poverty in Regional Budgeting

Ria Angin[1] , Emy Kholifah R.[2] , Edhi Siswanto[3]

[1]*Department of Government Science, Faculty of Social and Political Science, Mihammadiyah University Jember Indonesia*

Email: ria.angin@unmuhjember.ac.id; emykholifah@unmuhjember.ac.id; edhisiswanto@unmuhjember.ac.id

Abstract

The target of increasing HDI which has become a priority for the regional government of Jember Regency requires a special strategy to achieve it, (1) The existence of regulations that enable the aspirations and interests of the poor to be accommodated; (2) There are clear benchmarks regarding achievement indicator targets for each SKPD program; (3) There is an agreement between the DPRD and the Regional Government regarding the percentage or ceiling of funds that must be provided for poverty alleviation programs.
keywords: Good Governance Perspective; Poverty Mainstreaming; Regional Budgeting

Abstrak

Target peningkatan IPM yang telah menjadi prioritas pemerintah daerah Kabupaten Jember membutuhkan strategi khusus untuk mencapainya, (1) Adanya regulasi yang memungkinkan terakomodasinya aspirasi dan kepentingan masyarakat miskin; (2) Ada tolok ukur yang jelas tentang target indikator capaian untuk masing-masing program SKPD; (3) Ada kesepakatan antara DPRD dan Pemerintah Daerah tentang prosentase atau plafon dana yang harus disediakan untuk program pengentasan kemiskinan.
Kata Kunci: Perspektif Tata Kelola Pemerintahan yang Baik, Pengarusutamaan Kemiskinan, Penganggaran Daerah

INTRODUCTION

Research on budget policy with a focus on mainstreaming poverty (*budget pro poor*). among others done by Cadaty (2000), Suhirman (2006) and Eco (2007). Research with the same theme was carried out by Fridolin (2006) in Hardojo et al (2008; 36). In this research budget *pro poor* got three meanings. First, budget which favors the poor. Second, the practice of drafting and policy in the field budget which is intentional (*by designed*) is aimed at creating policies, programs and projects that support the interests of the poor. Third, policy budget the impact of which can improve welfare or fulfill the basic needs of poor people. According to Hardojo, poverty can only be overcome if the factors causing poverty are resolved. There are four factors that cause poverty and often in the form of a combination of two or more of these factors. *First,* lack of access to the job market. Thus, one of the main strategies for alleviating poverty is to create more jobs. *Second,* Poverty is caused by environmental damage and loss of habitat. *Third,* inadequate social services. Budget The government is not always allocated properly for the benefit of the people. *Fourth,* not included in the policy making process. Poverty is not just material deprivation, it is also about marginalization, exclusion and lack of empowerment. Therefore budget The government also refers to meeting socio-political needs. The next researcher was Sopanah (2006) who emphasized that a pro-poor budget could only be achieved if there was public participation. Soetoro (2003) in his research, stated the importance of local governments having a Poverty Reduction Strategy Regional (SPKD). This SPKD is important, but if it is not supported by target data, namely community groups disaggregated from a gender perspective, it will also be difficult to implement.

The problem of poverty basically affects both women and men. Therefore, public budget policies to alleviate community poverty should be prepared by taking into account the needs of men and women. Therefore, ideal budget policies should be supported by data on the needs of men and women.

Research conducted by Sopanah (2003), Hermanto Rohman (2012) and Ria Angin (2012) found that public budget allocations in the regions are still largely focused on spending on apparatus and public services. The budget should be pro-poor, which is a necessity, because (Rohman, 2012:32):

(1) The budget is the entry point for realizing justice, through one of the budget functions, namely distribution. Through this function, the budget becomes a means of distributing resources, especially to parties who need them. The hope is that this function can contribute to overcoming the gap in access and control of resources which is one of the causes of poverty.
(2) The budget can be a tool for implementing planned poverty reduction programs or activities, whether short term, medium term or long term.
(3) Poor people are also payers of taxes and levies which are a source of income for state and regional budgets

Prioritizing the budget for the interests of the poor as well as fulfilling the international commitments that Indonesia has agreed to in the MDGs.

LITERATURE REVIEW

Linking APBN/APBD With MDGs Issues

As is known, the MDGs are a renewal of global solidarity to combat poverty in the context of developing human quality. The MDGs were established in September 2000 by the United Nations (UN) in New York, United States, and were the result of a high-level conference known as the Millennium Summit. This conference was attended by 189 UN members, of which 147 participants were heads of state. All countries present agreed to sign the Millennium Declaration. The Millennium Declaration raised as a global agenda provisions known as the Millennium Development Goals or MDGs, which are a continuation and crystallization of various world commitments to combat poverty and improve the quality of life of its population (Sadli, 2010).

In the context of achieving the MDGs target, we need to seriously address Indonesia's ranking in the latest report on the human development index (HDI). Indonesia is noted as one of the countries that is still lagging behind and in other words the quality of Indonesia's people is relatively low, namely at rank 111 out of 177 countries. Apart from that, another consideration is that there are eight (8) concrete areas that must be achieved, including:

1. Overcoming poverty and hunger; basic education for every child;
2. Ensuring education for all;
3. Increasing gender equality and women's empowerment;
4. Reducing the mortality rate of children under five;
5. Improving maternal (mother) health;
6. Fighting HIV/AIDS, malaria and other infectious diseases;
7. Ensure the preservation of environmental functions;
8. Develop global partnerships for sustainable development.

These eight MDGs areas are actually a global commitment to jointly reduce the world's poor population. It is also an old challenge that was agreed upon as a development goal and was proclaimed at various previous UN conferences, since 1960. This included the UN conference in 1990 regarding the World Summit on Children in New York. Then in 1990 the World Conference on Education for All in Jomtien, in 1992 the UN Conference on Environment and Development in Rio de Janeirio, then in 1995 the World Summit for Social Development in Copenhagen. Until 1996, many goals and targets from various high-level international conferences had been compiled as International Development Goals (IDGs). (Saparinah Sadli, 2010).

In the MDGs there is something new, namely the setting of concrete, measurable (quantitative) targets as indicators for each field that need to be achieved in 2015. The concrete targets are:

1. Between 1990-2015 reduced by 50% the proportion of people living in conditions of poverty (i.e. those whose income is less than one dollar a day);
2. Achieve education for all so that by 2015 every boy and girl can complete their basic education;

3. Advancing gender equality and women's empowerment by eliminating gender gaps in primary and secondary education and if possible this has happened in 2005. However, in 2015 it can be achieved for all levels of education;
4. Reducing deaths of children under five by 2/3 between 1990-2015;
5. Improving maternal health by reducing the risk of maternal mortality by three quarters between 1990-2015;
6. Fighting HIV/AIDS, malaria and other diseases by stopping the spread of HIV/AIDS, malaria and other diseases by 2015 and being able to reverse their spread;
7. Ensuring sustainable environmental development by integrating the principles of sustainable development in State policy and repairing existing environmental damage;
8. Develop global partnerships for development needs, including by developing systems and creating strategies regarding the implementation of trade policies and development funding assistance that are more open in monitoring progress that has been achieved in accordance with development goals (aimed at developed countries).

This agreement clearly has consequences for participating countries not only to jointly declare MDGs goals, but also to work hard so that these targets can be achieved, proven and accounted for. Likewise, the Indonesian government must work hard to achieve this and be accountable to all Indonesian people and internationally. Even though the MDGs are now in their 12th (twelfth) year, this means that Indonesia only has approximately 3 (three) years left to prove its success in achieving the MDGs targets.

Poverty Criteria

The focus of the MDGs is fighting poverty. According to Quiriba in Tjokrowinoto (1999: 103), poverty is a situation where a person is in a condition where there is a shortage of basic needs, namely the need for food, clothing and shelter with the assumption that this concept of poverty is time and society specific, meaning that it does not apply universally because concretely each society has a certain time period and different sizes.

The World Bank defines poverty as the inability of an individual to fulfill their basic needs. Poverty is a problem in development which is characterized by indicators of unemployment and backwardness which then escalate into inequality and social jealousy. This is because poor communities have weaknesses in business management and limitations in accessing opportunities for economic activities, so they are far behind other communities that have high potential.

The characteristics of poverty according to Suharto (2009, p. 132), are as follows:

1. Inability to meet basic consumption needs (food, clothing and shelter).
2. Lack of access to other basic living needs (health, education, sanitation, clean water and transportation).
3. Lack of future security (due to lack of investment in education and family).
4. Vulnerability to individual and mass shocks.
5. Low quality of human resources and limited natural resources.
6. Non-involvement in community social activities.
7. Lack of access to employment opportunities and sustainable livelihoods.
8. Inability to work due to physical or mental disabilities.
9. Social incompetence and disadvantage (abandoned children, women victims of domestic violence, poor widows, marginalized and remote groups).

Another analysis was put forward by Baswir and Sudarwati (2001, pp. 25-26) who states that there are 3 (three) factors that cause poverty, including:

1. Natural (situational) poverty is a natural factor such as physical disability or due to natural disasters.
2. Cultural poverty is poverty caused by cultural factors such as indiscipline or laziness.
3. Artificial poverty is poverty caused by man-made factors such as unequal distribution of production.

Furthermore, the Central Statistics Agency (BPS) in its 2008 Social Protection Program (PLS) Data Collection activities refers to 14 poverty indicators as follows:

1. The floor area of a residential building is less than $8m^2$ per person.
2. The types of floors in residential buildings are made from dirt/bamboo/cheap wood.
3. The type of living area walls are made of bamboo/thatch/low quality wood/walls without plaster.
4. Do not have defecation facilities/share with other households.
5. Household lighting sources do not use electricity.
6. The source of drinking water comes from protected wells/springs/rivers/river water.
7. Fuel for daily cooking is firewood/coal/kerosene.
8. Only consume meat/milk/chicken once a week.
9. Only buy one set of new clothes in a year.
10. Only willing to eat once/twice a day.
11. Unable to pay for treatment at the Community Health Center/Polyclinic.

12. Sources of income for the head of the household are: farmers with a land area of 0.5 Ha, farm workers, fishermen, plantation workers or other jobs with income below Rp. 600,000 (six hundred thousand rupiah) per month.
13. Highest level of education of head of household: no school/not finished elementary school/only elementary school.
14. Don't have savings/goods that can easily be sold for Rp. 500,000 (five hundred thousand rupiah) such as motorbikes (credit/non-credit), gold, livestock, motor boats or other capital goods.

    From the categorization above, it can be classified as follows:
    1. Indicators 7 to 9 are categorized as Poor Households (RTM).
    2. Indicators 10 to 13 are categorized as poor households (RTM).
    3. All indicators (14) are categorized as Poor Households (RTM) very poor.

RESULT/ DISCUSSION

Good Governance

The concept of good governance according to the UNDP formula (1997) includes the following characteristics: (1) participation (*participation*), (2) supremacy of law (*supreme of law)*, (3) transparency (*transparatency*), (4) quick response (*responsiveness*), (5) building consensus (*concensus orientation*), (6) equality (*equity*), (7) effective and efficient (*effectiveness and efficiency)*, (8) responsible (*accountability*), (9) strategic vision *(strategic vision)*.

Furthermore, the good governance formula is summarized as: *the exercise of politcal, economic, and administrative authority to manage a nation's affair at all levels*Based on the opinion above, it can be concluded that, *good governance* has three main elements, namely, (1) *economic governance,* includes: decision-making processes that facilitate domestic economic activities and interactions between economic administrators that have implications for equity, poverty and quality of life; (2) *political governance* are decision-making processes for policy formulation, (3) *administrative governance* is a policy process implementation system. (Sudana and Sukasih, 2006, p. 151).

From the explanation above, the concept *good governance* This covers all aspects, namely legal, political, economic and social, all of which are related to the implementation of state power, both executive, legislative and judicial.

Furthermore, the concept of good governance has three basic principles, namely *(1) accountability, (2) participation, (3) transparancy*. *Accountability* (accountability) means responsibility. Responsible for success or failure to those who delegate authority and they are satisfied with the performance of implementing activities. Participation means taking part in making decisions in the democratic process, recognizing human rights, freedom to express opinions, freedom of the press, government efforts to accommodate or accommodate people's aspirations. Furthermore *transparency* or transparency is openness in carrying out government, environmental, economic, social and political management. (Sukadana and Sukasih, ibid).

Another opinion was expressed by Syakhroza (2003), who stated that the concept *good governance* has three pillars, namely:

(1) The existence of an effective and responsible body for the separation of organizational management (between owners and management, between regional heads and DPRD),
(2) The existence of an integrated approach to organizational governance that recognizes and protects the rights of stakeholder members whether they come from internal or external to the organization,
(3) Organizations must be managed and regulated in accordance with the mandate given by the owner and society and take serious action to be broadly responsible for increasing prosperity on a sustainable basis.

Substantively, the concept of good governance has two important elements, namely institutional change (*institutional reform)* and change management (*management reform)*. Institutional reform involves improving all government tools, both structure and infrastructure. The key to institutional reform is the empowerment of each element of government, namely the public and private sector as stakeholders and the government itself (executive, legislative and judicial) as shareholder (Mardiasmo, 2002: 26),

The Good Budgeting Governance Model mainstreams poverty.

Draft *good governance* embedded in the budgeting process becomes an idea that leads to efforts to change management (management reform). Budgeting includes how good governance is in preparing public budgets with the principles *good governance.* Furthermore, this concept is linked to the poverty mainstreaming perspective. Implementing a poverty mainstreaming perspective is important considering that according to Law No. 39/1999, citizens have rights as mandated in the 1945 Constitution (See Chapter XA). Apart from that, citizens have basic rights and economic and social rights as mandated in Law No. 11 of 2005 concerning Economic, Social and Cultural Rights.

There are three definitions of the poverty mainstreaming budget, namely: (1) A pro-poor budget means a budget that favors the poor or can also be translated as the practice of preparing and implementing policies in the budget sector which is deliberately aimed at creating policies, programs and projects that are in favor of the interests of the poor, (2) A pro-poor budget is a budget policy whose impact can improve the welfare and/or fulfill the basic rights needs of the poor, (3) The substance of the definition of a pro-poor budget has similarities with the budget concept called a budget oriented towards fulfilling the basic rights of the people.

Next, what budget items are included in the categorization
pro-poor budget. There are two budget allocations that are included in the pro-poor people's budget categorization, including: (1) Budget allocations that are directly intended for and received by poor people. Example: Social affairs (Account Code 113), including budget allocation for providing Raskin, budget allocation for paying insurance premiums for the poor, budget allocation for coaching street children. (2) Budget allocations that are indirectly intended for the poor and provide positive impacts and benefits to the poor. Example: Population and Civil Registration Affairs (Account Code 110), including budget allocation for income collection for the poor, making free KTPs, etc.

Based on the explanation above, the model *good budgeting governance* mainstreaming poverty is a governance model (*governance*) budgeting that is responsive to the basic needs of the poor. The concept of basic needs itself is interpreted as the minimum needs of a family for consumption, such as food, shelter and clothing (Rohman, 2012: 29).

1. Essential services for collective consumption aimed at the community, namely the availability of clean water, sanitation, electricity, public transportation, health and educational facilities.
2. Community participation in decision making that impacts them.

In a broader discourse, model *good budgeting governance* Poverty mainstreaming combines three poverty perspectives: structural, gender and institutional. This means that the problem of poverty that will be addressed in the budgeting process is related to structural aspects. Therefore, it is necessary to identify the root causes of community poverty before preparing a budget.

Apart from that, poverty that occurs in society is not only felt by men but is more experienced by women, so the budgeting process should be carried out by paying attention to gender aspects. A budgeting process that prioritizes poverty alleviation efforts will not be realized without involving budget stakeholders who have authority.

Next is the APBD assessment guide module published by *Local Governance Support Program* describes the characteristics of a pro-poor budget as outlined in the following table:

Table 1 Characteristics of pro-poor budgets

No	Income	Shopping
1.	As far as possible, do not collect taxes and levies on transactions to	There is a budget allocation for subsidies to meet the basic needs of the poor. For

	fulfill basic public services (levies for community health centers, hospitals, schools, etc.)	example, basic necessities, exemption from education fees, etc
2.	Do not make taxes and levies to fulfill the basic needs of the poor the main source of regional income	There is a budget allocation for the provision of public facilities and infrastructure that favor the poor (for example, community health centers, community health centers and village roads, clean water).
3.	Do not burden poor people with various types of taxes and levies	There is a budget allocation for collecting data on poor groups and assessing the needs of poor groups.
		There is a budget allocation to provide space for participation and self-actualization of poor groups.
		There is a budget allocation for planning and assessing the impact of programs/activities on poor people.

When preparing a budget from a poverty mainstreaming perspective, there are three aspects that should receive attention (Rohman, 2012: 32):

(1) Aspect of budget preparation, this aspect looks at the extent of involvement of poor communities in participating in preparing the budget.
(2) The aspect of budget receipts, namely looking at where the budget comes from, in this case looking at whether budget receipts burden the poor or not.
(3) The budget expenditure aspect, by looking at the extent to which the budgets are spent to support poverty alleviation programs or activities.

In the budgeting process there are practical methods that can be used as guidelines, namely through input, process, output, outcome and impact mechanisms. (1) The input mechanism is an important first step. Who will receive the budget is reflected in this mechanism.
(2) The process mechanism describes the approach through which the budget is prepared. The ideal approach is to involve the entire community, both women and men, so that accurate data on budget recipients and users is obtained.

(3) The output mechanism describes how the results will be felt by the community when the budget is implemented.
(4) The outcome mechanism shows the impact felt by poor families if the budget is implemented.
(5) The impact mechanism describes the achievement of the final goal of budget implementation.

In summary, the ideal mechanism for preparing a budget is outlined in the following table:

Table 2 Preparation of Budget Plan for Mainstreaming Poverty

INPUT	PROCESS	OUTPUT	OUTCOME	IMPACT
Identify poor people in the area, regarding their problems and needs	Participatory budgeting (provides opportunities for poor people and gender to be involved so that different data is obtained between men and women	APBD mainstreaming poverty: - Income: lightening the burden on the poor, reducing levies on poor households. Shopping: oriented towards fulfilling basic rights	Poor family budget. Family economic income increases. Shopping for basic rights fulfillment	Achievement of poverty alleviation targets
Statistical data, basic needs data, MDGs, SNPK, plan documents	Fiscal devolution, gender disaggregated data	Performance indicators	Public service satisfaction survey	IPM, IKM, AKB, AKI, etc

Source: Adapted from Abdul Waidl in Rohman (2012: 33).

In the budgeting process, the role of budget stakeholders or actors is very important . Minister of Home Affairs Regulation No. 59 of 2007 provides an explanation of the roles carried out by budget stakeholders as follows:

Table 3 Role of Stakeholders/Actors in Budget Discussions

Prosecutor/Stakeholder	Role in APBD discussions
Regional Head/Governor/Regent	1. Prepare draft KUA and PPAS based on the RKPD

	and guidelines for preparing the APBD and submit it to the DPRD no later than mid-June. 2. Draft a regional regulation and submit it to the DPRD no later than the first week of October
TAPD	1. Helping the district head make a plan KUA and PPAS submitted to regional heads no later than the first week of June. 2. Prepare a draft circular letter from regional heads regarding guidelines for preparing RKA-SKPD which will be issued no later than early August. 3. Conduct discussions on RKA-SKPD
Head of SKPD	Prepare RKA-SKPD and RKA-PPKD
DPRD fence	Conduct discussions on the draft KUA and PPAS proposed by TAPD
Fractions in the DPRD	There is no specific role for factions in budget discussions, and this depends on DPRD regulations
Commissions in the DPRD	There is no specific role for the commission in budget discussions and this depends on DPRD regulations.

Source: Sowing Seeds in Barren Land, in Rohman, 2012.

Budget Preparation Process.

In preparing the budget, the most important thing is when preparing the General Budget Policy/APBD (KUA) and the Budget Priority Ceiling which is carried out by the executive. The APBD General Policy (KUA) is a document that contains policies in the areas of income, expenditure and financing as well as the underlying assumptions for a period of 1 (one) year. A good KUA is prepared using the following criteria:

(1) In accordance with the vision, mission, goals, targets and policies set out in the Strategic Plan;
(2) In accordance with the aspirations of the developing community taking into account regional conditions and capabilities;
(3) Contains the desired direction and agreed general policies as a guideline for preparing strategies and priorities and drafting the APBD in 1 budget year;
(4) Prepared and agreed upon jointly between the DPRD and the Regional Government;

(5) Can provide flexibility for further elaboration and provide opportunities for developing the creativity of the implementer.

The following are the regulations that underlie the preparation of the Draft Expenditure and Revenue Budget (RAPBD):

- Law Number 32 of 2004 concerning regional government.
- Government Regulation Number 58 of 2005 concerning regional financial management.
- Minister of Home Affairs Regulation Number 59 of 2007.
- Minister of Home Affairs Regulation Number 25 of 2009 concerning guidelines for preparing regional income and expenditure budgets for 2010.

Public Budget Cycle

In budget planning, there is a budget cycle. Regarding the following description, the researcher quotes the opinion of Mardiasmo (2004, pp. 111-116) which states that the budget cycle includes four stages as follows:

(1) Budget Preparation Stage (budget preparation)

At this stage, an estimate of expenditure is made based on the available estimated income. Before approving the expenditure estimate, a more accurate income estimate should first be carried out. In the matter of estimating income, there is often quite a high uncertainty factor. Therefore, public finance managers must understand a budget line item. The size of a budget item really depends on the budget system used. There are 4 types of budget systems, namely: line-item budgeting, input-output budgeting, program budgeting and zero-based budgeting.

Since the enactment of the Regional Autonomy Law Number 32 of 2004, the approach used is bottom-up planning by referring to the direction of central government development policy as stated in planning documents. Through this model, it is hoped that it will bring clarity to the regional government's annual work program, including the targets to be achieved and the policies that will be adopted to achieve these targets. The elaboration of the long-term strategic plan is equipped with the following:

1. Considerations originating from the results of previous regional government performance evaluations.
2. Community input and aspirations.
3. Assessment of current conditions so that strengths, weaknesses, opportunities and challenges that are and will be faced can be identified.

(2) Budget Ratification Stage.

This stage is a stage that involves the political process. The executive is required to have the ability to answer and provide rational arguments to questions and objections from legislative members.

(3) Level of Budget Implementation.

At this stage, the most important thing is to have an adequate and reliable accounting (information) system for planning and controlling the agreed budget, even for the preparation stage of budget planning for the following year.

(4) Budget Reporting and Evaluation Stage.

This stage is commonly known as the accountability stage. If the previous stage was supported by a good accounting system and management control system, then at this stage it is certain that no problems will arise.

Agreeing with Mardiasmo, Bastian explained that the budget cycle includes:

a. Determination of regional government work plans (RKPD) and general APBD policies (KUA).

b. Preparation of regional government work unit budget work plans (RKA-SKPD)

c. RKA-SKPD recommendations by musrenbang and executive budget committee which include activities:

1) organizing regional musrenbang

2) stages of district level musrenbang by the executive

3) capturing community aspirations (love net) by the legislature

d. Inclusion of RKA-SKPD in the RAPBD document

e. Hearing meeting on the RAPBD between DPRD and SKPD

f. Discussion of the RAPBD in the DPRD plenary session.

g. Ratification of RAPBD to become APBD

h. Evaluate draft regional regulations regarding the APBD and regent/regional head regulations regarding the elaboration of the RAPBD

i. Determination of regional regulations regarding APBD and elaboration of APBD

j. Implementation and amendments to the APBD

Jember Regency: APBD focus on improving IPM.

Data from Jatim Com News, 27 June 2013 categorized Jember as one of the districts with a high poverty rate. This is indicated by the Jember Regency human development index (HDI) never moving above the national HDI from 2009 to 2012. The national HDI was 72.27. Meanwhile in 2009, Jember's HDI was 63.33, in 2010 Jember's HDI was 64.95, in 2011 it reached 65.53, and in 2012 it reached 65.93. This HDI concerns life expectancy, literacy rate, number of years of schooling, and per capita income. Life expectancy for men in Jember is 61.02 years, women 64.78. The school literacy rate for boys is 91.09 percent and for girls 77.91 percent. The number of years of schooling for men is 7.5 years and for women 5.67 years.

Furthermore, data was obtained from the Indonesian Forum for Budget Transparency (Fitra) quoted by Tempo Interactive (1 June 2013) which stated that the use of funds from the 2010 Regional Revenue and Expenditure Budget (APBD) in Jember Regency, East Java, was considered inefficient or too wasteful. The following is a statement from the Fitra National Council exponent, Ismail Amir, as follows:

"It is said to be in the category of budget waste because data was found in the 2010 APBD which amounted to Rp. 1.3 trillion, there was employee expenditure in indirect expenditure reaching Rp. 763 billion (57.4 percent), grant expenditure of Rp. 115 billion (8.7 percent), social assistance expenditure of Rp. 28 billion (2.1 percent), expenditure on goods and services of Rp. 175 billion (31.8 percent). Ideally, grant assistance is 5 percent of the APBD, while expenditure on goods and ideal service is only 25 percent.

Based on the explanation above, changes were made to the budget allocation formulation in the 2014 fiscal year by prioritizing the interests of the people and setting priorities:

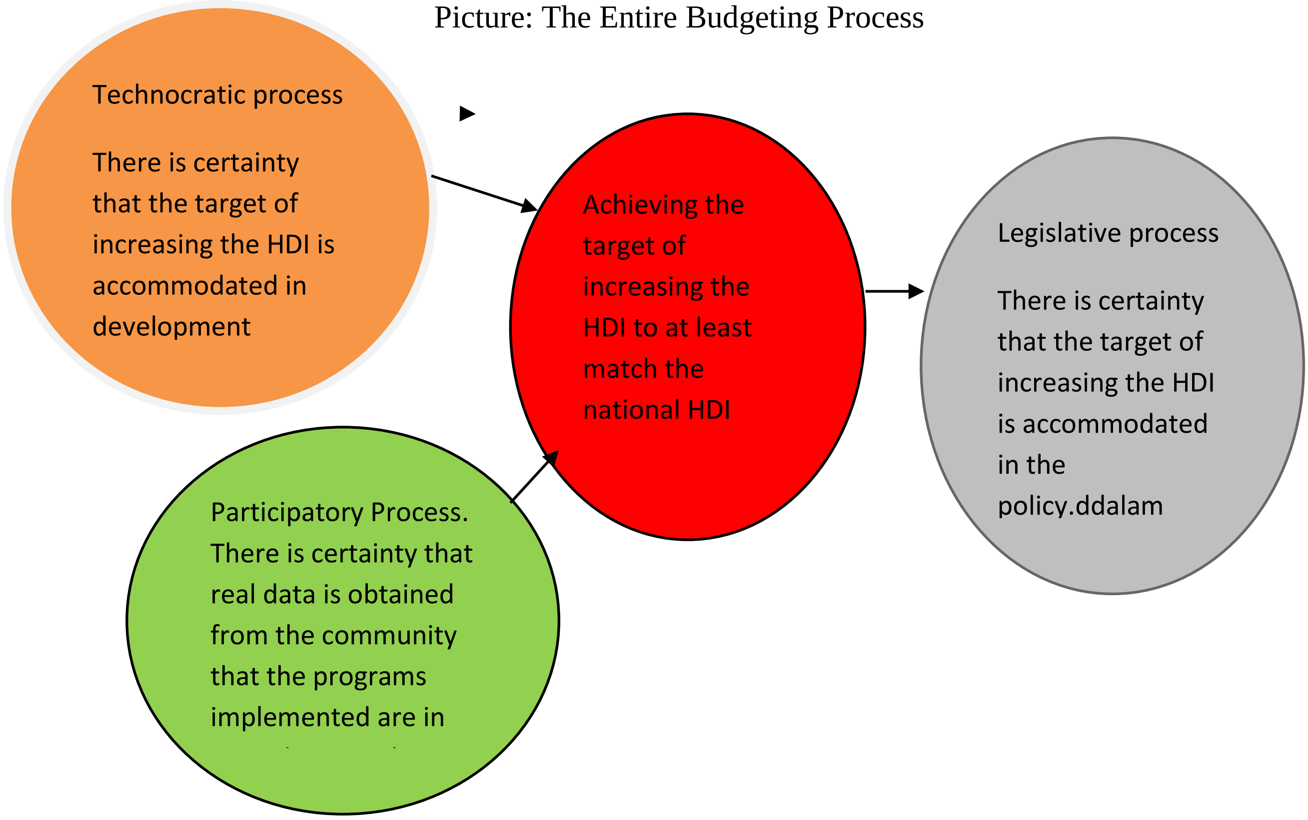
1. Field of education;
2. Health;
3. Agricultural field;
4. Rural infrastructure sector;
5. Strengthening the community economy; And
6. Strengthening village government institutions.

Determination of Jember Regency APBD priorities for the 2014 Fiscal Year is based on the Regent's Vision and Mission, strategic targets as formulated in the 2010-2015 Jember Regency RPJMD, annual regional development policies in the 2014 RKPD as well as taking into account actual problems or strategic issues and progress achieved in 2013.

Furthermore, in the Jember Regency KUA and PPAS draft for the 2014 Fiscal Year, the 2014 regional expenditure policy is directed at supporting the achievement of targets for increasing HDI, eradicating poverty and improving community welfare. As explained previously, in 2013 the HDI (Human Development Index) of Jember Regency was ranked 31st out of 38 districts/cities in East Java Province. The HDI achievement targets should be adjusted to the national HDI. However, this HDI achievement target is unlikely to be achieved optimally if it is not preceded by the enactment of a policy that requires all SPKD to strive to increase the HDI.

If described in model form, the HDI achievement targets can be achieved through; (1) technocratic process, including identifying and mapping data on poor communities through logical considerations, this process is identical to the input mechanism as described above; (2) participatory process, which involves all budget stakeholders and target groups, namely the poor, in the preparation process. This process is a process mechanism which, if implemented, will produce planning that accommodates all community interests. This can be done by optimizing the development planning deliberation mechanism (musrenbang) and (3) the legislative process, namely by determining all budgeting into policies that provide guarantees for the implementation of the budget that has been determined to improve the lives of the poor. If the entire budgeting process is described then the picture is as follows:

Picture: The Entire Budgeting Process



But even this model still requires other strategic steps, namely:

1. It is important to carry out an in-depth study regarding the efficiency of budget use so that the targets of the Jember Regency regional government are achieved. This is used as an evaluation step of budgeting implementation in the previous year.
2. To ensure optimization of budget preparation that implements the concept of good budgeting governance, there is no harm in forming a Steering Committee (SC) to prepare *action plan*, as well as overseeing its implementation.
3. Optimizing the roles and functions of all budget stakeholders, namely the Bappekab Budget Team, DPRD Budget Agency

4. Focused/specific discussion on efforts to achieve the Jember Regency HDI increase target.

Conclusion

The target of increasing the HDI which has become a priority for the Jember Regency regional government in the 2014 budget year requires a special strategy to achieve it, (1) The existence of regulations that enable the aspirations and interests of the poor to be accommodated; (2) There are clear benchmarks regarding achievement indicator targets for each SKPD program; (3) There is an agreement between the DPRD and the Regional Government regarding the percentage or ceiling of funds that must be provided for poverty alleviation programs.

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