Assessing the effectiveness of Gender Responsive Budgeting policy in Indonesia: expectations versus reality

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Abstract

This research aims to make contribution to both academia and Indonesian public policy on gender equality, particularly on Gender Responsive Budgeting (GRB) initiatives in Indonesia as a strategy to address gender inequality. The thesis applies the feminist perspective to critically analyse gender responsive budget initiatives, a tool of gender mainstreaming strategy, particularly doing evaluation of the GRB implementation in Indonesia. Using the analytical framework offered by Budlender and Hewitt (2003), the research examines specifically the effectiveness of GRB in Indonesia as an effort to address gender inequality. The thesis reveals a number of factors including the complexity of Indonesian planning and budgeting bureaucratic procedures, the political contests played out in parliamentary negotiations and lobbying, elite capture of civil society forums, and lack of personnel capacity in GRB work, that have led to limited the effectiveness of GRB to address gender equality and women’s empowerment in Indonesia. The research also finds that the commitment of the government to implement gender responsive budgeting policies is not backed up by its financial expenditure.

I. Introduction

Indonesia is the world’s fourth most populated country with a population of 252.8 million in 2014 (World Bank, 2014). Indonesia is known as a country with a high level of cultural diversity, expressed in numerous ethnicities, languages, and geographically distinctive ways of living. There are nearly 300 ethnic groups living on more than 17,000 islands speaking approximately 719 different languages (Ethnologue, 2015). Nearly two thirds of Indonesia’s total population live on the island of Java, and 48 percent live in urban centres (World Bank, 2014). Indonesia has the world’s largest Muslim population, comprising 12.7 percent of the world's Muslims. Nearly ninety percent of Indonesians are Muslim. The World Bank (2014) also considers Indonesia to be one of Asia Pacific’s most vibrant democracies, and one that has maintained political stability. Indonesia has been a member of the G-20 since 2008 and is classified as the world’s 10th largest economy in terms of purchasing power parity (World
It has emerged as a confident middle income country and shows impressively economic growth. In 2014, Indonesia’s GDP was US$ 888.5 billion and the country’s gross national income per capita has steadily increased, from US$ 2,200 in the year 2000 to US$ 3,524 in 2014. According to the Indonesian Bureau of Statistics (BPS), Indonesia has made enormous gains in poverty reduction, more than halving the national poverty rate since 1999, from 22.43 to 10.96 percent in September 2014 (BPS, 2014).

However, many challenges remain in achieving its national development targets. Out of a population of 252 million, more than 28 million people still live below the poverty line and approximately half of all households remain clustered around the national poverty line set at 292,951 rupiahs per month (US$24.4). The World Bank recorded in 2011 that there were 16.2 percent of the population living on less than US$ 1.25 a day while 43 percent of the population were still living on less than US$2.00 a day (World Bank, 2011). In the employment sector, despite Indonesia demonstrating strong and sustained economic growth since 2000, female labour market participation is still lagging behind that of men. For example, in February 2014 women’s participation in the labour market was 53.4 percent compared to 85.0 percent for men (ILO, 2014). Of those workers, a higher proportion of women (57.9 percent) compared to men (50.9 percent) work in the informal economy. In 2014 the ILO (2014) estimated that of the 10.7 million domestic workers, 92 percent were female, with at least 25 percent of them are estimated to be under 15 years old, and nearly 35 percent of them believed to be under 17 years old.

In addition, according to the 2014 UNDP’s Human Development Report, for every 100,000 live births, 220 women die from pregnancy related causes. These statistics confirm that Indonesia has failed to achieve some of its Millenium Development Goals, including Goal 5 relating to the reduction of maternal mortality to 105 deaths by 2015. The maternal mortality statistics also put Indonesia behind neighbouring countries such as Malaysia and the Philippines.

Inequality between men and women, and boys and girls in Indonesia is also evident in the political, economic, social, and cultural spheres. According to the 2014 Human Development Report, there is high level of inequality between men and women in Indonesia (UNDP, 2014). The report ranks Indonesia at number 103 out of 149 countries in the 2013 Human Development Index. The HDI is a composite of measurements for assessing long-term progress
in three basic dimensions of human development: a long and healthy life, access to knowledge, and a decent standard of living (UNDP, 2014, p.27). In Indonesia, only 17 percent of parliamentary seats are held by women in 2015 (World Bank, 2015). Even though it is acknowledged that Indonesia has met the MDG goals relating to education, gender inequality in education remains. For example, only 39.9 percent of adult women have reached at least a secondary level of education compared to 49.2 percent of their male counterparts. Women make up almost two thirds (63 percent) of the 7.7 million Indonesians who are illiterate (Ministry of Education, 2013).

Gender Responsive Budgeting (GRB) policy is expected can help the Indonesian government to address the poverty and gender inequality. It first gained legal support in 2009 through Finance Ministerial Decree No. 119/PMK.02/2009. It means, the Indonesian government just adopt the GRB after 25 years since GRBs were first initiated at the global level in 1984. Despite the late start, the Indonesian government claims it has put much effort into integrating the gender perspective into planning and budgeting processes, not only to achieve gender equality, but also to meet certain Millennium Development Goals. However, there is much debate about whether the Indonesian government’s GRB initiative has met these goals. This chapter provides evidence that in Indonesia the institutional processes associated with GRB are very complex. This chapter will discuss how GRB is interpreted and implemented, and considers the role of civil society groups in advocating for the mainstreaming of gender equality in the planning and budgeting process.

II. Gender mainstreaming into planning and budgeting in Indonesia

On paper, the Indonesian government has a long history of eliminating poverty, particularly in reducing gender inequality, through various policies and regulations at both the national and local levels (The Asia Foundation, 2012). This began with the ratification of major international conventions such as the Convention for the Elimination of Discrimination against Women (CEDAW) in 1984, followed by the ratification of the CEDAW optional protocol in 2000. The government also has stressed at various times that it considers gender mainstreaming a key strategy in achieving gender equality and women’s empowerment in Indonesia. In 2000, the Indonesian government published Presidential Instruction No. 9 Year 2000 on Gender Mainstreaming in National Development, to integrate a gender perspective into all program and policy development at the national and sub-national levels. This was followed in 2002 by the Indonesian Ministry of Women’s Empowerment (MoWE) publication of a manual on
methods to implement gender mainstreaming. This manual was developed as a guideline for the government’s efforts to implement the 2000 Presidential Instruction on Gender Mainstreaming (INPRES No.9/2000) (Costa, Sharp, and Elson 2010, p.5).

The historical process of gender mainstreaming policy in Indonesia has been influenced by both internal political change and global financial institutions (Schech & Mustafa 2010, p.111-30). With assistance from international financial institutions such as the World Bank and the IMF, gender mainstreaming was integrated into Indonesia’s Poverty Reduction Strategy (Strategi Nasional Penanggulangan Kemiskinan-SNPK). Several factors are also identified as key determinants that supported this integration process, including support from the government through INPRES No.9/2000 and the pro-democracy reform movement which brought about the demise of President Suharto’s authoritarian regime in 1998 (Schech & Mustafa 2010, p.115-7). Further, the intervention of the World Bank and the International Monetary Fund through structural adjustment and market reforms also benefited gender mainstreaming (Schech & Mustafa 2010, p.120).

These ratifications, declarations and policy shifts are evidence of the Indonesian government’s efforts to address gender inequality in Indonesia. However, Schech & Mustafa (2010, pp.127-9) have identified problems in the integration of gender policy in the Indonesian IMF sponsored poverty reduction strategy, including an inability to ensure adequate gender representation and gender expertise in the policy making and decision-making process, limited availability and use of gender-disaggregated data, lack of participation from civil society, and a lack of leadership at crucial moments. The Indonesian Ministry of Women’s Empowerment (MoWE), which is supposed to lead the implementation of gender mainstreaming in Indonesia and is expected to persuade other ministries and lower levels of government to adopt gender-sensitive policies, seems to struggle to avoid being perceived as weak ministry. Buchori’s study in 2009 (cited in Costa, Sharp, and Elson 2010, p.5) discovered that the Indonesian government faced challenges in carrying out gender mainstreaming in Indonesia, including a lack of understanding of sector specific gender issues, the absence of an integrated system of monitoring and evaluating the gender mainstreaming implementation.

Gender perspective is also need to be integrated into the planning and budgetary process to address lack of financial resources supporting gender mainstreaming agenda in Indonesia (Costa, Sharp, and Elson 2010, p.5; BAPPENAS 2007, p.1). Therefore, in 2009, the Indonesian
government adopt GRB initiatives to planning and budgeting system in Indonesia, called *(Penganggaran dan Perencanaan yang Responsif Gender or PPRG)*. GRB, is one of the gender mainstreaming strategies designed to address gender inequality and to accelerate the drive to meet the relevant MDGs (BAPPENAS, 2011).

**GRB policy development in Indonesia: a confusing concept?**

Gender responsive budgeting initiatives aim to put gender mainstreaming policy into practice. It is argued that institutionalising a gender perspective within the government budget can contribute to a long-term process of transforming the institutions of the country and help to get the gender equality perspective mainstreamed (Buldender and Hewitt 2003, p.25; Elson 2003, pp.3-4). However, the complexity of the Indonesian regulatory, bureaucratic and budgetary system makes the adoption of GRB initiatives into the Indonesian planning and budgeting process equally complex. This complexity is captured in Figure I below.

*Figure I. GRB policies in Indonesia*

![Diagram of GRB policies in Indonesia](source)

Source: PATTIRO, 2014

Figure I indicates that at least 15 documents have been produced by the government related to GRB initiatives to provide both a legal framework (ministerial regulations), and technical instruction at the operational level (usually in the form of circular letters, for example, Circular Letter 4 of the Ministry on National Strategy). In addition, the figure shows that the integration of GRB initiatives in Indonesia is a long process. Indonesia is a unitary state with a
decentralized system of regional government. According to the Indonesian Ministry of Internal Affairs, in 2015, there are 529 local governments in Indonesia (34 provincial governments, 402 kabupaten governments (rural and semi-rural districts), and 93 city governments). Each local government has a local budget called Anggaran Pendapatan dan Belanja Daerah-APBD (local government budget). Consequently, there are 529 separate APBDs produced by local governments and approved by Provincial Legislative Council (known as DPRDs) in each region (Ministry of Finances, 2015). Therefore, to ensure GRB is integrated at all levels, the government has published many regulations. However, these regulations are often interpreted differently at different levels (FITRA 2014, p. 10). As a result, the implementation of GRB remains stagnant, mired in bureaucracy at the national and sub-national levels.

**GRB at the national level**

At the national level, a decree of the Ministry of Home Affairs in 2008 provided a framework for gender sensitive budgeting. This regulation instructs that the gender equality perspective is to be integrated into the national budget system. It also outlines the government’s gender analysis tool, the Gender Analysis Pathways (GAP) designed to help ministries develop their planning and budgeting (BAPPENAS, 2011). These commitments took shape through Finance Ministerial Decree No. 119 Year 2009 which nominated seven government agencies as participants in a 3 year pilot program, a program entailing the adoption of the gender perspective in programs and budgeting starting in 2010 (the Ministry of National Development Planning/BAPPENAS, Ministry of Public Works, State Ministry of Women’s Empowerment (MoWE), Ministry of Finance, Ministry of Agriculture, Ministry of National Education, and Ministry of Health) (BAPPENAS, 2011).

These pilot institutions were required to do gender analysis before developing their working plan (BAPPENAS, 2011). They were also asked to prepare a Gender Budget Statement (GBS) consisting of an explanation of the expected gender, outcomes and outputs of the projects in their respective work plans, and budget estimations (BAPPENAS, 2012). However, according to an evaluation study of BAPPENNAS in 2011, the quality of the Gender Budget Statements was poor. Lack of availability of gender-specific data across all sectors, and problems with the mastering of GRB instruments (GAP and GBS), are considered as the most serious issues affecting adoption of GRB in the seven ministries (BAPPENNAS 2011, p. xxviii). In addition, through the Finance Ministerial Decree No. 119 Year 2009, the government established an inter-ministerial Steering Committee and a Secretariat for gender responsive budgeting. But, lack of partnership within the steering committee is considered as crucial problem in the pilot
project. Coordination was still at the technical level, not at the policy level, due to the absence of a division of tasks and responsibilities within steering committee (BAPPENAS 2011, p. xxix). This had hampered the implementation of GRB in the seven pilot institutions.

To address these challenges, as well as facilitate dissemination of GRB to other sector ministries and local governments, in 2012 the National Development Planning Agency, together with the Ministry of Finance, the Ministry of Home Affairs, and the Ministry for Women Empowerment and Child Protection, released technical guidelines on the Acceleration of Gender Mainstreaming (PUG) through GRB. The guidelines are enshrined in operational policy in form of circular letters (surat edaran) No. 270/M.PPN/11/2012; No. SE-33/MK.02/2012; No. 050/4379A/SJ; and No. 050/4379A/SJ to which the PPRG Implementation Guidelines are attached (FITRA, 2013). These circular letters are expected to provide technical guidance on implementing GRB, particularly how to use the Gender Analysis Pathway (GAP) and Gender Budget Statements (GBS) in planning and budgeting. They also aimed to mandate all ministries/agencies and sub-national government to integrate gender perspective in their planning and budgeting documents, not only the seven ‘pilot ministries’.

In 2014, the National Development Planning Agency claimed that GRB had been adopted in 34 ministries/institutions and 30 provincial governments (BAPPENAS, 2014, p.17).

However, there remains the question about the effectiveness of GRB in Indonesia, particularly about the quality of the programs and activities supporting the gender mainstreaming agenda. The circular letter (surat edaran), published by the government in 2012, instructed the ministries/agencies to focus on activities supporting the achievement of national and sub-national government development priorities or programs that could contribute to meeting the Millennium Development Goals (MDGs). But, to date, most activity is focused on disseminating the concept of GRB to all ministries/agencies, and on capacity building of government personnel (PATTIRO 2014; FITRA). As discussed by Costa et al. (2014), high staff turnover amongst government employees engaged in gender responsive budgeting, particularly at the sub-national level, suggests that there is a high demand for capacity building training, thereby diverting resources away from programs intended to address gender inequality and women empowerment (Costa et al 2010, p. 14). In addition, as discussed in Chapter 2, the MDG of gender equality tends to focus on the education and health sectors. Consequently, these are GRB priority sectors, to the exclusion of other sectors such as agriculture and infrastructure (FITRA 2014, p. 7; PATTIRO 2014, p.14).
The regulations (the 2012 circular letters) emphasise that Gender Budget Statements are a crucial tool for the effective operation of GRB in Indonesia (FITRA, 2013). Buchori (2009 cited in Costa, Sharp, and Elson 2010, p.13) argues that the Gender Budget Statements were an important tool to measure the commitment of the government in implementing gender responsive budget policies, particularly in budget allocation. Gender Budget Statements are also expected to provide information that links activity design and budgeting through the GAP. The purpose of GAP is to conduct a detailed situational gender analysis of the work plan, indicators and budget allocations, ensuring that the gender equality perspective is maintained throughout (Costa, Sharp, and Elson 2010, p.13).

Nevertheless, a number of problems are identified in the use of Gender Budget Statements in Indonesia. First, some argue that the GBS are not public documents, and that they are mainly a bureaucratic exercise involving line ministries and the Ministry of Finance. As a result, there is little accountability regarding efforts to achieve gender equality (Costa, Sharp, and Elson 2010). Second, GBS do not provide details regarding the money allocated to activities related to gender issues. They tend to provide limited information related to money allocated in previous years. Furthermore, a study conducted by PATTIRO (2014) found that Gender Budget Statements are still not integrated into the planning and budgeting systems. A study conducted by FITRA (2014) also shows that at the practical level many sector ministries and sub-national level governments still do not treat GAP and GBS as mandatory documents that required to be attached to the process. There is no punishment toward those who do not provide GRB. Consequently most of the institutions do not provide them. Evaluation studies conducted by both NGOs and the government also found that the lack of availability of disaggregated data, and the lack of appropriate indicators and targets of development programs, remain the major problems in making GBS in Indonesia (PATTIRO 2014, pp.14-15; BAPPENAS 2014, p.14).

**GRB at the sub-national government levels**

Since 1999, the sub-national government levels are acknowledged as crucial players in ensuring that Indonesia meets its development goals (Green 2005, pp.3-5). As Costa, Sharp, and Elson (2010) point out, the sub-national level actually led the national government in gender budget initiatives. Initiatives at the local level tended to be supported by an international NGO. For example, in 2000, the Asia Foundation provided training and resources to local NGOs in the province of Sulawesi in order to encourage them to commit to undertaking gender
responsive budgeting initiatives sub-national government have become a strategic vehicle for the adoption of GRB in Indonesia.

Since 2008 the Ministry of Home Affairs has applied Regulation No.15/2008 related to Guidelines for local government staff implementing gender mainstreaming gender in the regions (JICA, 2011). Also, the national strategy policies are enshrined in operational policy in the form of circular letters (surat edaran) No. 270/M.PPN/11/2012; No. SE-33/MK.02/2012; No. 050/4379A/SJ; and No. 050/4379A/SJ. Together they provide technical assistance on how to integrate the gender perspective into planning and budgeting processes.

However, there are critical challenges that hamper the implementation of GRB at the local level. Firstly, despite numerous laws and regulations on local budgeting, planning and gender mainstreaming, together with intensive capacity building for staff, local governments still appear to lack the capacity to budget, plan and spend public funds in a way that accommodates the needs of women and the poor. Based on the evaluation report of GRB implementation in Indonesia conducted by PATTIRO (2014, p. 21), human resources is an important element in the application of GRB, but the training was inadequate and short. As a consequence, trainees failed to grasp what GRB is and how to implement it through daily tasks (PATTIRO, 2014). The biggest difficulty faced by the trainees and staff is how to identify the gender issues and indicators, as well as how to integrate the gender perspective into the critical GAP and GBS documents.

Secondly, at local government levels, the GRB tends to be viewed as just another bureaucratic requirement that must be fulfilled in order to access funds from national government (PATTIRO, 2014). For example, formulating GAP and GBS documents as a requirement of GRB is seen by government officials as an unnecessary additional burden (BAPPENAS, 2011).

In addition, limited funds for financing development programs remain a major problem for sub-national governments, with many still dependent on the central government for the majority of their revenue (World Bank, 2014). For example, the Province of East Nusa Tenggara is highly dependent on transfers from the central government in Block Grant form, (Dana Alokasi Umum or DAU) and Discretionary Fund allocations (Dana Alokasi Khusus or DAK). In 2014, 74.01 percent of its revenue came from national government transfers, while only around 25.56 percent came from local sources (Bank of Indonesia, 2014). To place this in
some context, in the 2015 Indonesian Budget Amendment (APBN-P 2015), the central government allocated 33 percent of national budget expenditure for transfer to regions and villages (Ministries of Finance, 2015). With budget constraints such as those experienced in East Nusa Tenggara, the priority of sub-national government is to fund personnel salaries and operating costs, not programs designed to address gender inequality.

To strengthen the institutionalisation of GRB into government planning and budgeting, particularly at sub-national government levels, the Ministry of Home Affairs (MoHA) applied regulation Number 67/2011, which instructs local governments to appoint staff to be a Gender Focal Point (MoHA, 2011). According to the regulation, a Gender Focal Point is a staff of *Satuan Kerja Perangkat Daerah* (SKPD), or Work Unit of Regional Government, that has the knowledge and skill to mainstream the gender perspective in work places (MoHA 2011, p. 4). However, the performance of the Gender Focal Point in supporting the implementation of GRB, both at the national and sub-national level, has been disappointing for several reasons (PATTIRO 2014, p. 8). Most of the gender focal point staff is often too junior to influence decisions. According to PATTIRO (2014), gender focal point positions tend to be given to administrative staff or staff in the human resources sections. The staff often does not engage energetically in GRBs, and even when they do, they do not have the knowledge or power to influence allocations that will make an impact on gender inequality in Indonesia. As a result, those involved often do not have the power to change budgets (PATTIRO, 2014).

**III. The roles of Non-Government Organizations in the implementation of GRB**

As mentioned in section 4.3, beside the government and public sectors, Non-Government Organisations/NGOs (the ‘third sector’) are considered as one of the significant actors in GRB implementation in Indonesia (Costa et al 2010, p.9). NGOs in Indonesia mushroomed after 1998 when President Suharto’s authoritarian New Order regime collapsed (Suharko 2007, p. 5). While citizen participation in development and politics was extremely restricted under Suharto, the national spread of democracy opened up new opportunities for Indonesian civil society groups to participate in development (Antlöv, Ibrahim & Tuijl 2006, p. 3-5). This transition has brought many changes, including the emergence of women’s organizations which challenge gender discrimination and traditional gender roles in society, as well as putting pressure on the government to fulfil women’s rights (Schech & Mustafa 2010; Costa, Sharp, and Elson 2010).
The involvement of NGOs in gender budget initiatives started in the early 2000s. For example, in 2001, NGOs, members of the Gender Budget Analysis Forum, campaigned for a gender budget (Women Research Institute, 2007). At the national level, the forum lobbied the People’s Consultative Assembly (MPR) to allocate 30 percent of the national budget for education, 15 percent for health, and 5 percent for women’s empowerment. At the local level, through Musrenbang (the public consultations on development planning) the gender forum encouraged local government to use gender analysis when drafting local government budgets (APBD). The Gender Budget Analysis Forum was active in several provinces such as Sulawesi Selatan, Mataram, and Kupang (Women Research Institute, 2007). At that time the forum also trained members of the provincial and district councils to plan gender responsive budgets. (Costa, Sharp, and Elson 2010, p. 8). In addition, since, 2011, the Indonesian Forum for Budget Transparency (FITRA), in partnership with local NGOs and supported by the Asia Foundation, implemented a project titled “Building Better Budgets for Women and the Poor in Indonesia (B3WP)” in targeted areas of Sulawesi (comprising a total of 4 provinces and 10 districts/cities). The project provided facilitation, technical assistance and training to increase the capacity of local government in areas of gender and pro-poor needs analysis, public consultation, budget formulation and program monitoring. One of the important capacity building programs provided by this project is training on the use of Gender Budget Statements (GBS) (FITRA, 2014). The project also provided technical assistance to improve the capacity of its local partners (such as YASMIB, KOPEL, Gorontalo Research and Development Institute, Community of Care for Women and Children (KPPA), LPP Bone, Institute for Community Justice (ICJ) South Sulawesi, PINUS, and YLP2EM).

In evaluating its own work, FITRA (2014) claims many achievements, including the successful development of relationships with main stakeholders (local NGOs concerned with gender equality and budgets, local journalists and media, and local government), and increasing the number of competent GRB facilitators from its local partners who can do technical assistance for supporting both government and non-government organizations, particularly in developing planning and budgeting documents. The report claims many changes and improvements have occurred since the first time the project was implemented. The local government began to openly engage civil society groups in the planning and budgeting process, particularly in the process of formulating and discussing of local government medium term (5 year) development plan/s (RPJMN) (FITRA 2014, p. 13). PATTIRO (2014) also found that the NGOs have played
outstanding roles in providing technical assistance to the government by developing gender analysis tools. NGOs also provide important feedback on issues and policies. In this case, the NGOs strategy is partnering with the government. But, at the same time, the NGOs role is to fight for the community’s interests and to represent the community in pushing for improvement in public services and policy (Salim 2014, p.17-18). The NGO is a representative of people as well as an articulator of the people’s ‘voice’. In this approach, the NGOs roles are policy advocacy and lobbying in order to influence public policies concerning the poor. Despite the significant roles played by NGOs in GRB, they face many obstacles when engaging in GRB work. For instance, from the Indonesian government’s perspective, NGOs are a threat to state power, an oppositional force (PATTIRO, 2014). Consequently, NGOs in Indonesia have difficulties in developing effective partnerships with the government and civil society groups have difficulty influencing the budgeting process. At the same time, many NGOs have become consultants to the government (FITRA, 2014). Although this creates opportunities for civil society groups to contribute to policy- and decision-making processes, the dependency of local government on local NGOs could be an issue. This can shift tasks and responsibilities from the government toward civil society groups, particularly when these tasks (such as developing GAP and GBS) are mostly considered as only additional requirements in order to access funds from the national government (FITRA, 2014, p. 26).

In addition, most civil society groups are believed not to have sufficient knowledge and capacity regarding GRB work (UNDP, 2009), particularly with regard to the complex budgetary preparation process often mentioned in the literature (LGSP 2009; Costa, Sharp, and Elson 2010; FITRA 2014; PATTIRO 2014). As a result, only a few CSOs are able to support GRB works in Indonesia. For example, according to the UNDP (2009), of over 60 CSOs in Indonesia have worked on various aspects of budget reform, including participatory budgeting, revenue monitoring, expenditure tracking, budget literacy and anti-corruption measures, less than a quarter have been involved in gender budgeting work (UNDP, 2009).

NGOs dependency on international donors also can also be an issue. The GRB initiatives in Indonesia are supported financially almost entirely by international donors. For example, since 2002, six of the Indonesian Forum for Budget Transparency (FITRA) programs have been financially supported by the Asia Foundation. Between 2011 and 2012 for example, Seknas FITRA received 3,755,975,000 rupiah (equivalent to AUD 375,597). This money funded 2 programs in 2011-2012, including the B3WP program mentioned earlier. In turn, the Asia
Foundation (2011) received CAD 5,671,640 (equivalent to AUD 5,938,676.84) from the Department of Foreign Affairs, Trade and Development, Canada (DFATD Canada). The Ford Foundation also showed its commitment to gender responsive budget initiatives in Indonesia by supporting several NGOs, including the Women’s Research Institute. This Institute aims to analyse maternal health expenditures, and engage in budgetary processes to facilitate increases in allocations for maternal services in South Lombok (Women Research Institute, 2007).

However, the dependency of civil society on international donors will affect the sustainability and effectiveness of civil society engagement in advocating and monitoring the implementation of GRB policies in Indonesia, especially after the donor money runs out (FITRA, 2014). Dependency on donors also caused NGOs are often viewed as agents of donors, often seen to accomplish the agenda of the donors, rather than to work in the interests of poor people (Banks et al. 2015, p. 708; Anderson, 2005). For example, the board of FITRA has criticized that FITRA’s dependency on the donor will possibly cause FITRA only become service contractor to implement the designed projects of donor and moving away from their original missions and goals (FITRA 2013, p. 21). As stated by Banks, Hulme, and Edwards (2015, p.708), the world of foreign aid has turned NGOs into ‘clients’ to work on limited set of agenda of service delivery and ‘good governance’ promotion instead of transformation of politics and social relations.

IV. Citizen’s participation in the planning and budgeting cycle: a formality or a commitment to participation?

It is argued by some that GRB initiatives can lead to an increase in women’s grassroots participation in the budgeting process. In Indonesia, there is a mechanism which may help realise this goal - Musrenbang forums. Musrenbang forums (forums facilitating community consultations on development planning), play an important part in the Indonesian budgetary system, which is regulated by Law No. 25/2004 on Development Planning System as well as the 2004 Laws No. 32 and 33 on Local Government (Nurmandi et al, 2015, p.39). Musrenbang is a deliberative multi-stakeholder forum that has the task of identifying and prioritising community development problems and policies (Indonesian Ministry of Law, 2008). It can provide a political space for negotiating, reconciling and harmonizing differences between government and nongovernmental stakeholders (NGOs and community groups) to achieve a consensus on development priorities and budgets (Indonesian Ministry of Law and Human Rights, 2008). A series of Musrenbang forums are often held through all levels - from the village level, to the sub district, district/city, province, and national levels.
It is claimed that the *Musrenbang* forums reflect the government’s participatory approach to the planning and budgeting process (BAPPENAS, 2012). This is in contrast to the previous authoritarian New Order, where the public was not encouraged to voice concerns. The *Musrenbang* are also important forums where people can provide input into the regional governments’ budget formulation processes, particularly women’s groups seeking gender equality in Indonesia (OECD, 2009).

Yet according to International Budget Partnership (IBP), the rating of the Indonesian government for public participation in planning and budgeting processes is 35 out of 100 (IBP, 2015), indicating a weak performance. Several factors contribute to this situation. Firstly, there are few government laws and regulations clearly outlining community participation in budgeting and public policy implementation. Specifically, there is a lack of clarity about the fundamental principles of public participation, and the role, functions and powers of civil society organizations in the *Musrenbang* forums (LGSP, 2007; Purba 2010, p.4). Secondly, stakeholders are often represented by community elites such as the head of the local village, religious leaders, or ‘experts’. For example, in many cases, the women’s community representative is often the village chief’s wife. As a result, the voices of the most disadvantaged groups are not heard. Third, the issues and proposals put forward by stakeholders at these local *Musrenbang* forums are frequently not adopted by the government (Nurmandi et al. 2015, p.41). The proposal programs/activities that are adopted and incorporated into the annual government program are those listed in long term plan (RPJMD), the annual plan (RKPD), and programs that are in accordance with the national and provincial policy priorities (Nurmandi et al, 2015, p.41). In other words, the priorities of development are set by government and the elites.

Furthermore, these *Musrenbang* forums do not seem to be able to persuade most districts or cities to restructure their budgets so that they become more gender sensitive (Women Research Institute, 2007, p. 8). There appears to be is a clear division in the planning and budget process – while there are community forums ‘consultations’, the decision-making on resource allocation is perceived to be a technical matter, controlled by public officials and members of parliament (FITRA, 2009, p. 15). Characteristic of the budgeting system in Indonesia is the relatively large role played by the Indonesian parliament in budget decision making. In Indonesia, the House of Representatives (DPR) is vested with various powers including the
power to legislate, approve budgets and conduct oversight of the government (FITRA, 2012). The Parliament is deeply involved in every stage of the budget process, from the earliest budget formulation stages to budget implementation. However, the Indonesian parliament is often involved in political negotiations on the economic assumptions and revenue forecasts that underlie the budget, a practice that departs from usual OECD practice (OECD 2009, pp.24-26). Budget decision making is also often processed by consensus achieved through informal elite negotiations and lobbying amongst the various parties (factions) and the government (OECD, 2009, p.24). A study by FITRA (2012, p. 10) also revealed that the meetings of the Parliament Budget Committee are not open to the public and no record of proceedings is made available to the public. This practice hampers transparency and accountability of government in the allocation of funds. In the end, the involvement of civil society, particularly of grassroots women’s groups, seems only a formality designed to meet a bureaucratic requirement, rather than reflecting a commitment to participation. Women’s voices may be heard, but they are ignored.

V. Conclusion

This chapter has demonstrated that no significant change has occurred as a result of the government adopting and integrating this global concept into the Indonesian planning and budgeting system. Many obstacles stand in the way of effective gender responsive budgeting initiatives.

Firstly, Indonesia has been slow in adopting gender responsive budgeting. It took the Indonesian government 25 years to respond to the global GRB initiative, first launched in 1984. Secondly, the Indonesian regulations concerning GRB policies in Indonesia are very complex, and this has contributed to the policies remaining muddled, as well as difficult to understand and to implement. Consequently, few government employees feel competent enough to implement and integrate these regulations into their daily tasks. Due to the technocratic approach taken by the government, GRB activities in Indonesia are often considered as simply another burdensome bureaucratic procedure rather than an important policy in the drive to address gender inequality. Third, the institutionalisation of GRB and gender mainstreaming into the Indonesian bureaucracy is hindered by limited availability and use of gender disaggregated data, and a lack of coordination amongst and within line ministries.
In addition, this chapter demonstrates that civil society groups in Indonesia play key roles in the implementation of GRB initiatives. However, there are concerns related to NGOs, including dependency on external donors; a lack of knowledge and capacity regarding GRB; and the limited power of local civil society groups to influence the budget decision making process. More specifically, the limited political space provided to civil society groups, including grassroots women’s groups, is revealed by the fact that some Musrenbang and other local forums are apparently hijacked by local elites, effectively silencing women’s voices. Consequently, their impact on the budget process is limited. Indeed, budget decisions appear to be confined to parliamentary and bureaucratic elites engaged in informal negotiation and lobbying at the national level. Consequently, with regard to budget decisions that affect the poor and women, there is limited participation, transparency, and accountability. This has implications for the goal of gender mainstreaming and gender equality.
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