

## **Fighting for a Pro-Poor Provincial Budget in Indonesia**

Riau Province in Indonesia has an annual budget of IDR 3-4 trillion. This is much larger than the budgets of other provinces in Indonesia. However, in 2007 the government planned to allocate a large part of the budget to personnel, construction of infrastructure, and low-priority expenditures, such as a film festival and theatres, instead of items to address the needs of poor people.

Fitra is a national network of organizations that work on budget advocacy. Fitra Riau is one of five nodes of the network. Fitra Riau worked together with other civil society and student organizations in the Karam Coalition to fight for a better budget.

When Fitra and its partners analyzed the Riau budget, some of the problems they found were:

- The budget was based on an unrealistic estimation of local revenue.
- General administration received 31 percent of the total budget, more than the total for education (16 percent), health (6 percent), and cooperatives and small businesses (less than 1 percent). The amounts and percentages for these three items were less than required by the law.
- IDR 1 trillion (24 percent of the total) was allocated for extra payments to government employees. This contradicted the regulation that states that special honoraria for employees can be paid for a maximum of two activities. Some of the big allocations were for items that were not urgent needs. These included the Indonesian Film Festival (IDR 10.5 billion), building a theater (IDR 58 billion), and increases in government salaries (IDR 30 billion).
- IDR 795.8 billion of the total was not allocated because the money was reserved for activities in future years.

The Karam Coalition also found that government had not followed all the required steps of the budget process when it drew up the budget.

The Coalition developed the results of its analysis into demands about what needed to change. Karam Coalition invited members of the local parliament from both the ruling and opposition parties to discussion events, which were often addressed issues relating to budgets and the budget process.

The coalition also held press conferences to put forward its budget demands. On one occasion the coalition occupied the government-owned radio station of Riau. It also blocked entry to the local parliament of Riau.

The coalition used street rallies to win support for its campaign. In some of the street rallies, organizations that were part of the coalition raised sectoral issues that their organization worked on. These included women, environment, disaster mitigation, and legal compliance. On 1 February 2007 all the organizations joined together in one big street rally to push the budget demands. This was the day that the parliament was meant to vote on the budget.

Members of two parties in the local parliament refused to vote for the budget, one party abstained and three parties voted for the budget. The budget, therefore, became law.

Karam Coalition then sent a letter to the Minister of Home Affairs, who must approve local budgets. They asked him to remove the budget items that were wasteful. The Coalition held further street rallies outside the Ministry of Home Affairs office in Jakarta and Pekanbaru. On 24 February Home Affairs sent the budget back to Riau Government for revision. Government then reallocated a further IDR 10.5 billion for education. The total amount of the budget did not change, but the way the money was allocated better addressed poor people's needs.