

## Policy Formulation and Implementation on Participatory Budgeting in Seoul, South Korea

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### Abstract

This research analyzes the policy formulation and implementation of participatory budgeting in Seoul by using qualitative methods focusing on document research. The target time for this research is from 2010 until May 2012 when the Seoul government enacted the PB regulation for policy formulation, and from 2012 until 2016 for policy implementation. The results of the research show that Seoul government had already faced many demands for the implementation of PB before the regulation on PB was enacted. These demands are the result of two flows, that is, a political flow that regards citizen participation in the process of public policy as important and the worsening financial condition of the local government. In this situation, the change of Seoul mayor in 2011 has led the Seoul government to start policy formulation for PB. In the process of making the regulations, the CSOs that already studied a lot about PB also participated in this process. So, Seoul government has made regulation on PB with high level of citizen participation. After regulation on PB was enacted, during the implementation of PB, Seoul government seeks to increase the level of citizen participation by enhancing its representativeness and expertise. For example, Seoul government randomly select most of the PB committee members through open recruitment for representatives, make compulsory lessons in budgets school for expertise, and disclose all information and provide more opportunities for participation such as e-voting to increase the number of participants. As a result, the number of e-voting participants reached about 1% among the total population of Seoul.

### Keywords:

formulation; implementation; participatory budgeting; participation.

### Introduction

Participatory Budgeting (PB) that involves the society in the public budgeting process has been one of the participative instruments that have become the most successful in the last 20 – 30 years (Sintomer et al., 2014: 28). The PB allows the citizens to negotiate the budget allocation and investment priority with the government. PB itself has a purpose to carry transparency and accountability towards traditional budgeting practice (Diether & Maria, 2014: 2).

Since PB was first implemented by the local government of Porto Alegre, Brazil in

1989, it has been implemented in worldwide, mainly in Latin America and Caribbean area. Globally, 1,269 – 2,778 local government implemented PB in 2013. 626 – 1,138 cases are existed in Latin America, 474 - 1,317 cases in Europe, 58 - 109 cases in Asia, and 110 - 211 in Africa (Sintomer et al., 2014: 29).

In South Korea, since Buk Gu government in Gwangju metropolitan city had started its PB program in 2003, the local government has implemented more PB programs and this is because the central government oblige PB program to all local government by revising the constitution about local government finance

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in 2011, for now to all the local governments, that is 243 local governments that have implemented PB program even though PB program implementation method is different from one another depend on the situation and condition of each local government.

Initially, the new PB program was included in the policy agenda of the local government of Seoul when the central government urged all local governments to implement PB program in 2010. Then, when the central government oblige the implementation of PB to all local governments in 2011, Seoul local government still do not want to implement the policy because PB program is not appropriate for mega city. Finally, the local government of Seoul had started to conduct PB program since 2012 even though that was the last in comparison to all local governments in Seoul.

PB program in Seoul is considered to present the most participatory method even though Seoul has obstacles to improve the participatory level as a metropolitan city. Thus, this research analyze the formulation and implementation of PB program in Seoul, South Korea with the purpose for answering questions about how PB program is formulated in Seoul, South Korea and how the local government of Seoul implement PB program to improve the citizens' participatory level in the process of budgeting.

### **The Formulation of Public Policy**

At the stage of policy formulation, the issues that have entered to policy agenda are then discussed by policymakers. These issues are defined in order to look for the best problem-solving method. The problem-solving is originated from the available various policy alternatives or policy options. It is the same as the struggle of certain issue to enter the policy agenda. In the phase of formulating the policy, each alternative competes with each other in order to be chosen as the selected policy to solve the problem. In this phase, each actor will

play to propose the best problem solving way (Winarno, 2007: 33).

According to Thomas R. Dye in his book entitled *Understanding Public Policy* (1995) at least there are nine models of policy formulations, namely: system model, elite model, institutional model, group model, process model, rational model, incremental model, public option model, and game theory model. Among those nine models, only system model which is the development of David Easton system theory which will be explained because it will be used in this research. According to system model, certain policy is impossible to have a form in vacuum area but it then because a policy due to its interaction between surrounding environment. Therefore, the policy that is offered by this model is policy formulation model that comes from the output of an environment or the on-going system. In this approach, there are five important instruments to understand the process of taking decision of a policy: *input*, *process/transformation (political system)*, *output*, *feedback*, and the environment itself. It is necessary to be also understood in here that public policy input in system context model appears not only in the form of demands and support but also the effect surrounding environment that presses them. Besides, the feedback becomes the important matter except those three components in Muka (Agustino, 2008: 131).

### **The Implementation of Public Policy**

The general understanding about policy implementation can be obtained from Grindle statement that implementation is the general process of administrative action that can be researched at certain program levels. The process of new implementation will be started if the purpose and goals have been determined, the activity program has been arranged and the fund has been ready to be delivered in order to achieve the goals (Haedar Akib, 2010).

In the history of policy implementation study development, it is explained that there are two approaches in order to understand the policy implementation, namely: *top-down* approach and *bottom-up* approach. According to Lester and Stewart, the term is named as *the command and control approach* (which is identical to *top-down approach*) and *the market approach* (which is identical to *bottom-up approach*). Each approach proposes framework models in shaping the linkage between policy and its outcomes (Agustino, 2008:140).

In top-down approach, policy implementation is centrally conducted and started from central level actor, and even its decision is taken from the central level. The approach begins from the perspective that policy decisions that have been set by the policy makers should be done by administrators or bureaucrats in the lower level. Thus the core of top-down approach is how far the executors (administrators and bureaucrats) implement it in accordance with the procedure as well as the purpose that has been determined by the policy makers in the central level. Some scholars who embrace top-down system are as follows: Donald Van Meter and Carl Van Horn, Daniel Mazmanian and Paul Sabatier, George Edward III, as well as Merilee S. Grindle (Agustino, 2008:140-141).

*The bottom-up* approach sees that policy implementation is not formulated by the centralized department from the center. The bottom-up approach begins from the decisions that have been set in citizen or society level that feel their own matters and problems that they experience. The point is, bottom-up approach is the policy implementation where policy formulation is in the citizen level, so that they can understand and able to analyze what policies that are suitable with the resources that are available in their area, the existing socio-cultural system in order to make the policy itself does not contra productive, which can support the success

of the policy itself (Agustino, 2006:156-157). Bottom-up model that is offered by Richard Elmore (1979), Michael Lipsky (1971), as well as Benny Hjern and David O'Porter (1981) is Elmore model, et al. (Riant, 2008: 446). Besides, Smith, Thomas R is also included as the expert who embraces bottom-up system. Smith (1973) consider implementation as process or channel. Process or channel model which explained by Smith sees policy process from the perspective social and political change, where policy that is created by the government has a purpose to make a betterment or change in the society as the target group. Smith said that there are four variables that need to be considered in the process of policy implementation i.e.: (i) *idealized policy*, that is an interaction pattern that is idealized by policy formulators with the purpose to support, influence and stimulate target group to implement it; (ii) *target group*, which is the part of *policy stakeholders* that is expected to be able to adopt interaction patterns as it is hoped by policy formulators. Because they are heavily influenced from policy, so that it is hoped to be able to adapt its behavior patterns with the formulated policy; (iii) *implementing organization*, namely the implementing departments or bureaucrat units of the government that is responsible in the policy implementation; (iv) *environmental factors*, i.e. the elements in the environment that influence policy implementation such as culture, social, economy, and politic aspects (Putra, 2001: 90-91).

### **PB Definition**

According to PB Unit (organization in the UK), there is a definition that is admitted nationally as follows. PB involves the local community in making decision about priority and outcome to public budget. This means that involving citizens and communities that represent the whole society to discuss and give voice, as well as giving the role to the local community in supervising and monitoring its

process (PB-Unit, 2009: 3). Thus, basically PB can be defined that local community, not the chosen or local employee, participated in the decision process of public budget and influence the matters that are related to budget outcomes.

However, there is no PB definition that is admitted in either politically or scientifically. The procedure that is called PB in certain area will not get the same label in the other areas. So, definition is needed to have minimum requirements to differentiate PB procedure to others. Basically, PB obliges community participation in allocating public funds. According to Sintomer et al, there are five criteria for PB as follows. i) Discussion about budgeting process, ii) Implemented in the city level (*city level*), or district (*district*, city part) that is decentralized and have elected body (*elected body*) with the power towards administration and resources, iii) PB process should be done in years, vi) Meeting or forum in the process of PB should contain several form of in-depth public discussion (*public deliberation*), v) Accountability towards the result of PB process is also needed (Sintomer et al.,2012:29).

### **The Factors that Influence PB success**

The research about the factors that influence PB success is mostly done towards PB in Latin America, especially Porto Alegre, Brazil. Besides, there are lots of researches towards the case in the world that are conducted.

Several previous studies (Wampler 2006, Goldfrank 2006, Bland 2011) find the factors that influence PB success, namely, i) the support of mayor and the party (*Support of mayor and party*), ii) type of civil society organizations (*type of civil society organizations* (CSO)), iii) budget that is allocated for PB (fund), iv) system that guarantee the decision making to participants, v) local government employees' ability, vi) The openness information of PB program.

### **Methods**

This research uses qualitative method which is defined by Creswell (2009: 4-5) as the method to explore and understand meaning which is considered as the origin of the social or humanity issues.

Analysis unit of this research is PB program in Seoul, South Korea. PB Program in Seoul is currently attracting in South Korea because it gives more chances of participation in PB to the citizens despite the other local governments in South Korea, as well as the capital city, the policy of Seoul local government is very important because it has the highest influence towards other local governments in South Korea. Therefore, this research has chosen PB program in Seoul, South Korea. The time of the research is from 2010 to May 2012 when Seoul local government validates the local regulation about PB program to the formulation of policy and from May 2012 to 2016 to policy implementation.

The data collection in this research is focused on the data in the form of documents such as constitutions, local regulation, journal, annual white paper and others. Then, interview via email with local government employees in Seoul is added to strengthen its analysis.

### **PB Formulation Discussion**

Under the central government of South Korea, there are two levels of local governments, like Indonesia. To ease the explanation, this research uses the term 'big local government' for local government level that is the same as province, and the term 'basic local government' for the level of local government that is the same as city / regency. That term is translated from the term in South Korea.

This research is done towards policy input and political system to formulate PB program based on system model, i.e. the demand inside and outside of the government as the policy input and financial resources and politic environment as political system.

### **The Demand in the Government: Central Government and Seoul Regional House of Representatives**

In South Korea, central government had acted in order to support the local government to implement PB program since 2003 when the president who made citizens' participation important in the process of public policy started from his position, as well as Buk-gu local government in Gwangju province first implemented it. Then, in November 2010, the central government urged all local governments in South Korea to implement PB program by giving three choices towards PB regulation design. Next, in March 2010, the constitution of 'Local Finance Act' is revised to oblige the implementation of PB program to all local governments. The constitution has decided that 9 September 2011 is the last day that obliges the renewal of local PB regulation. As a result, there are many local governments in South Korea that have not implemented PB program, even they has just started to prepare the making of PB local regulation and the forming of PB committees. However, Seoul government has not yet started to implement PB program until the certain period of time (Seoul Regional House of Representatives, 2012). Seoul government does not want to implement PB program because PB program is not appropriate for mega city.

Even though Seoul government has not yet prepared to implement PB program, Seoul Regional House of Representatives, particularly the member of it from Democratic Party has prepared PB program in Seoul government. At 21 April 2011, the committee of administration and autonomy which are one of the committee in Regional House of Representatives creates PB regulation design. Nevertheless after it is discussed, the design itself is not approved because it is difficult to implement it for Seoul as megacity (Lee Sang-A, 2014).

Thus, Seoul government has faced the demand of PB implementation from the central government and Seoul Regional House of

Representatives.

### **Financial Resources: The Financial Condition of the Local Government that is Getting Worse**

Since 2010s, the worry about financial crisis of local government had been spread to the entire South Korea. The most famous example is the case of Seongnam local government. It announced the moratorium that contains, the mayor of Seongnam announce that Seongnam local government cannot turn the loan money back towards the development of 'Pan-Gyo' new city.

When looking at the financial condition of Seoul local government, the debt of Seoul local government that reached 16,179 trillion won in the end of 2007 improved dramatically to 25,075 trillion won in the end of 2009. Since 2009, Seoul local government has started to experience a financial deficit, and then the financial condition is also getting worse. That event is criticized with the reason that budget over-spent which related to the Seoul governor will. In 2009, Seoul governments 'O Se-Hoon' who want to be chosen again in 2010 election allocate lots of budget to the project of huge infrastructure establishment (Seoul Regional House of Representatives, 2010).

Consequently, the local government that is getting worse influences the demand to implement PB from outside of the government like CSO and mass media towards Seoul local government.

### **The Demand from the Outside of the Government: CSO and Mass Media**

Mass Media often gives news about the worse financial condition of the local government, so it forms a public opinion that the local government's financial condition needs to be controlled by the society to avoid over-spending budget. So that, there are lots of CSO that also demand PB implementation as one of the ways to manage the local government financial condition.

In 2010s, CSO activity that urges Seoul local government to fix the financial condition is getting bigger. The CSO activists criticize the accountability towards financial operation of Seoul local government and demand Seoul local government to implement PB program. Besides, the CSO activists continue to prioritize the implementation of PB program in Seoul local government and try to understand the importance of PB program towards the general public through the activity of publishing report, workshop procurement that targets the general community (Yoo So-Young, 2013).

Finally, the issue about financial condition of local government of Seoul that is rumored continuously improves the awareness of the students about the importance of action, so that mass media has a role to urge the policy implementers in Seoul local government in order to take a special action to solve the problem.

Thus, many demands and worse financial condition of local government has created an atmosphere towards PB formulation in Seoul local government. In that situation, Seoul local government has not started the PB formulation yet because Seoul governor does not want even though has passed the time limit to make PB local regulation according to the constitution.

### **Politic Environment: Seoul Governor Turnover**

In 2011 local election, governor candidate 'Park Won-Soon' from Democratic Party is chosen as the 35<sup>th</sup> governor of Seoul. In particular, when the local election campaign, the governor candidate 'Park Won-Soon' who is the lawyer and activist declaring many campaign promises which makes citizens' participation important. In that condition, the governor candidate promises to prevent budget leakage by his own will and to familiarize citizens' participation through the creation of PB local regulation as soon as possible. Finally, the new Seoul governor directly orders the

creation of PB local regulation, so the local government of Seoul can start PB formulation in January, 2012. This means, the changing of Seoul governor triggers Seoul local government to start making PB local regulation, so that it becomes the main factor that influences PB formulation in the local government of Seoul.

Thus, Seoul local government that has faced many demands either from the inside and the outside of the new government starts making PB local regulation in January, 2012. The result is that they can issue PB local regulation within only five months with the cooperation with CSOs and Regional House of Representatives. Initially, budget department inside Seoul local government does not really know about PB, so that they ask help to the CSOs that has known a lot about PB, so the CSOs form CSO network and participate in the process of making the design of PB local regulation. As a result, Seoul local government and the CSO network can result the design of PB local regulation through many discussions. Then, the Regional House of Representatives of Seoul directly discuss and approve the design. Finally, at 22 May 2012, the local government of Seoul validated PB local regulation.

### **The Discussion of PB Implementation**

In May 2012, based on PB local regulation, the local government of Seoul started implementing PB program towards 2013 budget, and then each year PB program is implemented up to now. The time of the research about PB program implementation in Seoul local government is from 2012 towards 2013 budget to 2016 towards 2017 budget. The next table is PB implementation process in 2016.

To analyze the obstacles in implementing PB program in Seoul local voernment and implementation method in order to overcome the obstacles, this research is done towards three variables that are based on Smith model, i.e. *implementing organization, target group, environmental factors*. In this

**Table 1.**  
**PB Implementation Process in 2016**

Time	March - April	April - May		May - July	Augustus	November
Participant	Local government	Citizens	Related department	PB Committee	PB committee, Society	PB Committee
Role	Forming PB committee	Proposing public work that wants to be done	Checking the public work that is proposed	Discussing and prioritizing the public works	Deciding final public works through voting	Making PB budget design & Delivering it to the Regional House of the Representatives

Source: Data from the local government of Seoul.

research, *implementing organization* is the local government of Seoul (especially, PB team in the government) and PB committee, *target group* is Seoul citizens, and *environmental factors* is the characteristics of Seoul as *megacity*.

**Implementation in Implementing Organization**

PB team in the government of Seoul that works for implementing PB program is one of the executing organizations for PB program and PB committee in the local government of Seoul who has the main role in making PB budget design is also the main executing organizations for PB program. Thus, both organizations have to work together in a good way in order to implement PB program.

To make the relationship between both organizations running well, the local government of Seoul forms PB supporting committee who work as the mediator between PB team and PB committee. The committee that supports PB has some experts in budgeting from the inside and the outside of Seoul government and they are given job that needs budgeting knowledge in order to support the activity of PB team and PB committee, for instance, managing school budget, assessing PB program implementation and making the fixed design of PB each year. The government of Seoul involves CSOs that have main role to make PB local regulation in Seoul in the PB supporting committee and give job to connect government employees and Seoul citizens in the process of PB program implementation.

That is different from other local governments in this case other local governments only form advisor team in order to consult with PB committee (Seoul local government, 2013).

**The Implementation in Target Group**

*Target group* in PB program in Seoul local government is Seoul citizens and the main duty of PB program is to improve citizens' participation. Thus, the obstacles in target group for PB program are connected with citizens' participation characteristics.

According to Zimmerman (1986), the disadvantages of citizens' participation in the process of policy are i) the increase of administration cost for conducting a meeting where the citizens can participate, ii) the government has to explain about the matters related to the citizens who lack of skills, so that policy implementation can be postponed, iii) the possibility of conflict between citizens, iv) the problem of participants' representativeness. On the other hand, the excellence of citizens' participation are i) the local government realizes that the new problem that cannot increase the government's capability to identify and solve problems, ii) fixing the process of decision making because knowledge and experience about related situation can be used, iii) the citizens shares responsibility with the government through participation and increase the understanding about policy implementation, and willing to work together, so that the government can implement policy in

a better and smooth way, iv) the citizens that can accept lots of information in the participation process can better check the government activities, so that the citizens' ability to assess policy increase (Zimmerman, 1986).

In that case, this research discusses the lack of ability and representative problem in PB committee which has Seoul citizens as its member, and the number of voluntary participants as obstacles in target group towards PB program in Seoul local government.

**a. The First Obstacle in Target Group: Representativeness Problem**

The members of PB committee are Seoul citizens that represent all of Seoul citizens, not government employees or budgeting experts. However, the number of PB committee that is only 250 persons cannot represent the interest of all Seoul citizens that approximately has 10 million people equally, so that representativeness level should be improved by participants in PB committee.

Representativeness is connected with the way of member recruitments. The way of recruitment that is not influenced by those who form committee is random option through open recruitment. Random option through open recruitment can be assessed that justice towards representatives of members that represent citizens are guaranteed because all the citizens, anyone has rights to register through open recruitment and the way of random options can give chance to be chosen to all participants equally, so that the level of representatives is high.

In PB implementation, the local government of Seoul uses two ways of PB committee member recruitment system, i.e., random options through open recruitment and recommendation. Most of the committee members are chosen randomly, so that it can increase representativeness level, but does not guarantee the participations of people who have lower financial condition. So that

the participation of people who have lowers financial condition can be gotten through recommendation.

The following table is the result of PB committee composition during five years in real time. In the table, the total chosen is 250 each year means that the number of committee member candidates that are chosen, and the final number means the number of committee member that is reduced by the number of candidate members who do not pass budgeting school. According to the table, 90% of PB member committees are chosen randomly in 2016. Especially, the number of teenagers in 2016 was increasing because teenagers' sub-committee was formed.

**b. The Second Obstacle in Target Group: Lack of Expertise**

Because PB committee members that are randomly chosen among civilians do not really know about administration, public policy, and budgeting, expertise in PB committee is difficult to be guaranteed. Thus, it is necessary to improve the expertise of PB committee.

In PB implementation, the local government of Seoul obliges its PB committee member candidates that are chosen to be graduated from 'Budgeting School'. The school is managed by supporting PB committee and gives the certificate to the committee member candidates who finish all classes in that school. Then, the governor of Seoul inaugurates them as the member of PB committee (White Paper, 2016).

Besides, local PB regulation in the local government of Seoul confirms that the length of service of PB committee is maximum two years. The article is the act to improve the expertise of PB committee because they can use the experience and member knowledge that has worked as the member of PB committee. Lastly, before public works that are proposed by the citizens are sent into PB committee, it firstly checked by the department that is related into



**Table 2.**  
**The Result of PB Committee Composition during Five Years in Real Time**

	2012	2013	2014	2015	2016
Total Chosen	250	250	250	250	250
<i>Open Recruitment</i>	150	200	200	225	225
Recommendation	100	50	50	25	25
Final Number	216	212	234	228	232
Male	124	102	121	124	112
Female	92	110	113	104	120
People who have lower financial condition	8	13	18	15	29
Teenagers	4	2	6	7	23
Elderly (> 70 years)	2	8	10	5	4
Disable	2	3	2	3	2

Source: Data from the local government of Seoul

public work in the government of Seoul. The process is also an act to improve the expertise because the government employees who are working in the related field, so that they know it more and check the public work, as well as the one who propose this can complete his/her proposal by consulting with the expert.

### c. The third obstacle in Target Group: The Number of Participants

Citizens' participations always need more voluntary participants. In particular, Seoul that has 10.198 thousands populations (according to statistic at 4/1/2017) that reaches one fifth number of the whole South Korea citizens experience difficulty to increase the number of participants in the policy process. Thus, citizen voluntary participations are the main element and obstacle in the implementation of PB program.

In PB implementation, there are three steps that need citizens' participations, i.e. the selection of PB committee members through open recruitment, public works proposal, voting in order to decide the final public works that will be sent to the Regional House of the Representatives. The following table is the result of participation in the three phases. According to the table, the number or participants for PB committee during 5 years do not show a tendency to increase. However, the

increasing number of participants in the second and third phase for citizens' participations is clear. The numbers of public works that are proposed by the citizens are increasing each year. Particularly, the increase in 2013 because in 2012 the government of Seoul suddenly implemented PB program right after validating PB local regulation, so that the time to promote PB program is not enough. However, the participant in voting process is very improving, especially in 2015.

The local government of Seoul tries to improve the citizens' participations in PB implementation as follows. First, the local government of Seoul opens to all information in the process of PB program through website since 2013. Second, the government of Seoul gives consultation to the citizens who propose public works to ease their proposal. Third, the local government of Seoul eases the participation way by giving more chances to participate in PB process. For instance, the local government of Seoul implement E-voting that giving voting rights to all Seoul citizens through website. All of Seoul citizens, whoever who can access website and choose public works that are prioritized by PB committee. The result is that the number of Seoul citizens that are participated in PB program to determine the final public works has reached 1% among all Seoul populations such as 103.531 people in

**Table 3.**  
**The Number or Participants for PB Committee during Five Years**

		2012	2013	2014	2015	2016
1. PB Committee Members	The number that is chosen through Open Recruitment	150	127	143	163	158
	The number of Registered Participants	1.664	1.383	1.138	976	920
2. Public Works	The number that is proposed	402	1.460	1.533	3.593	3.979
	The number of chosen participants akhir	125	202	352	509	804
3. Voting	Total participants	250	212	1.756	103.579	112.171
	The number of participants in PB Committee members	250	212	234	228	233
	The number of participants through other ways	-	-	Citizens' Group : 1.533	E-voting : 102.351 Survey : 1.000	109.938 2.000

Source: White Paper

2015, 112.171 people in 2016. Finally, the local government of Seoul conducts the activity to determine the final public works such as party to attract the citizens' interest. In that party schedule, it is not only program to vote who are working in public works, but also another program like seminar that is related with budgeting and show.

### Implementation in Environmental Factors

The obstacle in *Environmental factors* related with Seoul characteristic as megacity, i.e. Seoul citizens that has reached 10 million and there are 25 basic local governments below. Even all basic local governments have implemented PB when Seoul local government starts making PB local regulation. Thus, the local government of Seoul has to consider the relationship between Seoul local government and other local governments. Initially, several basic local governments have ever fought over the budget as many as possible to the basic local government themselves.

In PB implementation, the local government of Seoul divides the public works into two types. First, public work about the local government of Seoul business that can influence the whole Seoul or it is related with the business that is related to more than one basic local government. Second, the public work in basic local government that

is done by basic local government itself, which means public work that can solve local citizens' complaint. During 5 years, the number of PB budgeting is still 50 billion won. That budget also divided so 37.5 billion won to public work about local government of Seoul business and 12.5 billion won for public work in basic local government. 12.5 billion won is divided again for 25 basic local governments equally, i.e. 500 million won for each basic local government. Then, to listen about each local voice, Seoul government uses PB committee in basic local government as local committee. Thus, basic local government and PB committee in basic local government checks and prioritizes public works in basic local government on its own, then send the result to the PB committee in Seoul local government.

### Conclusion

Based on the research result towards formulation and implementation of policy about PB program in the local government of Seoul, it can be concluded that, **first**, Before PB formulation in Seoul, Seoul local government has faced many demands towards PB implementation. The demands are happened because of two streams, i.e., politics stream that making citizens' participation the process of public policy and the financial condition of the government that is getting worse. In

that situation, the governor turnover triggers the local government of Seoul to start PB formulation. Thus, it can be concluded that the factor that most influencing PB formulation program in the local government of Seoul is the will of the Regent. Then, the process of PB regulation making is created quickly by the cooperation of Seoul local government, CSOs, and the Regional House of the Representatives of Seoul. The result of that policy formulation process, PB local regulation in the local government of Seoul shows the highest level of participation between PB local regulations in the entire local governments in South Korea.

**Second**, the local government of Seoul that is megacity experience several obstacles in the process of PB program implementation such as representativeness, lack of expertise, the number of participants and the relationship between local government of Seoul and basic local government, so that the local government of Seoul implements PB by overcoming those obstacles. Among those obstacles, most of them are related to the citizens' participation characteristics. In PB implementation, the local government of Seoul tries to improve the level of citizens' participation by improving representativeness and expertise. For example, for representativeness, they choose most of PB committee members randomly through open recruitment, for expertise, they oblige budgeting school, and for improving participant number, they open all information and give more chances of participations like e-voting. As a result, the number of participants has reached 1% of the total population of Seoul.

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