

Village Budget and Patron-Client Social Relations: Implications for Fraud: A Geographical Review

Khairul Shaleh¹

Widyatama University
Khairul.shaleh@widyatama.ac.id

Obsatar Sinaga²

Padjadjaran University

Djoko Roespinoedji³

Widyatama University

Abstract

This article aims to explain the patron-client relationship that lives and develops in the life of the village community but has undergone a process of expansion into the area of the village government bureaucracy. This relationship provides an opportunity for certain parties to commit fraud within the village government. This relationship is increasingly visible when the value of the budget received by the village increases from year to year. This study uses empirical data from a non-governmental organization, namely Indonesian Corruption Watch. In addition to using empirical data, this study also uses the results of observations obtained during informal assistance in several villages. These data become additional information in this study.

Keywords

Village Budget, Internal Control, Village Government, Client Patron Relations

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Preliminary

Village infrastructure facilities such as roads that function to connect between regions are inadequate, resulting in the economy being untouched to rural areas (Ambia & Irwan, 2018). This situation creates pockets of poverty in rural areas (Aji, 2015). Over the last few years, the existence of village funds has begun to be felt by people in rural areas. Access roads to and from the village are more accessible for the community to reach. This situation makes social and economic mobility better for villagers. The distribution channel of agricultural products is getting smoother with the existence of production road infrastructure. The economic activities of rural community groups are getting more active thanks to community empowerment programs. Almost all physical development and empowerment programs use village funds and other transfer income sources, including community self-help. Although village development has produced better results, there are still traces of misuse of village budgets with various modes. Actors of abuse come from elements of village government administration. Based on data released by the Indonesian Corruption Watch (ICW) non-governmental organization, from 2015 to 2017, several villages faced the problem of corruption. A total of 154 villages with 112 perpetrators involved in the misuse of village budgets. The impact of losses caused by criminal acts of corruption in the village budget is Rp. 47.56 billion in three years. Referring to these data, fraud against the budget carried out by unscrupulous village officials is a new segmentation in the history of criminal acts of corruption in Indonesia.

An increase in the number of fraudulent acts involving village heads resulted in material losses for the village government. Such conditions have an impact on development services for rural communities. There has been a decrease in the level of public trust in village government administrators. As a result, the implementation of village development programs is hampered, and participation in providing support for village development decreases. This distrust triggers the community's apathy towards the village government. This attitude can reduce the enthusiasm and commitment of the community to participate in the implementation of village development activities. The spirit of cooperating in rural communities has been eroded by acts of budget abuse within the village government.

The act of fraud not only results in losses but can damage the social order of the village community, which is very thick with kinship ties. However, the sense of kinship in rural communities can trigger and spur fraud in the relationship between the community and the village government. Characteristics of social relations in rural communities originating from cognate family ties give rise to primordial elements. Community relations have the opportunity to stretch when there are specific causes such as fraud. The presence of village funds in rural areas, apart from being able to change the physical condition of rural areas for the better, also has the opportunity to change the essential characteristics in the life of rural communities. Harmony, modesty, the spirit of cooperation, tolerance, and mutual trust among villagers have the opportunity to fade when the misuse of public funds occurs within the village government.

Literature Review

Patron-client is an interactive relationship between two or more people. One party has a higher position because of the socio-economic status (patron), and the resources owned are used to protect or provide economic benefits to the other party (Client). Then the other party will reciprocate by providing support, assistance, including services needed by the patron (Scott, 1972). Some areas show signs of clientelism that appear in people's lives. These symptoms affect economic, political, and bureaucratic activities. Each region has different patterns and actors in patron-client relationships. Community social awareness, community capacity, and economic conditions make social relations between the patron-client different. For example, entrepreneurs dominate the domestic business group to obtain facilities and protection from the state. In other areas, the middle class of society is not so strong that the actors involved in the patron-client relationship are only businessmen, bureaucracy, and politicians. The interaction mechanism of the actors in the patron-client relationship, the bureaucracy, is mediated by subsidized facilities in the industrial sector to be enjoyed by business actors. As compensation, the industrial entrepreneur group will allocate profits for tax payments and deposit some profits for politicians and government bureaucracies (Khan, 1998).

The patron-client relationship has interdependence for obtaining reciprocal benefits from actors,

direct benefits, and indirect benefits. Patron-client relationships in Malaysia and South Korea are examples of indirect benefits. Using state facilities to obtain benefits for the actors means realizing a long-standing commitment so that the expected benefits of patron-client relations are delayed. Meanwhile, direct benefits are enjoyed directly by the clientelist group without waiting for the patron's political goals to be achieved. Direct benefits are usually seen in the middle to lower class of society who are experiencing economic limitations.

Research Methods and Data Sources

The research methodology applied in this research uses a qualitative approach. There are various variants in qualitative research, but what is used in this qualitative research is the interpretive type. As one type of method in qualitative research, the interpretive paradigm aims to interpret and understand social phenomena that occur in people's lives (Sarantakos, 1993). Social phenomena in the sense of an event, these symptoms can be understood through direct observation of social realities in the community. In addition, social phenomena can be obtained and understood through written sources or better known as secondary data sources. This research uses secondary data obtained from certain institutions that have been advocating for various acts of corruption that have occurred in public organizations.

Discussion and Discussion

Rural Community Clientelism

Hierarchy in rural communities' places particular residents in a higher position than others. Some of the indicators that lead to hierarchies in rural communities are due to the social status attached to individuals inherited from previous generations. The financial ability possessed by citizens can be the mobility of social status; religious factors consider placing people in certain social statuses. Higher social status places individuals in the position of patrons, and lower social status positions individuals as clients. The role of the patron actor ensures that all consumption needs of clients are met; even at a particular phase of social status, mobility can be enjoyed. For the client, the actor guarantees security, shows loyalty to the patron. Reciprocal compensation given and received by each party in the patron-client relationship becomes the glue for the continuity of the relationship. Symptoms of patron-client culture are usually seen in areas that adhere to a democratic political system with a characteristic collective society, including Indonesia. Patron-client social relations are common among people in rural areas (Antlöv, 2003; Miñarro, Forero, Reuter, & van Putten, 2016). Along with implementing a democratic system in village government, patron-client, which is a pattern of community social interaction is not aware of having affiliation into the bureaucracy, can affect the administration of village government (Jackson, 2020; Sarker, 2008) The patron-client relationship in the government bureaucracy arises because of the similarity of interests and economic motivation built based on considerations of ethnicity and relatives (Syauket, 2019). The recruitment of several elements of the village apparatus from among relatives or villagers who have special ties to the village head can create clientelism (Suyono, Nugroho, & Windyastuti, 2021). The involvement of villagers in labor-intensive activities selected based on subjective and primordial considerations is another form of creating clientelism through village activity programs.

Likewise, the target of village budget allocation has the potential to have clientelism content. The ballot box providing support to the elected village head will become a priority area for development in the village. In contrast, other areas do not support when the succession of village head elections receives less attention. The village budget allocation policy in development activities in areas where most clientelism is domiciled is a benefits compensation model introduced by Golden (2003) with the term indirect benefit, which is the latest method. However, social reality shows that patron-client relationships built in village communities are still traditional, based on characterizations and primordialism. The clientelism content in the village budget allocation policy places the community on the side that is dependent on the village head figure. The level of dependence of community groups creates an attitude of commitment to the patron, manifested in loyalty and protection to the patron. The client's commitment to the patron figure, namely, the village head, creates an attitude that is not objective and tends to protect the actions taken by the village head, even though these actions are wrong. Several modes of abuse of

authority and finance identified by the Indonesian Corruption Watch (ICW) are, first, drafting a higher budget than the market price. Second, reporting that the financing of physical buildings comes from the village fund, even though the project comes from other funds. Third, temporarily borrowing the Village Fund for personal interests but not returning it. Fourth, make a fictitious official trip of the village head and his staff. Fifth, mark up shopping. Sixth, collecting taxes and levies, the levy results are not deposited into the village treasury or the local tax office. Seventh, Purchasing office inventory with village funds for private use. Eighth, public budget cuts are then allocated for the benefit of village officials. Ninth, playing games in projects funded by village funds. Tenth, create fictitious activities or projects whose funds are charged from village funds. All of the motives for abuse occurred at the village level.

The Effect of Clientelism on Budgets

The clientelism relationship that exists in the village bureaucracy is a reciprocal relationship that will provide mutual benefits. Although each party provides mutual benefits (benefits), the patron will always enjoy more significant benefits. Behind the value of the benefits provided by the patron, there is a tendency for self-interest in the future while maintaining client dependence (Popkin, 2020). As compensation, clientele will always provide devotion and loyalty so that the patron-client relationship remains harmonious. The attitude of serving and showing loyal behavior indicates that the client is very dependent on the patron. In such conditions, the client's commitment to the relationship is greater than the patrons. In other words, the power of the patron is more dominant than that of the client. A similar condition occurs when relations are understood in the context of village government bureaucracy. The clientele relations in the village government bureaucracy are played by several village officials, especially those who have had a primordial relationship with the village head, who acts as a patron. Village officials who occupy strategic positions in the village government structure have the opportunity to become clientelist relationships that top leaders consciously place in that position in order to protect current and future interests. Village finances will become targets of abuse for personal gain by activating the clientelist relationship engine that has been built up in the village government bureaucracy.

Table 1.
Misuse of Village Budgets in Indonesia

Village Government Corruption Cases		
2015	2016	2017
17	41	96
Village Head Involved in Corruption (Person)		
15	32	65
State Losses (Billion Rupiah)		
9.12	8.33	30.11
Corruption Object 2015 – 2017		
Non-Budget		Budget
20 %		80 %

Source: Indonesian Corruption Watch

Data sourced from Indonesian Corruption Watch shows several modes of misuse of village finances from 2015 – 2017. The mode of budget mark-up, fictitious activities, fictitious reports, financial embezzlement, and budget abuse are some of the efforts made by village officials together with the village head in order to personal interests. For three years, corruption cases in the village government have increased, in line with the increase in the number of losses suffered by the state due to corruption in the village sector. Not to forget the number of village heads involved in fraudulent acts has increased from year to year, the percentage of the increase is substantial in the 2016 to 2017 period of more than 50%. Based on the simultaneous analysis, all indicators of acts of corruption that occur in the village government have simultaneously increased, which means that the deterrent effect of punishments given so far to perpetrators of corruption in village government officials does not provide lessons for other village officials.

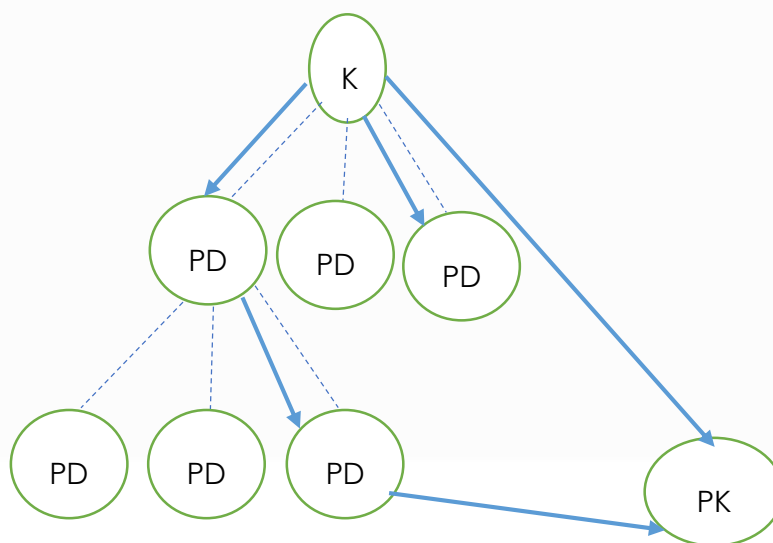
Table 2.
Modes of Misuse of Village Budgets in Indonesia

No	Modus Operandi	Proportion
1	Budget Mark Up	11 %
2	Fictional Activities	12 %
3	Fictitious Report	13 %
4	Embezzlement	25 %
5	Budget Abuse	39 %

Source: Indonesian Corruption Watch

In a government system, including the village government system, acts of fraud involve several actors' roles, working in a systematic and coordinated manner. In implementing programs and activities, they are directly managed by the village government and are not allowed to involve third-party business entities as implementers. Such conditions allow, if there is an act of fraud on village finances, it is indicated by the village government administrator. Clientelist relationships that have been built in the village government system will be the driving force in committing fraud in a systematic and coordinated manner. When there is an act of fraud in the village bureaucracy system, the patronage relationship between the village head and village officials will synergize with each other to carry out the mode of financial abuse by involving the implementing elements of the activity.

Figure 1.
Village Bureaucracy Patron-Client Pattern



K: Head of Village Administration

PD: Village Apparatus

PK: Budget Activity Executor

Resources: Compiled by researchers

Conclusion

The patron-client relationship is a social interaction of the community, especially in the social system of the community that has a high level of collectivity. On the one hand, the patron-client social system has social benefits for rural communities, providing socio-economic benefits to community groups. However, on the other hand, when the contribution has a particular tendency, it is detrimental to the individual and can harm the public interest. This situation occurs when the patron-client relationship infiltrates the village government bureaucracy system. As a result, the village budget, which should be used for the benefit of the rural public, actually turns around to meet the needs of certain people and causes state losses.

Socially in the interaction of rural communities, acts of fraud committed by village government administrators and state losses can damage the life order of rural communities that are well known for their peaceful, peaceful, and considerate community characteristics. Moreover, the act of fraud makes people distrust, suspect each other, and have implications for rural communities' lives.

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