

## The Political Party's Transparency in Financial Assistance Management by Law Number 2 of 2011 on Political Parties

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**Abstract:**

*This research affords an analysis of political party's transparency in financial assistance management in political parties from the regional budget in Gorontalo District. This research is carried out in five political parties with the most seats in the Regional Representative Council in Gorontalo District, i.e., Golongan Karya party, Demokrat Indonesia Perjuangan party, Amanat Nasional party, Nasional Demokrat party, and Demokrat party. This is empirical research. Results demonstrate that the political parties do not apply transparency in managing financial assistance from the regional budget in Gorontalo District.*

**Keywords:** *Transparency; Political Party; Financial Assistance.*

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## Introduction

Freedom of association, assembly, and expression are human rights protected by Article 28E Paragraph 3 of the Constitution of the Republic of Indonesia of 1945, which states, “Every person shall have the right to the freedom to associate, to assemble, and to express an opinion.<sup>1</sup> This protection is part of the attempts to manifest a democratic nation life, and hence people shall engage in each decision making, direct democracy or indirect (representative democracy).

Political parties are mediators between society and the state. This function is realized through different activities, one of which is conferring political education to citizens, recruiting new leader candidates, channeling the aspirations and interests of citizens, and accommodating the aspirations and interests of citizens and formulating political decision drafts. (Pinilih 2017)

The role and function of political parties will not run well unless funds are allocated mediating public values and interests certainly cost much. Financial assistance provision to political parties is one of the government’s efforts to support political parties, maintain and elevate democratic values through the functions and roles of political parties, and to minimize fundraising which anchor on companies or entities, which in turn will refer to the intervention of political interests or companies or entities which delivers funding for political parties.

Political parties execute financial assistance management based on statutory provisions by deploying financial assistance in accordance with the provisions. Article 36 Paragraph 1 of the Regulation of Domestic Affairs Number 36/2018 states that financial assistance granted to political parties is exerted to perform political education and secretariat operations.

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<sup>1</sup> Article 28E Paragraph 3 of the Constitution of the Republic of Indonesia of 1945. The article ensures and protects the rights of each citizen in expressing opinions and organizing, one of which is to create a political party to represent public interests and participate in political activities.

Political parties shall use financial assistance from the regional budget in accordance with the designation and be transparent in budget management as referred to in Article 39 of Law Number 2 of 2011 on Political Parties that financial management of political parties is undertaken in a transparent and accountable manner.

In financial assistance management in political parties, transparency is defined as openness to the community regarding political parties' activities funded by financial assistance from the regional budget, as referred to the definition of transparency by Hafiz, that transparency is openness and honesty to the community under the consideration that they have the right to openly and thoroughly know the accountability of the government in the resources entrusted to it and compliance with laws and regulations.

This research aims to examine the political party's transparency in financial assistance management from the regional budget in Gorontalo District.

### **Problem Statement**

Transparency constitutes the government's principle of catering to public rights for information. According to Riswandha, transparency is indicated by the public knowing all decision-making processes by the government. (Hamidi 2012) Hence, transparency is crucial in the implementation of the government's role in carrying out public mandates. Because owning authorities in making imperative decisions having effects on many people, the government shall impart complete information as regards what it is planning. By the means of transparency, frauds are impossible to be concealed. Therefore, it becomes an important instrument which can secure public money from the act of corruption. It allows the community to monitor decision-making activities and the groups concerned to also monitor, enabling them to determine whether policymakers have made decisions in accordance with what has been compromised (Sutedi 2014).

As argued by Hafiz (Hafiz 2011), transparency is openness and honesty to the community under the consideration that they have the right to know the accountability of the government openly and thoroughly in the resources entrusted to it and compliance with laws and regulations. Thus, transparency in financial management in political parties is openness in regard to financial reports to the community and provision open and honest financial information for the community, under a consideration that the community has the right for knowing accountability in managing the entrusted resource openly and thoroughly.

## Method

This research employs a qualitative approach. The specific approach is developed to investigate human life, particularly for limited cases, which are casuistic yet profound, total overarching, or not recognizing the conceptual choices of symptoms into the exclusive aspects. (Ashofa 2007)

The research population is all political parties with representatives in the Regional Representative Council of Gorontalo District and the samples are five political parties with the most seats. The research samples are then:

1. Treasurer of *Golongan Karya* party of Gorontalo District.
2. Head of *PDIP* party of Gorontalo District.
3. Treasurer of *Amanat Nasional* party of Gorontalo District.
4. Secretary of *Nasdem* party of Gorontalo District.
5. Administrative staff of *Demokrat* party of Gorontalo District.

Research data sources are:

1. Primary data sources: data directly collected from the first source, which is community behaviors, through studies or the information directly acquired in the research area. (Soekanto 2014) The information is acquired from interviews with competent parties, i.e., the board of the management of the political parties.

2. Secondary data sources: data which render the explication of primary data. Secondary data sources encompass official documents, books, research in the form of reports, diaries, and others. (Soekanto 2014) Secondary data we exert are laws, previous research, textual books, scientific journals, and materials from the Internet.
3. Tertiary data sources: data which confer hints or elucidation of primary and secondary data. (Asikin n.d.) Tertiary data we collect are from the dictionary.

The research data collection techniques are observation, i.e., observing using the sense of seeing and hence with proposing no question; (Asikin n.d.) document studies, i.e., collecting data from different written sources and documents, e.g., books, magazines, and newspapers; (Soehartono 2008) and interviews, i.e., proposing questions directly to respondents and notetaking or recording the answers using a recorder. (Soehartono 2008)

We use a qualitative data analysis technique by deploying, clustering, and selecting field data (primary data) and correlating them with legal theories and principles (secondary and tertiary data) extracted from literature studies. This analysis technique is composed of three primary components, namely (Sutopo 2006):

1. Data Reduction

Data reduction is finishing, simplifying, and abstracting field data and written notes. We reduce data by selecting, simplifying, and abstracting them from the research area.

2. Data Presentation

Data presentation is presenting a series of information to be drawn for research conclusions. Besides in the form of sentences, data can be presented in the form of figures, flowcharts, and tables.

3. Conclusion Drawing and Verification

Conclusions are drawn based on what is in data reduction and presentation, which cover all found in notetaking, collecting, presenting, configuring what is related to the data. (Sutopo 2006) Conclusion drawing is the last stage in research.

## Discussion

Transparency in financial assistance management in political parties is governed in Article 39 of Law Number 2 of 2011 on Political Parties, that “Political party’s financial management shall be conducted in a transparent and accountable manner.” Transparent financial assistance management is defined by political parties’ openness on financial assistance management to stakeholders, and especially the community. Agus Dwiyanto (Dwiyanto 2006) describes transparency as providing the information of government for the public and ensuring that information is accurate, adequate, and accessible. The public right for getting the information in relation to financial assistance management is regulated in Article 38 of Law Number 2 of 2011, that the results of the examination of the accountability report for the income and expenditure of political party finances are open to the public’s knowledge.

This stipulation is also mentioned in Article 36 of the Regulation of the Minister of Domestic Affairs Number 36/ 2018 which states, “The accountability report as referred to in Article 35 is open for public knowledge.” This transparency issue matters in an honest and fair democratic life. As clarified by Hafiz (Dahlia n.d.), transparency is openness and honesty to the community under the consideration that they have the right to know the accountability of the government openly and thoroughly in the resources entrusted to it and compliance with laws and regulations.

Referring to the research results, five sampled political parties do not carry out transparent financial assistance management in accordance with Law Number 2 of 2011 on Political Parties and Regulation of the Minister of Domestic Affairs Number 36/2018 on procedures for calculating budgeting in the regional budget and orderly

administration of distribution proposals and accountability reports for the use of political party financial assistance.

The political parties do not announce their financial assistance management and the examination result from the Audit Board of the Republic of Indonesia publicly, rather, the community should file a letter to the secretary of each political party concerned and obtained the party leader's agreement confirming that the community is granted access to the information of political party financial assistance use. Although it seems that the access is opened, it does not fulfill transparency dimensions, one of which is easiness in accessing the information for the public.

Mardiasmo then concludes two transparency dimensions as follows (Dahlia n.d.):

#### 1. Informativeness

Informativeness is providing the information, news, explanation of a mechanism, procedures, data, or facts for stakeholders who are requiring clear and accurate information. Indicators of informativeness, as conveyed by Mardiasmo, are punctual, adequate, clear, accurate, comparable, and accessible.

#### 2. Disclosure

Financial activities and performances shall be disclosed to the community or public (stakeholders). What shall be disclosed also encompasses the financial state, board of management, form of planning, and outcome of an activity.

Kristianten elucidates that in terms of transparency in budgeting, the information pertaining to budgeting planning is the right of the community, who pertinent to budgeting, has the rights for (Dahlia n.d.):

- Knowing
- Observing and attending public meetings
- Delivering opinions
- Accessing public documents
- Acquiring the information



Based on the explanation, hence, open access to publicly understandable information should be created, financing and allocated funds for political parties should be published in detail, and the use of funds by political parties should be periodically reported to the community. Transparency enables a mutual relationship between the community and government to be embodied through ushering accurate and sufficient information, and therefore good and clean governance can be established.

Thus, political parties should apply the informativeness transparency dimension to the stakeholders concerned, one of which is the community, allowing the community to access the accountability report of financial assistance easily, data regarding political parties' plans and activity outcomes related to financial assistance management.

The political parties who receive financial assistance management should be transparent in how they manage financial assistance to the public. However, our research demonstrates that all political party samples do not carry out such transparency. We find no information and published media with respect to the realization of political party budgeting from the regional budget in Gorontalo District while they should publish financial assistance management and make it publicly accessible through mass media, social media, ballyhoos, or other media.

Transparency in financial assistance management in political parties through media, either mass media, printed media, ballyhoos/banners, and so on will be analogous with the principles of the transparency of Humanitarian Forum Indonesia, which highlights understandable and accessible information (funds, procedures, forms of assistance or programs), publication and media as regards activity processes and financial details.

It is commensurate with one of the transparency dimensions as spelled out by Mardiasmo, namely the informativeness dimension. The informativeness dimension covers vesting the information, news, mechanisms, procedures, data, or facts to



stakeholders who are requiring clear and accurate information. Indicators of informativeness, as mentioned by Mardiasmo, are punctual, adequate, clear, accurate, comparable, and accessible.

## Conclusion

Referring to the results, we conclude that political parties who receive financial assistance from the regional budget in Gorontalo District do not implement the principles of transparency. There is not information and published media attributed to the realization of political party budgeting. Additionally, the community finds it hard to access the information of financial assistance use from political parties and accountability examination results from the Audit Board of the Republic of Indonesia.

## Recommendation

All political parties should apply the principles of transparency in managing financial assistance from the regional budget in Gorontalo District, enabling the community to access the information germane to the plan and realization of the use of regional financial assistance, which is published through media, either mass media, printed media, ballyhoos/banners, and others.

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