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Public Budget Efficiency Strategy in the Regions: Between Transparency, Innovation, and Public Participation

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Abstract

This study examines strategies for public budget efficiency in Buton Regency, Southeast Sulawesi Province, focusing on three key aspects: transparency, innovation, and public participation. The findings indicate that budget efficiency is not only determined by the government's ability to cut costs but also by the quality of participatory and transparent governance. First, the current condition of Buton shows that a large portion of the regional budget is absorbed by personnel expenditure, with several programs still misaligned with community needs. Second, transparency serves as the foundation of efficiency, reflected in the improvement of the regional information disclosure index, although consistency in data publication remains a challenge. Third, public service innovation through the Public Service Mall (MPP) has successfully reduced average service time from six days to two days, while lowering operational costs and increasing citizen satisfaction. Fourth, public participation through the Musrenbang forums is relatively high, yet digital oversight and the role of civil society organizations remain limited. Thus, strategies for public budget efficiency at the regional level should integrate strong transparency, community-oriented service innovation, and inclusive public participation to achieve efficient, accountable, and equitable local governance.

Introduction

The issue of public budget efficiency is increasingly prominent in Indonesian governance, particularly at the regional level (Fitria et al., 2025; Hafel & Ibrahim, 2024; Tanjung et al., 2026). The fiscal constraints facing regional governments demand disciplined spending and intelligent strategies for allocating limited resources. From 2023 to 2025, the central government, through the Ministry of Administrative and Bureaucratic Reform (PANRB) and the Ministry of Finance, has consistently emphasized the importance of shifting the orientation of budget management from merely input budgeting to outcome budgeting. This aligns with the bureaucratic reform agenda, which emphasizes efficiency, accountability, and transparency in every process of state budget use (Rashied et al., 2024; Kasdin, 2017; Elharon & Hassan, 2025).

Nationally, the trend toward public budget efficiency is aimed not only at preventing waste but also at improving value for money, a key principle in state financial management. Bureaucratic reform has successfully prevented waste of up to IDR 128.5 trillion in the past two years, primarily through the Government Agency Performance Accountability System (SAKIP) and the tightening of non-priority spending. These figures demonstrate the significant potential for bureaucratic inefficiency, and regional governments, including Buton Regency, are no exception.

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Buton Regency, Southeast Sulawesi Province, with its relatively limited fiscal capacity, faces similar challenges. Based on Buton Regency Regulation Number 4 of 2024 concerning the Regional Budget for Fiscal Year 2025, the total regional budget is only approximately IDR 700 billion. This budget must be allocated to meet basic public service needs such as education, health care, and clean water supply, as well as to fund the operational costs of the regional bureaucracy.

However, problems arise when the proportion of non-priority expenditures, such as official travel, meetings, and ceremonial activities, remains relatively high compared to public spending that directly impacts public needs. In 2024, for example, the Buton Regional Government's policy of maintaining a substantial allocation for official travel while adjusting the Employee Income Supplement (TPP ASN) drew widespread criticism from both the public and the Regional People's Representative Council (DPRD). This policy was deemed inconsistent with the spirit of efficiency and prioritized routine bureaucratic expenditures over employee welfare and public services.

This situation demonstrates the persistence of inefficiency in budget management in Buton Regency. Official travel expenditures, for example, often absorb a significant portion of the Regional Budget (APBD) even though their contribution to improving the quality of public services is relatively small. Similarly, spending on meetings and ceremonial activities often emphasizes formality over direct benefits for residents. This inefficiency ultimately reduces the region's fiscal space to fund urgent priority sectors (Saputra et al., 2025).

Public budget efficiency in Buton Regency is becoming increasingly urgent for three main reasons (Astika & Alim, 2025; Setiawan et al., 2026; Bahar et al., 2025). First, the region's limited fiscal capacity prevents waste. With a total budget of only IDR 700 billion, every rupiah must be directed to programs that clearly benefit the community. Second, the need for basic public services continues to increase. Regional government data shows persistent disparities in access to education and health care, as well as serious problems related to clean water availability in several sub-districts. Without efficiency, it is difficult for regions to increase spending allocations to these vital sectors. Third, public demands for accountability and transparency are growing. The public is now more critical of budget allocations, especially with the open access to information through the JDIH (Regional Information and Communications Agency) and the PPID (Regional Information and Communications Information Agency), which publish regional budget documents and regional financial regulations.

The Buton Regional Government's recent policy, which stated that it would cut non-priority spending, particularly official travel and ceremonial activities in the 2025 Regional Budget, is a positive step that deserves appreciation. The budget focuses on education, health, and clean water as priority sectors for regional development. However, the success of this policy is largely determined by consistent implementation, internal and external oversight, and community involvement in overseeing budget use.

Public budget efficiency is inseparable from the three main pillars of good governance: transparency, innovation, and public participation (Drăcea et al., 2024; Harmi et al., 2026; Khaerah et al., 2025). Transparency is necessary so that the public can monitor and evaluate budget use, thereby preventing waste. Innovation, for example, through the establishment of the Public Service Mall (MPP) in Buton Regency, involving 11 agencies with 76 services, opens up opportunities for faster, cheaper, and more efficient service integration. Meanwhile, public participation through public consultation forums, development planning meetings

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(Musrenbang), and public complaint channels ensures that programs funded by the Regional Budget (APBD) truly align with the community's real needs, not merely ceremonial programs.

Therefore, the budget efficiency strategy in Buton Regency cannot be viewed as simply cutting spending, but rather as a comprehensive effort that combines fiscal discipline with transparent, innovative, and participatory governance. This approach is expected to address regional fiscal challenges while improving the quality of public services received by the community.

Methods

This study employed a descriptive-analytical approach using a case study design focused on public budget management and efficiency in Buton Regency during the 2024–2025 period. The case study design was selected to provide a contextual understanding of regional budget efficiency policies through three main dimensions: budget transparency, public service innovation, and public participation. The study not only identified changes in budget allocation but also examined the relationship between efficiency policies and local governance practices.

The study relied on secondary data obtained through a review of official government documents. These included the Buton Regency Regional Revenue and Expenditure Budget documents for 2024 and 2025, Buton Regency Regional Regulation No. 4 of 2024, documents published through the Legal Documentation and Information Network and the Information and Documentation Management Office of Buton Regency, the 2024 Development Planning Deliberation documents, and reports concerning the implementation of the Buton Regency Public Service Mall. Supporting data were also obtained from government reports, institutional publications, and relevant and verifiable news reports. The documents were selected based on their relevance to the research objectives, clarity of publication year, credibility of the issuing institution, and availability of information concerning budget allocation, public services, and community participation.

Data were collected through document analysis using a structured data extraction matrix. The extracted information included allocations for priority and non-priority expenditure in 2024 and 2025, changes in budget amounts, the number of institutions and services integrated into the Public Service Mall, service completion times before and after service integration, and the forms and levels of community involvement in budget planning and oversight. Each item of information was cross-checked against relevant documents to assess source consistency and reduce the risk of using unverified data.

The data were analyzed using content analysis and descriptive quantitative analysis. Content analysis was conducted by identifying, coding, and categorizing the information into three principal themes: transparency, public service innovation, and public participation. Descriptive quantitative analysis was used to compare budget allocations between 2024 and 2025, calculate changes in expenditure amounts, and describe changes in service completion times and levels of public participation. Pattern-matching analysis was subsequently employed to compare the objectives of budget efficiency policies such as controlling non-priority expenditure, improving public services, and strengthening community engagement with the evidence of implementation identified in the reviewed documents.

Data credibility was maintained through source triangulation by comparing information from regional regulations, budget documents, government reports, and institutional publications. Findings were included only when they were supported by clearly identifiable and traceable sources. Where inconsistencies were identified across documents, priority was given to the most relevant and recent official document, while any unresolved differences were acknowledged as study limitations.

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This study was limited by its exclusive reliance on secondary data and the absence of interviews, surveys, or direct observations. In addition, several regional performance indicators, including the Government Agency Performance Accountability System score, the Electronic-Based Government System index, detailed public service operational costs, and community satisfaction data for 2024–2025, were not fully available through the official channels of the regional government. Therefore, the conclusions were limited to the interpretation of available documents, changes in budget allocation, documented public service indicators, and verifiable evidence of community participation.

Result and Discussion

Current State of Buton Regency's Budget Efficiency Policy (2024-2025)

The public budget efficiency policy in Buton Regency began to gain momentum in the 2024-2025 period. Fiscal pressures resulting from limited local revenue (PAD) and heavy reliance on central government transfers forced the local government to adjust budget priorities. The Buton Regency Regional Budget (APBD) for Fiscal Year 2024 was recorded at approximately IDR 700 billion, with expenditure composition still dominated by routine bureaucratic expenditures.

In 2024, personnel expenditures (salaries and TPP) still accounted for the largest allocation, at approximately IDR 280 billion. Meanwhile, non-priority expenditures, such as official travel, reached IDR 75 billion, and meetings/ceremonial expenses reached around IDR 50 billion. This figure has drawn criticism because more than 17% of the total APBD was allocated to expenditure items that contributed relatively little to improving the quality of public services.

However, significant changes began to emerge in the 2025 Regional Budget (APBD). Based on Buton Regency Regional Budget Regulation No. 4 of 2024, the regional government shifted the direction of its budget policy by cutting non-priority spending. Official travel expenses were reduced from IDR 75 billion to IDR 40 billion, while meeting/ceremonial expenses were reduced from IDR 50 billion to IDR 30 billion. These cuts saved approximately IDR 55 billion, which was then reallocated to priority sectors.

Priority sectors that received increased budget allocations include: 1) Education, increased from IDR 80 billion (2024) to IDR 90 billion (2025); 2) Health, increased from IDR 70 billion (2024) to IDR 80 billion (2025); 3) Clean water and basic infrastructure, increased from IDR 45 billion (2024) to IDR 60 billion (2025); 4) Priority goods/services spending increased from IDR 100 billion (2024) to IDR 120 billion (2025).

This policy marks a shift in budget orientation from bureaucratic spending to more productive public spending. While not yet entirely ideal, this step demonstrates that the Buton Regional Government is beginning to adopt the principle of value for money in managing the Regional Budget (APBD).

However, challenges remain. First, this efficiency is still highly dependent on consistent implementation and oversight. If control mechanisms are weak, budget transfers may be ineffective in producing significant public service outputs. Second, internal bureaucratic resistance often arises, particularly from parties who feel disadvantaged by cuts to official travel and ceremonial budgets. Third, transparency in budget use still needs to be strengthened so that the public can truly monitor the extent to which these efficiencies impact public services.

Overall, the budget efficiency policy in Buton Regency for 2024–2025 represents an important initial step, although it still requires innovation in planning, budgeting, and community engagement mechanisms to achieve maximum results.

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Transparency: The Foundation of Efficiency

Transparency is one of the main pillars supporting the success of public budget efficiency policies in the regions. Without transparency in budget planning, implementation, and evaluation, it is difficult for local governments to ensure that every rupiah of the Regional Budget (APBD) is used effectively and on target. Transparency is not only about making data available to the public, but also about creating an information system that is easily accessible, understandable, and usable by the public to participate in monitoring government operations.

In Buton Regency, budget transparency has begun to be strengthened with the regular publication of APBD documents through the Legal Documentation and Information Network (JDIH) and the Information and Documentation Management Officer (PPID). APBD documents, regional regulations, and regional head regulations are now publicly accessible online. Although not yet fully user-friendly, this initiative opens up greater opportunities for public participation in overseeing budget use.

Furthermore, the Development Planning Deliberation (Musrenbang) forum also serves as a forum for public participation to provide input on the draft budget. However, the effectiveness of Musrenbang remains limited due to the bureaucracy's dominance in determining priority programs, while public aspirations often remain merely a formality. Therefore, transparency needs to be supported by stronger public control mechanisms, for example through periodic reporting of budget realization in an easy-to-understand format.

Table 1. Comparison of Non-Priority and Priority Spending in Buton Regency (2024-2025)

Jenis Belanja	2024 (Rp Miliar)	2025 (Rp Miliar)	Perubahan	Keterangan
Belanja Perjalanan Dinas	75	40	-35	Pemangkasan untuk efisiensi
Belanja Rapat & Seremonial	50	30	-20	Pemangkasan untuk efisiensi
Belanja Pendidikan	80	90	+10	Peningkatan sektor prioritas
Belanja Kesehatan	70	80	+10	Peningkatan sektor prioritas
Belanja Air Bersih & Infrastruktur	45	60	+15	Peningkatan sektor prioritas

Source: Regional Regulation No. 4 of 2024, JDIH and PPID of Buton Regency, Data Processed by Researchers

The table above shows how transparency in the preparation of the Regional Budget (APBD)has driven significant change. Public criticism of high spending on official travel and meetings/ceremonials in 2024 became the basis for budget shifts in 2025.

Budget transparency is directly linked to efficiency. First, transparency allows the public to understand which sectors absorb large budget allocations but have minimal impact. For example, in the 2024 APBD, spending on official travel and ceremonial meetings still reached IDR 125 billion, or 17% of the total budget. Following public criticism, the Buton Regional Government reduced this to IDR 70 billion in the 2025 APBD. This means that transparency acts as a social control mechanism that encourages a shift in spending toward productive programs.

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Second, transparency minimizes the potential for budget misuse. When APBD documents and spending realizations are publicly announced, there is less room for manipulation and waste. Thus, transparency serves as a foundation for sustainable efficiency.

Third, transparency strengthens bureaucratic accountability. Civil servants (ASN) and regional officials are required to be more careful in planning and using the budget because every decision is publicly accessible. This has implications for changes in bureaucratic work culture from mere administrative formality to an orientation towards performance and results. Figure 1.

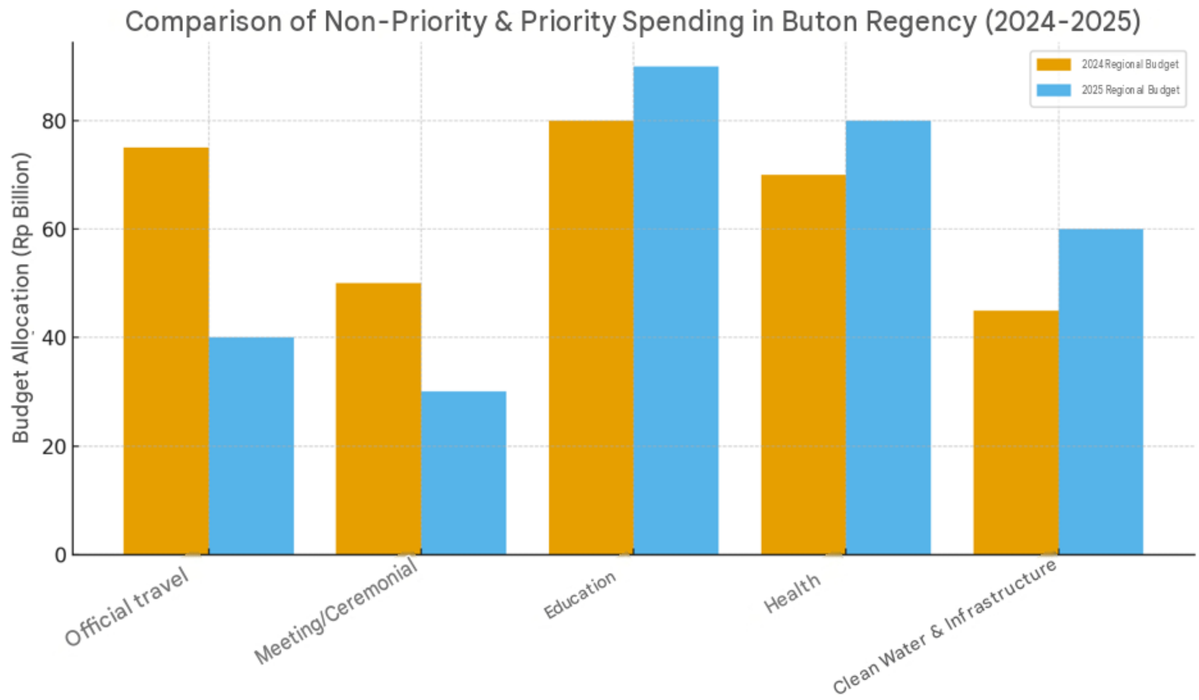

Figure 1. Comparison of Priority and Non-Priority Expenditure Allocations in Buton Regency, 2024–2025

The bar chart above shows a shift in spending from non-priority items (business travel, ceremonies) to priority sectors (education, health, basic infrastructure) in Buton Regency in 2024–2025.

Transparency has proven to be a key foundation for achieving budget efficiency in Buton Regency. The transparency of APBD documents through the JDIH (Regional Budget Implementation Unit) and PPID (Regional Information and Communications Information), as well as public participation forums such as Musrenbang (Regional Development Planning Forum), promotes bureaucratic accountability. The results are evident in the 2024–2025 budget shift, where non-priority spending has been successfully reduced and shifted to priority sectors. Thus, transparency is not merely a formality, but a social control mechanism that reduces waste, strengthens accountability, and ensures that every rupiah of the budget truly benefits the community.

Service Innovation: Public Service Mall (MPP) as a Lever

One example of bureaucratic innovation in Buton Regency is the establishment of the Public Service Mall (MPP), which began operating in 2024. The MPP serves as an integrated service

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model aimed at simplifying the management of various administrative matters for the public, both at the regional level and across vertical agencies.

The Buton Regency MPP involves 11 agencies and provides 76 types of services, including population administration, business licensing, tax services, health care, and immigration services. The MPP is expected to be a game-changer in local bureaucratic governance by reducing administrative costs, waiting times, and minimizing the potential for illegal levies.

The relationship between public service innovation and budget efficiency is very close. Before the MPP, citizens had to travel from one office to another to process various documents. This not only was time-consuming and costly for citizens, but also burdened the government budget in the form of operational costs and duplication of services. With the MPP, operational costs can be reduced because facilities, human resources, and service systems are combined in one building.

For local governments, the MPP also helps reduce budget waste through service integration. For example, inter-agency coordination meetings, which were previously often held separately, can now be coordinated under a single service management system. From the public's perspective, savings in time and transportation costs are a form of indirect efficiency that contributes to increased public satisfaction.

Table 2. Comparison of Public Service Performance Before and After the Implementation of the Public Service Mall (MPP) in Buton Regency

Service Aspect	Before MPP Implementation	After MPP Implementation	Key Impact
Service Location	Services were provided separately across 11 government agencies	Services are centralized in a single MPP building	Improved time and cost efficiency for citizens
Service Availability	Services were fragmented and not integrated	76 services integrated through a one-stop service system	Enhanced accessibility and convenience
Average Service Processing Time	5–7 working days	1–3 working days	Faster service delivery
Government Operational Costs	Relatively high due to duplication of administrative processes	Lower through service integration and resource sharing	Increased budget efficiency
Risk of Illegal Levies	Relatively high because of multiple service points	Reduced through centralized supervision and standardized procedures	Greater transparency and accountability

Source: Public service data for Buton Regency (2023), and data processed by researchers

Table 2 shows a comparison of public service conditions in Buton Regency before and after the implementation of the Public Service Mall (MPP). Prior to the MPP, public services were sector-based, spread across various agency offices, and took a relatively long time, averaging 5–7 working days for a single service. This also increased operational costs for both the

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government (due to duplication of services) and the public (due to the need to visit multiple offices).

After the MPP was established in 2004, public services in Buton Regency experienced significant improvements. More than 70 public services from 11 agencies were successfully consolidated into one location. Average service time decreased drastically to just 1–3 working days, representing an efficiency of approximately 50–70% compared to the previous level. Furthermore, the potential for illegal levies has been reduced due to the introduction of a transparent system and integrated control mechanisms.

1. Time Efficiency – Public services that previously required almost a week can now be completed in 1–3 days.

2. Cost Efficiency – The local government saves operational costs by reducing duplication of services, while the public also saves on transportation and additional administrative costs.

3. Transparency and Accountability – With a centralized service system, the potential for extortion decreases due to stronger controls.

4. Increased Public Satisfaction – Easier and faster access to services increases public trust in the bureaucracy.

Thus, the MPP is not only a means of service innovation, but also a strategic tool for strengthening budget efficiency and the effectiveness of the regional bureaucracy.

Public Participation: Sharpening Priorities and Oversight

Public participation is a crucial element in achieving regional budget efficiency. In Buton Regency, public participation in budget policy formulation is primarily carried out through the Development Planning Deliberations (Musrenbang) from the village/sub-district to the district level. This mechanism provides an opportunity for the public to express aspirations, propose priority programs, and monitor development progress.

However, in practice, public participation is often limited to certain groups, thus not fully representing the needs of the community as a whole. On the other hand, digitalization of government is starting to open up new opportunities, for example through the lapor.go.id application, public consultation forums, and regional government information channels. Thus, public participation serves a dual purpose: it sharpens regional development priorities and increases transparency and accountability in budget management.

Field studies (2024) show that community proposals often differ from the priorities put forward by regional officials. For example, some community members propose repairing village roads and improving agricultural irrigation, while regional officials focus more on strategic projects oriented toward development symbols. This discrepancy often results in regional programs not fully addressing the community's real needs. Therefore, public participation is a crucial instrument for sharpening development priorities, ensuring budgets are focused on truly beneficial programs, and reducing potential waste.

Table 3. Level of Public Participation in Budget Planning and Oversight in Buton Regency (2024)

Participation Type	Form of Participation Activity	Level of Involvement (%)
Village and Sub-District Development Planning Meetings (Musrenbang)	Submission of proposals for local development programs and community needs	65

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Regency Public Consultation Forums	Expression of public aspirations regarding strategic policies and regional development priorities	45
Regional Government Complaint Applications and Social Media Platforms	Submission of complaints, feedback, criticisms, and suggestions regarding public services and governance	35
Civil Society Organizations and NGO Oversight	Advocacy activities and monitoring of budget allocation and implementation	25
Regional House of Representatives (DPRD) Aspiration Absorption Activities	Participation in recess sessions, public dialogues, and public hearings	40

Source: Compilation of data from the 2024 Buton Regency Musrenbang, Buton Regional Government, and researcher analysis (2025).

The table above shows that public participation is highest at the Village/Sub-district Musrenbang (65%), as this mechanism is relatively close to the community. However, participation through digital media (35%) and civil society oversight (25%) remains low, indicating the need to improve political and digital literacy. Strong public participation will help local governments: 1) Sharpen Priorities: Proposed community programs can be tailored to pressing local needs, thereby reducing wasteful "lighthouse projects."; 2) Strengthen Oversight: Public involvement serves as a check on potential budget misappropriation3) Increase Efficiency: Participation accelerates the process of developing programs that align with the real needs of the community.

Public participation in Buton Regency serves as an important mechanism for sharpening development priorities and monitoring budget utilization, but still requires strengthening, particularly in the digitalization of participation and the role of civil society organizations. By strengthening public participation, local governments can achieve two goals simultaneously: ensuring that development programs meet community needs and ensuring efficient, transparent, and accountable budget use.

The findings suggest that budget efficiency in Buton Regency should be interpreted as a process of expenditure reprioritization rather than merely an across-the-board reduction in government spending. This distinction is important because fiscal efficiency is achieved not when expenditure is simply reduced, but when limited resources are redirected toward activities that generate greater public value. Hummel and Kusumasari (2026) demonstrate that local government financial performance in Indonesia is closely associated with the composition of direct expenditure, fiscal independence, and local revenue growth. Their findings imply that changing expenditure composition can improve fiscal stewardship, although the effect varies substantially across local governments. Similarly, Otoo and Danquah (2021) show that fiscal decentralization can improve the efficiency of local service delivery when local governments possess sufficient authority and institutional capacity to convert resources into public outputs. In the context of Buton Regency, therefore, reallocating expenditure toward essential services represents an important initial condition for efficiency, but it does not by itself demonstrate that efficiency has been achieved.

This interpretation is reinforced by Zamzami and Rakhman (2023), who found that financial reporting quality and the implementation of audit recommendations positively influence local government financial performance, whereas higher capital expenditure does not automatically produce better fiscal outcomes. Their study indicates that the quality of expenditure is more important than its nominal size. Consequently, the effectiveness of budget reprioritization in

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Buton Regency should be evaluated through measurable outputs and outcomes, such as service coverage, infrastructure functionality, beneficiary access, and unit costs. Budget savings should also be traceable from the expenditure items being reduced to the programs receiving additional resources. Without such traceability, the policy risks becoming an administrative transfer of expenditure rather than a substantive improvement in spending quality. Hummel and Kusumasari (2026) further note the absence of adequate early-warning mechanisms for detecting deteriorating local financial performance. Buton Regency therefore requires performance thresholds that can identify delayed budget realization, excessive administrative expenditure, cost escalation, and underperforming priority programs before these problems become embedded in the annual budget cycle.

Transparency constitutes the institutional mechanism through which expenditure reprioritization can be monitored and corrected. However, the findings indicate that the availability of budget documents should not be equated automatically with meaningful transparency. Muhtar (2022) found that financial accountability and public monitoring positively affect local government performance, suggesting that disclosure becomes useful only when citizens and oversight institutions can use the information to evaluate governmental action. The publication of documents through JDIH and PPID in Buton Regency is therefore an important foundation, but its practical contribution depends on whether the documents are timely, complete, understandable, and connected to budget realization and program performance.

Badewin et al. (2025) similarly show that effective internal controls, favorable audit outcomes, electronic government systems, and financial management competence improve the transparency and quality of local government reporting. This finding indicates that public disclosure must be supported by reliable administrative processes behind the published information. Incomplete, delayed, or inconsistent documents may create an appearance of openness without enabling effective accountability. Buton Regency should therefore publish not only approved budget documents but also periodic realization reports, procurement progress, physical program achievements, performance indicators, and explanations for major deviations between plans and implementation.

The importance of technological capacity is emphasized by Arodhiskara et al. (2025), who found that transparency and internet penetration jointly improve provincial budget performance. Their results suggest that digital infrastructure amplifies the effect of fiscal transparency by making public information easier to access and monitor. Nevertheless, digital publication may reproduce inequality when internet access and financial literacy are uneven. Aziz and Wediyanto (2024) further demonstrate that technological innovation, human resource competence, transparency, accountability, and public participation jointly contribute to local government financial performance. Particularly important is their finding that human resource competence strengthens the relationship between technological innovation and financial performance. For Buton Regency, this means that improvements to digital disclosure should be accompanied by staff training, standardized data management, simplified budget summaries, and public education. Transparency should ultimately reduce information asymmetry between government officials and citizens, rather than merely increase the number of documents uploaded to official websites.

The Public Service Mall represents a different but complementary dimension of budget efficiency. Its significance lies in its potential to reduce transaction costs generated by fragmented administrative procedures. Service integration may decrease repeated verification, duplicated facilities, inter-office travel, and administrative waiting time. Nevertheless, the

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evidence in the present study should be interpreted cautiously because the use of secondary data does not establish a direct causal relationship between the establishment of the Public Service Mall and reductions in government operating costs or increases in citizen satisfaction.

Ariyanti et al. (2024) found that Public Service Malls in Indonesia can simplify bureaucracy and improve service accessibility, but their implementation remains constrained by institutional fragmentation, limited human resources, inadequate funding, and the incomplete integration of inter-agency data. This suggests that physical co-location alone does not constitute substantive service integration. A service mall may centralize counters while participating institutions continue to maintain different databases, procedures, authorizations, and performance standards. Accordingly, the effectiveness of the Buton Regency Public Service Mall depends on whether the participating agencies adopt shared procedures, interoperable information systems, coordinated complaint mechanisms, and consistent service standards.

Febrian et al. (2023) similarly show that successful Public Service Mall innovation depends on visionary leadership, organizational structure, bureaucratic culture, employee competence, legislative oversight, public participation, and technological capacity. Their multidimensional model demonstrates that service innovation cannot be sustained solely through infrastructure. Ali et al. (2025) reached a comparable conclusion in Barru Regency, where integrated services improved convenience and reduced bureaucratic complexity, while inter-agency coordination, human resource capacity, and digital infrastructure remained significant obstacles. These studies imply that service efficiency in Buton Regency should be measured through indicators such as the cost per completed transaction, number of repeated visits, percentage of services completed within the standard period, complaint-resolution rate, system downtime, and user satisfaction. Such indicators would provide stronger evidence than relying only on the number of services available or general estimates of service time.

Nurilawati et al. (2024) emphasize the importance of bureaucratic commitment, technical readiness, human resources, and cooperation among service providers in sustaining Public Service Mall innovation. Mahmud et al. (2023) likewise identify communication, resources, implementing disposition, bureaucratic structure, standard operating procedures, and public understanding as central factors in service-mall implementation. These findings are particularly relevant to Buton Regency because service integration must operate across institutions with different administrative mandates. Clear division of responsibilities and formal coordination arrangements are therefore required to prevent the Public Service Mall from becoming an additional administrative layer rather than a mechanism for simplification.

The sustainability of the Public Service Mall must also be considered. Sakawati et al. (2024) found that public service innovation in Indonesia frequently depends on individual leadership, which creates a risk that innovation will weaken following changes in political or administrative leadership. Their review also indicates that the distribution of innovative capacity remains uneven across regions. Thus, the Buton Regency Public Service Mall should be institutionalized through regional regulations, permanent operating procedures, secure budget allocations, inter-agency agreements, routine evaluation, and professional capacity development. Institutionalization would shift the innovation from a leadership-dependent initiative into an organizational capability that can survive changes in officeholders.

The findings concerning public participation reveal a further distinction between the existence of participatory forums and the substantive influence of citizens over budget decisions. Relatively active involvement in Musrenbang does not necessarily demonstrate that public proposals shape final budget allocations. Affandi et al. (2023) argue that participatory

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budgeting in Indonesia, including Musrenbang, often remains a technocratic policy innovation in which procedures are determined by government and citizens are positioned primarily as objects or proposal providers. Their analysis suggests that participation becomes democratic only when citizens influence agenda setting, priority selection, resource allocation, and evaluation.

Anindito et al. (2022) reached a similar conclusion in their study of e-Musrenbang. Although digitalization improved the transparency and accountability of the planning process, it did not fully overcome the limited influence of citizens' voices. This distinction is relevant to Buton Regency, where expanding digital channels may increase the number of submitted proposals without guaranteeing that proposals are considered, selected, funded, or explained transparently. A credible participation system should therefore allow residents to track each proposal from submission to evaluation and receive a clear explanation when it is accepted, postponed, merged, or rejected.

Indartini et al. (2023) identify several structural causes of low participation in local budgeting, including the dominance of groups aligned with authorities, limited public outreach, cultural reluctance to challenge officials, time constraints, and restrictions on civil society involvement. These findings help explain why participation through civil society organizations and digital oversight may remain limited even when formal channels are available. Participation should consequently be assessed not only by attendance or submission rates but also by the diversity of participants, representation of marginalized communities, quality of deliberation, access to budget information, and actual influence on final decisions.

Damayanti et al. (2025) further demonstrate that participatory budgeting becomes more meaningful when dialogue is organized around equality, justice, and locally embedded social values. Their findings from South Sulawesi indicate that unequal government–community communication can be moderated through dialogic processes that position citizens as legitimate decision-making stakeholders. For Buton Regency, Musrenbang should therefore move from one-directional proposal collection toward deliberative prioritization. Participants should be provided with information about available fiscal space, program costs, statutory responsibilities, and previous program performance so that discussion can address trade-offs rather than produce an unrestricted list of demands.

The interaction among transparency, innovation, and participation represents the central analytical contribution of the study. These dimensions should not be treated as separate administrative reforms. Transparency supplies the information required for scrutiny; participation converts that information into priorities and corrective pressure; and service innovation translates public priorities into more accessible and efficient administrative processes. Weakness in one dimension limits the effectiveness of the others. Transparency without participation may result in passive disclosure, participation without transparency may produce poorly informed demands, and innovation without accountability may create new systems whose costs and outcomes cannot be independently evaluated.

Khaerah et al. (2026) describe a comparable condition in digital budgeting reform in Makassar as a "synergy gap," in which standardized digital procedures and audit trails strengthen control but do not automatically generate co-creation or collaborative monitoring. Citizens and civil society organizations may remain involved only transactionally rather than participating in problem definition, program design, implementation review, and evaluation. This insight suggests that Buton Regency needs an integrated feedback loop connecting budget disclosure, Musrenbang proposals, expenditure allocation, service delivery, and public evaluation. A public dashboard could show which community proposals enter the budget, how much funding

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is allocated, which agency is responsible, what progress has been achieved, and why implementation deviates from the plan.

The budget-efficiency strategy should therefore be evaluated through a combined governance framework rather than through expenditure reduction alone. At the input level, evaluation should examine whether administrative and non-priority expenditure is controlled. At the process level, it should assess transparency, procurement, coordination, and participation. At the output level, it should measure services and infrastructure delivered. At the outcome level, it should evaluate accessibility, citizen satisfaction, equity, and improvements in community welfare. Savings should be explicitly linked to improved outputs and outcomes so that efficiency does not become a justification for reducing essential service capacity.

The study contributes to the literature by showing how budget composition, fiscal transparency, integrated service innovation, and public participation interact within a regency with constrained fiscal capacity. Previous studies frequently examine these dimensions independently, whereas the Buton case indicates that sustainable efficiency emerges from their institutional integration. Nevertheless, because the study relies on secondary documents, its findings demonstrate documented patterns rather than causal effects. Claims concerning cost reduction, satisfaction, and the effectiveness of participation should therefore remain proportional to the available evidence. Future research should incorporate interviews with government officials, service users, DPRD members, and civil society representatives; surveys of service satisfaction and participation quality; time-series budget data; and transaction-level cost information. Such evidence would make it possible to determine whether the observed reforms produce sustained fiscal savings, improved service quality, and more equitable public outcomes.

Conclusion

Research on Public Budget Efficiency Strategies in the Regions: Between Transparency, Innovation, and Public Participation, using a case study in Buton Regency, Southeast Sulawesi Province, shows that public budget efficiency is determined not only by austerity policies but also by the quality of governance.

First, actual conditions in Buton Regency (2024–2025) indicate pressure on the Regional Budget (APBD), primarily due to high personnel costs and the persistence of poorly targeted programs. This requires the regional government to be more disciplined in budget planning and avoid projects that do not directly benefit the community.

Second, transparency is a key foundation for efficiency. With information transparency, both through the official regional government website and public reports, the public has access to information on how the budget is managed. Data shows that the information transparency index in Buton Regency has increased, although there is still room for improvement, particularly in the consistency of budget data publication.

Third, public service innovation through the Public Service Mall (MPP) has proven to be a lever for efficiency. Service times, which previously averaged six days, can be reduced to two days after the integration of services in the MPP. In addition to increasing public satisfaction, this innovation also reduces operational costs and reduces the potential for illegal levies.

Fourth, public participation plays a crucial role in sharpening priorities and strengthening oversight of budget use. Participation through the Regional Development Planning Forum (Musrenbang) is quite high, but digital-based oversight and NGO involvement are still low. By strengthening public literacy, utilizing digital technology, and enhancing the role of the

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Regional People's Representative Council (DPRD), public participation can become a strategic instrument in ensuring regional budget efficiency.

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