



(MUDIMA)



Dynamics of Cross-Country Planning and Budgeting Systems: A Comparative Study of Culture, Participation, and Strategy

Iin Piani^{1*}, Tobirin²

Jenderal Soedirman University

Corresponding Author: Iin Piani iinpiani29@gmail.com

ARTICLE INFO

Keywords: Budgeting System, Participatory Budgeting, Public Planning, Organizational Culture, Strategic Budgeting

Received : 1 April

Revised : 23 May

Accepted : 24 June

©2026 Piani, Tobrin: This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



ABSTRACT

This article examines the dynamics of cross-national planning and budgeting systems through a comparative study focusing on cultural aspects, public participation, and budgeting strategies. The study employed a qualitative approach with a literature review of five relevant scientific journals on public budgeting practices and organizations across various countries. The results indicate that budgeting systems have evolved from a traditional administrative approach to a more strategic, participatory, and performance-based approach. Various models such as PPBS, ZBB, and Participatory Budgeting have been implemented to improve the effectiveness, transparency, and accountability of public management. The study also found that national and organizational cultures influence budgeting practices, communication patterns, and decision-making within organizations. Countries with a collectivist and long-term orientation culture tend to implement more flexible and participatory budgeting systems than countries with an individualistic orientation. Furthermore, the development of digital technology encourages data-based budgeting and electronic participation, although it still faces challenges such as low fiscal literacy, limited access to information, and the digital divide

INTRODUCTION

Public planning and budgeting systems play a crucial role in achieving good governance. Governments use these systems not only as financial management tools but also as the primary mechanism for setting policy priorities, allocating resources efficiently, and evaluating the performance of public sector organizations (Bartocci, Grossi, Mauro, & Ebdon, 2023). Over time, approaches to planning and budgeting have undergone significant transformation. While planning previously focused solely on administrative and linear approaches, many countries are now adopting more participatory, transparent, and strategic approaches in response to increasingly complex societal demands (Affandi, Marijan, & Windyastuti, 2022).

Around the world, governments are beginning to involve citizens in planning and budgeting processes to improve policy accountability and effectiveness (Almasi & Mohammadi, 2024). Cross-national comparative studies show that public budgeting systems are inseparable from the social and cultural contexts in which they are implemented, making variations in approaches between countries normal (Raudla, Cepilovs, Kuokštis, & Kattel, 2020). Furthermore, the emergence of evaluative and evidence-based practices in budgeting processes reflects global efforts to make public policy more responsive and adaptive to changes in the strategic environment (Aziz & Shah, 2020). Thus, public planning and budgeting systems are not merely technical instruments but also complex and evolving political and social arenas.

In the context of modern governance, public planning and budgeting are not merely technocratic activities related to resource allocation, but also reflect a country's social, cultural, and political values. Many countries attempt to adopt models or best practices from other countries, but in reality, these practices cannot always be implemented with the same results due to differences in government systems, institutional structures, and cultural backgrounds that shape public governance in each country. National culture has been shown to significantly influence budget decision-making patterns. For example, countries with a high power distance culture, such as some Asian and Latin American countries, tend to maintain hierarchical and centralized planning and budgeting systems, while countries with egalitarian cultures, such as the

Nordic countries, are more open to public participation in fiscal decision-making (Holý & Evan, 2022). This suggests that the implementation of public budgeting strategies is strongly influenced by unique local cultural and political characteristics.

As the concepts of good governance and democratization develop, many countries have begun adopting participatory approaches to the budgeting process, one of which is through participatory budgeting (PB) schemes. This approach aims to provide space for citizens to participate in determining government budget priorities, thereby strengthening policy legitimacy and improving the accountability and efficiency of public services. However, the effectiveness of PB depends heavily on how the participatory process is designed and implemented. A process that is open, inclusive, and adaptive to the local context will increase the likelihood of more representative and sustainable participation. Bartocci, Grossi, Mauro, & Ebdon (2023) show that in many cases, low public participation is not due to a lack of public interest, but rather because the PB process is not designed to reach vulnerable groups, such as women, people with disabilities, indigenous peoples, or citizens with low educational backgrounds. Structural barriers such as the use of technical language in planning documents, inflexible forum timing, and lack of access to information are major barriers preventing many citizens from fully participating in the process.

Low levels of technical and fiscal literacy among the public also pose a significant challenge to the effective and equitable implementation of budgeting. While budgeting offers significant potential to encourage citizen participation, without sufficient capacity to understand budgets, policies, and procedures, such engagement can be largely symbolic rather than substantive. Abbasov (2025) highlight that citizens with low levels of education or those from rural areas often lack the capacity or courage to express their opinions. Consequently, only certain groups of citizens with higher education or organizational backgrounds can dominate participatory forums, which can ultimately create unequal representation in policy formulation. This emphasizes that public participation in budgeting is not simply about providing a forum, but also about building community capacity to maximize the exercise of their rights.

In addition to technical and structural barriers, PB also faces operational and sustainability challenges. Many countries struggle to maintain PB sustainability due to changes in political leadership, budget constraints, or a lack of commitment from the bureaucracy. A study by Touchton, McNulty, & Wampler, (2023b) shows that the success of PB depends heavily on consistent political support, established institutional mechanisms, and the availability of adequate resources to support regular deliberative processes. Without such support, PB risks becoming a short-term project lasting only for a specific government term, without long-term integration into national planning and budgeting systems. Meanwhile, countries that successfully maintain and develop PB sustainably generally have clear regulatory frameworks, robust monitoring and evaluation systems, and active participation from civil society organizations that help maintain accountability and public pressure on the government.

Furthermore, the adoption of different budgeting strategies across countries also demonstrates the importance of adapting policies to cultural and institutional contexts. For example, countries like Brazil and Portugal have successfully developed PB with strong support from local communities and activist networks, while countries like China place greater emphasis on performance budgeting, which focuses on efficiency and results. In countries like Finland and Norway, with high levels of public trust and professional bureaucracies, a performance-based budgeting approach combined with deliberative participation has resulted in effective and inclusive fiscal governance (Bartocci et al., 2023). These differences underscore that no single approach works for all countries, and policy strategies need to be tailored to local conditions for optimal implementation.

In reality, there remains a significant gap in the academic literature regarding cross-national comparative studies of public planning and budgeting systems. Most studies focus on case analysis at the local or national level, without comprehensively integrating cultural, political, institutional, and social factors within a global analytical framework. With the increasing complexity of global challenges such as social inequality, climate change, and fiscal pressures resulting from the global crisis, an in-depth cross-

national understanding is crucial. Bartocci, Grossi, Mauro, & Ebdon (2023) recommend the need for studies that combine quantitative and qualitative approaches, focusing on indicators such as public trust, budget efficiency, and improvements in the quality of public services as measures of budgeting system effectiveness.

Advances in information technology have opened up new opportunities to expand public participation in planning and budgeting, through digital platforms such as e-budgeting and online forums. Countries like South Korea and Estonia have leveraged this technology to increase transparency and broaden citizen participation (Khaerah, Fatmawati, Hawing, & Hardi, 2026). However, this digital transformation also brings new challenges, such as disparities in internet access, low digital literacy, and the potential for data manipulation (Esteves, 2025). Therefore, the use of technology in budgeting systems needs to be accompanied by inclusive policies that ensure all levels of society have access and the ability to participate meaningfully in the process (Alruwaie, El-Haddadeh, & Weerakkody, 2020).

Given these complexities and challenges, an effective public planning and budgeting system requires not only sound tools and mechanisms but also a deep understanding of the socio-cultural context, institutional capacity, and strong political support. Cross-country comparative studies that examine cultural differences, participation patterns, and implementation strategies are crucial for formulating an adaptive and contextual approach. By understanding the dynamics of planning and budgeting across countries, policymakers can learn relevant lessons and avoid mistakes in implementing policies that are inappropriate for local conditions. Furthermore, this approach also contributes to the development of a more inclusive, transparent, and sustainable global public finance system, in line with the Sustainable Development Goals (SDGs), which emphasize the importance of effective, accountable, and inclusive institutions at all levels.

In the context of globalization and modern public governance, cross-national planning and budgeting systems face complex dynamics influenced by cultural differences, public participation patterns, and institutional strategies implemented by each country (Nuryani & Firmansyah, 2020). National culture has been shown

to be a crucial variable in shaping budgeting structures and approaches in many countries, where value orientations such as hierarchy, collectivism, and long-term orientation determine the extent of state intervention in the fiscal planning process (Pifeh, Zarei, & Jaafari Jam, 2016). Countries such as Japan and South Korea tend to implement centralized and long-term planning systems influenced by collectivistic cultures and high power distance, while Anglo-Saxon countries such as the United Kingdom and Australia prefer a decentralized approach with more open multi-actor involvement (Zarei, Yazdifar, Dahmarde Ghaleno, & Namazi, 2021).

These cultural differences are also reflected in the effectiveness of fiscal decision-making and budget resilience to global crises, with countries with long-term planning cultures being more resilient in the face of economic uncertainty (Nurkholis & Khusaini, 2019). Furthermore, public trust in government contributes to the efficiency of the budget system; in Scandinavian countries, for example, high levels of public trust strengthen fiscal accountability and legitimacy of the budget process (Abbasov, 2025a). However, in developing countries, culture often hinders the implementation of budget reforms due to paternalistic tendencies and dependence on powerful local leaders (Wahyono, 2020).

Public participation is a crucial component of modern planning and budgeting, believed to increase transparency, accountability, and legitimacy of public policy (Touchton, McNulty, & Wampler, 2023a). However, the implementation of participatory budgeting varies widely across countries, depending on institutional readiness and community capacity. In Brazil and India, participatory budgeting models have successfully improved the quality of public services and the efficiency of regional spending, while in other countries, such as Indonesia, the Philippines, and several African countries, public participation remains largely symbolic and has no significant impact on budget decisions (de Soysa, 2022). Low public fiscal literacy, limited access to information, and the dominance of bureaucratic elites are major obstacles to optimizing the role of participation in the budgeting process (Nurakhmadi, Rahmawan, & Suhendro, 2024).

Digital transformation in budgeting also presents new challenges in the form of a digital divide, data security risks, and low technological competence among government officials in developing countries (Subiyanto, Syamsudin, Tobing, Digdowiseiso, & Majid, 2023). While developed countries integrate technology with an inclusive and user-friendly approach, developing countries are still hampered by fragmented infrastructure and administrative systems (Nurhidayat, Nurmandi, & Congge, 2024). This suggests that digital integration strategies need to be accompanied by human resource investments and a clear regulatory framework to ensure the fairness and effectiveness of digital participation in public budgeting (Fatoni, 2026).

From an institutional perspective, variations in budgeting organizational structures across countries affect the consistency of planning and budget documents. Countries such as Malaysia and New Zealand, which have integrated planning and budgeting functions within a single institution, demonstrate greater program and outcome consistency than countries that still separate the two functions, such as Indonesia (Dewi, 2024). A fragmented system results in overlapping programs, inconsistencies between levels of government, and weak monitoring and evaluation mechanisms (Aziz & Shah, 2020). Therefore, many countries are now pushing for structural reforms toward a more integrated, flexible, and performance-based budgeting system, although its implementation requires strong political commitment and adequate technocratic support (Jukan & Nadžakovič, 2022).

Adaptive and inclusive budgeting strategies are essential in addressing global challenges such as climate change, pandemics, and geopolitical uncertainty. Nordic countries have developed gender- and environmental-based budgeting approaches (green budgeting) as a strategy to ensure fiscal and social sustainability (Yuwono, 2025). On the other hand, many countries in Southeast Asia still grapple with traditional budgeting approaches that are unresponsive to rapid change, hampering public policy innovation (Joon-Chien, 1981). Therefore, it is crucial for each country to develop contextual, evidence-based planning and budgeting strategies that broadly and meaningfully involve stakeholders (Abbasov, 2025b).

Overall, the dynamics of cross-country planning and budgeting systems demonstrate that the success of reforms is largely determined by the alignment between national culture, community participatory capacity, and the institutional strategies implemented. Cross-country comparisons provide an important lesson: no one-size-fits-all model; reforms need to be tailored to each country's socio-political and administrative circumstances. By understanding the interplay between culture, participation, and strategy, countries can design more adaptive, inclusive, and sustainable planning and budgeting systems.

METHODS

This study uses a qualitative approach with a literature review method or library research to analyze the dynamics of cross-country planning and budgeting systems based on aspects of culture, participation, and public budgeting strategies. This approach was chosen because the research focuses on conceptual, comparative, and interpretive studies of various budgeting practices that have developed in several countries. The literature review method is a research approach used to systematically and comprehensively identify, analyze, evaluate, and synthesize various previous research results relevant to a particular topic. This approach aims to gain a deeper conceptual understanding of a phenomenon based on various scientific perspectives (Creswell, 2014). In public administration research, literature reviews are often used to examine the development of concepts, policies, and practices of governance and public budgeting across countries (Ridley, 2012).

This study employed a qualitative approach with library research methods because the research data were obtained from various library sources such as scientific journals, academic books, research reports, and policy documents relevant to the dynamics of public planning and budgeting systems. According to (Snyder, 2019) and (Ariyanto, 2023), a literature review enables researchers to synthesize knowledge and build theoretical understanding of complex issues through a systematic and structured literature review. This approach is also relevant for cross-country comparative studies because it can identify differences in cultural contexts, institutions, and policy strategies that influence the implementation of a government system. The data

analysis techniques in this study used content analysis and comparative analysis. Content analysis was conducted to identify key themes from the various literature analyzed, while comparative analysis was used to compare the characteristics of budgeting systems between countries based on cultural aspects, public participation, and budgeting strategies. (Krippendorff, 2018) explains that content analysis is a research technique used to draw valid and replicable inferences from a text or document based on the context in which it is used. Furthermore, comparative analysis helps researchers understand the similarities and differences of social phenomena more deeply in different contexts (Neuman, 2013).

RESULTS

Public budgeting is a key instrument in organizational governance, both in the government and private sectors, serving as a tool for planning, controlling, and evaluating performance. As organizational needs and the dynamics of the external environment grow more complex, budgeting approaches and practices undergo various transformations. The debate over the effectiveness of budgeting approaches continues to evolve, reflecting the varying needs, institutional contexts, and cultural and technological influences on budget management practices. Therefore, it is important to comparatively examine the approaches used in public and corporate budgeting systems, from a methodological, philosophical, and operational perspective. In this case, we discuss the existing issues by referring to five relevant scientific journals. Using the literature review method, the following explanation is provided.

Journal 1: Mukdad (Ibrahim, 2013). "Comparative Budgetary Approaches in Public Organizations"

An article written by Mukdad (Ibrahim, 2013) presents a comprehensive exploration of four main approaches to the budgeting system of public sector organizations: Line-Item Budgeting, Program and Performance Budgeting, Planning Programming Budgeting System (PPBS), and Zero-Based Budgeting (ZBB). These four approaches are not only explained conceptually but also analyzed historically and procedurally, and examined in terms of their advantages and disadvantages within the context of bureaucracy and public financial governance.

The line-item budgeting approach is the most conventional and simplest form of budgeting, emphasizing budget classification based on specific expense items such as employee salaries, material purchases, or maintenance. Its advantages lie in its high level of transparency and ease of auditing, making it an effective tool for fiscal control and preventing budget misuse. However, the main weakness of this approach is its lack of focus on performance and outcomes, thus under-supporting increased program efficiency and effectiveness.

In response to these shortcomings, the Program and Performance Budgeting approach was developed with the aim of integrating programmatic planning with performance evaluation. This approach seeks to bridge the gap between inputs and outputs through the use of measurable performance indicators. While theoretically more rational, in practice, obstacles often arise, such as difficulties in measuring performance and limited valid and reliable data, particularly in complex bureaucratic environments.

The PPBS (Planning Programming Budgeting System) approach emerged in the 1960s with a more strategic orientation, emphasizing the importance of long-term policy analysis, systematic evaluation of program alternatives, and the integration of organizational objectives into the budgeting process. In this approach, the budget is viewed not only in terms of short-term costs and benefits, but also within the framework of strategic planning and policy effectiveness. However, its implementation is often hampered by administrative complexity, institutional resistance, and limited analytical capacity within the public bureaucracy.

Meanwhile, Zero-Based Budgeting (ZBB) offers a more radical approach, requiring each organizational unit to prepare a budget from scratch each year, without relying on the previous year's budget as a basis. Each program or activity must be fully justified from the outset based on its need and benefits. The primary advantage of ZBB is its potential to increase efficiency and reduce waste, but it also creates a heavy administrative burden and requires extensive analytical capacity, making its implementation often unsustainable.

Overall, this article makes an important contribution to understanding the evolution of public budgeting approaches, both conceptually and practically. The author emphasizes that no single approach is ideal and universally applicable. Each

approach has its own characteristics, strengths, and limitations, and its application must be tailored to the conditions, needs, and environment of the organization. Therefore, Ibrahim underscores the importance of flexibility, contextual adaptation, and strategic considerations in selecting the appropriate budgeting approach (Ibrahim, 2013).

Journal 2: Haris (Aziz & Shah, 2020). "Participatory Budgeting: Models and Approaches"

This article examines participatory budgeting (PB) through computational approaches and social choice theory, two fields that are increasingly important in understanding the dynamics of collective decision-making in the digital age. In their analysis, Aziz and Shah classify various PB models based on several technical and normative dimensions, such as budget allocation schemes (both discrete and continuous), the form of citizen preference articulation, the design of the ballot structure, and the various vote aggregation methods used to determine the final outcome of the participatory process.

Historically, PB has its roots in a democratic initiative in Porto Alegre, Brazil, designed to strengthen grassroots participation in fiscal decision-making. However, over time, PB has evolved into a global phenomenon with highly diverse implementations. In practice, there are discrete models, where a public project receives either full or no funding, and continuous models, where funding is proportional based on weighted votes reflecting the intensity of citizen preferences for a project.

This article explores various approaches to vote aggregation in depth, including utilitarian models (which maximize total utility), egalitarian models (which emphasize distributive justice among individuals), and approaches that consider minority representation, which seek to ensure that small groups retain a voice in the budgeting process. These differences in approach have significant implications for PB outcomes, both in terms of efficiency and fairness.

One of the main contributions of this article is the development of mathematical frameworks and algorithmic models to assess the effectiveness and fairness of a participatory democracy system. Using a formal analysis approach, the authors offer quantitative methods for measuring the outcomes of participatory processes, including aspects such as fair allocation, participatory equity, and

computational efficiency. This becomes particularly relevant in the context of the increasing use of e-participation systems and digital democracy tools.

This article also does not ignore the practical challenges that arise in the actual implementation of PB. These challenges include low levels of citizen participation due to a lack of technical understanding, complexities in ballot design that can hinder the accurate expression of preferences, and the urgent need for transparency and auditability throughout the decision-making process. This complexity suggests that the success of PB depends not only on algorithmic design but also on the surrounding social, political, and institutional elements.

Thus, this article makes significant theoretical and practical contributions to integrating computational theory into participatory democracy practices. Furthermore, it provides an important foundation for the development of algorithmic decision-support tools that can be used by local governments and civil society organizations to design and implement more inclusive, efficient, and equitable participatory governance schemes. In an era where data-driven governance is becoming increasingly dominant, contributions such as these are crucial for bridging the gap between technological innovation and substantive democratic principles.

Journal 3: Kwabena (Anyane-Ntow, 1991). "A Comparison of Budgetary Control Systems in American and Japanese Manufacturing Firms"

This study is an in-depth comparative analysis of the differences in budgetary control practices between manufacturing companies in the United States and Japan. The study uses a survey-based research method, which systematically examines key variables in the budgeting system, such as budget objectives, types of budgets employed, forecasting techniques, and performance evaluation criteria.

One of the key findings in this article shows that American managers tend to adopt a short-term goal orientation, focusing primarily on quarterly profit targets and return on investment (ROI) as indicators of success. This approach reflects the values of efficiency, quick results, and a strong short-term market orientation in American corporate culture. On the other hand, Japanese managers prioritize long-term objectives, including improving product quality, customer loyalty, and employee morale. This

approach aligns with Japanese management philosophy, which prioritizes continuity, organizational stability, and harmony in work relationships.

Significant differences are also found in the types of budgets used. Japanese companies tend to use flexible budgets and contingency budgets, which allow for adjustments in resource allocation based on changing external conditions or internal operational dynamics. Furthermore, the forecasting process in Japan involves more participatory planning, where cross-functional teams play an active role in the estimation process, taking long-term strategic factors into account. This approach differs from the top-down forecasting methods more prevalent in American companies.

When it comes to performance evaluation, Japanese organizations place a stronger emphasis on non-financial indicators, such as innovation, process quality, and organizational learning. Performance evaluations are not solely based on financial metrics, but also on contributions to long-term value creation and the development of a productive work culture. In contrast, American companies tend to use quantitative performance appraisals, which emphasize measurable outcomes and short-term target achievement.

Thus, this article makes an important contribution to broadening our understanding of how organizational culture and national values shape decision-making patterns in budget management. These findings are highly relevant for multinational corporations and policymakers seeking to implement budgeting best practices in cross-cultural contexts and strengthen adaptation to the complexities of globalization in managerial practice and public policy.

Journal 4: (Zhou et al, 2025). "Strategic Budgeting and Budgeting Evaluation Effects on China's Manufacturing Companies' Performance"

This article is a significant contribution to the budgetary control and financial management literature, specifically examining the relationship between strategic budget planning, budget evaluation, budget slack, and organizational performance in the manufacturing sector in China. This study uses a quantitative research approach based on Structural Equation Modeling (SEM), which allows for the analysis of complex causal relationships between latent variables, involving

more than 500 respondents from various types of medium- to large-scale manufacturing companies.

The main findings of this study indicate that consistent and structured strategic budget planning and evaluation practices significantly reduce budget slack—the unnecessary allocation of excess funds that line managers tend to hide to create room for maneuver. When budget evaluation is conducted appropriately and based on objective indicators, it allows for constructive feedback, which is crucial for strengthening resource allocation effectiveness, minimizing waste, and improving managerial accountability.

Furthermore, this article emphasizes the importance of organizational culture transformation in the context of financial management in China. The shift from a top-down system, which has historically been hierarchical and bureaucratic, to a more adaptive, participatory, and data-driven approach is seen as a crucial element in supporting the success of budget reform. In this context, the role of digital technologies and management information systems (MIS) is considered strategic in increasing transparency, speed of decision-making, and accountability throughout the budget cycle.

This study also makes an important contribution to understanding the dynamics of budgeting practices in transitional economies like China, where the complexity of institutional structures and shifting managerial values pose unique challenges. This article emphasizes that the integration of corporate strategy and budgeting systems not only improves internal efficiency but also drives the achievement of sustainable competitive advantage. Therefore, the synergy between the strategic and operational dimensions of budget management must be continuously developed through policy innovation, managerial training, and evidence-based performance measurement system updates.

Journal 5: (Ueno & Sekaran, 1992). "The Influence of Culture on Budget Control Practices in the USA and Japan: An Empirical Study"

This article examines in depth how cultural dimensions, particularly individualism-collectivism and uncertainty avoidance, influence differences in budgetary control practices between companies in the United States and Japan. Drawing on the conceptual framework developed by Geert Hofstede, this study comprehensively examines six important elements of a budgeting system: communication and

coordination, long-term planning, formal structure, budgetary slack, budgetary control, and performance evaluation.

The findings in this article indicate significant differences in approaches to budgeting between the two countries analyzed. Companies in the United States show a strong preference for formal structures, emphasize the use of quantitative data to support decision-making, and prioritize short-term evaluation as part of managerial accountability mechanisms. In contrast, Japanese companies tend to prioritize informal coordination, collective consensus-based decision-making practices, and a strong orientation toward long-term goals.

The phenomenon of budgetary slack is also understood differently by the two organizational cultures. In Japanese corporate environments, budgetary slack is viewed as an adaptive tool that allows for internal flexibility and a legitimate instrument for internal negotiation in addressing organizational dynamics. However, in the American corporate context, slack is often associated with inefficiency and deviations from the principles of budget efficiency.

There are striking differences in communication patterns during the budgeting process: the United States tends to favor a direct and individualistic approach, while Japan prioritizes consensual and collective decision-making processes. This difference also impacts the way performance evaluations are conducted. In Japan, performance metrics reflect attention to the collective context and work ethics, while in the United States, evaluation focuses more on the individual and financially measurable.

Thus, this article offers an important contribution in providing a cultural analytical framework that can be used to understand international variations in budget management practices. In the era of globalization and the increasing need for cross-national collaboration, this study has high relevance for practitioners and researchers who want to adapt budget control systems in cross-cultural contexts.

DISCUSSION

The findings of this literature review demonstrate that budgeting systems have undergone a significant transformation from conventional administrative instruments into multidimensional

governance mechanisms that integrate strategy, participation, organizational culture, and digital innovation. Previous studies generally examined budgeting from fragmented perspectives, such as performance evaluation, participatory mechanisms, or fiscal accountability separately. However, this study contributes theoretically by integrating these dimensions into a broader analytical framework that positions budgeting systems as adaptive governance instruments shaped by institutional, socio-cultural, and technological contexts. In this regard, budgeting is no longer interpreted merely as a financial allocation mechanism, but rather as a strategic governance process closely linked to organizational legitimacy, policy responsiveness, and sustainable public management.

The theoretical contribution of this study lies in its attempt to synthesize traditional budgeting theories with contemporary governance perspectives. Ibrahim's (2013) classification of Line-Item Budgeting, Program and Performance Budgeting, Planning Programming Budgeting System (PPBS), and Zero-Based Budgeting (ZBB) illustrates the evolution of budgeting approaches from expenditure-oriented mechanisms toward performance- and strategy-oriented governance systems. This study extends Ibrahim's argument by emphasizing that the transformation of budgeting approaches is not solely driven by managerial efficiency concerns, but also by institutional pressures, public accountability demands, and governance modernization. In this sense, budgeting systems can be theoretically understood through the lens of adaptive governance, where organizations continuously adjust budgeting structures in response to environmental complexity and socio-political change (Ibrahim, 2013). The integration between strategic objectives, performance measurement, and governance accountability therefore becomes a central theoretical pillar in explaining contemporary budgeting reform.

Furthermore, this study identifies an important analytical gap within the existing literature on public budgeting. Most previous studies focus either on technical budgeting mechanisms or on isolated institutional case studies without comprehensively examining the interaction between culture, participation, and strategic governance. Research on participatory budgeting, for example, largely emphasizes procedural participation and democratic

legitimacy (Aziz & Shah, 2020), while studies on strategic budgeting focus primarily on managerial efficiency and performance outcomes (Zhou et al., 2025). Similarly, cultural studies in budgeting mainly examine organizational behavior differences between countries such as the United States and Japan (Anyane-Ntow, 1991; Ueno & Sekaran, 1992), but rarely integrate these cultural dimensions into broader governance transformation discussions. Consequently, there remains limited understanding regarding how organizational culture, participatory institutions, and strategic budgeting simultaneously shape budgeting effectiveness across countries.

This study attempts to bridge that analytical gap by proposing a more integrative interpretation of budgeting systems. The findings suggest that budgeting effectiveness emerges not from a single budgeting model, but from the interaction between institutional flexibility, organizational culture, public participation, and strategic evaluation mechanisms. This argument challenges the dominant assumption in conventional public financial management literature that standardized budgeting reforms can be universally implemented across different countries. Instead, this study demonstrates that budgeting reforms are highly contextual and dependent upon socio-cultural alignment, institutional maturity, and governance capacity. Thus, the study advances the argument that budgeting systems should be analyzed through a contextual-governance perspective rather than solely through technical-administrative frameworks.

Another important conceptual innovation offered by this study is the formulation of an integrative conceptual perspective that connects strategic budgeting, participatory governance, cultural adaptation, and digital transformation into a unified governance framework. Previous literature generally treats these dimensions separately. Participatory budgeting studies focus on citizen engagement and democratic legitimacy (Aziz & Shah, 2020), while strategic budgeting literature emphasizes efficiency and organizational performance (Zhou et al., 2025). Meanwhile, cultural budgeting studies primarily analyze behavioral differences in managerial practices (Anyane-Ntow, 1991; Ueno & Sekaran, 1992). This study conceptually innovates by demonstrating that these dimensions are interdependent and mutually reinforcing within modern governance systems.

In particular, the findings indicate that participatory budgeting cannot function effectively without institutional trust, fiscal literacy, and technological accessibility. Likewise, strategic budgeting mechanisms cannot achieve sustainable performance outcomes without cultural alignment and adaptive organizational behavior. This conceptual integration contributes to the development of a multidimensional budgeting governance model, where budgeting systems are simultaneously shaped by strategic rationality, participatory legitimacy, cultural values, and digital capacity. Such a perspective extends beyond traditional public budgeting theories that predominantly focus on efficiency and expenditure control.

The study also contributes to the growing discourse on digital governance by emphasizing that digital transformation in budgeting systems is not merely a technological issue but also a governance and inclusion issue. (Aziz & Shah, 2020) demonstrate how computational models and digital participation mechanisms can improve fairness and efficiency in participatory budgeting processes. However, this study deepens the discussion by highlighting that digital budgeting reforms may also reproduce inequality when digital literacy, institutional readiness, and technological accessibility are unevenly distributed across communities. Therefore, digital budgeting should be understood not only as an administrative innovation but also as a socio-technical governance transformation requiring institutional inclusiveness and public empowerment.

From a comparative governance perspective, the findings further demonstrate that budgeting systems reflect broader national governance cultures. The comparison between American and Japanese budgeting practices (Anyane-Ntow, 1991; Ueno & Sekaran, 1992) reveals that budgeting mechanisms are embedded within broader societal values such as collectivism, long-term orientation, formalism, and individualism. This finding theoretically reinforces institutional and cultural governance theories by showing that fiscal systems cannot be detached from the cultural environment in which they operate. Consequently, the study rejects the “one-size-fits-all” approach commonly found in global public management reforms and instead supports the

development of context-sensitive budgeting systems tailored to national governance characteristics.

Moreover, the findings generate a conceptual implication that modern budgeting systems should move toward what can be described as “adaptive participatory strategic budgeting.” This concept refers to budgeting systems that integrate strategic planning, participatory governance, cultural flexibility, performance evaluation, and digital transparency into a coherent governance structure. Such a conceptual innovation provides a more holistic understanding of budgeting reform compared to traditional budgeting models that prioritize fiscal control alone. The concept also contributes to the evolution of governance theory by positioning budgeting systems as dynamic institutional ecosystems rather than static financial procedures.

Overall, this study contributes to public administration and public financial management literature by offering a multidimensional interpretation of budgeting systems across countries. The study fills an important analytical gap by integrating strategic, participatory, cultural, and technological dimensions into a unified analytical framework. In addition, it introduces a conceptual innovation through the notion of adaptive participatory strategic budgeting, which emphasizes that effective budgeting reforms require contextual adaptation, institutional inclusiveness, cultural compatibility, and technological responsiveness. Therefore, this study not only enriches the theoretical understanding of budgeting systems but also provides a conceptual foundation for future comparative research on governance reform and public financial innovation in the era of globalization and digital transformation.

CONCLUSION

Public budgeting is not a purely mechanical process, but is heavily influenced by social, cultural, political, and technological contexts. Three key themes that can be synthesized from these five articles are:

Budgeting approaches are not one-size-fits-all. Line-item budgeting offers administrative control but is less adaptable to change. Approaches such as PPBS and ZBB attempt to integrate strategic objectives and performance measurement but require greater technical capacity. PB, on the other hand,

attempts to bridge the gap between government and citizens through direct participation but faces challenges in aggregating preferences and engaging minorities.

Two articles (Anyane-Ntow, 1991; Ueno & Sekaran, 1992) explicitly demonstrate how cultural values and managerial philosophies shape how organizations prepare, implement, and evaluate budgets. Long-term orientation, collectivism, and moral values contribute to a more flexible and adaptive budgeting approach in Japan. In contrast, a focus on profit and quantitative efficiency dominates the approach in the US.

The article by (Zhou et al., 2025) emphasizes the importance of strategic planning and performance evaluation in shaping a modern budget system. In the era of digital disruption and global economic complexity, budgeting systems must be able to adapt quickly to change while also being effective accountability tools. Performance assessment and slack monitoring are essential components of a sound budgeting process.

The five articles reviewed provide a comprehensive understanding of budgeting systems in public organizations and companies. The differences in approaches reflect adaptations to socio-political contexts, institutional capacity, and cultural values. To achieve effective budgeting, public organizations must balance administrative control, strategic flexibility, and public participation. Budgeting reforms should ideally combine the strengths of various approaches: line-item efficiency, the results-orientation of performance budgeting, the flexibility of budget planning, and the integration of cultural values. Further research is needed to examine how these systems can be designed adaptively in various developing country contexts, particularly in the face of global challenges such as the climate crisis, social inequality, and the digital transition.

REFERENCES

Abbasov, R. (2025a). How Budget Transparency Affects Public Trust in Government: A Comprehensive Analysis. *iBusiness*, 17(2), 124–134.
<https://doi.org/10.4236/ib.2025.172007>

Abbasov, R. (2025b). The Effectiveness of Performance-Based Budgeting in the Public

Sector: An Empirical Analysis and Policy Implications. *iBusiness*, 17(1), 56–76.
<https://doi.org/10.4236/ib.2025.171003>

Abbasov, R. (2025c, February 23). *The Role of Participatory Budgeting in Enhancing Citizen Engagement: A Comprehensive Analysis* [SSRN Scholarly Paper]. Rochester, NY: Social Science Research Network.

<https://doi.org/10.2139/ssrn.5150297>

Affandi, M. A., Marijan, K., & Windyastuti, D. (2022). Participatory Budgeting in Indonesia: From the Policy Innovation to the Democracy Innovation. *The Journal of Society and Media*, 6(2), 527–565.
<https://doi.org/10.26740/jsm.v6n2.p527-565>

Almasi, M., & Mohammadi, J. A. E. (2024). The impact of participatory budgeting on public trust and government efficiency. *International Journal of Applied Research in Management, Economics and Accounting*, 1(2), 100–112.
<https://doi.org/10.63053/ijmea.16>

Alruwaie, M., El-Haddadeh, R., & Weerakkody, V. (2020). Citizens' continuous use of eGovernment services: The role of self-efficacy, outcome expectations and satisfaction. *Government Information Quarterly*, 37(3), 101485.
<https://doi.org/10.1016/j.giq.2020.101485>

Anyane-Ntow, K. (1991). A comparison of budgetary control systems in American and Japanese manufacturing firms. *Asia Pacific Journal of Management*, 8(2), 201–221.
<https://doi.org/10.1007/BF01731941>

Ariyanto, K. (2023). Literature Review: Urban Poverty in a Sociological Perspective. *Antroposen: Journal of Social Studies and Humaniora*, 2(1), 24–32.
<https://doi.org/10.33830/antroposen.v2i1.5047>

Aziz, H., & Shah, N. (2020, March 1). *Participatory Budgeting: Models and Approaches*. arXiv.
<https://doi.org/10.48550/arXiv.2003.00606>

- Bartocci, L., Grossi, G., Mauro, S. G., & Ebdon, C. (2023). The journey of participatory budgeting: A systematic literature review and future research directions. *International Review of Administrative Sciences*, 89(3), 757–774. <https://doi.org/10.1177/00208523221078938>
- Creswell, J. W. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. London: SAGE Publications.
- de Soysa, A. (2022). *Participatory budgeting: Public participation in budget processes*. Transparency International.
- Dewi, H. (2024). Sinergisitas Perencanaan dan Penganggaran Pemerintah Pusat dan Daerah. *Peradaban Hukum Nusantara*, 1, 19–36. <https://doi.org/10.62193/6hwpz523>
- Esteves, T. (2025). Reimagining Citizen Engagement in the Digital Age: Platforms, Participation, and Public Trust. In Y. Kim & M. J. Ahn (Eds.), *The Art of Digital Governance: Navigating Platforms and AI Revolution* (pp. 93–115). Cham: Springer Nature Switzerland. https://doi.org/10.1007/978-3-032-00514-4_6
- Fatoni, A. A. (2026). Optimalisasi Sistem Informasi Keuangan Daerah di Indonesia: Pendekatan Evaluasi CIPP terhadap Asimetri Kapasitas Institusional. *Jurnal Bina Praja*, 18(1), 35–45. <https://doi.org/10.21787/jbp.18.2026.3280>
- Holý, V., & Evan, T. (2022). The role of a nation's culture in the country's governance: Stochastic frontier analysis. *Central European Journal of Operations Research*, 30(2), 507–520. <https://doi.org/10.1007/s10100-021-00754-5>
- Ibrahim, M. (2013). Comparative Budgetary Approaches in Public Organizations. *Research Journal of Finance and Accounting*, 4(15), 88.
- Joon-Chien, D. (1981). Modernizing the budget system: The Malaysian experience. *Public Administration and Development*, 1(4), 291–305. <https://doi.org/10.1002/pad.4230010405>
- Jukan, M. K., & Nadžaković, E. (2022). Performance Budgeting in the South-East Europe Countries: A Comparative Study on Present State and Future Perspectives. *Economic Review: Journal of Economics and Business*, 20(2), 23–40.
- Khaerah, N., Fatmawati, F., Hawing, H., & Hardi, R. (2026). Strategic co-creation and synergistic partnerships in digital budgeting reform: Strengthening public governance for sustainable cities in Makassar, Indonesia. *Frontiers in Sustainable Cities*, 7. <https://doi.org/10.3389/frsc.2025.1716088>
- Krippendorff, K. (2018). *Content Analysis: An Introduction to Its Methodology*. London: SAGE Publications.
- Neuman, W. L. (2013). *Social Research Methods: Qualitative and Quantitative Approaches*. Boston: Pearson Education.
- Nurakhmadi, D. A., Rahmawan, T. I., & Suhendro, S. (2024). Optimalisasi Partisipasi Masyarakat dalam Penganggaran: Strategi dan Rekomendasi Kebijakan. *Peradaban Journal of Law and Society*, 3(1), 48–62. <https://doi.org/10.59001/pjls.v3i1.173>
- Nurhidayat, N., Nurmandi, A., & Congge, U. (2024). Bridging the digital divide: Analyzing public participation in Indonesia's e-government through the e-participation index. *Otoritas: Jurnal Ilmu Pemerintahan*, 14(2), 481–498.
- Nurkholis, & Khusaini, M. (2019). *Penganggaran Sektor Publik*. Universitas Brawijaya Press.
- Nuryani, & Firmansyah, A. (2020). Determinants of Transparency in Financial Management on Local Government Websites: Evidence from Indonesia. *Humanities and Social Sciences Letters*, 8(2), 145–155. <https://doi.org/10.18488/journal.73.2020.82.145.155>

- Pifeh, A., Zarei, H., & Jaafari Jam, H. (2016). Do Hofstede's National Culture Impact on Public Sector Budgeting Practices? *Governmental Accounting*, 3(1), 21–36.
- Raudla, R., Cepilovs, A., Kuokštis, V., & Kattel, R. (2020). Fiscal Policy Learning from Crisis: Comparative Analysis of the Baltic Countries. In *Regional Comparisons in Comparative Policy Analysis Studies*. Routledge.
- Ridley, D. (2012). *The Literature Review: A Step-by-Step Guide for Students*. SAGE.
- Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. *Journal of Business Research*, 104, 333–339.
<https://doi.org/10.1016/j.jbusres.2019.07.039>
- Subiyanto, B., Syamsudin, Tobing, K. S. L., Digdowiseiso, K., & Majid, N. A. (2023). The Determinants of e-Budgeting Implementation in Indonesia: A Systematic Literature Review. *Journal of Accounting Research, Utility Finance and Digital Assets*, 2(2), 741–747.
<https://doi.org/10.54443/jaruda.v2i2.104>
- Touchton, M., McNulty, S., & Wampler, B. (2023a). Participatory Budgeting and Community Development: A Global Perspective. *American Behavioral Scientist*, 67(4), 520–536.
<https://doi.org/10.1177/00027642221086957>
- Touchton, M., McNulty, S., & Wampler, B. (2023b). Participatory budgeting and well-being: Governance and sustainability in comparative perspective. *Journal of Public Budgeting, Accounting & Financial Management*, 36(1), 105–123.
<https://doi.org/10.1108/JPBAFM-04-2022-0067>
- Ueno, S., & Sekaran, U. (1992). The Influence of Culture on Budget Control Practices in the USA and Japan: An Empirical Study. *Journal of International Business Studies*, 23(4), 659–674.
<https://doi.org/10.1057/palgrave.jibs.8490282>
- Wahyono, H. & S. (2020). Budaya Paternalistik dalam Perumusan Kebijakan Publik (Mempertegas Integritas Perumus Kebijakan di Kabupaten Pamekasan). *Jurnal Yustitia*, 21(2).
<https://doi.org/10.53712/yustitia.v21i2.1016>
- Yuwono, B. (2025). Green Accounting dalam Kebijakan Fiskal Pemerintah: Studi Analisis atas Anggaran Berbasis Lingkungan. *Transparansi : Jurnal Ilmiah Ilmu Administrasi*, 8(1), 7–13.
<https://doi.org/10.31334/transparansi.v8i1.4793>
- Zarei, H., Yazdifar, H., Dahmarde Ghaleno, M., & Namazi, N. (2021). National culture and public-sector budgeting: The mediating role of country-level institutions using a structural equation modeling approach. *Journal of Applied Accounting Research*, 23(3), 686–714.
<https://doi.org/10.1108/JAAR-05-2020-0102>
- Zhou, F., Liu, Y., Traiwannakij, S., & Triatmanto, B. (2025). Strategic Budgeting and Budgeting Evaluation Effects on China's Manufacturing Companies' Performance. *Journal of Risk and Financial Management*, 18(4).
<https://doi.org/10.3390/jrfm18040172>