Sustainable Public Financial Governance: Exploring Students' Perceptions of Indonesia's Central and Local Government Budgets

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Abstract

Public budgeting plays a crucial role in promoting sustainable development through accountable governance, efficient resource allocation, and strategic priority setting. In Indonesia, the implementation of the State Budget (*Anggaran Pendapatan dan Belanja Negara*—APBN) and Regional Budgets (*Anggaran Pendapatan dan Belanja Daerah*—APBD) reflects the government's commitment to inclusive and sustainable development. Understanding how educated young citizens perceive the implementation of public budgeting principles is important for strengthening sustainable public financial governance. This study explores students' perceptions and arguments regarding the implementation of three key public budgeting principles—independence, efficiency, and priority—in Indonesia's central and local government budgets during 2021–2025. An exploratory mixed-method approach with quantitative dominance was employed. Data were collected through a questionnaire administered to students enrolled in budgeting-related courses at an Indonesian higher education institution. Respondents assessed the implementation of these principles using a seven-point Likert scale based on publicly available information concerning APBN/APBD practices and provided written explanations for their assessments. Quantitative data will be analyzed using descriptive statistics, while qualitative responses will undergo thematic analysis. This study is expected to provide preliminary insights into students' judgments and the reasoning underlying their evaluations of public budgeting practices. The findings may enrich the discourse on sustainable public financial governance by highlighting the perspectives of educated young citizens in Indonesia.

Keywords: sustainable public financial governance; public budgeting; central and local government budgets; students' perceptions; exploratory study

INTRODUCTION

Achieving the Sustainable Development Goals (SDGs) requires not only sufficient public resources but also effective public financial governance to ensure that government budgets are allocated efficiently, transparently, and in line with national development priorities. According to the Organisation for Economic Co-operation and Development (OECD, 2025), governments worldwide are facing growing fiscal pressures arising from post-pandemic recovery, climate change, demographic shifts, and economic uncertainty, making sound public financial management increasingly critical for sustainable development. Similarly, the Asian Development Bank (ADB) highlights that resilient public institutions and effective budgeting systems are essential for improving governance quality and supporting inclusive economic growth across Southeast Asia (OECD & ADB, 2025; PEFA, 2022). Consequently, public budgeting has evolved beyond a fiscal instrument into a strategic governance mechanism for achieving long-term economic resilience and sustainable development.

Indonesia reflects these global challenges through continuous efforts to strengthen governance in both the Central Government Budget (*Anggaran Pendapatan dan Belanja Negara*—APBN) and Regional Government Budgets (*Anggaran Pendapatan dan Belanja Daerah*—APBD). During the 2021–2025 period, fiscal policy was directed toward supporting post-pandemic economic recovery while restoring fiscal sustainability and financing national development priorities. OECD (2025) reports that Indonesia successfully reduced its fiscal deficit from 6.1% of GDP in 2020 to 1.9% in 2023, demonstrating progress in fiscal consolidation while emphasizing the need for further reforms in public financial management, budgeting processes, and efficient resource allocation. These developments reinforce the importance of evaluating how fundamental budgeting principles—independence, efficiency, and priority—are perceived in the context of sustainable public financial governance.

Sound public budgeting is founded on fundamental principles that guide how public resources are planned, allocated, and utilized to achieve public policy objectives. Among these, the principles of **independence, efficiency, and priority** play a crucial role in ensuring fiscal discipline, optimizing the use of limited public resources, and aligning public expenditure with national development priorities. These principles are closely associated with good governance and sustainable public financial management, as effective budgeting systems are expected to improve government accountability, strengthen public trust, and enhance the quality of public service delivery (OECD, 2025; World Bank, 2021). Recent OECD reports further emphasize that resilient budget institutions and sound public financial management are essential for responding to fiscal pressures while maintaining sustainable development objectives.

In Indonesia, these principles are reflected in the preparation of both the Central Government Budget (*Anggaran Pendapatan dan Belanja Negara*—APBN) and Regional Government Budgets (*Anggaran Pendapatan dan Belanja Daerah*—APBD), particularly during the post-pandemic recovery period. Between 2021 and 2025, governments at both the national and regional levels were required to balance fiscal consolidation with increasing demands for economic recovery, social protection, infrastructure development, and environmental sustainability. Consequently, evaluating the implementation of budgeting principles has become increasingly important, not only from the perspective of fiscal performance but also from the perspectives of governance and public accountability. Understanding how these principles are perceived by educated young citizens may therefore provide complementary insights to conventional fiscal indicators and enrich the discussion on sustainable public financial governance.

Despite the growing body of literature on public budgeting, most previous studies have focused on fiscal sustainability, budget performance, public financial management, transparency, and participatory budgeting from institutional or policy perspectives. Recent systematic literature reviews also indicate that research has increasingly emphasized governance reforms, citizen participation, and budgeting mechanisms as instruments for improving public sector performance (Bartocci et al., 2023; Pereira & Figueira, 2022). However, relatively limited attention has been given to how educated young citizens perceive the implementation of fundamental public budgeting principles, particularly in developing countries. Understanding these perceptions is important because students, as future professionals and taxpayers, represent an informed stakeholder group whose views may provide valuable

insights into public trust, accountability, and sustainable public financial governance.

To address this gap, this study explores students' perceptions of the implementation of three fundamental budgeting principles—independence, efficiency, and priority—in Indonesia's Central and Local Government Budgets during the 2021–2025 period. Unlike previous studies that primarily evaluate budgeting through fiscal indicators or institutional performance, this study combines descriptive analysis of perception scores with thematic analysis of students' written arguments. The findings are expected to enrich the discussion on sustainable public financial governance by providing preliminary evidence on how educated young citizens interpret the implementation of public budgeting principles in Indonesia.

This study offers two main contributions to the literature on sustainable public financial governance. First, it extends the discussion of public budgeting by examining the perspectives of university students as educated young citizens, a stakeholder group that has received relatively limited attention in previous public budgeting studies. Second, by integrating descriptive statistics with thematic analysis of students' written arguments, this study moves beyond numerical assessments to capture the reasoning underlying respondents' evaluations of the implementation of independence, efficiency, and priority principles. This mixed-method approach provides richer insights into how public budgeting practices are interpreted and may contribute to a more comprehensive understanding of sustainable public financial governance in Indonesia.

Accordingly, this study aims to explore students' perceptions of the implementation of independence, efficiency, and priority principles in Indonesia's Central and Local Government Budgets during 2021–2025 and to identify the arguments underlying their evaluations as part of sustainable public financial governance.

RESEARCH METHODOLOGY

Research Design

This study employed an exploratory mixed-methods design with a quantitative-dominant approach to investigate students' perceptions of the implementation of the principles of independence, efficiency, and priority in Indonesia's Central and Local Government Budgets during the 2021–2025 period. The quantitative component was used to describe respondents' evaluations of the implementation of these budgeting principles, while the qualitative component provided additional insights into the arguments underlying their assessments. This design was considered appropriate because the study aimed not only to describe perception scores but also to explore the reasoning behind students' evaluations, thereby providing a more comprehensive understanding of sustainable public financial governance.

Participant and Data Collection

The study involved 24 undergraduate students enrolled in a public budgeting course at an Indonesian higher education institution. Participants were selected using convenience sampling because they had been introduced to public budgeting concepts and were therefore considered capable of providing informed evaluations of government budgeting practices. Data were collected through an online questionnaire administered using Google Forms. Each respondent was asked to evaluate either the Central Government Budget (APBN) or one of several Regional Government Budgets (APBD) based on publicly available information for the 2021–2025 period. The regional governments evaluated by respondents included Bali, the Special Region of Yogyakarta, DKI Jakarta, West Java, Central Java, East Java, Banten, West Sumatra, Lampung, and North Maluku.

RESULTS AND DISCUSSION

Respondent profile

This section presents the characteristics of the respondents and the findings derived from the descriptive and thematic analyses. A total of 31 university students participated in this study after data screening to remove duplicate responses. The respondents represented diverse backgrounds in terms of study status (regular and non-regular students), budget focus (Central Government Budget/APBN and Local Government Budget/APBD), and geographical origin across several provinces in Indonesia. Such diversity provides a useful context for exploring how educated young citizens perceive the implementation of fundamental public budgeting principles from different educational and regional perspectives.

Table 1. Student Status

Status Class	N	%
Reguler	24	64.5%
Non Reguler	11	36.5%

Source: Processed Data (2026)

The majority of respondents were enrolled in regular programs, but about one-third were non-regular students who were already working. This composition is interesting because it allows for a more diverse range of perspectives on the implementation of the public budget.

Table 2. Analized Budget Type

Type	N	%
APBN	25	80.6%
APBD	6	19.4%

Source: Processed Data (2026)

The majority of respondents were regular undergraduate students, while approximately one-third were non-regular (working) students. This composition provides a diverse range of perspectives on the implementation of public budgeting principles, as working students may draw not only on academic knowledge but also on practical workplace experiences when evaluating government budgeting practices.

Overall sample descriptive

Following the respondent profile, this section presents the overall descriptive results of students' perceptions regarding the implementation of the three fundamental public budgeting principles—independence, efficiency, and priority—in Indonesia's Central and Local Government Budgets during the 2021–2025 period.

Table 3. Descriptive Statistic

Statistic	Value
Mean	5.26
Median	5
Standard Deviation	0.96
Minimum	2
Maximum	7

Source: Processed Data (2026)

The descriptive analysis provides an initial overview of respondents' evaluation patterns before further comparisons across respondent characteristics and the thematic analysis of their written arguments are presented.

Table 4. Score Distribution

Skor	Frekuensi
2	1
4	4
5	12
6	13
7	1

Source: Processed Data (2026)

As presented in Table 4, respondents generally expressed positive perceptions regarding the implementation of public budgeting principles. Most responses were concentrated in the higher score categories, indicating that students tended to evaluate the implementation of independence, efficiency, and priority principles favorably. Nevertheless, the distribution also shows some variation in responses, suggesting that participants recognized both achievements and areas requiring further improvement. These descriptive findings provide the basis for subsequent comparative and thematic analyses.

Comparative Descriptive Analysis

To provide a deeper understanding of students' evaluations, a comparative descriptive analysis was conducted based on student status and the type of government budget assessed. Since this study adopted an exploratory design with a relatively small sample, the comparisons were intended to identify descriptive patterns rather than to test statistically significant differences.

While the overall descriptive statistics provide a general overview of students' perceptions, additional comparisons were conducted to explore whether evaluation patterns differed across respondent characteristics. Specifically, perception scores were compared according to study status (regular and non-regular students), budget type (Central Government Budget/APBN and Local Government Budget/APBD), and geographical background. Although exploratory in nature, these comparisons provide additional context for interpreting students' perceptions before examining the qualitative reasoning underlying their evaluations.

Table 5. Comparative Descriptive Statistics by Student Status & Budget Type

Group	n	Mean	SD
Student Status			
Regular Students	20	5.15	1.04
Non-Regular (Working) Students	11	5.45	0.82
Budget Type			
Central Government Budget (APBN)	6	5.50	0.84
Local Government Budgets (APBD)	25	5.20	1.00

Source: Processed Data (2026)

The descriptive comparison indicates only modest differences between the groups. Non-regular (working) students reported a slightly higher average evaluation (M = 5.45) than regular students (M = 5.15). Although the difference is relatively small, it may suggest that students with workplace experience tend to assess public budgeting practices from a broader practical perspective. Previous studies have shown that practical experience and exposure to organizational decision-making can shape individuals' understanding of public governance and financial accountability, resulting in more contextual evaluations of public sector performance (Pollitt & Bouckaert, 2017; James L. Perry, 2021). Nevertheless, this observation should be interpreted as an exploratory pattern rather than evidence of a statistically significant difference.

A similar pattern was observed across the type of government budget assessed. Students evaluating the Central Government Budget (APBN) reported a slightly higher average score (M = 5.50) than those evaluating Local Government Budgets (APBD) (M = 5.20). While the difference is relatively modest, it may reflect the greater complexity and diversity of local fiscal conditions across regions. Studies on fiscal decentralization and public financial management suggest that local governments often experience heterogeneous institutional capacities and resource constraints, which may influence public perceptions of budgeting performance (Bahl & Bird, 2018). However, considering that the majority of respondents assessed APBD cases (80.6%), these findings primarily reflect students' perceptions of local public budgeting practices rather than providing a comparative assessment of government performance. Overall, the relatively close mean scores across all groups indicate that students generally perceived the implementation of the principles of independence, efficiency, and priority as moderately positive regardless of student status or the level of government evaluated.

Thematic Analysis of Student's Argument

The qualitative analysis revealed four major themes underlying students' evaluations of the implementation of the principles of independence, efficiency, and priority in Indonesia's public budgeting system. Rather than focusing solely on numerical ratings, respondents consistently supported their evaluations with written arguments that reflected their understanding of public financial governance and budget implementation.

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The first theme, Fiscal Independence, emerged from students' concerns regarding governments' capacity to strengthen local revenue and reduce dependence on fiscal transfers. Respondents frequently associated sound budgeting with stronger fiscal autonomy and sustainable revenue generation. This finding is consistent with studies emphasizing that fiscal capacity constitutes a fundamental component of sustainable public financial management and fiscal decentralization (Bahl & Bird, 2018). Students frequently emphasized local revenue generation and reduced dependence on fiscal transfers as indicators of sound public budgeting (see Table 7).

Table 6. Emerging Themes from Students' Written Arguments

Theme	Description	Representative Initial Codes
Fiscal Independence	Students evaluated government performance based on the ability to strengthen fiscal capacity and reduce dependence on central government transfers through increased local revenue generation.	Local revenue (PAD), tax revenue, fiscal dependence, central transfers, regional fiscal capacity
Budget Efficiency	Students emphasized the importance of efficient budget allocation, effective public spending, prudent financial management, and minimizing unnecessary expenditures.	Budget efficiency, spending effectiveness, budget waste, supervision, financial management
Development Priority	Students assessed budgeting performance according to the government's ability to prioritize sectors that directly benefit society, particularly education, healthcare, infrastructure, MSMEs, and post-pandemic economic recovery.	Education, healthcare, infrastructure, MSMEs, economic recovery, public services
Governance and Accountability	Students highlighted transparency, accountability, policy implementation, and public oversight as important elements in achieving sustainable public financial governance.	Transparency, accountability, monitoring, policy implementation, corruption prevention

Source: Processed Data (2026)

The second theme, **Budget Efficiency,** reflected students' expectations that public funds should be allocated effectively, generate tangible public benefits, and minimize wasteful spending. Students frequently linked efficient budgeting with responsible financial management and improved public service delivery. This observation aligns with previous public financial management research highlighting efficiency as a key determinant of government performance and public value creation (Pollitt & Bouckaert, 2017). Students associated efficiency with effective spending and prudent financial management (see Table 7)

The third theme, **Development Priority**, demonstrated that students primarily evaluated government budgets according to their ability to prioritize sectors directly affecting community welfare, particularly education, healthcare, infrastructure, and post-pandemic economic recovery. This finding supports sustainable development literature emphasizing that strategic budget prioritization is essential for achieving long-term social and economic outcomes and advancing the Sustainable Development Goals (SDGs).(see Table 7)

Finally, Governance and Accountability emerged as an important consideration in students' assessments. Respondents emphasized transparency, accountability, policy implementation, and public oversight as essential conditions for ensuring responsible public financial governance. This finding is consistent with international evidence suggesting that transparency and accountability strengthen public trust and improve government financial performance (Allen Schick, 2020).

Overall, the thematic analysis indicates that students did not evaluate government budgeting solely based on expenditure levels but considered broader governance principles associated with sustainable public financial governance. These findings complement the descriptive results by explaining the reasoning underlying students' evaluation scores and provide richer insights into how educated young citizens perceive the

implementation of public budgeting principles in Indonesia.

Table 7. Supporting Quotes for the Emerging Themes

Theme	Representative Quotes*	Interpretation
Fiscal Independence	Q1: "The provincial government has increased locally generated revenue (PAD), particularly from tourism and local taxes, demonstrating greater fiscal independence, although dependence on central government transfers still exists." (R2) Q2: "Local governments have attempted to strengthen PAD; however, fiscal independence has not yet been fully achieved because external financing and transfer funds remain important sources of revenue." (R3)	Students generally perceived fiscal independence as the government's ability to strengthen its own-source revenue while reducing dependence on central government transfers. Fiscal capacity was considered an essential indicator of sustainable budgeting.
Budget Efficiency	Q1: "The government has implemented digital financial systems and budget supervision; however, budget waste, delayed projects, and suboptimal program outcomes are still observed." (R1) Q2: "Budget allocation has supported public services and infrastructure, but greater effectiveness and stronger monitoring are still required to ensure optimal outcomes." (R2)	Students associated budget efficiency with effective allocation of public resources, prudent financial management, and the achievement of tangible public benefits rather than merely reducing expenditure.
Development Priority	Q1: "Budget priorities have been directed toward education, healthcare, social protection, infrastructure, and post-pandemic economic recovery because these sectors directly affect community welfare." (R1) Q2: "The government has prioritized poverty reduction, MSME development, tourism, and economic recovery, indicating that budgeting is increasingly aligned with regional development needs." (R3)	Students evaluated public budgeting according to the government's ability to prioritize strategic sectors that generate long-term social and economic benefits.
Transparency and Accountability	Q1: "Effective supervision and continuous evaluation are needed to ensure that priority programs are implemented efficiently and that public funds are managed responsibly." (R2) Q2: "Good financial governance requires transparent budget implementation and accountability so that public spending truly benefits society." (Representative response)	Transparency, accountability, and public oversight emerged as important governance principles supporting effective and sustainable public financial management.

Note: R = Respondent; Q = Quote. All quotations were translated from the original Indonesian responses into English while preserving their substantive meaning; *Representative quotes were translated from the respondents' original Indonesian statements while preserving their substantive meaning.

Source: Processed Data (2026)

Overall, the thematic analysis demonstrates that students' evaluations were not solely based on numerical assessments of government budgeting performance. Instead, respondents consistently justified their

evaluations by referring to broader principles of sustainable public financial governance, particularly fiscal independence, budget efficiency, development priorities, and transparency and accountability. These themes complement the descriptive findings by providing qualitative explanations for the relatively positive evaluation scores observed in this study. The findings are broadly consistent with previous international research suggesting that citizens' perceptions of public budgeting extend beyond fiscal outcomes to include governance quality, transparency, accountability, and the effective allocation of public resources. They also support recent studies indicating that public trust in government budgeting is strengthened when fiscal decisions are perceived as transparent, efficient, and responsive to societal priorities. Therefore, students' written arguments provide valuable complementary evidence for understanding how educated young citizens perceive the implementation of sustainable public financial governance in Indonesia**.**

Discussion

This study aimed to explore university students' perceptions of the implementation of three fundamental public budgeting principles—independence, efficiency, and priority—in Indonesia's Central and Local Government Budgets during the 2021–2025 period and to identify the arguments underlying their evaluations. The findings indicate that students generally perceived the implementation of these principles positively while simultaneously recognizing several areas requiring further improvement. Rather than providing evaluations based solely on budget outcomes, respondents consistently justified their assessments by referring to broader governance considerations, including fiscal independence, efficient resource allocation, development priorities, and transparency and accountability in public financial management. These findings suggest that students viewed public budgeting not merely as a financial instrument but as a governance mechanism for achieving sustainable development objectives.

An important finding of this study is that students' written arguments revealed a broader governance perspective than their numerical ratings alone suggested. Building upon the literature reviewed earlier, previous studies have primarily examined public budgeting through fiscal performance, public financial management, governance reforms, and institutional perspectives (OECD, 2025; World Bank, 2021; Bartocci et al., 2023; Pereira & Figueira, 2022). In contrast, the present study demonstrates that educated young citizens also interpret public budgeting through governance-oriented considerations, particularly fiscal independence, budget efficiency, development priorities, and transparency and accountability. Therefore, this study complements the existing literature by providing qualitative evidence that helps explain how students interpret the implementation of public budgeting principles within the broader context of sustainable public financial governance.

Fiscal independence emerged as one of the most prominent considerations underlying students' evaluations of public budgeting. The thematic analysis revealed that respondents frequently associated this principle with the government's ability to strengthen locally generated revenue, reduce dependence on intergovernmental transfers, and maintain fiscal sustainability while supporting regional development. These findings indicate that students perceived fiscal independence not merely as a technical aspect of budget preparation but as a governance principle that enables governments to make strategic, accountable, and sustainable financial decisions.

This interpretation is consistent with the literature reviewed earlier, which

recognizes fiscal independence as a fundamental component of sustainable public financial governance because it strengthens governments' capacity to allocate resources effectively while maintaining fiscal discipline (OECD, 2025; World Bank, 2021). Recent empirical studies likewise suggest that stronger fiscal decentralization and local fiscal capacity contribute to better public service delivery, greater government responsiveness, and improved regional development outcomes (Martinez-Vazquez & Lago-Peñas, 2024). Nevertheless, these studies have predominantly examined fiscal independence using objective fiscal indicators such as own-source revenue, intergovernmental transfers, and expenditure performance. By contrast, the present study demonstrates that educated young citizens also interpret fiscal independence through governance-oriented considerations. Students consistently linked fiscal autonomy with responsible resource management, reduced dependence on central government funding, and the government's ability to pursue long-term development priorities. This finding complements the existing literature by illustrating that perceptions of fiscal independence encompass broader governance values that may not be fully captured through conventional fiscal indicators alone.

Beyond fiscal independence, budget efficiency emerged as another dominant theme in students' evaluations. Respondents frequently associated efficient budgeting with the optimal use of public resources, minimizing unnecessary expenditure, and ensuring that government spending generates tangible benefits for society. Rather than equating efficiency solely with budget savings, students emphasized that efficient public expenditure should improve service quality and maximize social outcomes. These perceptions indicate that respondents understood budget efficiency as a governance principle that balances fiscal responsibility with public value creation. This interpretation is consistent with recent studies suggesting that performance budgeting increasingly emphasizes not only efficient resource allocation but also the creation of broader public value through improved government performance and outcome-oriented budgeting (Azam & Baucaert, 2025; Ho, 2023).

This interpretation aligns with the literature reviewed earlier, which highlights budget efficiency as a core element of sound public financial management and sustainable governance (OECD, 2025; World Bank, 2021). Recent empirical studies have similarly reported that performance-based budgeting and efficient resource allocation enhance government effectiveness, accountability, and public service quality (Jung, 2022). However, previous research has predominantly evaluated efficiency using fiscal performance indicators or organizational outcomes. The present findings complement this perspective by showing that students also associate budget efficiency with fairness, effectiveness, and responsible stewardship of public resources. These governance-oriented interpretations provide additional qualitative insights into how budget efficiency is understood beyond conventional performance indicators.

Another recurring theme concerned development priorities in public budgeting. Students consistently argued that government expenditure should prioritize sectors that generate broad public benefits, particularly education, healthcare, infrastructure, poverty reduction, and regional development. Their responses suggest that budgeting priorities should not merely reflect short-term political considerations but should be directed toward sustainable and equitable development outcomes. This finding indicates that respondents viewed public budgeting as a strategic instrument for achieving long-term

national development objectives. This interpretation is consistent with recent studies emphasizing that strategic budgeting enables governments to align public expenditure with long-term policy priorities and sustainable development objectives rather than short-term fiscal or political considerations (Nicol & Dosen, 2024; Azam & Bouckaert, 2025).

This interpretation is consistent with the literature reviewed earlier, which emphasizes that aligning public expenditure with strategic development priorities is fundamental to sustainable public financial governance and the achievement of the Sustainable Development Goals (OECD, 2025; Asian Development Bank, 2025). The findings further indicate that students associated budget prioritization with broader development objectives rather than merely the allocation of public expenditure. Respondents frequently emphasized that government spending should focus on sectors capable of generating long-term public benefits, including education, healthcare, infrastructure, and social welfare. This perspective is consistent with recent studies suggesting that strategic budget prioritization and performance-oriented budgeting help governments better align resource allocation with policy priorities and improve budgetary effectiveness (Mitchell, 2023; Azam & Bouckaert, 2025). Moreover, previous empirical evidence indicates that budgeting mechanisms incorporating citizens' preferences can substantially influence expenditure priorities and public spending patterns (Lee & Min, 2023). While previous studies have primarily evaluated development priorities through institutional reforms and expenditure outcomes, the present study extends the discussion by demonstrating that educated young citizens also assess government priorities according to their perceived contribution to social welfare and sustainable development.

Interestingly, transparency and accountability emerged as a cross-cutting theme throughout students' written arguments, despite not being explicitly included as one of the assessed budgeting principles. Respondents repeatedly emphasized the importance of transparent budget management, effective public oversight, and responsible use of public funds as prerequisites for the successful implementation of the principles of independence, efficiency, and priority. This finding suggests that students perceive transparency and accountability not as separate governance concepts but as fundamental conditions for effective public budgeting. This interpretation is consistent with recent literature emphasizing that transparency and accountability operate as mutually reinforcing governance mechanisms that underpin sound public financial management and strengthen institutional effectiveness (OECD & ADB, 2025; PEFA, 2022).

These findings are consistent with the governance literature reviewed earlier, which recognizes transparency and accountability as essential dimensions of public financial governance that strengthen public trust and improve the effectiveness of government budgeting (OECD, 2025; World Bank, 2021; Bartocci et al., 2023). Recent empirical evidence suggests that transparent budgeting practices and effective accountability mechanisms strengthen public trust, reinforce institutional legitimacy, and improve the overall quality of public financial governance (Alessandro et al., 2021). These findings are also consistent with international public financial management frameworks, which recognize transparency, accountability, and public access to fiscal information as essential principles of sound budgeting systems (OECD & ADB, 2025; PEFA, 2022). Unlike many previous studies that evaluate transparency through institutional indicators,

audit quality, or open budget measures, this study demonstrates that educated young citizens spontaneously regarded transparency and accountability as inseparable components of sound public budgeting. This finding extends previous research by showing that transparency is interpreted not only as an institutional practice but also as a governance value embedded in citizens' evaluations of government budgeting. This finding provides complementary evidence that governance values naturally shape public perceptions of budgeting quality, thereby reinforcing the broader concept of sustainable public financial governance.

CONCLUSION

Overall, the findings of this study suggest that university students evaluate public budgeting through a broader governance perspective than conventional fiscal indicators alone. Although respondents generally expressed positive perceptions of the implementation of independence, efficiency, and priority principles in Indonesia's Central and Local Government Budgets, their written arguments revealed that these principles are closely interconnected with fiscal responsibility, strategic resource allocation, transparency, accountability, and long-term development objectives. These findings demonstrate that students do not perceive public budgeting merely as a technical process of allocating financial resources but as a governance mechanism for creating sustainable public value.

By integrating descriptive analysis with thematic analysis, this study complements previous public budgeting research that has predominantly focused on institutional performance and fiscal outcomes. The findings provide preliminary evidence that educated young citizens are capable of critically interpreting public budgeting from a governance perspective, thereby offering complementary insights that may enrich discussions on sustainable public financial governance. Although the findings should be interpreted within the context of a relatively small and exploratory sample, they highlight the potential value of incorporating citizens' perspectives into future public budgeting research and governance evaluation frameworks.

Perhaps the most notable finding of this study is that transparency and accountability emerged spontaneously from students' written arguments, despite not being explicitly included as the assessed budgeting principles. This finding suggests that educated young citizens naturally perceive good public budgeting as inseparable from broader governance values, reinforcing the importance of integrating fiscal performance with governance quality in evaluating sustainable public financial management. Overall, these findings indicate that understanding citizens' reasoning behind their evaluations may be as important as measuring their perceptions, particularly when public budgeting is viewed as a governance mechanism for achieving sustainable development.

This study should be interpreted within the context of several limitations. First, the findings are based on a relatively small and exploratory sample drawn from students at a single higher education institution, which may limit the transferability of the results to broader populations. Second, although respondents evaluated both Central and Local Government Budgets across several Indonesian provinces, the study reflects perceptions rather than objective assessments of budgeting performance. Third, the descriptive and thematic analytical approach adopted in this study was intended to provide an in-depth understanding of students' reasoning rather than to examine causal relationships among variables.

These limitations also provide opportunities for future research. Subsequent studies may involve larger and more diverse samples from multiple universities and regions, compare perceptions across different stakeholder groups, or integrate perceptual data with objective fiscal indicators. Future research may also employ explanatory or mixed-method research designs to examine the factors influencing public perceptions of budgeting principles and to validate the governance themes identified in this exploratory study.

Although exploratory in nature, this study demonstrates the value of combining descriptive statistics with thematic analysis to better understand how educated young citizens interpret public budgeting principles within the broader context of sustainable public financial governance. Ultimately, the findings suggest that understanding the reasoning underlying citizens' evaluations may be as important as measuring their perceptions, particularly when public budgeting is viewed not merely as a fiscal instrument but as a governance mechanism for achieving sustainable development.

RECOMMENDATION

The findings also have implications for higher education institutions. Students demonstrated an ability to evaluate public budgeting beyond numerical assessments by linking fiscal independence, efficiency, development priorities, transparency, and accountability to broader governance objectives. This suggests that public finance and public administration education should continue to strengthen students' analytical and critical thinking skills through the discussion of contemporary fiscal issues and evidence-based policy evaluation. Such learning experiences may help prepare graduates to become informed citizens and future professionals who actively contribute to good public governance.

For policymakers, the findings indicate that citizens' perceptions may complement conventional fiscal performance indicators in evaluating public budgeting practices. Although exploratory, students' arguments consistently emphasized fiscal responsibility, transparency, accountability, and strategic resource allocation, suggesting that governance values remain important dimensions of public trust. Consequently, governments may benefit from strengthening public communication, fiscal transparency, and civic engagement initiatives to improve public understanding of budgeting processes and reinforce confidence in public financial governance. This study demonstrates that educated young citizens evaluate public budgeting not only through fiscal outcomes but also through governance values, suggesting that understanding the reasoning behind public perceptions may provide complementary insights into sustainable public financial governance.

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