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Refocusing on COVID-19 Local Budgets and Achieving Absorbability of the Recovery of the Local Economic Situation and Public Health

A Systematic Study

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Abstract: After the stipulation of COVID-19 as a national pandemic, government policies have automatically been adjusted. This, of course, is no exception to the main problems related to financial settlements carried out by the central government and local governments. The State mandates regional governments to carry out various efforts, including budget refocusing in handling COVID-19. Synergy understanding of policy refocusing of the budget if we focus on studies carried out by regional expenditures in handling the COVID-19 pandemic, efforts need to be made for further evaluative surgery, especially about managing public health and regional economic recovery. This evaluation research was conducted by systematically reviewing the process of refocusing regional budgets and implementation and the impacts obtained from various supporting scientific literature plus supporting data from existing Regional Governments with PRISMA Analysis. This research can at least state the success of almost all local governments in carrying out the budget function in dealing with the COVID-19 pandemic in terms of public health and economic recovery. The central role of the Regional Government, especially the Regional Planning and Development Agency and the Financial Management Agency, is to encourage budget absorption through communication and regulatory functions. Part of the community is needed in Government Programs, especially in dealing with COVID-19. It is essential in this study that budget refocusing is only sometimes carried out because it is related to the country's fiscal stability.

Keywords: COVID-19; economic stability; local budget; public health; refocusing; reallocation

About the Author(s)

Muhammad Alfarizi is a student and young researcher in the PJJ Management Study Program at Bina Nusantara University. The man, often called Alfa, is very active in research and has become a nominee for the Indonesian Innovation Talent grant from the Director General of Higher Education, Ministry of Education and Culture, RI and successfully published various publications in reputable journals and proceedings, including "Analysis of Consumer Technology Acceptance Model on Indonesian Telemedicine Applications," published in the ITB SBM Technology Management Journal Vol 1 2022. Although it has only been a year of research activity, it has presented its research results to five Reputable international conferences, including The 2021 International Conference on Advanced Computer Science and Information Systems (ICACSIS 2021) By Universitas Indonesia and the 11th International Conference on Applied Science and Technology by Academic Research Society of Malaysia (ARMS) and University Tun Hussein Onn Malaysia.

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I. Introduction

Developments The low level of budget absorption in Indonesia is a phenomenon that occurs almost every year, both at the Ministry/Agency (K/L) and regional levels. The government has issued 3 (three) packages of legislation in the field of state finance, namely those regulated in Law No. 17 of 2004 concerning State Finance, Law No. 1 of 2004 concerning the State Treasury, and Law No. 15 of 2004 concerning Auditing the Responsibility and Management of State Finances (Ariyanto, 2020).

The budget is described as a formal quantitative expression of the organization's strategic plan, providing managers and subordinates with direction to ensure accurate efforts and motivation toward achieving strategic goals and objectives (Moeis et al., 2022). The budget related to the public sector is known as the National/Regional Revenue and Expenditure Budget (APBN/D). Changes in the APBD are programs routinely carried out by local governments to make adjustments that occur (Akhmadi et al., 2022) and affect future budgets (Abadi, 2019). Each region may have different budget amendment regulations and concepts from other local governments; however, it must refer to the laws and regulations issued by the Central Government (Tangko, 2021). Changes in budget and budgeting can be influenced by local social and economic conditions (Tjandrasa et al., 2022).

The world was shocked by a new virus that emerged at the end of 2019 in Wuhan, China. Then China identified pneumonia on January 7, 2020, as a new type of coronavirus, Corona Virus Disease 2019 (COVID-19). This was also confirmed by the Wuhan Municipal Health Committee, which stated that there was "urgent notice on the treatment of pneumonia of unknown cause" (Ciotti et al., 2020). COVID-19 has also been designated a global pandemic by WHO because it has spread to all countries, including Indonesia. Even though the current pandemic situation is easing, the growth rate of COVID-19 infections is still up and down. The number of positive confirmed cases in Indonesia until August 2022 is 6.4 million.

As a result of the increasingly widespread COVID-19 affects the country's economy and

causes the country's economy to experience a slowdown (Taghizade et al., 2021). Another impact due to the influence of COVID-19 on the economy is that the business world has experienced a decline in business productivity followed by layoffs of employees, which is caused by the COVID-19 pandemic (Kang et al., 2021; Meyer et al., 2022). According to the Central Statistics Agency (2020), the Indonesian economy in Q2-2020 was -5.32%, which threatened Indonesia with an economic recession, where economic growth in Q2-2020 experienced a contraction (Muzakki, 2020). The impact of the COVID-19 pandemic also affects people's declining purchasing power, where money in the community is not smooth, and at the same time, the production of goods is disrupted due to business operations not running correctly so that the economy experiences a slowdown (Malahayati et al., 2021).

After the stipulation of COVID-19 as a national pandemic, government policies have automatically been adjusted. This, of course, is no exception to the main problems related to financial settlements carried out by both the central government and local governments. The Regional Government must immediately anticipate the spread of COVID-19 in the region, by utilizing the budget that was fixed at the beginning of the year. The budget changes, which are usually implemented mid-year, had to be shifted forward due to the COVID-19 pandemic. Community participation is one of the main aspects of using funds (Desdiani et al., 2022). Community participation in the region includes group activities and contributes to regional development (Suparman, 2021). The success of a development project planning is influenced by the community participation component (Muhyiddin & Nugroho, 2021). The Central Government and Regional Governments require participation in community empowerment for the development, growth, and development of a region. With the spread of the COVID-19 pandemic throughout the country, including Indonesia, the government has taken preventive measures. Prevention at the community level includes restrictions on physical interaction (physical distancing) and social restrictions (social distancing) (Hizbaron et al., 2021). In connection with social restrictions and physical

interaction, personal interest activities such as buying basic needs and other necessities will decrease in intensity and even stop temporarily. Likewise, automatic activities involving participation in community empowerment in the region will be delayed or stopped. This condition causes the government's performance targets to be not optimal. On the other hand, the Central Government must immediately make regulations regarding handling COVID-19 and budget adjustments (Roziqin et al., 2021). This is where the importance of the budget for the success of the development is to improve people's lives.

The central government has at least prepared regulations related to budget adjustments in handling COVID-19, including several regulations, including Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling COVID-19, and Presidential Decree No. 7 of 2020 concerning the Task Force for the Acceleration of Handling COVID-19, Presidential Instruction No. 4 of 2020 concerning Refocusing Activities, Budget Reallocation, and Procurement of Goods and Services in the Context of Accelerating Handling of COVID-19, Government Regulation No. 21 of 2020 concerning Large-Scale Social Restrictions to Accelerate Handling of COVID-19 and Presidential Decree No. 11 of 2020 concerning Determination of Public Health Emergency Status (Soeparno, 2022). Based on the Instruction of the Minister of Home Affairs No. 1 of 2020 issued last April 2, local governments are asked by seven days after the instructions are given to refocus and reallocate the budget for handling COVID-19. With the consideration of the Minister of Home Affairs, the Minister of Finance postponed the distribution of the General Allocation Fund (DAU) and Revenue Sharing Fund (DBH) until the report is submitted following the legislation. Suppose until the end of the 2020 Fiscal Year, the area subject to a delay in the distribution of DAU and/or DBH does not submit a report on the results of the APBD adjustment (Apriliani & Khoirunurrofik, 2020). In that case, the amount of the postponed DAU and/or DBH cannot be redistributed to the region concerned.

Given the limited time for preparing APBD adjustments, the government then extended the deadline for submitting changes to budget allocations for handling COVID-19 within local

governments no later than two weeks after the issuance of the Joint Decree of the Minister of Home Affairs and the Minister of Finance No. 119/2813/SJ, No. 177/KMK.07/2020 concerning the Acceleration of Adjustment to the 2020 Regional Revenue and Expenditure Budget in the Context of Handling Public Purchasing Power and the National Economy (Fajariah et al., 2021).

Budget refocusing is an activity to refocus the government budget used for programs not previously budgeted through budget changes (Saeni et al., 2022). This activity was carried out to prevent the spread of the coronavirus. The COVID-19 pandemic sucked up quite a lot of funds to eradicate the virus, so a budget refocusing was held to deal with the COVID-19 virus. Refocusing is carried out to focus funds to deal with the problems caused during this pandemic. Each region is refocusing on fighting the COVID-19 pandemic (Okfitasari et al., 2021).

Research on budget refocusing and reallocation is mostly researched by young research students at the Indonesian Institute of Home Affairs–Ministry of Home Affairs. Ovaryanto (2022) stated in the implementation research of the Regional Revenue and Expenditure Budget refocusing policy implemented in Sarolangun Regency in 2021 in the context of handling the COVID-19 pandemic that all regional agencies and organizations have participated in this policy with the results of the implementation of the Revenue and Expenditure Budget policy. In general, budget absorption for the recovery from Pandemic conditions has been good. However, a coordinating communication barrier was found in the course of implementation so that the process of refocusing the budget reporting step was hampered, accompanied by a lack of discipline from employees in being given tasks, which also hindered the running process of this policy (Ovaryanto, 2022). Adiwardhana (2022), in his research, stated that the absorption of the regional budget in the 2021 APBD reallocation of the Bulungan Regency was quite optimal. There are seven indicators that are pretty good and one that is not good. The inhibiting factor is the low rate of budget absorption (Adiwardhana, 2022). Okfitasari et al. (2021) stated in his research that several regions had not been targeted in the application of regional budget reallocation by applying the

standard Joint Regulation of the Minister of Home Affairs and the Minister of Finance regarding the Acceleration of Adjustment of Regional Government Budgets in 2020 in the Context of Handling Corona Virus Disease 2019, as well as the Security of the Purchasing Power Society and the National Economy. In addition, there are still problems with disproportionate budget adjustments because the regions exposed to COVID-19 are quite high but low in refocusing and reallocating the APBD. However, in areas that are slightly exposed to COVID-19, people are refocusing and reallocating their APBD high (Okfitasari et al., 2021).

Budget state rules for region local government have been in place for two years as the pandemic case has slowed, and it is time to evaluate the reallocation and refocusing of the budget after the COVID-19 pandemic, starting from the rules that apply until the pandemic situation. However, the literature search results have not found research evaluating policies on regional budget allocations for handling multi-sector pandemic situations that affect public health and welfare. This gap must be overcome to complete the task of researchers as state partners in providing recommendations for making future budget management policies. This evaluation research was conducted by systematically reviewing the process of refocusing regional budgets and implementation and the impacts obtained from various supporting scientific literature plus supporting data from existing Regional Governments.

II. Methods

This research is qualitative research with a systematic literature review research method which is then processed with the Preferred Reporting Items for Systematic Review (PRISMA) process in stages, starting with identifying articles relevant to the selected topic (Page et al., 2022). The keyword selection starts with a search using keywords from Budget Refocusing, COVID-19 State Budget, and Budget Reallocation.

The validation process is carried out through the triangulation technique, which is a simple data-checking technique that can be concluded as an attempt to check the credibility of articles or data sources used in a literature

research review. This study uses triangulation of time and resources. Researchers search for articles using a research database, namely, Google Scholar and E-Prints IPDN, with the article's publication time being at most eight years ago.

Subsequently, research articles were screened based on inclusion criteria and feasibility related to the research topic. The inclusion criteria of the articles that will be selected are the up-to-datedness of the articles. The articles were published over a span of 8 years, starting from 2014 to 2022, published in Indonesian or English, and the contents of the articles are complete and relevant to Refocusing on COVID-19 Local Budgets.

Search results using these Four keywords (COVID-19 Local Budget Reallocation, Indonesian Budget Reallocation, Indonesian Refocusing Budget Condition, and COVID-19 Indonesian Budget) produce 18 articles from Google Scholar and five articles from E-Prints IPDN.

III. Results and Discussion

In this study, there were 136 articles, and those that matched the inclusion and exclusion criteria were 135 articles. Furthermore, in selecting the literature review, the author uses the PRISMA (Preferred Reporting Item for Systematic Reviews and Meta-Analysis) method. PRISMA analysis has a series of advantages, including (Page et al., 2021):

1. PRISMA analysis ensures that all filtered information is easy to understand and goes through a transparent process,
2. PRISMA analysis is a literature analysis technique with a valid methodology and easy to replicate,
3. PRISMA analysis has the advantage of efficiency in checking literature, consistency of methodology, and ensuring comparability that is on par with other literature review techniques.

Figure 1 is PRISMA in this study.

This research is essentially very close and, indeed, must use a literature review because researchers do not have full access to reach the management of their respective budgets. Apart

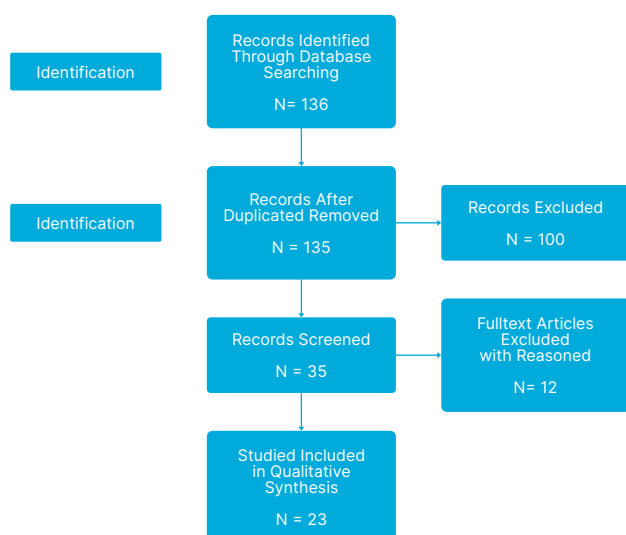


Figure 1. PRISMA Analysis Result

from that, with little time and the urgency of evaluative research on the case of local budget management in Indonesia, a literature review of various evidence studies that have yet to cover regional budget evaluations nationally is very suitable. Based on the PRISMA method in Figure 1 that has been carried out, it can be obtained that from a total of 136 (one hundred and thirty-six) journal articles identified, 1 (one) journal was excluded due to data duplication. Furthermore, from 135 articles and journals, as many as 100 (one hundred) journals did not meet inclusion and exclusion regarding titles and abstracts. Of the 35 journal articles, 12 journals do not meet inclusion and exclusion in terms of complete articles; therefore, this study has 23 journals that are in accordance with inclusion and exclusion.

Table 1. Selected Articles in Literature Review Analysis

No.	Article	Research Database
1	WHO recommendations for resilient health systems	Google Scholar
2	Legal Aspects of Health Quarantine and Consumer Protection in Overcoming the COVID-19 Pandemic	Google Scholar
3	Review of Criminal Provisions for Health Quarantine Based on Law Number 6 of 2018 for Notary Health and the Community in the Era of the COVID-19 Pandemic	Google Scholar
4	Budget Report Analysis and Budget Realization Refocusing COVID-19	Google Scholar
5	The Effect of Budget Refocusing During the COVID-19 Pandemic on the Realization of the APBD in Central Java Province	Google Scholar

No.	Article	Research Database
6	Regional Budgeting Policy During the COVID-19 Pandemic (Case Study on the Banten Provincial Government)	Google Scholar
7	Government Financial Management during the COVID-19 Pandemic (The Case of the Riau Provincial Government)	Google Scholar
8	Management of Unexpected Expenditures for COVID-19 in Local Government	Google Scholar
9	Estimating COVID-19 Rt in Real-time: An Indonesia health policy perspective	Google Scholar
10	Indonesian Government's COVID-19 Measures, January–May 2020: Late Response and Public Health Securitization	Google Scholar
11	Refocusing on Reallocation of Regional Shopping During the Pandemic COVID-19 in the Government of North Maluku Province	Google Scholar
12	Indonesia in the Time of COVID-19	Google Scholar
13	Local Budget Resilience in Times of COVID-19 Crisis: Evidence from Indonesia	Google Scholar
14	The procedure for transferring the District Budget in the event of a COVID-19 pandemic carried out by the district government is reviewed from Law Number 23 of 2014 concerning Local Government	Google Scholar
15	Performance Analysis of Regional Income and Expenditure Budget in Subang Regency Regional Government Before and During The COVID-19 Pandemic	Google Scholar
16	THE IMPACT OF COVID-19 ON REGIONAL FINANCIAL PERFORMANCE (Case Study on 34 Provincial Governments in Indonesia)	Google Scholar
17	Accounting Treatment of Unexpected Expenditures in Local Governments Due to the COVID-19 Pandemic	Google Scholar
18	The Effect of Regional Budget Capacity on COVID-19 Cases: A Study on Local Governments in West Kalimantan	Google Scholar
19	Implementation of Refocusing and Reallocation of Regional Budget for Fiscal Year 2021 in Overcoming the COVID-19 Pandemic in Humbang Hasundutan Regency	E-Prints IPDN
20	Implementation of Refocusing and Reallocation of Regional Revenue and Expenditure Budget in Handling COVID-19 in Pidie Regency, Aceh Province	E-Prints IPDN
21	Effectiveness of Refocusing Regional Revenue and Expenditure Budget in Handling Corona Virus Disease 2019 in Bandar Lampung City, Lampung Province	E-Prints IPDN
22	Implementation of the Refocusing Fund Allocation Policy in Handling the COVID-19 Pandemic in Ogan Komering Ulu Selatan Regency, South Sumatra Province	E-Prints IPDN
23	Implementation of Refocusing and Reallocation Policy on Regional Revenue and Expenditure Budget in the Context of Handling COVID-19 in Majene Regency, West Sulawesi Province	E-Prints IPDN

The literature analysis begins by discussing the substance of the policy of reallocation and refocusing of regional budgets after the COVID-19 pandemic. Citing a statement delivered by the Director of WHO, Dr. Tedros Adhanom Ghebreyesus, that in the current condition of the COVID-19 pandemic, we must make defensive efforts or protect ourselves as a preventive measure from COVID-19 transmission. (Ghebreyesus et al., 2022).

It should be understood that the handling of a pandemic (COVID-19) as an emergency in a country can be based on 3 (three) approaches, namely:

1. Health services,
2. Fulfillment of fiscal needs,
3. Acceleration of handling social activities.

These three approaches are actually reflected in several legal products issued by the Indonesian government in dealing with the COVID-19 pandemic. Such as the presence of Law No. 6 of 2018 concerning Health Quarantine. Then in the economic field, Law No. 9 of 2016 concerns the Prevention and Handling of Financial System Crises (Pardede, 2021). These two regulations can indeed be aimed at carrying out the process of handling emergency disasters such as during this COVID-19 situation. Indonesia uses the second model, namely, using existing laws by paying attention to public health (legislative model) (Munandar et al., 2021).

For this reason, the government then allocated funds for social protection programs, and there was an increase in the budget allocation from the previous Rp153.86 trillion to Rp187.84 trillion. As for health, there has also been an increase in the budget allocation from the last Rp193.93 trillion to Rp214.95 trillion. For support for MSMEs and Cooperatives, a budget of Rp161.20 trillion is allocated, as well as to priority programs of Rp117.94 trillion. In addition, government spending through Transfers to Regions and Village Funds (TKDD) in January reached Rp54.92 trillion. Minister of Finance (Menkeu) Sri Mulyani Indrawati said that compared to last year, this realization had increased by 6.8 percent, with the most significant increase in the General Allocation Fund

(DAU) and Revenue Sharing Fund (DBH) (Fajariah et al., 2021).

The financial relationship between the central and regional governments is based on the understanding that the regions have the right to regulate and manage their households to meet regional needs. Carrying out refocusing or centralization of APBD funds and the reallocation process, for example, carried out by local governments as a solution in handling the pandemic (COVID-19). In carrying out the refocusing and reallocation of APBD funds by local governments, it cannot be separated from the presence of the Instruction of the Minister of Home Affairs of the Republic of Indonesia No. 1 of 2020 (Khatulistiwa, 2021).

In fact, the prevention and control process (COVID-19) must be prioritized in all government policies. The presence of the Joint Decree of the Minister of Home Affairs and the Minister of Finance of the Republic of Indonesia No. 119/2814/SJ No. 177/KMK/07/202051 provides several essential provisions for efforts to accelerate the handling of (COVID-19) related to the use of the APBD (Khatulistiwa, 2021), including the following:

1. Require regional heads to adjust regional revenue targets in the APBD in 2 (two) ways: First, adjustment of transfer income to regions and village funds (TKDD). Second, the adjustment of local revenue,
2. Regional heads must adjust regional spending in the context of preventing and handling the pandemic (COVID-19) consisting of (1) spending on health such as the procurement of personal protective equipment (PPE) for medical personnel as well as the provision of service facilities and equipment to the community and handling the patient. (2) Provision of a social safety net, such as providing social assistance to underprivileged communities. (3) Handling economic impacts,
3. Regional heads must prioritize the use of budgets and methods of implementing activities and budgets through the reallocation of honorarium budgets, social assistance, and grants to be transferred to social assistance budgets for the poor who

have decreased purchasing power due to the pandemic (COVID-19).

The Ministry of Finance has made four significant decisions: tax incentive policies, labor protection, rescheduling of loan repayments from small and medium enterprises (SMEs), and reallocating fiscal policy at the local government level (Setyoko & Wijaya, 2022). The steps taken include:

1. Set a budget deficit limit exceeding 3% (three percent) of Gross Domestic Product (GDP) during the handling of Corona Virus Disease 2019 (COVID-19) and/or to face threats that endanger the national economy and/or financial system stability at the longest until the end of the 2022 Fiscal Year,
2. Adjust the amount of mandatory spending,
3. Make budget shifts between organizational units, between functions, and/or between programs,
4. Take actions that result in expenditures at the expense of the state budget for which the budget to finance these expenditures is yet to be available or insufficient and determine the process and method of procuring goods/services,
5. Prioritize using budget allocations for specific activities (refocusing), adjustment of allocations, and/or cutting/delaying the distribution of budget transfers to the Regions and Village Funds, with specific criteria,
6. Simplify the mechanism and simplify documents in state finance.

In 2021 the results from the reallocation of APBD funds were as follows:

1. Allocation for health care of 24.10 trillion,
2. Allocation for handling economic impacts of 7.13 trillion,
3. Allocation for the provision of social safety nets of 25.34 trillion.

The number is detailed based on confirmation from 528 regions that have submitted reports. As for implementing this refocusing is carried out using Unexpected Expenditures (BTT), considering that this BTT can

be carried out during the disaster emergency response period by submitting a plan for spending needs by regional officials (Basri & Gusnardi, 2021).

The use of BTT can include (1) spending in the health sector, such as providing health facilities and infrastructure, providing incentives for health workers, renting shelter houses as isolation rooms for patients under supervision, and laboratory examinations for people who are potentially infected (COVID-19), (2) Expenditures in handling economic impacts such as food and basic needs procurement, providing incentives in the form of reduction/exemption of regional taxes, and providing use of business capital for MSME actors affected by the economic impact (COVID-19), (3) Spending on social safety nets (Basri et al., 2021).

The implementation of budget refocusing in terms of public health is generally in two stages, which are spent on providing health infrastructure in the form of personal protective equipment for medical personnel and officers dealing directly with victims of the COVID-19 virus. Then, provide masks, hand sanitizers, vitamin c, vitamin e and gloves, gloves, and other medical equipment. After that, provide isolation places for patients or residents on the list of Patients Under Supervision (PDP) or Persons Under Supervision (ODP). Provide incentives to medical personnel directly involved in handling the COVID-19 outbreak. Lastly, spray disinfectants in several corners of the city. In addition, the implementation is carried out in terms of technical implementation of the COVID-19 vaccination, which is still ongoing today (Raharjo et al., 2022).

Constraints that affect the implementation of refocusing and reallocation of regional budgets, namely the implementation of refocusing and reallocation of regional budgets in emergency health services, there must be coordination between the Health Office as the coordinator and the Puskesmas as the user of the regional budget in public health. Especially in its implementation in the field, there must be cross-sectoral collaboration, such as with the TNI-Polri and the village government, because these elements have the task and are more heard to mobilize the community (Chairil, 2020).

Because the reallocation and refocusing of the budget will not always be carried out, several efforts must be carried out (Hidayat et al., 2022), namely:

1. Conduct outreach to the field, track residents who suspect COVID-19, and educate the public regarding the dangers of corona and the importance of self-isolation,
2. Puskesmas is actively coordinating with the Health Office regarding using the budget and reporting changes to its budget,
3. Puskesmas financed the purchase of COVID-19 prevention facilities using other activity budgets, which were replaced when the budget changes were liquidated,
4. Always coordinate with cross-sectoral parties such as the TNI-Polri and the Village Government. To assist field activities where the community rejects health workers who come for screening/tracking of community members who suspect or have had close contact with people who are positive for COVID-19.
3. The preparation of programs, activities, sub-activities and budgets in the 2022 APBD is carried out efficiently, effectively, not routinely, and not monotonous, and remains anticipatory, responsive, and flexible in dealing with the dynamics of the pandemic and the economy,
4. Provincial and Regency/Municipal Governments to improve the investment and business climate in the regions as well as export development to increase Regional Original Income (PAD), namely in the form of regional taxes, regional levies, and the results of separated regional wealth management, and other PAD that legitimate,
5. Implementing a general policy of transfers to regions and village funds in 2022, including general transfer funds for improving the quality of the general public, economic recovery, development of Human Resources (HR), and additional spending on Priority Health. Prioritizing the use of village funds, including for social protection programs, handling COVID-19, and supporting the public sector. The Special transfer funds improve the quality of regional expenditures for increasing and equitable distribution of welfare among regions,

Budget politics needs to be done so that the APBD posture is more in favor of the people. During the COVID-19 pandemic, all regions must focus more on the APBD to develop and empower the economy (Olivia et al., 2020).

Secretary General of the Ministry of Home Affairs, Dr. Ir. Muhammad Hudori, M.Si., that there are several points that the Regional Government or Regional Government must pay attention to in the preparation of the 2022 APBD (Desdiani et al., 2022), which include:

1. The 2022 APBD must provide Stimulus to support Structural Reforms for economic recovery and increase regional productivity and competitiveness,
2. Provincial and Regency/Municipal Governments to change the work culture/occupational culture and focus on new work cultures, such as implementing digital work in meetings/meetings and reducing inefficient spending so that it can be diverted to provide direct benefits to the community,
6. In order to anticipate emergencies, including urgent needs due to the COVID-19 pandemic or other disasters that cannot be predicted, the Provincial and Regency/City Governments should add an unexpected expenditure allocation in the 2022 APBD by 5% (five percent) to 10% ten percent from the 2021 budget.

Based on economic theory, government variables (especially the budget) are considered one of the variables driving economic growth in a country. Furthermore, this is expected to create a multiplier effect in other economic sectors. The multiplier effect of government spending will be even more significant if the assumption is that government spending is used for productive activities and has a high multiplier. The critical role of the APBD in economic development is also vital, considering that almost 1/3 of the APBN has been transferred to the regions in the form of TKDD (Pogos et al., 2021).

The President encourages regional heads to immediately spend the Regional Revenue and Expenditure Budget (APBD) to stimulate the regional economy. Unfortunately, entering semester II/2021, the realization of regional expenditures still needed to be higher, amounting to Rp373.86 trillion (47%) of the total budget. However, in the end, the realization of the COVID-19 Handling and National Economic Recovery Program (PCPEN) until August 19, 2022, was included in the role of the APBD of Rp178 trillion. Based on the report, the realization of health care was Rp35.4 trillion, equivalent to 28.9% of the ceiling of Rp122.54 trillion. Detailing that for the protection of the community, Rp82.3 trillion or 53.2 percent of the ceiling was distributed. This allocation was used, among others, for the Family Hope Program (PKH) for 10 million beneficiary families (KPM), Basic Food Cards for 18.8 million KPM, Direct Cash Assistance (BLT) Cooking Oil Rp7.2 trillion for 23.9 million recipients, Village BLT Rp17.1 trillion for 7.5 million KPM. Also, assistance programs for street vendors and fishermen's stalls amounting to Rp1.3 trillion and Pre-Employment Cards Rp8.9 trillion for 2.5 million participants. Then for the cluster of strengthening economic recovery, Rp60.4 trillion or 33.8% of the ceiling of Rp178.32 trillion has been realized (Agnika et al., 2021).

This budget, among others, is used for labor-intensive activities, infrastructure and connectivity, tourism and the creative economy, food security, information and communication technology, industrial estates, support for micro, small, and medium enterprises (MSMEs), as well as tax incentives (Rahmawati & Kiswara, 2022).

To strengthen the process of economic recovery due to the pandemic, local governments must immediately spend their budgets, especially for handling health and social protection, as well as regional priority programs. After further review, at least several factors cause the slow absorption of the budget in the regions, one of which is the reallocation and refocusing of the budget due to the pandemic, which must still be consulted with the regional parliament (Indriani et al., 2021).

In addition, the new budgeting information system also affects the speed of regional spending. On the one hand, although this is an

obstacle, the positive is the increasing attention of local governments on transparent, excellent, and clean budget management. In addition, we realize that our government bureaucracy has stayed the same in the administration of correspondence, which is often an obstacle, not an expedite. For this reason, this pandemic must indeed be addressed with the spirit of change (bureaucratic reform) that leads to speed, efficiency, cleanliness, and stability. This is the right time to continue to change and transform the management of the bureaucracy, the economic field, and the community's perspective on development (more inclusive). The results of this study noted the success of almost all regions in Indonesia in budget realization despite having various challenges in budget realization (Sugiri, 2021).

Various studies have found solutions launched by local governments to absorb local budgets successfully. Sudaryanto (2020) in his research stated that the efforts made by local governments to overcome obstacles. Especially those that impacted rescheduling/delaying and diverting some infrastructure development activities, namely by forming an ad hoc local government budget team (TAPD) to coordinate with the budget agency and the DPRD (Sudaryanto, 2020). Meanwhile, the results of research by Basri et al. (2022) in Riau Province stated the implications for the Riau Provincial Government in terms of formulating policies in government financial management related to the COVID-19 disaster and other policies in the use of Unexpected Spending. The importance of timely budget execution and optimizing information technology can help budget absorption be carried out on time (Basri et al., 2022).

Several students at the Institute of Domestic Administration (IPDN) Public Financial Management Specialization have evaluated the management of the COVID-19 reallocation budget in their respective areas of origin to make their final assignment. Banjarnahor (2022), in his research in Humbang Hasundutan District, concluded that the implementation of financial policies regarding the refocusing and reallocation of the APBD had been going quite well. However, there were still several obstacles: coordination and communication between BPKPAD and related OPDs, lack of employee discipline and

competence, so efforts were needed, which is carried out with regular communication, and increasing employee discipline by enforcing penal laws and providing training or training to improve employee competence (Banjarnahor, 2022). Similar results were also found by Dharnadi (2022) and Suhendro (2021). They found that implementing the Refocusing Policy and Reallocation of the Majene Regency Regional Revenue and Expenditure Budget was good, with several notes on improving the coordination process and the role of employees in absorbing the budget (Dharnadi, 2022; Suhendro, 2021). However, Sholehien (2022) found that the study area for his Refocusing fund allocation policy, namely Ogan Komering Ulu Regency, had yet to run optimally. It is because of the moral ethics of regional staff who still needed to be aware of community interests and poor coordination between BPKAD and OPD (Sholehien, 2022). In general, research by IPDN students specializing in Public Financial Management highlights the role of staffing and effective communication in budget management, primarily refocusing funds. Because even without the COVID-19 issue, local governments often face this problem in ongoing government processes, especially regarding budgets. Overall, the results of previous literature reviews and field studies of IPDN students with a concentration in finance show the success of some regions in managing the regional budget. However, almost all of them, both inside and outside of this research, experienced classic obstacles in budget management, especially during the COVID-19 pandemic, namely communication between agencies.

IV. Conclusion

This research states the success of almost all local governments in carrying out the budget function in dealing with the COVID-19 pandemic regarding public health and economic recovery. The central role of the Regional Government, especially the Regional Planning and Development Agency and the Financial Management Agency, is to encourage budget absorption through communication and regulatory functions. The role of the community is needed in Government Programs, especially in dealing with COVID-19. In this study, it is essential to note that budget refocusing is not always

carried out because it is related to the country's fiscal stability. The strategy for the absorption of the COVID-19 emergency budget can be adopted in the future because it can increase budget realization to benefit the public welfare. This research is limited to a literature review, so in the future, it is necessary to evaluate budget absorption directly by involving the public to develop more applied strategies for the community.

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