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The Pandemic Era of COVID-19: Reflection on the Regional Government Budget Sustainability for the Optimism of National Economic Recovery

Dadang Suwanda[1]

Abstract

During the COVID-19 pandemic, many local governments experienced economic disruption as businesses closed or scaled back operations, unemployment rose, and government revenues decreased. This led to budget challenges for local governments as they worked to address the needs of their communities and support economic recovery efforts. Therefore, local governments should prioritize funding for healthcare, social services, economic recovery initiatives, and infrastructure projects in their budgets during the COVID-19 pandemic in order to support the national economy recovery and address the needs of their communities. The government decided that the village funds budget could be used for a wide range of things, such as giving money directly to the village's poor and working to combat the COVID-19 pandemic. The purpose of this study is to determine the extent to which local governments' budget structures prioritized managing the COVID-19 pandemic in the region to deal with consequences in the form of threats to the national economic system and financial system stability, with a particular emphasis on health spending, social safety nets, and economic recovery. The technique used qualitative research conducted through a document look at (desk studies). The data is sourced from secondary information in developmen t plans files, central government budgets, local government budgets, and amendments. The data was obtained through direct access to government websites, particularly the COVID-19 task force website, the Ministry of Finance website and the Ministry of Home Affairs website. The findings indicate that the COVID-19 pandemic in Indonesia has significantly impacted the country's economy and socio-economic situation since the second quarter of 2021. People's purchasing power is going down, unemployment is going up, and poverty will worsen. These are all current and future government problems. The implications and recommendations of the findings of this study are explained further.

Keywords: *Budgeting For Local Government, COVID-19, Qualitative Research.*

Introduction

COVID-19 has created dramatic challenges for governments worldwide (Moon, 2020). A few months into 2020, the WHO declared a global pandemic now that the virus has spread across the globe. The COVID-19 pandemic caused an increasing number of deaths due to the pandemic and negatively impacted the national economies in almost all countries. The impact is more pronounced than some natural disasters (Barbero et al., 2021; Sargiacomo, 2015), and the economic shock from the COVID-19 pandemic has been more significant than the previous global financial crisis (Barbero et al., 2021; Bonaccorsi et al., 2020; Peckham, 2013; Segal, 2020)

The World Health Organization (WHO) estimates that the pandemic will last until mid-2022 (Possas et al., 2021). This situation will make social and economic recovery difficult (Demirgüç-Kunt et al., 2021; Mofijur et al., 2021; Tisdell, 2020). Furthermore, high risks and uncertainties will continue to be a burden for economies in numerous countries in 2022 (Ghosh et al., 2021; Suthar et al., 2021). The rate of recovery is anticipated to vary per country, depending on factors such as pandemic preparedness, vaccination rollout speed, reopening economic sectors, and governmental stimulants. (Paul et al., 2021).

The COVID-19 pandemic has had cascading impacts on the health crisis, social dislocation, and global economics at every level. The epidemic also places a strain on the area's economy, as limits on economic and social movements in the region result in a drop in economic activity and revenue for the region (Amankwah-Amoah et al., 2021; Banerjee et al., 2020; Hossain, 2021; Nicola et al., 2020). The COVID-19 virus, which has been circulating in Indonesia since early March 2020, has put a tremendous strain on the

[1] Institute of Home Affairs Governance, Sumedang, Indonesia, Email: dadang_suwanda@ipdn.ac.id, (Corresponding Author)

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domestic or local economy (Pitoyo et al., 2021). Controlling the spread of COVID-19 through large-scale societal restrictions has ramifications for national and regional economic mobility, meaning that the Indonesian economy will contract below the baseline business and financial cycle figures in 2020. As a response to the COVID-19 outbreak, the Indonesian government has taken several strategic steps. These include more money spent on health and social aid as well as more money spent on industrial support, national economic recovery policies, and banking sector regulations on regional financing.

To ensure the availability of stable and balanced finances for state budgets, the central government's budget structure prioritizes its use for dealing with the COVID-19 pandemic in the regions and its consequences in the form of threats to the national economy and financial system stability, with a special emphasis on health expenses, social safety nets, and economic stimulus. Furthermore, the government has determined that budget transfers to regions and village funds can be used as social safety net funds in villages to assist the impoverished and combat the COVID-19 pandemic. This means that the impoverished can receive cash and COVID-19 can be halted.

The central government's fiscal year 2021 budget is a watershed moment for balancing multiple objectives, including sustaining pandemic response, promoting economic recovery, and fiscal consolidation through structural reform efforts that will lay a solid, competitive, productive, and innovative financial foundation for achieving economic transformation toward an advanced Indonesia.

The government proposes several macroeconomic indicators for developing the fiscal budget for 2022, including GDP growth of between 5.2 and 5.8 per cent. The assumptions can be met if the COVID-19 outbreak is managed, the function of financial intermediaries is reestablished and supported by the Bank of Indonesia's monetary policy, and the Financial Services Authority's (OJK) policy is positive. However, while a global and national economic recovery is still feasible next year, there remains a risk of unpredictability. The year 2022 will mark a turning point in terms of consolidation and transformation. Fiscal consolidation will improve macroeconomic policy, allowing the country's economic recovery and structural changes to proceed more quickly because of the pace of economic recovery, structural reforms, and budgetary reforms, and because of the durability of economic recovery, structural reforms, and fiscal reforms (Arendt et al., 2020).

Methodology

This study is qualitative research conducted through a desk study. A desk study is a type of qualitative research that involves collecting and analyzing data from existing sources, rather than conducting primary research through fieldwork or experiments. The data for a desk study is typically collected through a review of literature, documents, reports, and other materials that are readily available (Šerić & Ljubica, 2018). The data used from secondary data (Indihadi et al., 2022; Johnson et al., 2009; Smith, 2008) has been sourced from development planning documents, especially central government budget documents and local government budgets and their amendments. The data was obtained through direct access to government websites, including those of the COVID-19 task force, the Ministry of Finance website, and the Ministry of Home Affairs website.

The steps involved in this conducting a desk study including:

- Identifying the research question: The first step in a desk study is to identify the research question or problem that the study will address. This will help guide the selection of relevant data sources and the analysis of the data.

- Identifying and locating relevant data sources: The next step is to identify and locate data sources that are relevant to the research question. The resoureces used in this research is government documents and websites from Ministry of Finance Republic of Indonesia, and the Ministry of Home Affairs Republic of Indonesia.

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- Collecting and organizing the data: Once the relevant data sources have been identified, the data is collected and organized in a systematic way.

- Analyzing the data: After the data has been collected and organized, it is analyzed using content analysis and statistical analysis. The goal of this analysis is to identify patterns, trends, and relationships in the data that help answer the research question.

- Draw conclusions and make recommendations: Based on the analysis of the data, the researcher is drawing conclusions and make recommendations about the research question. These conclusions and recommendations is supported by the data,

Result

The COVID-19 outbreak in Indonesia, which has now entered the second quarter of 2021, has had a significant impact, particularly on the nation's economy and socio-economic status. People's purchasing power eroding, unemployment rising, and poverty rising are all serious potential concerns that the government faces today and in the future. According to the government, the open unemployment rate will rise by 2.9 million individuals, or 7.33 per cent, and 5.2 million people, or roughly 9.02 per cent, in a severe scenario. Meanwhile, the poverty rate will correct to 9.88% in severe scenarios and 10.98% in power systems, rising from the current baseline of 9.18%. The decrease in national economic activity also causes the planned economic growth projection scenario to be off the mark. Indonesia's financial performance trended towards a hefty decline of -0.4 per cent in Q1-2020, with the lowest growth (trough) in Q2-2020.

The situation requires a lot of hard and innovative work, and it needs cooperation from all parts of the nation's elements, including the government and the private sector. People also need to support and actively participate in all government policies and appeals that are meant to lessen the effects of the COVID-19 pandemic.

Since the pandemic began, the government has implemented several methods to mitigate the impact of COVID-19 on central government financial budget management, starting with focusing and reallocating expenditure on ministries, institutions, and local governments. Through Government Regulation in Lieu of Law (Perppu) Number 1 of 2020, which was then promulgated into Law Number 2 of 2020 and Presidential Regulation Number 54 of 2020, the central government, among others, has issued regulatory instruments as a legal umbrella for dealing with emergencies and maintaining the country's social and economic conditions. The specific strategy output is the development of a budget of IDR 405.1 trillion in the context of fiscal stimulus to deal with the impact of COVID-19. According to a change to Presidential Regulation 54 of 2021, the total now stands at no less than IDR 695.2 trillion (Post, 2020).

If central and regional governments rely solely on the central government's financial ability, they will undoubtedly be incapable of dealing with the massive impact of the COVID-19 epidemic on the national economy. Regional assistance and participation are critical, as are systems of regional government budget distribution. Regional governments must rationalize and refocus their expenditures, particularly capital and goods and services expenditures, to support programs by Ministers of Home Affairs and Finance Decrees 119/2813/SJ and 117/KMK.07/2020 on Accelerating Adjustment to the 2020 Local Government Budget in the Context of Handling COVID-19, Securing Public Purchasing Power, and the National Economy, and PMK No. 35/PMK.07/2020

These policies, in their current form, are quite capable of convincing regions to accept local government budget rationalization by cutting capital expenditures and goods and services costs by at least 35% from the previous budget ceiling and redirecting them to 3 (three) major programs focused on health, economic impact, and social safety nets. According to the regional government's report, the scheme required a total budget reallocation of IDR 67.03 trillion.

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A Budget Overview of the COVID-19 Pandemic

As a result of the state fiscal crisis in 2020, the government is needed to foresee the deteriorating health situation, the possibility of social unrest, and the national economic slump. At the time, the policy released Presidential Instruction No. 4 of 2020 on Program Refocusing, Budget Reallocation, and Procurement of Goods and Services to support the acceleration of COVID-19 resolution, which led to the establishment of Government Regulation in Lieu of Law No. 1 of 2020. Initially, the budget was announced as IDR 405.1 trillion. This budget proposes to invest IDR 75 trillion (3%) in health, IDR 110 trillion (4%) in social protection, IDR 70.1 trillion (3%) in taxes and KUR, and IDR 150 trillion in economic recovery (6 per cent). It has not been realized; nonetheless, the financial plan for COVID-19 has been significantly increased. The Ministry of Finance modified the budget for COVID-19 management under the PEN program to include various needs. The PEN program's budget increased significantly to IDR 695.2 trillion, or 42 percent, from the previous IDR 87.55 trillion distributed for health, IDR 203.90 trillion for social protection, IDR 120.61 trillion for business incentives, IDR 123.46 trillion for MSMEs, IDR 53.57 trillion for corporate financing, and IDR 106.11 trillion for sectoral ministries, institutions, and local government.

The difficulty is that significantly increasing the funding for COVID-19 management does not necessarily decrease the number of people infected. The distribution of the COVID-19 handling budget is unclear at the moment, resulting in insufficient budget absorption by Ministries/Institutions (Ministries/Agencies).

As of September 2020, the health sector's budget for economic recovery had been consumed by IDR 18.45 trillion, or 21%. This health budget has one of the lowest absorption rates of other economic recovery strategies. It demonstrates the government's lack of commitment. Due to a lack of protection and a scarcity of personal protective equipment, many expert doctors and health professionals perished after being exposed to COVID-19. The poor absorption rate of the health budget is allegedly due to the complexity of claiming treatment charges and delaying medical employees' incentives.

Economic recovery is a social protection program with a relatively high budget absorption rate. The distributed budget was absorbed around IDR 134.4 trillion, or 57.45 percent including the family of hope program, which provides social assistance to the poorest and vulnerable income groups, the pre-worker card budget (which provides a form of conditional cash transfer to those who have lost their jobs or are looking for work and willing to learn a new skill), electricity rate discounts, and direct cash assistance from village funds.

Another economic recovery strategy, namely incentives for corporate players, achieved 18.43 % or IDR 22.23 trillion. This incentive took the form of decreased tax on work-related income, duty exemption, PPh 25 payment reductions, pre-refund of VAT, and reduced corporate income tax rates, among other stimulants. Meanwhile, IDR 58.74 trillion has been spent, accounting for 41.34 per cent of aid to Micro, Small, and Medium-Sized Enterprises (UMKM/MSMEs).

Government Budget Policy in Response to the Covid Pandemic

Typically, the policy for modifying the central government's budget for the current fiscal year begins with developing a draft amendment to the government's work plan and a draft regional government budget, which the government executes and sends to DPR for approval. The process of agreeing on modifications to the 2020 central government budget proceeded almost entirely without the involvement of the DPR, which, incidentally, has a budgeting role. The Speaker of the House had a critical role in ratifying the government's rule in lieu of legislation in 2020 relating to State Financial Policy and Financial System Stability in Response to the COVID-19 Pandemic. It was, however, only a vote of approval, with no honest discussion. It shows how powerless parliament is in the face of the government.

In response to public comments, the government budget for 2021 has not been changed. The administration appears to be against public consultations on preventing and containing the COVID-19

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outbreak and its consequences. This circumstance justifies the government's actions. The central government's budget may still be manageable after the initial change, given the government's need to implement swift and quantifiable budgetary steps during the pandemic's early days. It should not be the case during the second modification. As a result, budget initiatives such as the haphazard implementation of the Social Safety Net policy due to beneficiary data concerns work against efforts to minimize and mitigate COVID-19's impact. Conflicts of interest and corruption are possible with these pre-employment card restrictions.

As a result of the pandemic, the Indonesian government's budget policy faces drastic changes. The central government was pleased with the fiscal budget that remained unaltered in 2018. Budget planning is nearing completion, although not by 2020, as required by Law No. 20 of 2019. During the first three months of 2020, the government changed the 2020 State Budget twice by publishing Presidential Regulation No. 54/2020 and Presidential Regulation No. 2020 Respecting Posture and State Budget Details, 2020. The Presidential Regulation was followed by a slew of implementing regulations, such as Minister of Finance Regulation No. 38/2020, which prohibits the budget deficit from exceeding 3% of GDP, budget reallocation and refocusing of Ministries/Agencies, justification for the issuance of debt securities and Indonesian State Islamic Securities (SBSN). Additionally, the government releases ministerial-level rules in the form of a Minister of Home Affairs Regulation, a Minister of Finance Regulation, a Joint Decree of the Two Ministers, and the Ministry of Village, Development of Disadvantaged Regions, and Transmigration, or PDTT. Budget policies focused on regions and villages control the reallocation and refocusing of the budget to address COVID-19, with a particular emphasis on health issues, social safety net assistance, and economic impact response.

National policies affecting state budget changes in 2020 may be observed in the state's revenue, spending, and financing positions. State revenue was previously anticipated to be IDR 2,233.20 trillion but has since been reduced significantly to IDR 1,760.88 trillion (first change) and IDR 1,699.95 trillion (second change). State Expenditures, meanwhile, climbed from IDR 2,540.42 trillion to IDR 2,613.82 trillion (first change) and IDR 2,739.17 trillion (second change).

As a result, the budget deficit increased significantly, from minus IDR 307.22 trillion, or 1.76 per cent of GDP, to minus IDR 1,039.21 trillion, or 6.34 per cent of GDP. The budget deficit, which was initially limited to 3% in the State Finance Law, was later relaxed when Law no. 2 of 2020 concerning the Stipulation of Perppu No. 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the COVID-19 Pandemic and facing threats to the national economy and financial system stability became law. The government is expected to assess initiatives to eradicate the fiscal deficit, including budget funding, in light of Indonesia's economic recovery, which has advanced to 58% of the original goal.

Indonesian local governments have had to adopt a range of strategies in order to respond to the impact of the COVID-19 pandemic on their budgets. One key strategy has been to prioritize funding for essential services such as healthcare, social services, and emergency response in order to ensure that the needs of their communities are met during the pandemic. Local governments have also looked for opportunities to reduce non-essential spending in order to free up resources for more pressing needs. This may involve canceling or delaying non-essential projects, reducing travel and other discretionary expenses, and streamlining operations. In addition, local governments have sought additional funding from various sources, including the national government, international organizations, and private sector partners, in order to support their response to the pandemic and address the impact on their budgets. To further reduce costs, local governments have implemented measures such as reducing staff or contractor costs, negotiating lower prices for goods and services, and implementing energy efficiency measures. Finally, local governments have had to adjust their budget planning and forecasting in light of the uncertainty caused by the pandemic, developing scenarios and contingency plans and revising revenue projections and expenditure plans based on changing conditions.

The government may reduce budget risk in 2020 by up to IDR 73.3 trillion by boosting the efficiency of ministries, institutions, and local governments, but this is a minor amount in contrast to the entire budget

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requirements for COVID-19 and economic recovery, which reached IDR 695,2 trillion. Another alternative greatly favoured by the current administration is issuing government bonds (SUN, or Sovereign Debt Instruments). Although issuing SUN has a massive risk in the long run, and even the interest on the debt is a significant burden on the state budget, this is typically the government's preferred method. The government seems to be looking for the simplest and fastest way to deal with the pandemic.

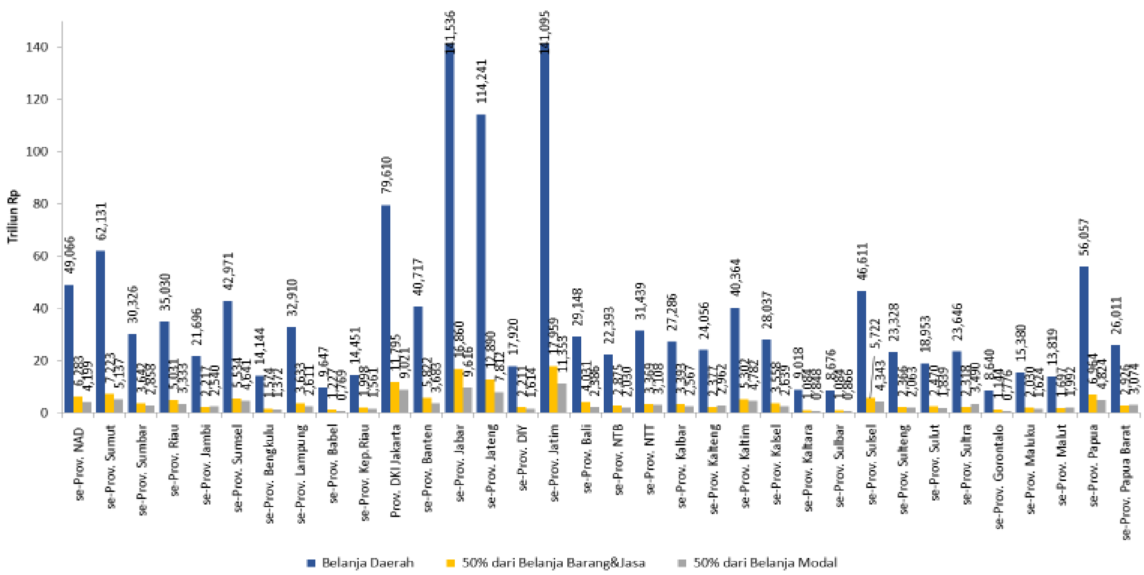
Refocusing and Reallocation of the Local Government Budgets

It is also possible for provincial and district/city budgets to be changed and refocused on COVID-19 prevention and management. It does not matter how big or small a pandemic is in a given area. In the most challenging places, the government allocates a consistent percentage of its budget to all regions, even though the pandemic situation is different in size. There are red zones, orange zones, yellow zones, and areas not affected by the pandemic (green zone). It caused a lot of "confusion" when it comes to budgeting to deal with COVID-19.

Regional commitments to reallocate all money from the Non-Physical Special Allocation Fund (DAK Non-Fisik) for Health to Health and Family Planning Operational Assistance to address COVID-19 are included in these policies. Additionally, province and district governments must reallocate 50% of their regional government budgets for goods and services and 50% for capital investment by 20

According to calculations, a budget of up to IDR. 20.80 trillion of physical special allocation fund (DAK) for the health sector, IDR 15.29 trillion in the form of Health Operational Assistance (BOK) and IDR 278.94 trillion from the reallocation of regional government financial budgets can overcome pandemics in the regions. Many local governments do not follow this policy. The indication is there are around 380 regions that are subject to punishment for the postponement of general allocation funds or revenue sharing funds of 35 per cent per region. Until May 2020, the regional budget for dealing with the COVID-19 pandemic had been around IDR. 85 trillion, which is significantly less than expected

Figure 1. The Budget Reallocation in Province Level / District / Cit



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Among the principal reasons for regional non-compliance with restrictions are each region's unique fiscal capacity and a severe contraction of restricted revenue, particularly in places that rely heavily on tourists. For example, the province of Bali had a revenue decrease of up to 26.58 per cent, or Rp 6.60 trillion. As much as 46.34 per cent of DKI Jakarta's total income of IDR 87.95 trillion was lost.

Another issue is local governments' incapacity to respond quickly to changes in the financial budget position of the regional government (Suparman, 2021; Suryo Prabowo, 2022). Regional government financial allocations for COVID-19 governance must be redirected and refocused, although the regional head makes policy and notifies only the Regional People's Representative Council (DPRD). It cannot be done immediately, as central regulations are constantly changing. Unsurprisingly, most regions have revised their fiscal 2020 budget proposals for local governments up to four times. Budget reallocation and refocusing are necessary to mitigate the pandemic's influence. Redirecting funding from transfers to regions and village funds in 2021 is one of the initiatives that has been implemented in practice through the use of optimized revenue sharing funds to support health care, social safety nets, and economic recovery, as well as the use of at least 8% of allocated funds for the COVID-19 vaccination and incentive payments to local health workers. The regional government's objective is to accelerate budget absorption to employ regional government financial resources to support the community, Micro, Small, and Medium-Sized Enterprises (UMKM/MSMEs), and other stakeholders in coping with COVID-19. They were carried out by the national economic recovery budget and the authorities of each local government. In response to COVID-19, transfers to regions and village funds total IDR 780.48 trillion for 2021, with 37.77 per cent allocated to targeted general allocation and revenue sharing funds, regional incentive funds, village funds, and operational health assistance (BOK). DAU/DBH will pay IDR 10.95 trillion for the acquisition of COVID-19 in August 2021. (with an allocation percentage of 27.97%). In addition, local governments must come up with new ideas and quickly implement policies and work plans.

Numerous innovations from multiple regions can be replicated, for example, those that reduced COVID-19 cases by requiring centralized isolation during peak active chances. Another innovation is a response action that supports farmers in purchasing their crops as a gift to self-sufficient individuals. The Resilient Village (Posko Desa Tangguh) was built with the PPKM Command Post, the Community Information Group's Main Post, and the COVID-19 Ambassador to educate the public about health protocols and to demonstrate how vaccinations aid in the rapid implementation of tracing, testing, and treatment (3T). Additionally, the Resilient Village included checkpoints for residents to check in and out, isolation rooms, and meals for residents who had been exposed to COVID-19. Local governments are experimenting with tax exemptions on land and construction to aid businesses and individuals in reducing their expenses. Recovery's objective is to rehabilitate people's health and economic circumstances during this pandemic (Okfitasari et al., 2021).

Along with advocating for local governments to implement innovation, the vaccination program's target must be met to begin learning to live with COVID-19 and prepare for the transition from pandemic to endemic. At the end of August, Indonesia administered its 100 millionth dose of the COVID-19 vaccine, placing the country seventh in terms of total vaccinations. Providing a dashboard for real-time monitoring of vaccine stockpiles is one technique for increasing immunization in these areas. The government increases allocations and strengthens the vaccinator's support from the TNI/Polri and other institutions, particularly in high-economic-activity and high-mobility agglomeration areas.

COVID-19: The Possibility of Budget Corruption

It is also possible for provincial and district/city budgets to be changed and refocused on COVID-19 prevention and management (Khasiani et al., 2020). It does not matter how big or small a pandemic is in a given area. In the most challenging places, the government allocates a consistent percentage of its budget to all regions, even though the pandemic situation is different in size. There are red zones, orange zones, yellow zones, and areas not affected by the pandemic (green zone). It caused a lot of "confusion" when it comes to budgeting to deal with COVID-19. The COVID-19 corruption case was stunning and strengthened the previously asserted charges. Several anomalies are probably in the budget increase for COVID-19 management (Lima & Serrano, 2022). Indonesia has a dismal track record of mismanaging

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disaster funds, many of which are misused. Similar things kept going after the tragedy, with officials from the Ministry of Public Works and Housing taking part in them.

Regarding this, information for The budget for COVID-19 and PEN management, which totals IDR 695.2 trillion, is therefore susceptible to moral hazard attempts by many interested parties, most notably the government. There was a lack of information and transparency about the handling of COVID-19 at the central and local levels. For example, the procurement of goods and services, one of which is associated with personal protective equipment (PPE, including drugs and vaccines), unorganized social assistance that is not targeted and manipulative, and a conflict of interest in the pre-worker card program. Hence, the commission eradication of corruption in the Republic of Indonesia (KPK-RI) turned into a stop. COVID-19 budget demands openness to ensure that initiatives are targeted appropriately.

According to research, providing social support to residents of DKI Jakarta who are impacted by the government's large-scale social restriction policy continues to be a concern. The following sequence must be followed while updating the Integrated Database (BDT): About 17,000 people eligible for social assistance but not registered because of an "exclusion error" have not been registered. Many groups that were previously not eligible for social assistance have been reclassified as "entitled." The food packages do not include the promised nominal rupiah, which means that about 83% of the poor in DKI are still working outside during a time of widespread social restrictions. Bank account balances found to be about what needs to be done right away is the process of purchasing medical equipment, such as personal protective equipment (PPE) for health workers, rapid test or swab test equipment, and drugs. The public is concerned about the large number of hospital claims for patients or corpses condemned to be exposed to COVID-19. For one reason, COVID-19's budget absorption is also low.

The national economic recovery budget, which included business incentives, corporate financing, and aid to micro, small, and medium-sized businesses, was also subject to transparency and accountability concerns, suggesting that IDR 297.64 trillion in money allocation was neither optimal nor on target. Until now, the social safety net and support for micro, small, and medium-sized firms have not affected public consumption or the economy's slowing growth.

Conclusion

Based on the findings of the research, it can be concluded that the COVID-19 pandemic in Indonesia has had a significant impact on the country's economy and socio-economic situation since the second quarter of 2021. This impact may have included slowing economic growth, increasing unemployment, and reducing government revenues, among other negative impacts. It is important for policymakers in Indonesia to carefully consider these impacts as they develop strategies for mitigating the negative impacts of the pandemic and supporting economic recovery. The government's policy priority is to enable local governments to manage regional budgets to maintain and restore regional economic stability and government operations. Various policy adjustments, particularly to regional loan policies in the future, are expected to provide an alternative funding source for local governments to address the liquidity crisis caused by the regional government's financial budget deficit during the COVID-19 pandemic and help local governments weather difficult times.

There are a number of strategies that can be implemented to reduce budget corruption and misused during the COVID-19 pandemic in Indonesia:

- Implement transparent and accountable budgeting processes: This can involve making budget information publicly available, establishing clear guidelines for budget allocation and expenditure, and setting up mechanisms for monitoring and reporting on budget execution.

- Strengthen internal controls and oversight: This can include establishing clear procedures for budget preparation and execution, establishing independent audit and oversight bodies, and strengthening the capacity of internal audit units to identify and prevent corruption.

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- Enhance procurement processes: This can involve implementing competitive bidding processes, establishing clear rules and procedures for procurement, and implementing measures to prevent conflicts of interest.

- Increase transparency in the use of emergency funds: During the COVID-19 pandemic, governments may have access to emergency funds to address the crisis. It is important to ensure that these funds are used transparently and in accordance with established rules and procedures.

- Engage with civil society and the media: Engaging with civil society and the media can help ensure that budget processes and the use of emergency funds are transparent and accountable. This can involve providing regular updates on budget execution and responding to queries and concerns raised by civil society and the media.

By implementing these strategies, local governments can reduce the risk of budget corruption and misused during the COVID-19 pandemic and ensure that resources are used effectively to address the crisis and support economic recovery.

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