CHAPTER 2

Budget Process and Budget Structure Under the COVID-19 Pandemic in Indonesia

Aichiro Suryo Prabowo

2.1 Introduction

This study seeks to understand the implications of the coronavirus disease 2019 (COVID-19) pandemic for governments' budgets. It rests upon the public budgeting and finance literature and uses a case study of Indonesia, focusing on its central government that manages the national budget. Analysis is done in accordance with the four major phases of the budget cycle devised by Lee et al. (2021): preparation, approval, execution, and evaluation. The Indonesian government's response to the pandemic changed the way government budgets are prepared, approved, executed, and evaluated. Besides, there are fiscal implications, and the discussion is framed around aggregate fiscal discipline and allocative efficiency, which are two of the three public expenditure management elements developed by Schick (1998).

A. Suryo Prabowo (✉)
School of Public Policy, University of Maryland, College Park, MD, USA
e-mail: aichiro@umd.edu

G. Dabbicco et al. (eds.), *Public Sector Accounting, Financial Accountability and Viability in Times of Crisis*, Public Sector Financial Management,
https://doi.org/10.1007/978-3-031-04745-9_2

Section 2.2 of this chapter introduces the context to the early development of the COVID-19 outbreak in Indonesia. The methodology, including budgeting concepts that are utilized to guide data collection and analysis, is reviewed in Sect. 2.3. Then, Sect. 2.4 discusses the Indonesian budget process and assesses how it has adapted to facilitate immediate actions during the COVID-19 emergency period. Section 2.5 analyzes how the budget structure changed in response to the pandemic. Finally, Sect. 2.6 draws conclusions.

2.2 The Context: Indonesia and the Pandemic

In 2019, Indonesia held a presidential election, which granted the incumbent, Joko Widodo (Jokowi), a second five-year term. In a pragmatic move that perpetuated the typical power-sharing among Indonesian elites but attenuated the political divide at the grass-root level, President Jokowi appointed his former rival, Prabowo Subianto, as the defense minister. In the past, under President Suharto's infamous regime, such elite alignment and political cohesion contributed to the emergence of Indonesia's strong developmental state (Vu, 2010). Having formed a solid coalition in the legislature (*Dewan Perwakilan Rakyat, DPR*), the Jokowi administration was following suit and was looking to accelerate the economic development agenda initiated since its first term (Mujani & Liddle, 2021). All this came to a halt as COVID-19 shattered the region.

COVID-19 brought unprecedented challenges and disrupted the global economy, and Indonesia was not immune to its effects. The country confirmed its first positive cases on March 2, 2020, before the World Health Organization (WHO) declared COVID-19 as a pandemic on March 11, 2020. Unfortunately, the president was slow to respond, and some of his ministers initially downplayed the outbreak. The central government was hesitant to impose a nationwide lockdown, worried that it would harm the whole economy and economic growth. Absent clear and coherent directives from the top, local governments were split between imposing and enforcing stay-at-home orders to curb the virus spread and refusing to impose restrictions to keep local economies running. The complexity was coupled with the fact that Indonesia is an archipelagic state: most economic activities are concentrated in Java and Bali, but 75% of the 514 localities (*kota* and *kabupaten*) are scattered across other islands. Meanwhile, citizens grew anxious and small businesses were nervous about the bleak outlook.

The president eventually assembled a multi-agency task force on March 13, 2020, and pronounced COVID-19 a national disaster (*bencana nasional*) one month later. By then, the virus had become so widespread in Indonesia that it was hard to control; data from the WHO COVID-19 Dashboard estimated over 110 new cases daily and 1500 cumulative cases by March 31, 2020 (World Health Organization, 2021). This was just the beginning of more horrifying statistics: at least 55,000 cumulative cases and 2800 deaths as of mid-2020, which increased to more than 740,000 cumulative cases and 22,000 deaths by the end of 2020. These numbers may be understated due to undertesting and underreporting.

As the Indonesian constitution prescribes under such an emergency, the president can issue an executive order (formally known as *Perppu* or Government Regulation in-lieu of Law).[1] He signed the order on March 31, 2020,[2] which one and a half months later earned an endorsement from the legislature to become Law (*Undang-undang, UU*).[3] During his annual State of the Nation address before the People's Consultative Assembly (*Majelis Permusyawaratan Rakyat, MPR*) on August 16, 2020, the president stated that the law "provides legal protection in handling the health and economic crises" (Cabinet Secretariat, 2020a). It serves as the legal basis for the central government to carry out extraordinary measures during this crisis, including to reallocate the necessary budgets, in areas such as public health, social protection, and economic recovery. As this study later finds, the crisis not only had fiscal implications but also changed the way government budgets were managed.

A few days into 2021, after the 2020 Christmas and New Year holidays, there was a rise in intensive care unit and isolation bed occupancy rates (COVID-19 Task Force, 2021). At that time, the average rate was reported at 67% nationally, with major provinces experiencing even higher bed occupancy rates, such as the Special Capital Region of Jakarta (84%), Banten (84%), and Special Region of Yogyakarta (83%). This situation continued to worsen, although a sign of improvement was observed at the beginning of the fourth quarter of 2021, thanks to more aggressive measures like mask mandates, community activities restrictions (*Pemberlakuan Pembatasan Kegiatan Masyarakat, PPKM*), and vaccination programs (Arlinta, 2021; Gitiyarko, 2021). By November 2021, the WHO

[1] Indonesian Constitution, article 22, point (1).

[2] Government Regulation in-lieu of Law No. 1 of 2020.

[3] Law No. 2 of 2020.

estimated over 4.2 million cumulative cases and 143,000 deaths throughout the country, and the government remains alert for potential subsequent waves, as well as the emergence of new variants.

2.3 Methodology

The objective of this study is to analyze changes to the budget process and the budget structure immediately following the coronavirus disease 2019 (COVID-19) pandemic. The study requires context exploration and an in-depth examination of a contemporary phenomenon. Therefore, a case study method is deemed suitable (Yin, 2009). The analysis is geared toward addressing two main questions: (1) how did the budget process adapt to the COVID-19 pandemic, and (2) how has the pandemic altered the budget structure? Both questions are explored using the case of Indonesia, focusing on its central government (hereafter the "government") that manages the national budget (*Anggaran Pendapatan dan Belanja Negara, APBN*). The country is purposefully selected as a representative of developing countries. The fact that Indonesia, the world's third-largest democracy and Southeast Asia's de facto leader, was among the hardest hit, also makes it an interesting case. In July 2021, *The New York Times* reported that Indonesia was "the new epicenter of the pandemic, surpassing India and Brazil to become the country with the world's highest count of new infections" (Abdurachman et al., 2021).

Yin (2009) suggests that a case study inquiry needs to build on the prior development of theoretical propositions to guide data collection and analysis. To that end, public budgeting and finance literature is relevant as a guiding reference. To answer the first research question, analysis is conducted according to the four major phases of the budget cycle described by Lee et al. (2021): preparation, approval, execution, and evaluation. As for the second question, the discussion is framed around two of the three public expenditure management elements developed by Schick (1998): aggregate fiscal discipline and allocative efficiency.

Findings are narrated throughout the following two sections, and interpretations of these findings stand on relevant public budgeting and finance theories and concepts. Furthermore, this study is interested in understanding the mechanism that typically happens behind the scenes. To add rigor to the causal inquiry, process tracing is utilized. The method helps establish that one event takes place before another and that the former is a cause of the latter (Mahoney, 2012). Process tracing involves various empirical tests; one of them requires "smoking-gun" evidence, which provides a sufficient but not necessary condition for confirmation (Bennett, 2010). The absence of smoking-gun evidence does not necessarily eliminate a given claim; its presence, however, provides a strong corroboration to it. In this research, the pieces of evidence, each carrying different evidential weights, include government documents (i.e., laws and regulations, press releases, and audit reports), press conferences and media interviews, publications by international organizations, as well as coverage from national newspapers.

2.4 Budget Process

The budget process in the Indonesian government is lengthy and involves multiple entities (Suryo Prabowo, 2019). The process is a yearly routine, each budget period going through the same phases from ex-ante preparation to ex-post evaluation. It can also be viewed as a cycle because one budget period is connected to the periods before and after. Figure 2.1 captures the cycle from a multi-year perspective; at a particular time, there appears to be an overlap of multiple cycles. For example, while one budget cycle is in operation, the State Audit Board (*Badan Pemeriksa Keuangan, BPK*) is conducting an external audit of the previous cycle and the executive is simultaneously working to prepare the next budget cycle. Each phase influences other phases within a cycle, and each cycle interacts with other cycles. None of the components works in isolation, thus a holdup in one component will delay the whole process.

	2019 Semester 1	2019 Semester 2	2020 Semester 1	2020 Semester 2	2021 Semester 1	2021 Semester 2
FY 2019 Budget	Execution		Audit			
FY 2020 Budget	Preparation	Approval	Execution		Audit	
FY 2021 Budget			Preparation	Approval	Execution	
FY 2022 Budget					Preparation	Approval

Fig. 2.1 General budget process in the Indonesian government. (Note: Illustration is based on the "Scrambled Budget Cycles" in Lee et al. (2021), with adaptation to the Indonesian context)

2.4.1 Preparation

As in many other countries, the process begins with the preparation phase. Around one year prior to the fiscal year (FY), the tripartite Ministry of Planning (*Bappenas*), Ministry of Finance (MOF), and technical ministry or agency (hereafter, "line ministry") liaise to align national priorities, macroeconomic and budget outlooks, and sectoral demands. The result is a budget proposal that is subject to scrutiny and approval from the legislature.

The preparation of the FY 2020 budget predated the arrival of COVID-19 in Indonesia. Because of that, the budget structure was not particularly suitable for pandemic responses. As COVID-19 spread throughout the country in early 2020, the government had to make prompt adjustments to its programs. Therefore, it initiated a revision process, redoing the original FY 2020 budget to produce the amended FY 2020 budget. In March 2020, the president instructed all heads of line ministries to "refocus programs and reallocate budget" by treating COVID-19 as a priority.[4] Such a strong convergence in goal setting had not occurred since the new State Finances Law was passed in 2003. Even in 2008–2009, when the global financial crisis reached the region, the government's original and amended budgets did not explicitly identify the "economic recession" and "financial crisis" as the only challenges to address.

The president also made clear that the finance minister, whose responsibility includes coordinating budget revisions across line ministries, must facilitate a process that is "fast, simple, and accountable."[5] Based on this instruction, the MOF issued new budget preparation guidance in April and August 2020,[6] which had to be followed by line ministries that intended to propose COVID-19 responsive programs. Generally, two types of program revisions at the ministry level are relevant to the pandemic: program changes that alter the amount of budget allocated, and program changes in which the budget allocations stay the same. In both instances, the budget preparation was compressed from normally months of process into weeks or even days, expedited, and made simpler. Two examples of procedural changes under the 2020 guidance are as follows:

[4] Presidential Instruction No. 4 of 2020, point 1.

[5] Presidential Instruction No. 4 of 2020, point 6.

[6] Minister of Finance Regulation No. 39 of 2020; Minister of Finance Regulation No. 117 of 2020.

- The review process is faster. Directorate General Budget, under MOF, typically takes up to five days to review revision proposals submitted by line ministries. Now the same process should take no more than two days.[7]
- The process leverages modern technological tools. Discussion between MOF and line ministries can be done remotely, via phone calls and video conferences. Documents can also be submitted through applications or software developed by the MOF, accessible via the internet.[8]

Anessi-Pessina et al. (2020) argue that during a crisis, budgeting and its revision (or re-budgeting) processes need to be more flexible so that challenges can be addressed in a timely manner. Evaluating the above changes, the Indonesian government was able to answer that call. In terms of budget preparation, the COVID-19 pandemic brought about a procedural improvement through shorter time and better technology utilization, at least from the standpoint of the MOF as the central budget office. Note, however, that not all adopted changes are permanent and will endure in future fiscal years. For example, for the FY 2021 budget, the budget revision guidance reverted to the five-day review process in the Directorate General Budget, although the policy allowing for technological use during the review process remained in place.[9]

2.4.2 *Approval*

The next phase in the budget process is approval, in which the legislature plays an equally, if not more, substantial role than the executive. The president, assisted by heads of line ministries, is conferred with greater authority over priorities setting and its operationalization. But it is the legislature that has the mandate to scrutinize and eventually approve the budget proposal. The legislature examines detailed performance information under each line ministry, like organizational units, programs, activities, and types of expenditures.[10] The Indonesian parliament is comprised of factions from multiple political parties. Hence, bargaining and compromises are

[7] Minister of Finance Regulation No. 39 of 2020, article 7.
[8] Minister of Finance Regulation No. 117 of 2020, article I.
[9] Minister of Finance Regulation No. 208 of 2020, article 20.
[10] Law No. 17 of 2003, article 15, point 5.

bound to happen to marshal the required majority approval. The borderline between budget preparation and budget approval phases could become blurred as this part involves a considerable amount of negotiation between the executive and the legislature. In normal times, the legislature approval, which officially transforms a budget proposal into the budget law (*Undang-undang Anggaran Pendapatan dan Belanja Negara, UU APBN*), must be completed two months before the corresponding fiscal year starts.[11] This approval phase, however, was bypassed during this emergency period. The requirement for legislature scrutiny on any proposals to include responsive programs to the FY 2020 amended budget was lifted to facilitate immediate government actions.[12]

Indonesia had experienced another crisis in 2008–2009, albeit less severe (Basri & Rahardja, 2010). Responding to the global financial crisis, the executive and legislature agreed to include articles in the 2009 budget law that allowed for flexibility in budgeting and financing should there be an emergency.[13] The articles were explicit about what would be considered an emergency, such as plummeting economic growth to a level below the macroeconomic assumptions, increase in debt financing costs, or a systemic crisis affecting the national banking and financial system. In such instances, the executive branch could seek immediate approval from the legislature to spend on emergency programs not originally planned or even to overspend the initial budget. The government also had leeway to pursue budget virement, obtain additional financing (i.e., from bonds issuance or international creditors), and make use of prior years' surplus cash (*Saldo Anggaran Lebih*, *SAL*). Even after the 2008–2009 recession abated, these provisions were retained in the budget legislation and have since been improved. It is meant to be part of timely fiscal policies that will safeguard the Indonesian economy during a crisis, and it could not have been more relevant than in the COVID-19 pandemic.

This legislature approval requirement was back in force when the government undertook the FY 2021 budget preparation. Fortunately, the institutional design is so rigid that timely legislature approval is almost certain. In the case of deadlock, or if the legislature does not approve the proposed budget, the executive is automatically authorized to spend as much as the previous year's budget ceiling. Table 2.1 summarizes the

[11] Law No. 17 of 2003, article 15, point 4.

[12] Minister of Finance Regulation No. 39 of 2020, article 14.

[13] Law No. 23 of 2008, article 23.

Table 2.1 Presidencies and dates when the original and amended budgets are passed, FYs 2004–2022

(1) FY budget	*(2) Presidency*	*(3) Original budget passed*	*(4) Amended budget passed*
2004	Megawati	December 9, 2003	October 18, 2004
2005	Megawati; Yudhoyono	October 18, 2004	July 11, 2005; October 25, 2005
2006	Yudhoyono	November 18, 2005	October 9, 2006
2007	Yudhoyono	November 15, 2006	September 22, 2007
2008	Yudhoyono	November 6, 2007	May 7, 2008
2009	Yudhoyono	November 10, 2008	August 25, 2009
2010	Yudhoyono	October 29, 2009	May 25, 2010
2011	Yudhoyono	November 19, 2010	August 10, 2011
2012	Yudhoyono	November 24, 2011	March 31, 2012
2013	Yudhoyono	November 16, 2012	June 18, 2013
2014	Yudhoyono; Jokowi	November 14, 2013	June 30, 2014
2015	Jokowi	October 14, 2014	March 6, 2015
2016	Jokowi	November 25, 2015	July 26, 2016
2017	Jokowi	November 17, 2016	August 21, 2017
2018	Jokowi	November 20, 2017	–
2019	Jokowi	November 22, 2018	–
2020	Jokowi	October 18, 2019	April 3, 2020; June 24, 2020
2021	Jokowi	October 26, 2020	
2022	Jokowi	September 30, 2021	

Source: Compiled by author from the budget legislations (Laws and Executive Orders) FYs 2004–2022. This study deliberately selects FY 2004 as the starting point because it is the year after the modern State Finances Law of 2003 was enacted and became effective

dates of the passage of the budget laws across different presidencies from 2004 to 2022. As shown in Column (3), the budget law is always passed before the corresponding fiscal year begins. Despite the pandemic, the FY 2021 budget was appropriately authorized on October 26, 2020, and the FY 2022 budget was authorized on September 30, 2021. The discipline to pass the budget law overcomes the inevitably political nature of the process.

Table 2.1 also shows the government's inclination to make mid-year budget amendments. The scope of scrutiny is usually narrower in the amended budget review than in the original budget review. Nevertheless, it is a tedious undertaking as both the executive and legislature need to collectively revisit and rework their plans. As seen in Column (4), prior to

2020 the budgets went through revisions every year, with two exceptions: in 2018 and 2019, for the first time since the State Finances Law era, the government decided to not pursue any budget amendments; the finance minister claimed that this forbearance would "encourage ministries and agencies to focus on implementing their budget plan to the full extent" (Indrawati, 2018). However, the COVID-19 pandemic set the government back to the mid-year budget amendment track, in April and June 2020.

In 2005, the national budget was also amended twice, but that was due to an internal factor, namely, the leadership transition from Presidents Megawati to Yudhoyono. The 2020 revisions, unlike the 2005 ones, were driven by an exogenous shock. The double-round budget amendments, along with the president's executive order, are indicative of the crisis and signify how much uncertainty the Indonesian government faced at that time.

2.4.3 Execution

The budget law contains estimates of the government revenues and expenditures for the upcoming fiscal year in Indonesia, which formally runs from January 1 to December 31. It serves as the legal basis for detailed appropriations across line ministries and identifies how much they can spend on each program. With that, spending units in each line ministry can begin the procurement process and look for suppliers of inputs (i.e., goods and services) to execute the programs.

The presidential regulation on procurement prescribes that under emergency circumstances (i.e., disasters and social conflicts), special procedures will take effect so that urgent actions can be taken.[14] This, clearly, applied to the COVID-19 pandemic. Technical guidance for its implementation is further laid out by the National Procurement Agency (*Lembaga Pengadaan Barang/Jasa Pemerintah, LKPP*) regulation.[15] Certain provisions applicable during normal times, such as requirements to announce open bidding through the national procurement website, conduct thorough price assessment, or select third-party suppliers through competitive bidding, were temporarily waived.[16] Overall, the process was

[14] Presidential Regulation No. 16 of 2018.

[15] National Procurement Agency Regulation No. 13 of 2018.

[16] Head of National Procurement Agency Circular Letter No. 3 of 2020.

simplified, leading to quicker turnarounds, with hopes that inputs such as medical supplies and protective equipment would be ready by the time they are needed as part of the government COVID-responsive programs.

While simplified procedures enable urgent purchases and bring about faster program delivery, they also come with risks. Without competitive bidding, similar goods and services may cost more. As controls are eliminated, there is greater opportunity for fraudulent practices throughout the procurement process. Budget execution encounters a tradeoff between flexibility and accountability. Being aware of such risk, the government carried out multiple mitigation strategies. The president specifically gave instructions to the Government Internal Auditor (*Badan Pengawasan Keuangan dan Pembangunan, BPKP*) to supervise and oversee the line ministries' compliance with the LKPP provisions for ensuring reliability.[17] At the same time, LKPP emphasized that, in the event of non-competitive selection, the supplier must either have a good record of providing similar goods or services to the government or be electronically registered in the government vendor database.[18]

Yet, corruption cases remain prevalent to date. In mid-2020, the Corruption Eradication Commission (*Komisi Pemberantasan Korupsi, KPK*) arrested the then-Minister of Social Affairs for receiving bribes to select particular suppliers for COVID-related programs. KPK also named public officials (*walikota, bupati*) in several local governments, along with their confidants and business counterparts who benefited largely from the delicate situation, as suspects in graft cases (Harbowo, 2021). Indonesia has had a long history of public corruption and that sadly did not seem to dissipate during this crisis. When President Jokowi took office in 2014, the country's Corruption Perception Index score was 34 (out of 100), placing the country behind China (36), India (38), Malaysia (52), and Singapore (84). In 2020, Indonesia's relative position remained behind these neighboring countries, and its score only marginally improved to 37 (Transparency International, 2020).

At the end of 2020, the government claimed to have spent 94.7% of the budget (State Audit Board, 2021), as Table 2.2 illustrates. This implies that not all funds were used according to the initial plan. One possible explanation for this is that the competitive procurement process generated cost-efficiency in some programs, and hence the actual outlay was lower.

[17] Presidential Instruction No. 4 of 2020, point 6.

[18] Head of National Procurement Agency Circular Letter No. 3 of 2020.

Table 2.2 FY 2020 budget execution rate

	(1) *Budget (tr Rupiah)*	*(2)* *Actual (tr Rupiah)*	*(3) = (2) / (1)* *Execution rate (%)*
(a) Revenues	1699	1647	96.9
(b) Expenditures	2739	2595	94.7
(c) = (a) – (b) Surplus (or deficit)	(1039)	(947)	91.2
(d) Financing	1039	1193	114.8
(e) = (c) + (d) Remaining balance		245	

Source: State Audit Board (2021)

tr trillion

Another explanation is that some programs were not fully executed, leaving the funds in the government accounts. In previous years, the annual budget execution rates were around or above 90%, but never actually achieved or exceeded 100%: 89.50% (2016), 94.10% (2017), 99.66% (2018), and 94.75% (2019) (State Audit Board, 2017, 2018, 2019, 2020). Note that underspending has no direct bearing on surplus and deficit. Underspending (or overspending) is indicated by an execution rate that is lower (or higher) than 100%. This corresponds to Column (3) in Table 2.2, which is obtained from dividing the actual amount in Column (2) by the initial budget in Column (1). Meanwhile, surplus (or deficit) in Row (c) is the result of vertical summation of revenues in Row (a) and expenditures in Row (b).

2.4.4 Evaluation

The final phase of the budget process is evaluation. Line ministries can individually conduct internal evaluations to study the effectiveness and efficiency of their operations. BPKP can also perform the same oversight over all line ministries. This section, however, focuses more on the external evaluation or audit conducted by the State Audit Board.

Throughout the year, every line ministry engages in economic activities and acquires inputs to deliver programs. All transactions need to be recorded and then presented in a way that complies with the accepted accounting standards. The final products of this exercise are financial statements that contain information about each ministry's financial positions, operations, and cash flows. During the pandemic, no changes or additions were made to the existing accounting standards (*Pernyataan Standar Akuntansi Pemerintahan, PSAP*). The Governmental Accounting Standards Committee (*Komite Standar Akuntansi Pemerintahan, KSAP*), consisting of career bureaucrats and academics responsible for setting governmental accounting standards in Indonesia, argued that the current standards were sufficient, and hence remained effective.[19] Nevertheless, reporting entities are strongly encouraged to maintain transparency and accountability and, accordingly, to disclose material information resulting from the COVID-19 pandemic.

The pandemic potentially affects multiple accounts in the financial statements, summarized in Table 2.3. Additional debt might be incurred to compensate for the shortfall as the economy slows down and the government collects fewer revenues. Social assistance programs involve transfers to beneficiaries, which entail specific accounting treatment using the accrual basis. Given the uncertainty, assets may also decrease in value while the completion of some capital projects is delayed. These, along with other relevant implications of the pandemic, need to be sufficiently disclosed in the financial statements.

As the budget is disbursed and the fiscal year is closed, the financial statements are then submitted to the State Audit Board. Led by a nine-member board selected by the legislature, the Board is designed to be independent of the executive, with a mission to bring about transparency and accountability within the government. It has also been a member of the International Organization of Supreme Audit Institutions (INTOSAI) since 1968, although the role became much more significant only after the State Financial Management and Accountability Audit Law was passed in 2004.[20] From a public choice perspective, however, the intended independence and mission of accountability are not always clear, especially when members are dominated by politicians. Nevertheless, their audit results have often become a public reference to assess how "good" the government is in terms of financial management.

[19] Guidance Letter from the Chairman of Governmental Accounting Standards Committee on July 30, 2020.

[20] Law No. 15 of 2004.

Table 2.3 Accounting guidance to reporting entities during the COVID-19 pandemic

Accounting standard number	*Topic*	*Details*
PSAP 01	Presentation of financial reports	Disclosure in the Notes to Financial Statements is required to explain significant changes to accounts affected by the COVID-19 pandemic
PSAP 02	Budget execution reports, cash basis	Disclosure in the Notes to Financial Statements is required to explain significant changes to cash-based items affected by the COVID-19 pandemic
PSAP 04	Notes to Financial Statements	Sufficient disclosure includes a discussion of the fiscal implications of the COVID-19 pandemic, budget reallocation to contingency accounts, revenue drops due to economic slowdown, and inventories affected by the delay in the completion of construction projects
PSAP 06	Investment accounting	Capital injection to state-owned enterprises as part of stabilization policy, and the possibilities that assets value decrease due to COVID-19
PSAP 09	Liabilities	Debts incurred to finance COVID-responsive programs should be disclosed in the Notes to Financial Statements
Technical bulletin 13	Grants	Grants from the central government to local governments, organizations, or individuals
Technical bulletin 19	Social assistance, accrual basis	Government assistance that is directly transferred to beneficiaries
Technical bulletin 24	Revenues, accrual basis	Reporting tax-related revenues

Source: Governmental Accounting Standards Committee (2020)

The threat of COVID-19 poses challenges to auditing procedures in Indonesia. On one hand, the availability of digital documents is limited, and, on the other hand, mobility to conduct physical inspections is constrained. In November 2020, the State Audit Board issued technical guidance for its auditors conducting financial audits to government entities in an emergency setting like the COVID-19 pandemic.[21] The specified

[21] State Audit Board Regulation No. 4 of 2020.

actions included streamlining IT supports for remote audits, big data analytics, and safety protocol when physical verifications are necessary.

The government engages in two categories of external audits. The first is the audit of financial statements of each line ministry. In its 2021 audit reports, the State Audit Board (2021) suggested that 85 (out of 87) line ministries earned an unqualified (or "clean") opinion for their FY 2020 financial statements. These entities were found to have adequate disclosures, effective internal control, and sufficient compliance with the governmental accounting standards. The second category is the audit of the whole government's consolidated financial reports, which also earned the central government another unqualified opinion. All despite the pandemic, hence the Indonesian government deserves some credit in that regard.

Despite decent execution rates and unqualified opinions, the State Audit Board additionally noted 26 problems with the government's internal controls. Amongst others, these have to do with specific disclosure of tax-related transactions and non-compliance with financial management regulations. In relation to COVID-19, the State Audit Board made several remarks. There was a lack of clarity in the mechanisms to report policies and programs specifically intended to tackle the pandemic. There were also concerns regarding debt vulnerability. For example, key metrics such as debt service to revenues ratio and total debt to revenues ratio were found to be higher than the conventional levels recommended by the International Monetary Fund (IMF). A more elaborate discussion of the fiscal implications of COVID-19 is presented in the next section.

2.5 Budget Structure: A Discussion

The revisions to the FY 2020 budget have changed the budget structure of the Indonesian central government. The discussion in this section is framed around two of the three public expenditure management elements developed by Schick (1998): namely, aggregate fiscal discipline and allocative efficiency. The other element, operational efficiency, considers compliance with rules and controls over government spending; it has been covered in the budget process section, as part of the execution phase, and therefore is not specifically discussed here to avoid redundancy.

2.5.1 *Aggregate Fiscal Discipline*

Aggregate fiscal discipline deals with the totals of two budget flows, revenues and expenditures, and policies to maintain their sustainability over the longer term. Experiences of other emerging economies, including neighboring countries China (Wu & Lin, 2020) and India (Jose et al., 2021), suggest that following the COVID-19 pandemic, the government's total expenditures increase but revenues drop. As a result, fiscal sustainability is challenged by growing deficits, as well as the accumulation of debt. The same fiscal implications are also found among developed countries like South Korea (Kim, 2020), the United Kingdom (Heald & Hodges, 2020), and the United States (Joyce & Suryo Prabowo, 2020). The Indonesian experience appears to be similar. Revisions to the original FY 2020 budget changed the budget structure, which overall is characterized by lower revenues, higher spending, and accordingly greater deficits to be financed, as shown across Columns (6), (7), and (8) in Table 2.4.

Incrementalism explains why the budget tends to increase gradually from year to year (Dempster & Wildavsky, 1979). In the budget process, decision-makers rarely exhaust all alternatives and actively review the whole budget. Instead, the most reasonable action for them is to develop each year's budget based on the previous year's budget. As seen in Table 2.4, from FY 2015 to FY 2019, the government spending outlook was in an upward trend overall, with a relatively small number of changes. The theory also explains how budget increments may encounter a "shift point," typically caused by external factors such as war, depression, and inflation. Within three months of its onset, the COVID-19 pandemic reversed Indonesia's good economic momentum that had been building up at the end of 2019 (Crystallin & Abdurohman, 2021). While COVID-19 would seem to be a plausible impetus for such a budget shift, the figures do not appear to support that. Extending to 2020, when COVID-19 cases were on the rise, and then to FY 2021, the spending remained in an upward trend.

A more obvious "shift" is reflected in the revenue side. The IMF (2021) conveyed that high COVID-19 cases in Indonesia weigh on its growth prospect; in 2020, economic growth was 2.1%, although projected growths in 2021 and 2022 are expected to bounce back to 4.3% and 5.8%, respectively. With COVID-19 around, many businesses had to shut down and people could not travel or work. As overall productivity decreased, the government lost some of its potential revenue sources, including income

Table 2.4 Budget structure FYs 2015–2021 (in trillion Rupiah)

	(1) *2015*	*(2)* *2016*	*(3)* *2017*	*(4)* *2018*	*(5)* *2019*	*(6)* *2020* *(Original budget)*	*(7)* *2020* *(Amended budget I)*	*(8)* *2020* *(Amended budget II)*	*(9)* *2021*
Revenue (tr Rp)	1793	1822	1750	1895	2165	2233	1761	1699	1743
Spending (tr Rp)	(2039)	(2095)	(2080)	(2221)	(2461)	(2540)	(2614)	(2739)	(2750)
Deficits (tr Rp)	246	273	330	326	296	307	853	1039	1006
GDP (tr Rp)	11,526	12,402	13,590	14,839	15,832	17,443*	16,824*	16,391	17,656
Deficits to GDP (%)	2.20	2.15	2.41	2.19	1.84	1.76	5.07	6.34	5.70
Debt to GDP (%)	27.43	28.33	29.40	29.98	29.80			38.68	

Notes: Revenue, spending, deficit, and deficit to GDP ratio are ex-ante estimates according to the budget law of 2015, 2016, 2017, 2018, 2019, and 2020, as well as the two budget revisions as per Presidential Regulations No. 54 of 2020 and No. 72 of 2020. Star (*) marks data that are imputed due to unavailability from the primary source. GDP estimates are from Statistics Indonesia (2021) and Ministry of Finance (2021a). Debt to GDP figures are estimates from Katadata (2021). Exchange rate for 1 USD is around 14,300 Rupiah (Rp) as of November 2021 (Bank Indonesia, 2021). Numbers presented may not add up precisely due to rounding tax and value added tax, as well as non-tax revenues. That put enough pressure on the government that it was required to adjust the revenue estimates down by more than 20%. In 2020, revenue was projected to be Rupiah (Rp)2233 tr (Original Budget) but then corrected to Rp1761 tr (Amended Budget I) and further to Rp1699 tr (Amended Budget II).

Declines in revenues and increases in spending create more deficits. The government saw it coming and therefore relaxed the conventional 3% deficit to Gross Domestic Product (GDP) ratio restrictions through the president's executive order, as an allowance to get around the growing shortfall.[22] As Table 2.4 displays, Indonesia was able to maintain deficits to GDP ratios well below 3% in FYs 2015 (2.20%), 2016 (2.15%), 2017 (2.41%), 2018 (2.19%), and 2019 (1.84%). Without the COVID-19 pandemic, the original FY 2020 budget would have generated a 1.76% deficit. The amended FY 2020 budget and FY 2021 budget estimated the deficit to be as high as 6.34% and 5.70%, respectively.

The leeway is meant to be temporary. The executive order specifies that the deficit to GDP ratio must return to the below 3% level in 2023 and after. Deficits are financed by issuing debt, and as they accumulate, a greater share of the government budget will be devoted to servicing the debt. Also, more government borrowing could theoretically drive interest rates up. All these should be managed prudently if the country does not want to jeopardize longer-term fiscal sustainability while managing the COVID-19 pandemic.

As part of the countercyclical measures toward economic recovery, the government also introduced the National Economic Recovery (*Pemulihan Ekonomi Nasional, PEN*) program (Ministry of Finance, 2020). With a total of Rp695 tr, the stimulus package aimed to improve healthcare capacity, support vulnerable households, and sustain businesses operations. Among the provisions are tax incentives and credit for business (Rp120 tr), stimulus and subsidy for small and medium enterprises (Rp123 tr), and capital injection to state-owned enterprises and financing for corporations (Rp53 tr). The PEN program continued to 2021, although with a significantly smaller budget of only Rp356 tr.

[22] Government Regulation in-lieu of Law No. 1 of 2020, article 2.

2.5.2 Allocative Efficiency

Allocative efficiency is concerned with government priorities and how they are reflected in budget allocations across different sectors. To unpack this, the study analyzes sectoral allocations over the last six years, mainly to identify budget distribution changes in nominal and proportional terms before and after the pandemic struck. The health sector receives special attention, given its relevance to COVID-19 measures. Additionally, three major sectors that have been prioritized under the Jokowi administration—social, education, and infrastructure—are also evaluated. Table 2.5 details sectoral allocations in FYs 2015–2021, capturing budget distributions before and after the COVID-19 outbreak. Rows (1) to (5) describe the nominal expenditures, whereas Rows (6) to (10) lay out the proportion (as a share of aggregate budget) of each sector in a given year.

First, specific in the health sector, the allocated budget increased in nominal terms, parallel to the aggregate budget size that has also been growing. Indonesian law prescribes the government to fulfill a health budget allocation of at least 5% of the total expenditure, excluding salaries for

Table 2.5 Sectoral allocation before and after COVID-19 pandemic

Year	*(1) 2015*	*(2) 2016*	*(3) 2017*	*(4) 2018*	*(5) 2019*	*(6) 2020 OB*	*(7) 2020 AB*	*(8) 2021*
Sector								
Nominal expenditure (in trillion Rupiah)								
(1) Health	65.9	91.4	92.4	109.0	113.6	132.2	212.5	169.7
(2) Social	249.4	259.7	273.3	353.9	378.2	385.3	495.0	419.3
(3) Education	390.1	370.9	406.1	431.7	460.3	505.8	547.8	549.5
(4) Infrastructure	256.1	269.1	379.4	394.0	394.1	419.2	281.1	414.0
(5) Aggregate	2039	2096	2080	2221	2461	2540	2739	2750
As a share of the aggregate annual expenditure (%)								
(6) Health	3.23	4.36	4.44	4.91	4.62	5.20	7.76	6.17
(7) Social	12.23	12.39	13.14	15.93	15.37	15.17	18.07	15.25
(8) Education	19.13	17.70	19.52	19.44	18.70	19.91	20.00	19.98
(9) Infrastructure	12.56	12.84	18.24	17.74	16.01	16.50	10.26	15.05
(10) Aggregate	100	100	100	100	100	100	100	100

Notes: *OB* original budget, *AB* amended budget. Proportions are calculated by author. 2015–2017 sectoral figures are from Ministry of Finance (2018). 2018–2021 sectoral figures are from the Ministry of Finance (2020), except 2020 original budgets are from Ministry of Finance (2019). Aggregate figures are from the budget law of the respective year healthcare workers.[23] As seen in Row (6), the proportion allocated for the health sector remained roughly 5% until FY 2020. After the pandemic, its share jumped to 7.76% in the amended FY 2020 budget and 6.17% in the FY 2021 budget. In his remarks to the legislature, the president expressed his plan to use the increased health funding for procuring vaccines, supporting nutrition programs for pregnant and breastfeeding women and children, curing infectious disease, and accelerating stunting reduction (Cabinet Secretariat, 2020b).

The abrupt jump in the health sector allocations is consistent with Donahue and Joyce's arguments (2001) regarding emergency budgeting and disaster spending in the US federal government. A mixture of political motives and budgetary rules makes it easier for the government to allocate extra funds for response programs rather than for mitigation programs. Similarly, rational politicians and policymakers in Indonesia would have greater incentives to react after a pandemic crisis than to act before it happens. Worthy programs like additional compensation for healthcare workers or promoting vaccine research and development, which would likely not have received additional funding during normal days, easily gained political (and accordingly financial) support amidst the COVID-19 pandemic (Ministry of Communication and Information, 2020; Ministry of Finance, 2021b).

Second, overall budget priorities changed throughout the pandemic. In proportional and nominal terms, significant gains are observed in the health and social sectors immediately after the pandemic. In 2020, allocation to the health sector increased by 60%, from originally Rp132.2 tr to Rp212.5 tr in the amendment. Allocation to the social sector also increased by more than 25%, from Rp385.3 tr to Rp495.0 tr. The proportion allocated for the education sector did not change much—around 20%, in compliance with the constitutional mandate.[24] Meanwhile, allocation to the infrastructure sector was slashed by a little over 30%, dropping from Rp419.2 tr to Rp281.1 tr. During a hearing with the legislature in April 2020, the Minister of Public Works admitted that several projects, such as irrigation networks and dams, were postponed to 2021 because of the budget reallocation to other priorities (Ramli, 2020). Cash management proved to be a reasonable action over the short run given the financial pressure.

[23] Law No. 36 of 2009, article 171.

[24] Indonesian Constitution, article 31, point (4).

The government's decision to trade infrastructure development for health recovery and social protection appears to be only temporary. In FY 2021, budget allocations for health and social sectors are lower than in the amended FY 2020 budget, while infrastructure is back to its pre-pandemic trajectory. As Columns 7 and 8 of Table 2.5 reflect, allocations for health and social sectors decreased by around 16% and 15%, respectively, from Rp202.5 tr to Rp169.7 tr and from Rp495 tr to Rp419.3 tr. This is quite counterintuitive, considering how the pandemic negatively developed in late 2020 and at the beginning of 2021. By spending relatively less on the health and social sectors, the government is more financially constrained in providing essential support for doctors and nurses, low-income households, and communities disproportionately harmed by COVID-19. Meanwhile, the infrastructure budget increased by 47%, from Rp281.1 tr to Rp414.0 tr. Given its tangible and immediate results, building infrastructure would always be appealing to Indonesian politicians and policymakers.

2.6 Conclusion

The COVID-19 pandemic presents new challenges that have changed the way the government budget is managed. As this study finds, all four phases of the budget process in the Indonesian central government adapted. Budget preparation underwent a procedural improvement (i.e., shorter time and better use of technology) and legislature approval was temporarily lifted. In the execution phase, the procurement process was simplified. Meanwhile, the national budget structure also changed in response to the pandemic. In aggregate terms, revenues dropped and expenditures increased, resulting in a growing deficit and debt. As policy priorities shifted, sectoral allocations changed. In the first year of the COVID-19 crisis, budget allocations for health and social sectors increased, while allocations for infrastructure decreased, albeit only temporarily. These are indicative of the implications of the COVID-19 pandemic for the budget structure.

From a normative perspective, there are at least two lessons learned that are relevant for Indonesia and other developing countries going through similar situations today and in the future. First, urgent measures to tackle COVID-19 can be executed only when there is sufficient funding, suggesting the importance of maintaining aggregate fiscal discipline. But even when the money is there, the implementation of programs could still be ineffective if the process to transform input to output—that is, the budget process—is troublesome. In policymaking, processes matter, and budgeting should therefore be treated as a strategic rather than rudimentary element. Second, there is a tradeoff between flexibility and accountability within every design of the budget process. During a crisis, budget preparation, approval, and execution may be simplified; the case of Indonesia shows how these changes enabled urgent purchases and brought about faster program delivery amidst the COVID-19 pandemic. Such flexibility, however, should be carefully designed, since the failure to mitigate the risk might compromise accountability and provide greater opportunity for fraudulent practices, which ultimately harms public interest.

Finally, public budgeting entails abundant technical procedures from ex-ante preparation to ex-post evaluation. But most of it is inherently a political exercise. This study finds how the budget process and budget structure came out differently before and after the pandemic crisis, depending on how politicians and policymakers perceived the situation. Understanding its political nature, however, should not discourage scholars and practitioners, especially those striving for a "better" public budgeting. Rather, it should motivate them to find the middle ground between what is ideal and what is realistic, while pushing the field forward both in theories and in practices.

References

Abdurachman, F., Paddock, R. C., & Suhartono, M. (2021, July 17). The pandemic has a new epicenter: Indonesia. *The New York Times*. Retrieved November 1, 2021, from https://www.nytimes.com/2021/07/17/world/asia/indonesia-covid.html

Anessi-Pessina, E., Barbera, C., Langella, C., Manes-Rossi, F., Sancino, A., Sicilia, M., & Steccolini, I. (2020). Reconsidering public budgeting after the COVID-19 outbreak: Key lessons and future challenges. *Journal of Public Budgeting, Accounting & Financial Management*.

Arlinta, D. (2021, October 9). Penanganan Covid-19 Membaik, Kewaspadaan Tak Boleh Kendur (Handling of COVID-19 improves, people should remain alert). *Kompas*. Retrieved November 1, 2021, from https://www.kompas.id/baca/ilmu-pengetahuan-teknologi/2021/10/09/penanganan-covid-19-membaik-kewaspadaan-tak-boleh-kendur

Bank Indonesia. (2021). *Foreign exchange rates*. Available at https://www.bi.go.id/en/statistik/informasi-kurs/transaksi-bi/Default.aspx

Basri, M. C., & Rahardja, S. (2010). The Indonesian economy amidst the global crisis: Good policy and good luck. *ASEAN Economic Bulletin*, 77–97.

Bennett, A. (2010). Process tracing and causal inference. In H. E. Brady, & D. Collier (Eds.), *Rethinking Social Inquiry: Diverse Tools, Shared Standards* (2nd ed., pp. 207–219).

Cabinet Secretariat. (2020a). *State of the nation address*. Available at https://setkab.go.id/en/state-of-the-nation-address-of-the-president-of-the-republic-of-indonesia-at-the-annual-session-of-the-peoples-consultative-assembly-mpr-of-the-republic-of-indonesia-and-the-joint-se/

Cabinet Secretariat. (2020b). Pidato Presiden Republik Indonesia pada Penyampaian Keterangan Pemerintah Atas Rancangan Undang-undang tentang Anggaran Pendapatan dan Belanja Negara (Presidential Speech on the notes to the budget proposal). Available at https://setkab.go.id/pidato-presiden-republik-indonesia-pada-penyampaian-keterangan-pemerintah-atas-rancangan-undang-undang-tentang-anggaran-pendapatan-dan-belanja-negara-apbn-tahun-anggaran-2021-beserta-nota-keua/

COVID-19 Task Force. (2021). January 5th press conference.

Crystallin, M., & Abdurohman. (2021). Fiscal policy in managing the economic recovery. In B. D. Lewis & F. Witoelar (Eds.), *Economic dimensions of Covid-19 in Indonesia*. Yusof Ishak Institute.

Dempster, M. A., & Wildavsky, A. (1979). On change: Or, there is no magic size for an increment. *Political Studies, 27*(3), 371–389.

Donahue, A. K., & Joyce, P. G. (2001). A framework for analyzing emergency management with an application to federal budgeting. *Public Administration Review, 61*(6), 728–740.

Gitiyarko, V. (2021, August 1). PSBB Hingga PPKM, Kebijakan Pemerintah Menekan Laju Penularan Covid-19 (Government policy to curb COVID-19 transmission). *Kompas*. Retrieved November 1, 2021, from https://kompaspedia.kompas.id/baca/paparan-topik/psbb-hingga-ppkm-kebijakan-pemerintah-menekan-laju-penularan-covid-19

Governmental Accounting Standards Committee. (2020). *Guidance Letter from the Chairman of Governmental Accounting Standards Committee on July 30, 2020.*

Harbowo, N. (2021). *"Arisan" Korupsi Para Kepala Daerah (Corruption "arisan" of local government leaders)*. Retrieved November 1, 2021, from https://www.kompas.id/baca/polhuk/2021/08/18/arisan-korupsi-para-kepala-daerah

Heald, D., & Hodges, R. (2020). The accounting, budgeting and fiscal impact of COVID-19 on the United Kingdom. *Journal of Public Budgeting, Accounting & Financial Management.*

Indrawati, S. M. (2018, December 31). Refleksi akhir tahun (End of year reflection). *Facebook*. https://www.facebook.com/permalink.php?story_fbid=2392045844202737&id=1236496389757694

International Monetary Fund. (2021). *World economic outlook: Managing divergent recoveries, April 2021 edition.*

Jose, J., Mishra, P., & Pathak, R. (2021). Fiscal and monetary response to the COVID-19 pandemic in India. *Journal of Public Budgeting, Accounting & Financial Management*.

Joyce, P. G., & Suryo Prabowo, A. (2020). Government responses to the coronavirus in the United States: Immediate remedial actions, rising debt levels and budgetary hangovers. *Journal of Public Budgeting, Accounting & Financial Management*.

Katadata. (2021). Rasio Utang Pemerintah dari Soeharto sampai Jokowi (Government debt ratio from the Suharto to Jokowi era). Available at https://databoks.katadata.co.id/datapublish/2021/06/09/rasio-utang-pemerintah-dari-soeharto-sampai-jokowi

Kim, B. H. (2020). Budgetary responses to COVID-19: The case of South Korea. *Journal of Public Budgeting, Accounting & Financial Management*.

Lee, R. D., Jr., Johnson, R. W., & Joyce, P. G. (2021). *Public budgeting systems*. Jones & Bartlett Learning.

Mahoney, J. (2012). The logic of process tracing tests in the social sciences. *Sociological Methods & Research, 41*(4), 570–597.

Ministry of Communication and Information. (2020). Inilah besaran insentif tenaga Kesehatan tangani COVID-19 (This is the amount of incentives provided to healthcare workers handling COVID-19). Available at https://kominfo.go.id/content/detail/26181/inilah-besaran-insentif-tenaga-kesehatan-tangani-covid-19/0/berita

Ministry of Finance. (2018). *Advertorial Rancangan APBN 2019 (2019 Budget Proposal Advertorial)*.

Ministry of Finance. (2019). *Advertorial RAPBN 2020 (2020 Budget Proposal Advertorial)*.

Ministry of Finance. (2020). *Advertorial RAPBN 2021 (2021 Budget Proposal Advertorial)*.

Ministry of Finance. (2021a). *Asumsi Dasar Ekonomi Makro*. Retrieved June 15, 2021, from http://www.data-apbn.kemenkeu.go.id/Dataset/Details/1010

Ministry of Finance. (2021b). *Penanggulangan pandemi COVID-19 melalui program pengadaan vaksin dan pelaksanaan vaksinasi COVID-19 (Overcoming the COVID-19 pandemic through the vaccine procurement program and the implementation of the COVID-19 vaccination)*. Available at https://anggaran.kemenkeu.go.id/in/post/penanggulangan-pandemi-covid-19-melalui-program-pengadaan-vaksin-dan-pelaksanaan-vaksinasi-covid-19

Mujani, S., & Liddle, R. W. (2021). Indonesia: Jokowi Sidelines democracy. *Journal of Democracy, 32*(4), 72–86.

Ramli, R. (2020, April 22). Imbas Corona, Ini Proyek-proyek Infrastruktur yang ditunda pemerintah (These are the government projects that are being postponed due to COVID-19). *Kompas*. https://money.kompas.com/read/2020/04/22/060100526/imbas-corona-ini-proyek-proyek-infrastruktur-yang-ditunda-pemerintah

Schick, A. (1998). *A contemporary approach to public expenditure management*. World Bank Institute.

State Audit Board. (2017). *Laporan Hasil Pemeriksaan BPK RI Atas Laporan Keuangan Pemerintah Pusat Tahun 2016 (Report of Audit Results of the 2016 Central Government Financial Statements)*.

State Audit Board. (2018). *Laporan Hasil Pemeriksaan BPK RI Atas Laporan Keuangan Pemerintah Pusat Tahun 2017 (Report of Audit Results of the 2017 Central Government Financial Statements)*.

State Audit Board. (2019). *Laporan Hasil Pemeriksaan BPK RI Atas Laporan Keuangan Pemerintah Pusat Tahun 2018 (Report of Audit Results of the 2018 Central Government Financial Statements)*.

State Audit Board. (2020). *Laporan Hasil Pemeriksaan BPK RI Atas Laporan Keuangan Pemerintah Pusat Tahun 2019 (Report of Audit Results of the 2019 Central Government Financial Statements)*.

State Audit Board. (2021). *Laporan Hasil Pemeriksaan BPK RI Atas Laporan Keuangan Pemerintah Pusat Tahun 2020 (Report of Audit Results of the 2020 Central Government Financial Statements)*.

Statistics Indonesia. (2021). Produk Domestic Bruto (Lapangan Usaha) (Gross domestic product, industry). Available at https://www.bps.go.id/subject/11/produk-domestik-bruto-lapangan-usaha-.html#subjekViewTab3.html

Suryo Prabowo, A. (2019). Performance budgeting in Indonesia: Brief history, progress, and lessons learned. In A. T.-k. Ho, M. de Jong, & Z. Zhao (Eds.), *Performance budgeting reform: Theories and international practices* (pp. 177–189). Routledge.

Transparency International. (2020). *Corruption perception index*. Available at https://www.transparency.org/en/cpi/2020/index/nzl

Vu, T. (2010). *Paths to development in Asia: South Korea, Vietnam, China, and Indonesia*. Cambridge University Press.

World Health Organization. (2020, March 11). *WHO Director-General's opening remarks at the media briefing on COVID-19*. Available at https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19%2D%2D-11-march-2020

World Health Organization. (2021). *Indonesia: WHO Coronavirus Disease (COVID-19) dashboard*. Retrieved October 7, 2021, from https://covid19.who.int/region/searo/country/id

Wu, S., & Lin, M. (2020). Analyzing the Chinese budgetary responses to COVID-19: Balancing prevention and control with socioeconomic recovery. *Journal of Public Budgeting, Accounting & Financial Management*.

Yin, R. (2009). *Case study research: Design and methods* (4th ed.). Sage Publications.