

Policy Strategies in Strengthening Regional Economy During the Covid-19 Pandemic in Greater Malang

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Abstract—The occurring Covid-19 pandemic has an impact on all sectors of life, including the regional economy. Collaboration between regions is extremely important to support strengthening their respective economies. The government's concrete step in dealing with the Covid-19 pandemic is the implementation of intergovernmental relation (IGR). This research aimed to produce an IGR model as a form of strategy to strengthen the regional economy during the Covid-19 pandemic, especially in the Greater Malang area. This study used a qualitative approach where data collection and verification were done through focus group discussion and secondary data. The research location was in Greater Malang consisting of 3 (three) local governments, namely Malang City, Malang Regency, and Batu City. The IGR model was produced by using an interlocal relation and state-local relation approaches. The determinant factors in the IGR model included legal consideration, human resource, and financial. Through this model, it is illustrated the relation pattern of the policy process that takes place between local governments in Greater Malang. The intergovernmental relation policy is one of the most effective alternative strategies to be implemented in Greater Malang to strengthen the regional economy, especially during the current Covid-19 pandemic.

Keywords—IGR, local economic, Greater Malang

I. INTRODUCTION

The Covid-19 pandemic is one of the extraordinary events that occurs in 2020 and has a massive impact on all elements of life. The disaster that attacks the health sector has implications for all sectors; one of which is the economic sector. The economic sector is one of the most affected by this health disaster. Based on data released by the East Java Provincial Government as of September 26, 2020, a total of 42,670 people were confirmed positively with details of 35,543 patients being cured, 4,025 patients being treated, and 3,102 patients who died (Information and Communication Office of East Java Province, 2020). If referring to national data, East Java Province is listed as the second province with the highest number of positive patients after Special Capital Region of Jakarta. One of the areas that have contributed to the high Covid-19 rate in East Java is the Greater Malang area. Greater

Malang consists of 3 (three) regencies/municipalities, namely Malang Regency, Malang City, and Batu City. Data from the East Java Provincial Government as of September 26, 2020 mentioned that there were 1,764 confirmed positive patients in Malang City, Malang Regency 890 people and Batu City as many as 424 people.

If referring to national data, East Java Province is listed as the second province with the highest number of positive patients after Special Capital Region of Jakarta. One of the areas that have contributed to the high Covid-19 rate in East Java is the Greater Malang area. Greater Malang consists of 3 (three) regencies/municipalities, namely Malang Regency, Malang City, and Batu City. Data from the East Java Provincial Government as of September 26, 2020 mentioned that there were 1,764 confirmed positive patients in Malang City, Malang Regency 890 people and Batu City as many as 424 people. The example can be seen as what happened in the United States. As a country known as a superpower country, it is also unable to properly control the spread of Covid-19 and it results in a recession in its economy. It is important to know that the government system is one of the influential points in tackling the Covid-19 Pandemic. That is, it is necessary to know what form of federal government is, what strategy or system is working well or not [1]. The current system is considered not working properly in anticipating the impact of a pandemic.

However, one thing that can be emulated from this superpower country in handling Covid-19 is the implementation of intergovernmental relation. In the concept of a federal state, the application of intergovernmental relations is manifested by how the national, state and local governments work together to answer the Covid-19 problem [1]. The key statement that must be understood here is that the strategy in dealing with a pandemic must be cooperating with intergovernmental involvement at various levels. IGR is about the interconnectedness of governments, people, and policies. Generally lacking in various conceptualizations of IGR is consideration for a “fourth government” also dispersed geographically, though not entirely in a random fashion, throughout the United States [2].

As has been done by the American Federal Government which involves the state in handling Covid-19, the Government of the Greater Malang area also implements the same thing, namely intergovernmental relation. The concepts used tend to be interlocal relation and state-local relation. By referring to the IGR concept from Benton [1], it is stated that the key relations that occur and can be adopted by Greater Malang in producing policies are interlocal relations and state-local relations. Both IGR models are based on two main concepts related to the form of local government. First, local self-government can organize and manage its own government. The interlocal relation approach directs to the presence of relation and cooperation between 3 (three) local governments in the Greater Malang area. Second, state-local government is a regional government institution or regional government organizational unit formed based on the principle of de-concentration. This concept leads to the existence of Baperwil (Regional Representative Body) as the implementing unit for de-concentration and an extension of the East Java Provincial Government.

This research aims to produce an IGR model as a form of local government strategy in the Greater Malang area in strengthening the regional economy during the Covid-19 pandemic. Through the IGR approach, the involvement of 3 (three) regions has become an interesting issue. The characteristics of the three regions in Greater Malang are relatively the same and are located in locations that influence one another. It is considered appropriate to use the IGR approach. The policies produced by the three regions influence one another, so that interlocal relation greatly affects the success of policies in the regions.

II. THEORETICAL REVIEW

A. Public Policy

To understand the definition of policy, Wahab [3] provides several guidelines as follows: a) Policy should be distinguished from decision b) Policy is not necessarily distinguishable from administration c) Policy includes behaviour and expectations d) Policy includes the absence of action or action e) Policy usually has an end result to be achieved f) Each policy has a specific objective or goal, either explicit or implicit g) Policy emerges from a process that lasts all the time h) Policy covers relations that are of a nature between organizations and those that are intra-organizational i) Although it is not exclusive, but public policy covers the key roles of government institutions j) Policy is formulated or defined subjectively. The notion of policy requires further consideration, while policy includes the existing rules. James E Anderson [4] states that policy is "a purposive course of action followed by an actor or set of actors in dealing with a problem or matter of concern" (a series of actions that have a specific purpose which is followed and implemented by an actor or a group of actors in order to solve a particular problem). Policy involves three main components, namely: society, political system, and public policy itself. These three (3) components influence one another. In a study

of public policy in the United States, Dye [5] describes the relation among the 3 (three) components above as in the Figure 1:

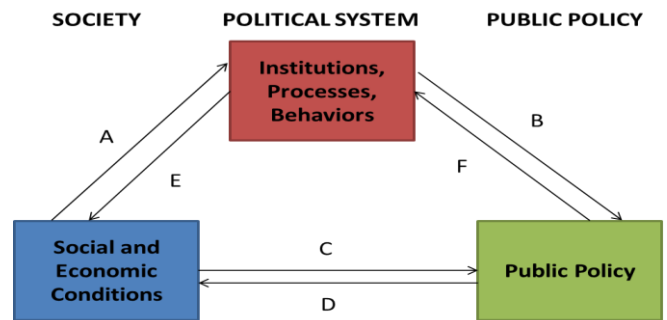


Fig. 1. Policy study: the cause and its consequence [5].

The socio-economic conditions of the community include welfare and income, inflation, recession and unemployment, educational attainment, environmental quality, poverty, racial composition, religious and ethnic profiles, health and life span, inequality and discrimination. Institutions, processes and behaviour in the political system include federalism, separation of power, balance of power systems, parties, interest groups, voting behaviour, bureaucracy, power structures, as well as the congress, president and courts.

Dye's policy triangle can be used to portray public policies in Indonesia which are designed and implemented. In Indonesia, the determined public policies are influenced by the socio-economic conditions of the community, whether related to the level of education, the level of community income, the level of poverty, the quality of life, and the level of competitiveness. Indonesian institutions and political systems influence and are also influenced by the socio-economic conditions of the Indonesian community. These institutions are tremendously complex, covering legal systems, economic systems, political systems, and cultural systems. In this institution, political parties, government (central and local), bureaucracy, parliament and organizations are involved. Political parties and bureaucracy are considered the most prominent in determining a public policy.

B. Intergovernmental Relation Model

Forms and methods of cooperation among regional governments include (1) intergovernmental service contract; (2) joint service agreement, and (3) intergovernmental service transfer [6]. The characteristics of inter-regional cooperation based on intergovernmental networks in local governments have extremely different characteristics from those that rely on rational organization. Cooperation between regions means that there is no single actor in it (collective action) in which this implies that goals are negotiated, mutual understanding is encouraged, and compromises are made between regions that become the members of inter-regional cooperation. Wright [7] provided three models of intergovernmental relations (IGR). Two of the models were very familiar to students of the field. The coordinate authority model depicted the clear separation

between national and state/local relationships and the distinct boundaries separating the levels of government. The inclusive authority model, by contrast, presented a system in which IGRs were based on essentially a hierarchical set of relationships and emphasized the predominant role of the national level [8].

The intergovernmental relation approach often uses the two most popular models, namely the coordinate authority model and the inclusive authority model [7].

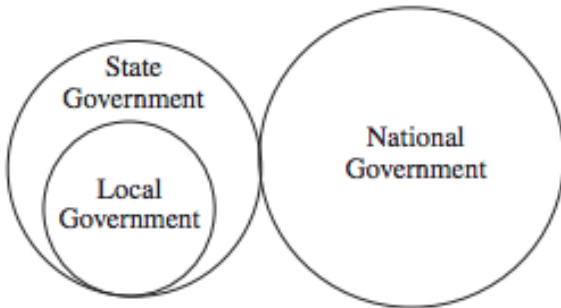


Fig. 2. Coordinate authority model.

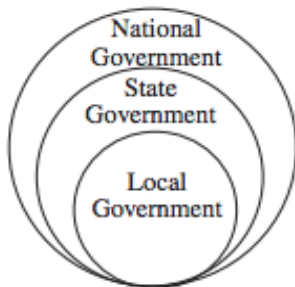


Fig. 3. Inclusive authority model.

The IGRs model cannot be fully adopted into the IGR model in Indonesia, because Deil Wright's IGR model is more inclined towards the federal government. However, this model can be modified into the IGR model in Indonesia.

III. RESEARCH METHODS

This method is used for the following reasons: (1) this research examines in depth (deep) and thoroughly (holistically) related to the policies of the three regions in the Greater Malang in handling Covid-19, especially in the regional economic sector; (2) information collected is dominantly obtained from observations and focus group discussions. The location of this research is in Greater Malang area which consists (1) Malang City has urban characteristics and focuses

on education and entrepreneurial tourism; (2) Batu city has rural-urban characteristics and focuses on agriculture and artificial tourism; (3) Malang Regency has rural characteristics and focuses on agriculture and natural tourism, and (4) regionally, the three areas are in an adjacent area so that connectivity with one another is interconnected.

IV. DISCUSSION

Business actors have made various anticipations in facing the pandemic. This proves that restrictions on human activity and movement have really hit the economy in the region. It is not only business actors who are attempting to survive in the midst of the pandemic, but this also happens within the scope of the government, both central and regional. The main thing that the government has done is to reallocate the budget for health to economic recovery. Based on data from the Ministry of Home Affairs' Directorate General of Regional Finance, the total funds in the Local Government Budget (APBD) that have been reallocated for handling and overcoming Covid-19 have reached IDR 56.57 trillion. There are 528 regional governments (*Pemda*) that have submitted Local Government Budget reallocation and refocusing reports. The budget reallocation and refocusing is directed into 3 (three) main priorities, namely health management, economic recovery, and social safety net provision. For health care post, the total budget allocated is IDR 24.10 trillion or 42.60 percent of the total budget for handling Covid-19. Meanwhile for the economic recovery post, the allocated budget is Rp. 7.13 trillion or 12.60 percent of the total budget for handling the Covid-19. For social safety net provision, it is amounted to 25.34 trillion or 44 percent of the total budget for handling the Covid-19. The following is an overview of regional policies in dealing with Covid-19, especially focusing on policies related to the economy and tourism.

Policies in three regions (Malang Regency, Malang City and Batu City) are a form of regional strategy in minimizing the impact of Covid-19. One of the concrete efforts produced by the Government is through policy formulation. Through policies regulated by the Government, it is expected to be a solution to problems during the pandemic. An interesting thing is when involving local governments in policy formulation. It takes policy alignment to support one another. Not only between the three regional governments, but also the involvement of the Malang Regional Coordinating Board, the East Java Provincial Government, and the central government. Vertical and horizontal cooperation are hallmarks of the COVID-19 crisis. In times of domestic crisis, the national government often provides leadership and resources, but states, and particularly their governors, are still very much in the driver's seat [9].

TABLE I. COMPARISON OF REGIONAL POLICIES DURING AND POST COVID-19

Sector	Malang City	Malang Regency	Batu City
Economic sector policies during the pandemic	<ul style="list-style-type: none"> • Temporary closure of Mall, entertainment venues, and restaurants • Restriction on night activities 	<ul style="list-style-type: none"> • Temporary closure of Mall, entertainment venues, and restaurants • Restriction on night activities 	<ul style="list-style-type: none"> • Temporary closure of Mall, entertainment venues, restaurants, and tourism sites
Tourism sector policies during the pandemic	<ul style="list-style-type: none"> • The annual tourism parade or festival is eliminated • Holding virtual tourism in the Kajoetangan village • In August, the hotel has been operating normally by implementing health protocol. 	<ul style="list-style-type: none"> • The access to Mount Bromo and Mount Semeru is only opened at the end of August and access to the South Coast begins to open gradually • In August, the hotel has been operating normally by implementing health protocol. 	<ul style="list-style-type: none"> • Tourist destinations are closed, and begin to open gradually in August; • In August, the hotel has been operating normally by implementing health protocol.

Based on Figure 2 and Figure 3, it can be used as a reference in implementing intergovernmental relation in Greater Malang. The two figures show the role of the Central Government as a policy maker and is implemented to the regional government, and the central government as the coordinate system in formulating policies in the regions. Modification of the IGR model is one way to produce a model related to overcoming the impact of Covid-19 and economic recovery in Malang Raya.

It is described that the role of government in formulating and deciding is very central and strategic. In the conditions of the Covid-19 Pandemic, the central government used a command and control approach. All policies formulated by local governments must be based on official rules and considerations from the Central Government. Harmonious activities are important points in the response to Covid-19 and economic recovery (Figure 4).

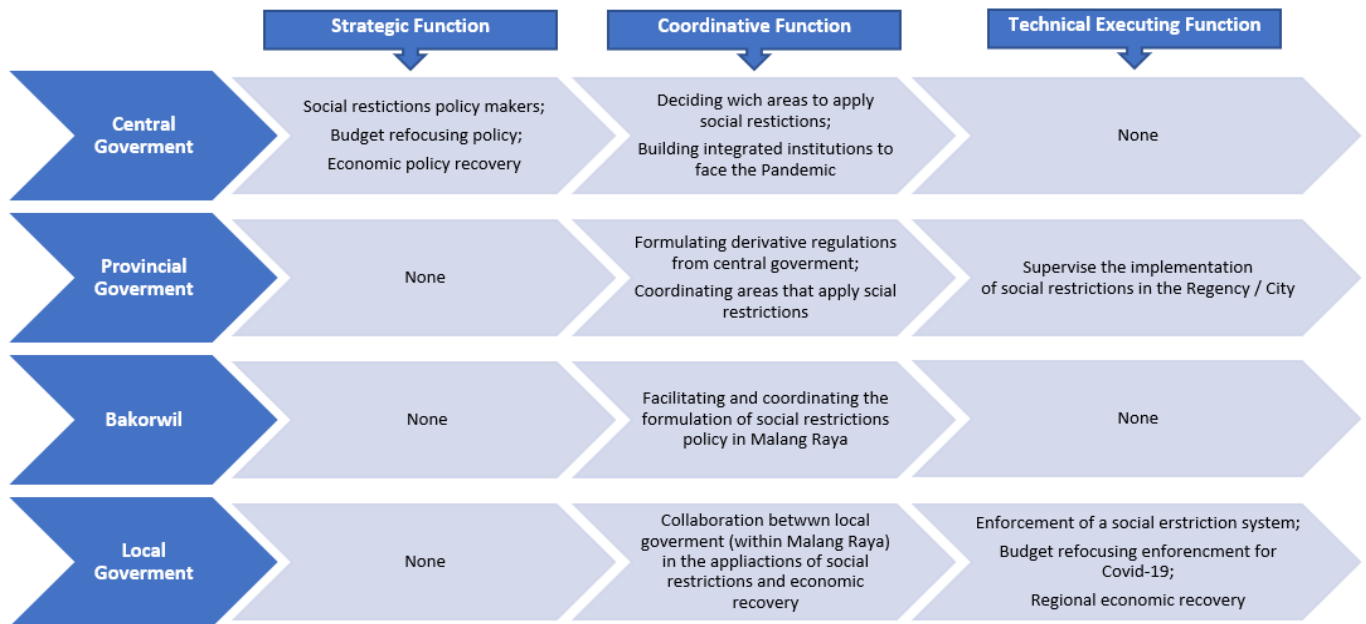


Fig. 4. Interlocal relation and state-local relation model.

Through interlocal relation model, the point that needs to be considered is collaboration improvement; while through state-local relation model, the point that needs to be considered is the policy products made by the central government must be better and right on target [1]. The interesting thing is in Greater Malang, namely the existence of the Regional Coordinating Board (Bakorwil) as a representative institution for the Provincial Government located in the regions. This institution aims to improve the coordination of governance and development in the Bakorwil Malang working area. The main task of the Bakorwil is to coordinate coaching, guiding, supervision, monitoring and evaluation of governance and

development in the Bakorwil Malang working area. The intergovernmental relation model (Figure 3) shows the central role shown in coordinating the three local governments in formulating policies during the pandemic. The involvement of the Governor and the Head of Bakorwil in intervening policies in Greater Malang is tremendously strong so that they are able to coordinate the three regions to formulate policies that are harmonious and relevant.

Initially, in the health sector, the policy to determine the PSBB (large-scale social restrictions) was established in the Greater Malang area to minimize the spread of Covid-19.

PSBB (large-scale social restrictions) in Greater Malang is one of the results of the ongoing intergovernmental relation. However, these policies have direct implications for the regional economy. The closure of tourist attractions, restaurants and restrictions in and out of the city has a direct impact on the economy in the region. After the opening of the PSBB (large-scale social restrictions), the three regions continue to coordinate to control regional conditions and restore the regional economy by formulating various policies. The diversity of regional policies after the opening of the PSBB (large-scale social restrictions) in Greater Malang remains under the coordination of the Bakorwil and the East Java Provincial Government.

V. CONCLUSION

The implementation of harmonious policies among Malang Regency, Malang City, and Batu City has proven to have more concrete impacts on the economic sector. In the current pandemic state, joint and supportive policies are considered to be the most impactful and the most effective ways. The IGR model shows the role of the three regions is extremely crucial in strengthening the regional economy and minimizing the impact of the spread of Covid-19. In addition, the guarantee of policy harmony in Greater Malang is influenced by the existence of Bakorwil Malang. This model indicates the

importance of involvement between local governments in the success of the formulated policies.

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