

Punctuated Equilibrium Policy of Village

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Research Article

Punctuated Equilibrium Policy of Village Government Budget Following the Pandemic

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Abstract.

The pandemic has resulted in changes to public policy, particularly in public budgeting. This is the case not only at the central level but also at local and village government levels. The challenge of changing public policy also occurs in the fiscal policy sector. Village governments are required to reallocate their budgets for activities to handle the pandemic and post-pandemic economic recovery. Hence, this article aims to describe changes in village government budgeting policy changes from the perspective of punctuated equilibrium in public policy studies. The data in this study were obtained through focus group discussions and secondary data collection. The study found that the political equilibrium of a policy cannot last forever. Policy changes occur if there is a change in the agreement between policy-making actors. Public policy changes have so far been understood to occur slowly and gradually. However, this article proves that it can occur drastically and within a short period of time.

Keywords: fiscal decentralization, local autonomy, policy change, public finance, punctuated equilibrium public policy, rural local government budget.

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1. Introduction

The pandemic is one of the reasons for social changes to occur [1–5]. After the pandemic, the public needs changed and these should be prioritized in the government's programs [6–12]. At the same time, fundamental changes occurred on what the government should control and attempt to answer the increasingly more complex challenges. The changes also occurred in the governance and public policy [10]. This is the case not only at the central, but also at the local and village government levels [7]. The public policy change challenges occur in various sectors, particularly in the fiscal policy [13–17]. The fiscal decentralization managed by village government faces its own challenges under the post-pandemic situation. The village fund ceiling in 2022 has been set at IDR68 trillion and it can be allocated to 74,961 villages in 434 regencies/cities throughout Indonesia [18]. It is expected that the village fund distribution can play a role in supporting the National Economic Recovery and Covid-19 handling through:

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(a) Village Direct Cash Transfer (BLT); (b) Funding support for Covid-19 handling of at least 8% of the Village Fund allocation; (c) Village Cash Labor-Intensive projects, i.e., village community empowerment project of productive nature by prioritizing the utilization of resources, labor, and technology from the relevant villages [19]. Village governments are demanded to reallocate their budget to support the projects to address the pandemic and economic recovery after the pandemic. This occurs after the issuance of Ministerial Regulation of Finance of the Republic of Indonesia Number 94/PMK.07/2021 concerning Amendment to the Ministerial Regulation of Finance Number 17/PMK.07/2021 concerning Management of Transfer to Region and Village Fund for 2021 Budget Year to Support the Handling of COVID-19 Pandemic and Its Impacts. In addition, also issued is Ministerial Regulation of Villages, Development of Disadvantaged Regions, and Transmigration Number 7 Year 2021 concerning 2022 Village Fund Use Priority. The regulations specify: (a) the national economic recovery based on village's authority; (b) the national priority programs based on village's authority; (c) mitigation and handling of natural and non-natural disasters based on village's authority. The Presidential Regulation of the Republic of Indonesia Number 104 Year 2021 concerning National Budget Detail for 2022 Budget Year, in essence, sets that: (a) Village BLT shall be at a minimum of 40%; (b) Covid-19 handling shall be at a minimum of 8%; (c) Food and animal security shall be at a minimum of 20%; and (d) other priority programs. This indicates that public policies do not necessarily change incrementally, rather they can also change radically, drastically and at a fast pace.

As has been commonly known, the essence of public policies is the action taken by public actors to solve public issues [20–23]. Public policies, according to Eyestone [24], in a broad sense can be defined as the relations of a governmental unit and its environment. Meanwhile, public policies, according to Anderson [25], is the direction of public actors' actions to deal with public problems or issues. Therefore, public policies in general are understood as public actors' actions to address public problems or issues. However, the fact shows that public policies are frequently rejected by the policy recipients or the stakeholders. This is because the issued public policies are deemed contradictory to the public issues and demands. The public movement shows the public dissatisfaction expression to a public policy. Thus, changes in public policies will always be needed to constantly answer and resolve public issues. Nevertheless, policy changes can also be brought about by changes in the policy external conditions which abruptly demand for a policy to change. This is because, as suggested by Eyestone [24], public policies are the relations between a governmental unit and its environment. Hence, any change in the policy environment will constantly affect the substance of the policy

itself. The determinant factors of public policies include: (a) Public opinion; (b) Advocacy activities; (c) Public opinion on related issue; (d) existence of organization; (e) Multi-issue opinion indexes; (f) The party balance; (g) Macro-level indicators of social, economic, and political conditions [26]. This condition is known as Punctuated Equilibrium [27,28]. This is because there is a time when certain condition causes a radical and abrupt change (issue network disclosure) [29–31].

After the pandemic, some policies on village budget management have been issued as discussed earlier. These policies bring along drastic changes since village budget is instructed to be allocated for some priority programs. Previously most of them would be allocated for village's local economic infrastructure construction. Now, they are intended for economic recovery and mitigation and response to natural and non-natural disasters based on the village's authority. This means that public policies are not always under a stable political balance and do not necessarily change incrementally. On the contrary, this shows a radical and drastic change in public policies within a short period of time. It means that a condition occurs where political balance of a public policies is discontinued or disrupted or more commonly known as "punctuated equilibrium". This article aims at describing the occurrence of changes in village budgeting policy from the punctuated equilibrium perspective in public policy studies. Studies on policy changes in the "punctuated equilibrium" context is a new knowledge and its empirical facts are rarely found. Thus, it can contribute to expand the literature of public policy study.

2. Method

This article aims at describing the occurrence of changes in village budgeting policy from the punctuated equilibrium perspective in public policy studies. The method used in this study is qualitative approach [32–35]. The data were collected using Focus Group Discussion [36] and equipped with data mining techniques for social science [37,38]. The informants came from such elements as bureaucrats, politicians and policy NGOs. The data were analyzed using interactive analysis [33,39]. Additionally, secondary data analysis was also used in this article to ensure further that the research objective is achieved. The use of secondary data analysis will strengthen the primary data since it was enriched with other existing data [40,41].

3. Results and Discussion

The punctuated equilibrium model is suggested by Baumgartner and Jones [42] who adopt it from a concept in the biology study. Biology has this classic evolution approach where living beings move or change gradually within a long period of time. However, the available fossil evidence does not show this gradual change. Some experts would argue that this is because the fossil serving as its evidence has not been found yet. Some other experts believe that this is not because the evidence has not been found, rather it is because there is no such thing as gradual change in the living being evolution. This means that these experts believe that changes do not occur gradually, rather they happen radically and within a brief period of time.

3.1. The Balance of Political Power

Based on the punctuated equilibrium approach, public policy theorists also see the same phenomenon in the public policy process, i.e., a condition where a public policy can change drastically or radically within a relatively short period of time. The process during which a public policy changes, in the classical theorist's point of view, is gradual and within a long period of time. The change is incremental, following the needs during the situation and condition at that time. However, modern theorists do not view it the same way. Modern theorists such as Baumgartner and Jones [43] hold a view that public policy process changes radically within a relatively short period of time. Baumgartner and Jones [28] suggest that the political balance of a policy (policy monopoly) cannot stay stable for a long time. This is because sometimes changes occur radically and suddenly (disclosure of issue network). Hence, the need for a new policy is born.

The radical and abrupt change, i.e. a condition where issue network in the public policy is disclosed, occurs as a result of the disrupted political power balance between the stakeholders that is relatively stable for a long time. This balance of balance is punctuated by a sudden shift resulting from a change in certain circumstances, including in terms of budgeting [44]. The drastic and sudden change can also occur due to a change in public knowledge of the policy issue and balance of power between the groups attempting to fight against the long-rooted interests [45].

After the pandemic, a fundamental change occurs in fiscal decentralization [13,15,17]. Previously, how village budget was allocated was part of the village government's authority. It is now shifted into a top-down policy instruction from the national government. Another change occurs in the village budget components which initially consisted

of allocations for: (1) development spending; (2) regular/employee spending; (3) community empowerment spending; and (4) social activity spendings. After the pandemic, the allocation components changed into: (1) Village BLT spending at a minimum of 40%; (2) Covid-19 handling spending at a minimum of 8%; (3) food and animal security spending at a minimum of 20%; and (4) other priority program spending.

This means a change occurs after the pandemic in the fiscal decentralization at local government level. This indicates that the pandemic disrupts the political balance of a public policy. Thus, demands for new public policies occur in village budgeting which substantially completely different from the previous policies and it occurs not gradually.

3.2. How Do Policy Monopolies Break Down?

Based on punctuated equilibrium approach, the public policy theorists also notice that a condition where a public policy can last in a long period of time is or commonly known as policy monopolies is non-existent [46]. A long period of policy stability is followed by rapid changes. This shows that policy changes are not incremental, public policies will not be under a constant instability. Policy monopolies occur based on the coalition between the government and the interest groups. They then form a policy subsystem in a policy network framework. These policy monopolies are controlled by a number of relatively few or elitist actors.

The pandemic breaks the policy monopolies down [43,45,47]. It also makes the mass media and interest groups' attention shift to an issue. This then drives a change in the policy image and focus. Village governments are demanded to refocus the budget to support the pandemic handling and post-pandemic economic recovery. This happens after Ministerial Regulation of Finance of the Republic of Indonesia Number 94/PMK.07/2021 concerning Amendment to Ministerial Regulation of Finance Number 17/PMK.07/2021 concerning Management of Transfer to Regions and Village Fund for 2021 Budget Year in Supporting the Handling of COVID-19 Pandemic and Its Impacts. In the punctuated equilibrium approach, this phenomenon occurs because the policy monopoly can no longer be under a stable condition continuously within a relatively long period of time.

4. Conclusion

The pandemic serves as one of the reasons for the changes in public policies which should be the priority programs in the governance and fiscal policies in all government

levels, including village government. For this reason, the fiscal decentralization managed by village governments face their own challenges after the pandemic. Village governments are demanded to reallocate their budget to support the handling of the pandemic and the post-pandemic economic recovery, in reference to Ministerial Regulation of Finance of the Republic of Indonesia Number 94/PMK.07/2021 concerning Amendment to Ministerial Regulation of Finance Number 17/PMK.07/2021 concerning Management of Transfer to Regions and Village Fund for 2021 Budget Year in Supporting the Handling of COVID-19 Pandemic and Its Impacts and Ministerial Regulation of Villages, Development of Disadvantaged Regions, and Transmigration Number 7 Year 2021 on 2022 Village Fund Use Priority. From the perspective of punctuated equilibrium in public policy studies, this change in village budgeting policies shows that public policies do not necessarily change incrementally. Rather, public policies can also change radically and drastically within a brief period of time. This is because there is a time when certain conditions occur to cause the radical and sudden changes (disclosure of issue network). Changes in public policies are generally understood to occur gradually and slowly, yet this article provides knowledge and empirical facts that changes in public policies can take place within a short period of time drastically. This fact then becomes the strength of this article which gives a relatively new insight and can contribute to the enrichment in public policy studies.

¹ Conflict of Interest

The authors declare that there is no conflict of interest contained in this article publication.

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