



## THE ANALYSIS OF CENTRAL KALIMANTAN PROVINCE APBD POSTURE FOR THE 2021-2023 PERIOD

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**Abstract:** Decentralization empowers local governments to tailor their budgets to meet local development needs. However, effective planning transcends mere identification of priorities and involves adeptly aligning resources with long-term sustainability. This research delves into the APBD realization report of Central Kalimantan Province for the 2021-2023 period, scrutinizing how the budget is harnessed to advance community welfare in alignment with the region's vision, mission, and developmental objectives. Leveraging a combination of literature review and interviews, this study reveals that the decentralization of budgetary resources by regional governments can significantly enhance community welfare and contribute to regional development. Nevertheless, the linchpin for success lies in bolstering regional government accountability in the utilization of the APBD.

**Abstrak:** Desentralisasi memberikan otoritas kepada pemerintah daerah untuk menyesuaikan anggaran mereka agar dapat mengatasi kebutuhan pembangunan lokal. Namun, perencanaan yang efektif memerlukan tidak hanya identifikasi prioritas, tetapi juga penyesuaian dengan sumber daya yang tersedia dan keberlanjutan jangka panjang. Melalui identifikasi laporan realisasi APBD Provinsi Kalimantan Tengah periode 2021-2023, penelitian ini menganalisis sejauh mana penggunaan anggaran dalam mendorong kesejahteraan masyarakat sesuai dengan visi misi dan tujuan pembangunan daerah. Melalui Studi Literatur dan wawancara, penelitian ini menemukan bahwa desentralisasi penggunaan anggaran oleh pemerintah daerah dapat mendorong kesejahteraan masyarakat dan tercapainya pembangunan daerah. Namun, penguatan akuntabilitas pemerintah daerah menjadi syarat utama dalam keberhasilan pemerintah daerah memanfaatkan APBD.

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Budget (APBD). With the implementation of the APBD budgeting scheme, Local Governments gain greater authority in managing finances and prioritizing expenditures for the welfare of local communities (Badrudin, 2012; Febrianti et al., 2019). In the Government Regulation of the Republic of Indonesia Number 2 of 2012 explained that the meaning of the APBD is the annual financial plan of the Regional Government which is discussed and approved jointly by the Regional Government and DPRD and also stipulated by Regional Regulations (Perda). The APBD budget year covers a period of one year, from the 1<sup>st</sup> January to 31<sup>st</sup> December. Based on Law Number 17 of 2003, APBD budget items consist of:

1. The revenue budget consists of: (a) Regional Original Income (PAD), which includes regional taxes, regional levies, results from regional wealth management and other revenues; (b) Balancing Fund section, which includes Profit Sharing Funds from the General Allocation Fund (DAU) and Special Allocation Funds (DAK); (c) Other legitimate income such as grants or emergency funds.
2. Expenditure budget, which is used for carrying out government tasks in the region.
3. Financing, namely any receipts that need to be repaid and/or expenditure that will be refunded, both in the relevant budget year and the following budget year.

The APBD is not just a regional financial plan also a regional government development planning document that reflects the direction of development policy and fair allocation of resources for community welfare (Lisna et al., 2013). Therefore, the APBD as a public sector budget in planning and implementing programs within requires accountability and accountability. However, in reality, many APBD prepared by regional governments, both at the district/city and provincial levels in Indonesia, do not fully reflect the public or society interests (Nasution & Marthalina, 2018; Tryatmoko, 2012). Apart from that, the APBD often does not remember the explanation of the vision and mission promoted by the Regional Medium Term Development Plan (RPJMD). Law Number 25 of 2004 concerning the National Development Planning System mandates that APBD as a reflection of regional budget politics are still mainly used for the benefit of government officials. It can be seen from the findings that the budget allocation for personnel expenditure in the APBD tends to be greater than direct expenditure related to the implementation of programs and activities. Apart from that, spending allocations for matters related to community or public interests tend to be small (Badrudin, 2012).

In fact, the function of the budget includes policies that have been approved and used can be controlled by the public regarding whether they are in accordance with applicable regulations or not and the funding can be used or used as the main ingredient in managing state assets. The

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budget must be able to be absorbed optimally which shows the achievements of the estimated budget over a specific time period. The budget can be absorbed optimally if the work has been carried out and executed based on the planning documents created (Christia & Ispriyarso, 2019). If budget absorption is not optimal, the public's assessment of the government will result in a poor performance assessment (Andrew et al., 2020; Andrews & Van de Walle, 2013).

The results of budget decentralization reforms have profound implications for local development and citizen welfare. Effective planning and allocation will encourage improved service provision, infrastructure development, and increased access to education and health. Conversely, the barriers of usage and accountability can hinder the achievement of these outcomes and impact the overall well-being of society. This research explores in depth the dynamics of the APBD budget decentralization reform of Central Kalimantan Province for the 2021-2023 Period, by examining the posture and use of the budget. Through this comprehensive analysis, we hope to provide in-depth insight into the evolution of these reforms and their impact on local development and the welfare of society at large.

### RESEARCH METHOD

This research was conducted using qualitative research methods in order to explore and understand a central symptom (John W. Cresswell, 2015). In this context, the research focuses on regional budget policies in Central Kalimantan Province, specifically on the structure of the APBD budget for the 2021-2023 timeframe. For this study, the Central Kalimantan Province APBD realization report was utilized by the author to analyze government performance over a specific period. Additionally, this research establishes a connection between the budget structure and the implementation of the vision of Kalimantan Province under the leadership of H. Sugianto Sabran and H. Edy Pratowo, as outlined in the 2021-2024 Regional Medium-Term Development Plan (RPJMD) of Central Kalimantan Province.

### RESULT AND DICUSSION

#### A. Changes in the Central Kalimantan Provincial Budget Posture for the 2021-2023 Period

Table 1: Summary of Central Kalimantan Provincial Budget (APBD) Posture for the 2021-2023 Period (in Billion Rupiah)

No	Categories	Amount (in Billion Rupiah)		
		2021	2022	2023

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	<b>Operation Expenditure</b>	<b>2967</b>	<b>3131</b>	<b>3877</b>
	Employees	1191	1459	1523
<b>1</b>	Goods and Services	1009	1130	1545
	Subsidies		0,025	122
	Grants	746	528	698
	Social Assistance	19	12	109
	<b>Capital Expenditure</b>	<b>872</b>	<b>1054</b>	<b>1806</b>
	Capital of Equipment and Machinery	117	183	287
	Building Capital	166	269	984
<b>2</b>	Capital of Road, Network and Irrigation	546	601	530
	Other Fixed Assets Capital	3	0,888	4
	<b>Unexpected Expenditure</b>	<b>55</b>	<b>256</b>	<b>107</b>
	<b>Transfer Expenditure</b>	<b>689</b>	<b>749</b>	<b>993</b>
	Revenue Sharing	676	741	961
	Financial Assistance	12	7,4	31
	<b>Regional Expenditure</b>	<b>4584</b>	<b>5191</b>	<b>6784</b>

Source: Central Bureau of Statistic of Central Kalimantan Province and Central Kalimantan Provincial Government

The data in Table 1 illustrates that, during the 2021-2023 period, the Central Kalimantan Provincial Budget underwent significant changes in its budget posture, reflecting responses to various development challenges and priorities. This analysis will delineate these changes, the influencing factors, and their impacts on development and public services.

### 1. Changes in Budget Allocations

Throughout this period, there were adjustments in the budget allocation of the Central Kalimantan Provincial Budget. The provincial government could allocate budgets to specific sectors based on development priorities. For instance, there was an increase in budget allocations to the health and infrastructure sectors during the COVID-19 pandemic, signifying an emergency response to address the health crisis and its economic repercussions.

### 2. Factors Underlying Changes

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Several factors underlie the changes in the Central Kalimantan Provincial APBD budget posture during the 2021-2023 period:

- **Health Crisis:** The COVID-19 pandemic stands out as the primary factor influencing budget allocations. Efforts to fortify the health system and address the socio-economic impacts of the pandemic resulted in increased health spending and the provision of social assistance (Aisyah, 2017; Saputra & Mahmudi, 2012).
- **Population Growth:** The population growth and ongoing urbanization in Central Kalimantan Province may lead to an increased demand for infrastructure, education, and public services. This, in turn, could potentially impact budget allocations for these sectors.
- **Economic Development:** Changes in economic conditions, such as economic growth or inflation, can influence local revenues. These changes, in effect, may also affect budget allocations.

### 3. Impact of Changes in Budget Posture

Changes in the budget posture of the 2021-2023 Central Kalimantan Provincial Budget bear significant impacts:

- **Pandemic Handling:** The increased budget allocations for health and pandemic management empower the provincial government to fortify the health system, facilitate the implementation of mass vaccinations, and provide assistance to affected communities.
- **Infrastructure:** Augmented budget allocations for infrastructure can bolster the construction and renovation of roads, public transportation, and other vital projects. These improvements can enhance mobility and the overall quality of life for Central Kalimantan citizens.
- **Education:** An upswing in budget allocation for education can enhance access to and the quality of education in the province. This, in turn, will have a positive impact on the development of human resources.

### B. Trends in Budget Growth and Revenue in the Central Kalimantan Provincial Budget for the 2021-2023 Period

Based on the results of the analysis, significant budget growth in the Central Kalimantan Provincial Budget during this period was influenced by several key factors:

- **Regional Economic Growth:** One of the primary factors affecting budget growth is regional economic growth. Regions experiencing robust economic growth tend

to have higher local revenues, leading to larger budgets (Pangiuk, 2018; Wahyudin & Yuliadi, 2013).

- **Increase in Local Tax Revenue:** A surge in local tax revenue can contribute to an overall increase in local revenue (Horota et al., 2019; Santosa & Rahayu, 2005). Initiatives to boost local tax revenue can significantly contribute to budget growth.

During the 2021-2023 period, the revenue structure of the Central Kalimantan Provincial Budget underwent notable transformations. As a province within Indonesia, the Central Kalimantan Provincial Budget relies heavily on substantial transfers from the central government. Fluctuations in significant government disbursements, specifically in the form of transfer funds and balancing funds, hold the potential to influence regional budget revenue (BPS, 2022). Balancing funds play a constructive role in augmenting regional budget revenue. Furthermore, an enhanced efficacy in local tax and retribution revenue collection can bolster overall budgetary revenues. Regions that exhibit proficiency in collecting local taxes tend to achieve higher budget revenues.

### C. Implications of Budgetary Adjustments on Development and Community Well-being

Modifications in budget posture constitute a fundamental aspect of the public financial management process at the local government level. Assessing the repercussions of these alterations on development and community well-being stands as a crucial endeavor in comprehending the ramifications of fiscal policy on the citizens' quality of life. The substantial growth in budget and revenue within the 2021-2023 Central Kalimantan Provincial Budget may yield consequential impacts, notably:

- **Economic Growth:** Significant budget spending that supports economic growth can generate employment opportunities and stimulate various sectors of the local economy (Cahyadi, 2019). Augmented budgets are instrumental in fostering the advancement of critical areas such as infrastructure, education, and healthcare, subsequently enhancing the well-being of individuals (Siburian, 2020).
- **Development Support:** Increased budget allocations for vital infrastructure elements like transportation, roads, and energy can wield substantial influence on both economic growth and overall welfare. Adequate infrastructure has the capacity to elevate productivity, enhance connectivity, and mitigate production costs (Kurniawan, 2012). Effective infrastructure development can also yield direct and indirect employment benefits, bolster labor mobility, and catalyze the expansion of other economic sectors. Consequently, favorable adjustments in

infrastructure budget allocation can significantly contribute to the sustainable growth of development.

- **Oversight and Accountability:** The swift expansion of budgets necessitates stringent management and a high degree of accountability to forestall fund misappropriation and ensure judicious expenditure. Local governments bear a pivotal responsibility in upholding budgetary accountability (Witono et al., 2021).
- **Enhanced Educational Quality:** Augmented budget allocations to the education sector wield significant positive implications for both development and community well-being. Committing resources to education amplifies labor productivity, aids in curbing unemployment rates, and elevates the caliber of human resources (Andinata et al., 2018). With heightened accessibility to education and an elevated standard of educational offerings, individuals gain increased opportunities in the labor market and are better poised to contribute to economic expansion. Consequently, a surge in the education budget exerts a favorable impact on economic growth and the welfare of individuals.

Changes in budget posture, particularly those that bolster social welfare programs encompassing social assistance, healthcare, and housing, can yield a favorable influence on the general welfare of the community. An enhanced budget posture exerts an impact not only on the economic vitality of the region but also on the life expectancy of its inhabitants. Through proficient budget governance, regional progress will gather momentum, consequently mitigating poverty and narrowing income disparities. Therefore, alterations in budget posture that allocate resources to enhance social welfare stand to elevate overall welfare levels.

## CONCLUSION

Over the years, Indonesia has undergone several phases of decentralization, each characterized by reforms aimed at enhancing the efficacy of local budgets. This evolution encompassed the introduction of fiscal transfers, fortifying the capacity for local financial management, and refining reporting mechanisms. These reforms were instituted with the intention of striking a balance between local autonomy and accountability. Moreover, decentralization grants local governments the authority to allocate their budgets toward service delivery and developmental initiatives. Nonetheless, this newfound prerogative must be accompanied by robust mechanisms for accountability and transparency. A comprehensive analysis sheds light on how the local governments of Central Kalimantan province allocated budgetary resources throughout the 2021-2023 period. On the whole, the financial performance



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of the Central Kalimantan provincial government, as gleaned from the APBD realization report for the 2021-2023 period, demonstrates a positive trajectory, even in the face of fluctuating economic growth due to the Covid-19 pandemic.

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