

**Research article**

# The Strategy of a Tourism Office in Facing Refocusing and Budget Reallocation

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**Abstract.**

The Covid-19 pandemic is not only a health problem but has also affected the economy. Economic growth has contracted so it has been necessary for the Indonesian Government to make program adjustments and reallocate the budget to anticipate further impacts. The tourism sector has been a center of attention of refocusing and reallocation of budgets because it is not a primary focus in dealing with Covid-19. This study sought to reveal the strategy of the Tourism Office of Maros Regency to deal with the refocusing and reallocation set by the Central Government in the context of dealing with the Covid-19 pandemic. The results revealed that budget refocusing and reallocation were carried out as an effort to better cope with Covid-19 by focusing on health, social safety nets, and mitigating economic impacts. For programs that are considered pillars of tourism, the Tourism Office only changed the volume of activities so that tourism activities could continue to run. The Tourism Office tried to remain consistent with the existing tourism planning to achieve the tourism targets that had been previously determined. Tourism planning is also a requirement for the Tourism Office to obtain Special Allocation Funds from the Ministry of Tourism, both physical and non-physical. This is one of the budget sources that has made tourism activities in Maros Regency continue to thrive during the Covid-19 pandemic.

**Keywords:** strategy, tourism office, Covid-19, refocusing, reallocation

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## 1. Introduction

### 1.1. Introduction

Corona Virus Disease-19 (Covid-19) has hit the world, includes Indonesia. As reported, Indonesia officially announced that the initial case was on March 2, 2020 [1]. Since this news, the Covid-19 pandemic has been declared a non-natural national disaster through Presidential Decree No. 12 of 2020. Several policies have been issued by the government to prevent the spread of this virus. The public has become accustomed to a health quarantine known as PSBB which is applied in areas with high percentage of Covid-19 infections to maintain physical distancing. In addition to PSBB, the government has also issued regulations on Micro-scale Social Restrictions (PSBM) and the Enforcement of Restrictions on Community Activities (PPKM). These restrictions


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include limitation on school and work activities, religious activities, activities in public places, transportation, and socio-cultural activities. Baldwin and Weder di Mauro stated that this social distraction is one of the causes of the economic downturn [2]. This restriction will cause the closure of economic driving centers. Consumption, production, and investment will decline. Economic growth slumped at -5.32% in the second quarter of 2020 [3]. To anticipate the further impact of Covid-19 on the economy and financial stability, The Government issued Law number 2/2020. In this government law, the central government authorizes local governments to refocus and reallocate budgets. More specifically, the government issued Minister of Internal Affairs Regulation Number 3/ 2020 concerning Refocusing, Reallocation, and Use of APBD (Local Government Budget). The policy of budget refocusing and reallocation is regulated later in Minister of Internal Affairs Regulation Number 39/2020. In this refocusing and budget reallocation, the government will prioritize three areas such as health, social safety nets, and mitigating economic impacts. The adjustment of the program instructed by the government has three focuses such as health, social safety net, and mitigating economic impacts.

In this refocusing and reallocation budget, tourism affairs get more impacts because they are not included in the government's focus during the Covid-19 pandemic. This is in contrast to the situation before the pandemic. Tourism is the second contributor to foreign exchange with a total foreign exchange income of IDR 280 trillion [4]. This foreign exchange income is 5.5% of Indonesia's Gross Domestic Product. Unfortunately, this is the opposite of the conditions during this Covid-19 Pandemic. This is so because this activity instructed the closure of tourism sector activities since it might cause a crowd. In the restriction of community activities, the community is also asked to eliminate mobility in visit. The decline in the number of tourists is certainly unavoidable. Central Bureau of Statistics (BPS) noted that the number of foreign tourist arrivals from January to June 2020 decreased by 59.96% [5]. As a result, business fields related to tourism have decreased drastically. Transportation (and warehousing) is the business field that experienced the most drastic decline of 30.84%. In addition, food and drink accommodation also decreased by 22.02%. This study seeks to reveal the strategy of the Tourism Office to deal with the refocusing and reallocation of the budget set by the central government in the context of dealing with the Covid-19 Pandemic. The next section discusses the literature review, research method, findings and discussion, and conclusion.

## 1.2. Literature Review

### 1.2.1. Government Budgeting

Governmental Accounting Standards Board (GASB) mentioned that budget is a financial operating plan that includes an estimate of the proposed expenditure, and the expected source of income to finance it within a certain period [6]. Anthony and Govindarajan view budget as a tool for short-term planning and control covering a period of one year [7]. The important characteristics of the budget are monetary units, the scope is one year, contains a commitment from the implementer, this budget has been approved by an official higher than the executor, changes occur only in special circumstances, and deviations that occur must be analyzed. In government, the budget is called National/ Local Government Budget (APBN/D). APBN/D is planned annually and approved by members of the House of Representatives. In budgeting, the existence of limited funds owned by the government is the reason why budgeting is the most important mechanism for resource allocation. According to Mardiasmo, budgeting in public sector organizations is a fairly complicated stage and contains high political nuances [8].

### 1.2.2. Refocusing and Reallocation of Budget

One of the characteristics of budget is its flexibility, which means that it can be reallocated under certain/special conditions. The Covid-19 pandemic was declared by President Joko Widodo in the Presidential Decree of the Republic of Indonesia Number 12 of 2020 as a national disaster. The government seeks to overcome this through synergies between ministries/agencies and local governments supported by budget availability. Therefore, the government is refocusing and reallocating the budget for health, social safety nets, and mitigating economic impacts.

Refocusing is an effort to reorganize government programs and reallocate budgets leading to adjustment steps, which is done by changing the APBD [9]. Weston et al. revealed that an effective decision when the company's position is squeezed is to refocus and reallocate the budget, this will be very helpful in monitoring for managers. Nor, Alias, & Yaacob stated that refocusing is also the right choice taken by a country when the country is faced with a choice to maintain a country's financial stability [10]. In a difficult and tight situation, the government is forced to refocus and reallocate the budget to deal with unexpected and urgent needs without neglecting the routine expenditures of a predetermined area.

## 2. method

This study uses a qualitative approach to get an overview of the research questions with a case study design. Sources of data were obtained from interviews and document reviews taken from the locus of the study, the Tourism Office of Maros Regency. The reason of taking this locus is by seeing that Maros Regency is a Regency in South Sulawesi which has many mainstay tourist objects with natural tourism as its tourism potential. In addition, Maros Regency is also an area with a large number of confirmed cases of Covid-19, even ranking fourth in South Sulawesi.

Interviews were conducted with parties directly involved in the implementation of budget refocusing and reallocation at the Tourism Office Maros Regency, which consisted of the Secretary, Head of the Tourism Division, and Head of the Planning and Reporting Subdivision of the Tourism Office. Document reviews will also be carried out in the form of reviewing existing planning and reporting documents in 2019 and 2020 as years that can represent conditions before and during the Covid-19 Pandemic.

This study was analyzed using the Miles and Huberman model. Data analysis was carried out starting from the time of data collection until after data collection was completed. At the time of the interview, the researcher had analyzed the results of the interview, if the interview answer was assumed to be unsatisfactory, the researcher would deepen the interview, until he could answer the research problem formulation, so that the data was considered saturated.

## 3. Results and Discussion

### 3.1. The Impact of Covid-19 on Tourist office of Maros Recency Activity

Restriction on community activities during the Covid-19 pandemic has forced the Tourism Office to implement a time arrangement system during working hours. The terms WFO and WFH became familiar to employees' working time. Unfortunately, in implementing the WFO schedule, manual attendance lists were applied which allowed for greater fraud. The impact is reduced employee productivity. Activities related to official travel are excluded. This follows the health protocol that recommends reducing community mobility to prevent the spread of the COVID-19 virus.

For the implementation of tourism events, the Tourism Office sorts out activities. Tourism events that are expected to be implemented non in accordance of health

protocols will be eliminated. The element of linkage to the achievement of the vision and mission of the regional head and the work indicators of the service is also a major consideration with the implementation of tourism activities. Consequently, there was a decrease in the number of tourist visits, which decreased by 40.68% from 2019 [11]. The closure of tourist attractions, restaurants, and restaurants also occurred. The Regent has instructed for its closure. The closure of tourist attractions, restaurants, and restaurants has an impact on MSMEs engaged in these fields.

With the decline in the number of tourist visits and closures, the realization of Regional Original Income has decreased drastically. Based on the results of interviews, the realization of Local Government Revenue (PAD) only reached 27%. The Tourism Office's Local Government Revenue (PAD), which relies on tourism objects and creative economic actors in the tourism sector, has become paralyzed due to the Covid-19 pandemic, the Tourism Office stated that the achievements during the pandemic were below 2019.

### **3.2. Refocusing and reallocating the budget at the Tourism Office of Maros Regency**

The refocusing and reallocation of the budget took place at the Tourism Office of Maros Regency. In early 2020, Maros Regency had to reallocate 17% of the budget which is divided for 45 regional apparatus organizations. The distribution was determined by the amount of the local government agencies budget so that routine and mandatory local government agencies expenditures are not disturbed. The budget set aside is for health recovery, social safety nets, and mitigating economic impacts.

There are no problems in implementing the refocusing and reallocation of the budget in this agency. Anticipatory steps were immediately taken to ensure programs and activities continue to run. In anticipating the impact of refocusing and reallocating this budget, the Tourism Office seeks to sort out programs and activities related to improving performance and achieving the vision and mission of regional heads. For programs and activities that are sustainable from the previous year, the Tourism Office seeks to reduce the volume of activities so that programs and activities can continue to run. In addition, seminars and training are held online so that some expenditure items can be reduced.

### 3.3. Tourism Planning is A Strategy during Covid-19

The Tourism Office Maros Regency has provided regional regulations which are the legal basis for the implementation of Maros Regency tourism. This document was created in 2012 in response to Law Number 10 of 2009 concerning Tourism. This regulation will be updated with the Development of a Regional Tourism Master Plan which is currently in the approval process. In tourism supporting documents, there are clear indicators of regional tourism development. This clear indicator makes it easier for other interested parties, such as the Ministry of Tourism, to conduct an evaluation. In addition, this document helps the Tourism Office of Maros Regency to determine the leading tourism programs.

This document has also been proven to help the Tourism Office during the Covid-19 pandemic. The tourism office can easily select programs that should be prioritized when it comes to refocusing and reallocating the budget. A sustainable program can be maintained to run even though there is a reduction in the volume of activities. In addition, with the existence of tourism supporting documents, the Tourism Office can access the Special Allocation Fund, both physical and non-physical. The availability of Special allocation funds access helps the Tourism Office to continue to run the program that has been set.

## 4. Conclusions

This research shows that the Tourism Office is experiencing the impact of budget refocusing and reallocation during the Covid-19 Pandemic. To overcome budget shortfalls due to budget refocusing and reallocation, the Tourism Office conducted program structuring by taking into account the continuity of planning documents and the vision and mission of the Tourism Office and the elected Regent. For programs that are considered pillars of tourism, the Tourism Office only changes the volume of activities so that tourism activities can continue to run. The Tourism Office Maros Regency tries to remain consistent with the existing tourism planning to achieve the tourism targets that have been determined. Tourism planning is also a requirement for the Tourism Office to obtain a Special Allocation Fund from the Ministry of Tourism, both physical and non-physical. This is one of the budget sources that has made tourism activities in Maros Regency continue to strive during the Covid-19 Pandemic.

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