Governed a Pandemic: Centre-Regional Relations and Indonesia’s COVID-19 Response

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COVER IMAGE:
“Location of reported COVID-19_cases_in Jakarta as of 2 April 2020” by Poci.wasiats is licensed under CC BY-SA 4.0.
Leadership, state capacity and societal trust in government are three variables likely to influence the extent to which countries are willing and able to put in place effective measures to contain COVID-19 and mitigate its impacts.¹ And if leadership and state capacity matter, then so too may the distribution of authority for decision-making and implementation between and within levels of government.

Initial analyses of the pandemic responses of unitary and federal states²—and those with more or less centralised health systems³—suggest that while neither is inherently superior, each comes with advantages and disadvantages. Centralisation, for example, may aid coordination and consistency, but at the possible expense of speed of response and the risk of all eggs being in one basket if central authorities get it wrong.

Decentralisation, on the other hand, may tend to produce the inverse of these characteristics.

This focus of this paper is Indonesia, a unitary state that in 2001 transitioned to a largely decentralised system of governance, based upon the principle of regional autonomy. Indonesia faces undeniably formidable challenges from COVID-19. While it remains too early to assess the long-term appropriateness of Indonesia’s COVID-19 strategy, the effectiveness of its initial public health response compares unfavourably with many of its Southeast Asian peers (notably Vietnam, Thailand and Malaysia).⁴

The central government was slow to react to the latent threat posed by the virus, and has since taken a somewhat half-hearted and fragmented approach to halting its spread.⁵ By late October 2020, Indonesia had over 400,000 confirmed cases of COVID-19 and over 13,600 deaths.⁶

Introduction

² Gaskell, Jen and Stoker, Gerry. ‘Centralised or multi-level: which governance systems are having a ‘good’ pandemic?’. British Politics and Policy at LSE, 16 April 2020. Available at: https://blogs.lse.ac.uk/politicsandpolicy/governance-systems-covid19/
⁶ Worldometer Indonesia Coronavirus Cases, 28 October 2020. Available at:
testing rates mean the true number of infections is likely much higher.\(^7\)

One explanation for Indonesia’s apparent reluctance to act—and the nature of its response when it did—rests on particular characteristics of its recent democratic decline: populist aversion to science, rising religious conservatism and polarisation, together with persistent corruption.\(^8\) In contrast, this paper approaches Indonesia’s COVID-19 response from a governance perspective. It examines how Indonesia’s framework for centre-regional relations—particularly as it relates to the management of public health emergencies—has facilitated or hindered timely and coordinated action to mitigate the impact of the pandemic.

**Outline of the paper**
The paper is divided into three sections. The first describes the interlocking web of laws and regulations that define the scope of public health and emergency management measures available to Indonesian policymakers and assign authority to impose those measures between different levels of government. As will be seen, decision-making authority under this framework for pandemic response is skewed heavily in favour of the central government, with regions largely responsible for implementation.

The second section turns to events during the period January—June 2020, and particularly the critical months of March and April. By tracing how the actions of the central government and regional governments have been respectively enabled and constrained by the framework, it draws attention to key points of friction and decision-making bottlenecks. It shows that greatest impact of the current arrangements has arguably been to slow the speed of initial local responses to the pandemic without a corresponding payoff in terms of better national coordination than might otherwise have been the case.

The third and final section briefly considers two other aspects of Indonesia’s COVID-19 response of relevance to centre-regional relations. First, it highlights areas in which administrative coordination between levels of government (and between national ministries) is hampering effective and timely action, despite the locus of decision-making authority being clear. Additionally, it describes how the central government is attempting to use the inter-governmental fiscal framework—and in particular regional incentive funds—to encourage regional governments to combat the spread of the virus.

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Indonesia’s COVID-19 response has been shaped by two legal frameworks: one general and pre-existing, the other specific and enacted in response to the pandemic. The former has its roots in the current iteration of Indonesia’s decentralisation law and the basis on which it divides authority between the centre and the regions, with the detail set out in a series of health and disaster management laws and implementing regulations. The latter comprises a range of additional measures put in place to deal with the unique challenges of COVID-19.

1.1 The 2014 Law on Regional Governance
Apart from six ‘absolute’ governance functions (such as foreign affairs and defence) which remain under the exclusive control of the central government, the 2014 Law on Regional Governance designates almost everything else — including health — as a ‘concurrent’ governance function over which authority is to be shared with regional governments. It articulates a set of principles including efficiency, accountability and national strategic interest as the basis for which elements of each concurrent governance function are to be assigned between levels of government. A lengthy matrix appended to the Law undertakes this assignment at the most basic level across key policy areas.

In practice — and with health being no exception — this means the central government generally sets policy and plays a coordinating function between provinces. Provinces manage a limited range of service delivery and regulatory functions themselves, but primarily guide and supervise the districts/municipalities within their jurisdiction. Although districts/municipalities are not directly accountable to provinces in their own right, provincial governors are empowered to play this role in their alternative capacity as the representative of the central government in their province. The bulk of basic service delivery is then actually carried out by districts/municipalities, financed through their budgets but primarily in reliance on central government transfers. While in theory they enjoy a significant level of autonomy in how they do this, they remain subject to policy directions and standards set by the central government.

1.2 The 2009 Health Law
The 2009 Health Law undertakes a basic inter-governmental allocation of responsibility for the prevention, control and eradication of communicable diseases such as COVID-19. Regional governments

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9 Arts. 9(2) and 10(1) Law No. 23/2014 regarding Regional Governance.
10 Chapter 4, Section 3 Law No. 23/2014 regarding Regional Governance.
11 Art. 13 Law No. 23/2014 regarding Regional Governance.
12 Art. 8(2) Law No. 23/2014 regarding Regional Governance.
are obliged to monitor and publicise the spread of communicable diseases and determine whether, for how long and where confirmed cases must be quarantined. Only the central government, however, can declare an ‘outbreak, epidemic or extraordinary event’, which opens the door to imposing a range of public health measures to help manage and contain it. This must be done in accordance with the ‘applicable law’.

The applicable law includes the 1984 Law on Communicable Disease Outbreaks, the 2018 Health Quarantine Law and the 2007 Disaster Management Law. The general regime they establish is one of centralised decision-making and regional implementation, although precise arrangements vary from law to law. Key provisions of each are outlined below.

1.3 The 1984 Law on Communicable Disease Outbreaks
The Law on Communicable Disease Outbreaks provides a broad framework for regulating all aspects of communicable disease outbreak prevention and management (albeit with nearly all of the detail delegated to government regulation). Predating decentralisation by 17 years, the Law establishes a centralised system of decision-making with regions responsible for implementation.

Only the Minister of Health can declare a disease to be one capable of causing an outbreak or declare an actual outbreak of such a disease. The Minister is responsible for determining the technical measures needed to mitigate an outbreak, but operational responsibility for implementing those measures rests with a district head or mayor. In doing so, he or she reports to the Governor of the province, who also plays a coordinating role in the case of an outbreak in more than one district/municipality within that province.

After a disease is declared under the Law as being capable of causing an outbreak, but prior to an outbreak being declared by the Minister, regional heads of government enjoy a degree of discretion. Upon becoming aware of a suspected outbreak or the presence of an infected person that could spark an outbreak, a regional head ‘must immediately take all necessary steps to address it’. That discretion, however, is subject to the provisions of other laws — including the Health Quarantine Law.

1.4 The 2018 Health Quarantine Law
The Health Quarantine Law is narrower in scope than the Law on Communicable Disease Outbreaks, dealing with only one aspect of the management of communicable diseases. It too establishes a system of centralised decision-making, but with responsibility for implementation shared...
between the central government and regional governments.

The Law enables the President to declare a ‘public health emergency’, defined as ‘an extraordinary public health event characterised by the spread of a communicable disease...that endangers health and has the potential to cross domestic or international borders’. Upon such a declaration being made, the central government is charged with managing health quarantine in a ‘rapid and appropriate’ way, with reference to factors including the scale of the threat, available resources, and economic, security and social considerations. Regions may be involved at the central government’s discretion, and are required to contribute resources for this purpose.

The power to authorise a range of quarantine measures in response to a public health emergency—including hard lockdowns of specific regions or the introduction of large-scale social restrictions (PSBB) such as the closure of schools and workplaces—rests solely with the Minister of Health. In the case of a hard lockdown of a region (whereby movement of people into and out of that region is forcibly restricted) the central government bears primary responsibility for providing the basic necessities of life for both people and livestock within the affected region. It must, however, ‘involve’ the relevant regional government and other stakeholders in this task. Further details regarding these measures are delegated to government regulation, but none had been issued by the time the threat posed by COVID-19 crystallised.

1.5 The 2007 Disaster Management Law
The Disaster Management Law complements the two health-focused laws by seeking to promote more effective whole-of-government responses to communicable diseases outbreaks or epemics, recognised as ‘non–natural disasters’ under the Law. In contrast to the centralised nature of the Communicable Disease Outbreak and Health Quarantine laws, the Disaster Management Law allows for the declaration of a state of disaster by the level of government commensurate with the scale of the occurrence.

Once a state of disaster is declared, national and regional disaster management agencies (established under the Law) are granted a range of enhanced powers to facilitate more timely and effective action. Prior to that, a ‘certain state of disaster emergency’ may be declared by the head of the National Disaster Management Agency (BNPB) with

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19 Art. 10(1) Law No. 6/2018 regarding Health Quarantine.
20 Art. 1(2) Law No. 6/2018 regarding Health Quarantine.
21 Art. 11(1) Law No. 6/2018 regarding Health Quarantine.
22 Art. 5 Law No. 6/2018 regarding Health Quarantine.
23 Art. 6 Law No. 6/2018 regarding Health Quarantine.
24 Art. 49(3) Law No. 6/2018 regarding Health Quarantine.
25 Art. 55 Law No. 6/2018 regarding Health Quarantine.
26 Art. 60 Law No. 6/2018 regarding Health Quarantine.
27 Art. 1(3) Law No. 24/2007 regarding Disaster Management.
28 Art. 51 Law No. 24/2007 regarding Disaster Management.
29 Arts. 10(1) and 18(1) Law No. 24/2007 regarding Disaster Management.
the agreement of a wide range of central government ministries and agencies.\textsuperscript{30} This enables certain preventative or preparatory steps to be taken before a disaster is formally declared (or to mitigate the impact of a disaster after a declaration lapses or is withdrawn).

\subsection*{1.6 Administrative arrangements between ministries and levels of government}

The laws outlined above create a basic framework for pandemic response. However, they do not descend to the level of administrative detail required to promote coordinated decision-making and action between levels of government and amongst sectoral agencies at each level. The World Health Organization identified this as a key area for improvement in a 2017 evaluation of Indonesia’s capacity to implement the 2005 International Health Regulations (a legal framework setting out the rights and obligations of WHO member states in handling public health events and emergencies with the potential to cross borders).\textsuperscript{31}

In what appears in hindsight to have been a fortuitously–timed attempt to address this deficiency, in July 2019 the President issued Presidential Instruction No. 4/2019 regarding Increasing Capacity to Prevent, Detect and Respond to Outbreaks of Diseases, Global Pandemics and Nuclear, Biological and Chemical Emergencies.\textsuperscript{32} It directs ministers, agency heads, governors and district heads/mayors to take a range of ‘coordinated and integrated’ actions for the purposes referred to in its title. Unfortunately, it does so in such a general way as to be of questionable practical value beyond serving to strengthen arguments for making appropriate budget allocations and establishing a framework for reporting on progress.

Nevertheless, as Indonesia was confronted with its first confirmed cases of COVID-19, the President’s Chief of Staff, Moeldoko, was confident the Instruction would provide a sufficient foundation for coordinating Indonesia’s response and that no additional legal instruments would be necessary.\textsuperscript{33} But that assessment soon proved overly optimistic. Less than two weeks later, the central government moved to put in place a number of additional arrangements specific to COVID-19.

\subsection*{1.7 Arrangements specific to COVID-19}

The first was a National COVID-19 Taskforce, established by Presidential Decree on 13 March. The Taskforce was under the day-to-day leadership of the Head of the National Disaster Management Agency (BNPB), former 3-star Army general

\begin{itemize}
\item \textsuperscript{30} Art. 7 National Disaster Management Agency Regulation No. 5/2018 regarding Conditions and Procedures for the Administration of Disaster Management in Certain Circumstances, pursuant to Art. 3(4) Presidential Regulation No. 17/2018 regarding the Administration of Disaster Management in Certain Circumstances.
\item \textsuperscript{32} ‘Inpres Penanganan Pandemi Perkuat Koordinasi Antar-Instansi’. Media Indonesia, 11 July 2019. Available at: https://mediaindonesia.com/read/detail/246438-inpres-penanganan-pandemi-perkuat-koordinasi-antar-instansi
Doni Monardo, and directed by a number of key ministers. Its purpose was to coordinate Indonesia’s COVID-19 response, including promoting ‘synergy’ between ministries, agencies and regional governments and in the making of operational policy. On 29 March Home Affairs Minister Tito Karnavian issued a circular requiring all regional governments to establish their own COVID-19 taskforces, headed directly by the governor, district head or mayor.

On 31 March, the government hurriedly issued a regulation on PSBB under the Health Quarantine Law as the need to apply such measures became increasingly clear. Regional heads of government wishing to apply PSBB must first request approval from the Minister of Health, who must consult with the Head of the National COVID-19 Taskforce in deciding whether or not to approve the request. The Head of the Taskforce can also request that the Minister impose PSBB on a particular region. The procedure for making such requests was subsequently outlined in a ministerial regulation issued on 3 April.

On the economic front, the Government issued a government regulation in lieu of law—subsequently ratified by the DPR—containing a range of measures aimed at promoting economic and financial stability during the crisis, including the reallocation of national and regional budgets for COVID-19 response. Numerous other regulations, decrees and instructions have also been issued to address particular regulatory needs. Notably, in July, the National COVID-19 Taskforce was disbanded and replaced with a Committee for COVID-19 Mitigation and National Economic Recovery. The Committee consists of a Policy Committee chaired by the Coordinating Minister for the Economy, a reconstituted COVID-19 Taskforce led by the Head of BNPB, and a Taskforce for National Economic Recovery and Transformation led by the Vice-Minister for State-Owned Enterprises.

34 Art. 8, Presidential Decree No. 7/2020 regarding the Covid-19 Taskforce. Four ministers were initially appointed to direct the Taskforce: the Coordinating Minister for Human Development and Culture, the Minister of Health, the Coordinating Minister for Political, Legal and Security Affairs and the Minister of Finance. Ministerial representation was increased on 20 March through Presidential Decree No. 9/2020.


36 Government Regulation No. 21/2020 regarding Large Scale Social Restrictions to Accelerate the Management of Corona Virus Disease 2019 (COVID-19).

37 Arts. 6(1) and 6(2) Government Regulation No. 21/2020.

38 Minister of Health Regulation No. 9/2020 regarding Guidelines on Large Scale Social Restrictions for Accelerating the Response to COVID-19.

39 Government Regulation in lieu of Law No. 1/2020 regarding Policy on State Finances and Financial System Stability for the Management of COVID-19 and/or in order to Address Threats that Endanger the National Economy and/or Financial System Stability.
2. Centre-regional relations in the fight against COVID-19

A framework for pandemic response that centralises decision-making authority is naturally dependent on both the ability and willingness of the central government to lead. Yet in the weeks leading up to Indonesia recording its first cases of COVID-19, the attitudes of President Joko Widodo and his senior ministers were characterised by a distinct lack of urgency and increasingly implausible denials that the virus could have reached Indonesia. From that starting point, this section describes how the central government has exercised its power over regional governments in forbidding and authorising, respectively, two particular forms of public health response to the virus—‘lockdowns’ and PSBB.

2.1 The centre’s initial COVID-19 response: leading from behind

While senior Indonesian leaders downplayed the threat of the virus, behind the scenes the central bureaucracy had begun taking at least some preparatory steps. On 28 January the Head of BNPB declared a ‘certain state of disaster emergency’ to facilitate initial preparations for what might be to come, although this was not widely publicised at the time. Shortly thereafter, on 4 February, the Minister of Health made a declaration under the Law on Infectious Disease Outbreaks that COVID-19 was a disease capable of causing an outbreak.

The declaration instructed all levels of government to prepare medical and laboratory facilities to deal with a possible outbreak, and to build public awareness of the risks posed by COVID-19 and how to prevent its transmission (although the extent to which this was acted upon is unclear). Publicly, however, the central government remained deliberately low-key until the confirmation of Indonesia’s first cases on 2 March forced its hand and resulted in the appointment of Achmad Yurianto, the Director-General for Disease Prevention and Control at the Ministry of Health, as its official COVID-19 spokesperson. Thereafter, a bureaucratic tussle ensued to determine which agency would lead Indonesia’s COVID-19 response. This reportedly shifted from the Ministry of Health, to the Office of the President, to the

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40 ‘Health Minister: 0 Coronavirus Cases Due to Prayers and Action’. Tempo.co, 28 February 2020. Available at: https://en.tempo.co/read/1313237/health-minister-0-coronavirus-cases-due-to-prayers-and-action
41 Decree of the Head of the National Disaster Management Agency No. 9A/2020 regarding the Declaration of a Certain State of Disaster Emergency for Coronavirus Disease Outbreaks in Indonesia. This was only uploaded to the BNPB website on 17 March; a Google search indicates media reporting of it commences on that date.
42 Decree of the Minister of Health No. HK.01.07/MENKES/104/2020 regarding the Declaration of the Novel Coronavirus Disease (2019-nCoV Disease) as a Disease Capable of Causing Outbreaks and Procedures for its Management.
Coordinating Ministry for Human Development and Culture until finally BNPB was nominated to lead the National COVID-19 Taskforce on 13 March.44

Two days later (on 15 March) the President asked regional heads of government to monitor conditions in their regions and consult with BNPB about the possible need to declare a state of alert or emergency. He also requested that they make arrangements for students to learn from home and for public servants to work from home,45 despite the legal foundations for such action (a declaration by the Minister of Health under the Health Quarantine Law) not yet being in place.

However, it was not until 31 March that the President activated the Health Quarantine Law by declaring COVID-19 to be a ‘public health emergency’.46 It would then be a further two weeks until the Disaster Management Law was activated with the President’s declaration of COVID-19 as a ‘national disaster’ on 13 April.47

2.2 ‘Lockdowns’: a point of tension between the centre and the regions

Up until mid-March, the main point of friction between the central government and regional governments related to regions announcing cases of COVID-19 prior to their verification and announcement by the Ministry of Health.48 In response, Coordinating Minister for Political, Legal and Security Affairs, Mahfud MD, admonished regional leaders not to ‘dramatize’ the issue or use it as a political soapbox, advising that they should instead focus on calming their citizens and not inducing undue fear of the virus.49 Beyond that, however, the central government had generally not obstructed regions from undertaking whatever preparations they deemed necessary to deal with the likely public health challenges posed by COVID-19.

But as March wore on and more cases started to emerge, many regions wanted to go further and impose some form of ‘lockdown’. While never precisely defined, this was generally understood to mean a restriction on the movement of people into, out of and within regions. On this point, the President stood firm. Justifiably concerned about the economic impact of that course of

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action, and perhaps—like leaders elsewhere—still coming to grips with the gravity of the public health challenge, he stated:

‘Imposing a lockdown, whether at the national or regional level, is the authority of the central government. Regional governments are not permitted to adopt this policy, and we are not thinking at all about imposing a lockdown.’

Recalling the provisions of the Law on Communicable Disease Outbreaks and the Health Quarantine Law, he was, from a strictly legal perspective, correct. But not everyone heeded the message. In open defiance of the President, on 26 March Papua province closed the main airport in Jayapura to all but essential goods and patient transport. On 30 March the municipality of Tegal in Central Java became the first region to impose a ‘local lockdown’ by blockading roads into the city. It was followed a day later by the municipality of Tasikmalaya in West Java. Several districts in Papua also imposed some form of lockdown on their own initiative, against the wishes of the Governor, Lukas Enembe. The sentiment of the Regent of Mimika, Eltinus Omaleng, was illustrative:

‘[We’re going] straight to lockdown, I don’t care. Regions are responsible for the regions; the central government can worry about the centre. But in the regions we have a responsibility.’

As Mahfud asserted, there was almost certainly a degree of political posturing in such statements. But it is also entirely plausible that the views expressed were nonetheless sincerely held. Fear of the virus and its consequences in the early stages of the pandemic may explain the impulse of regional leaders to focus on protecting their immediate communities, compounded by an ingrained sense that decision-makers in Jakarta often lack an adequately nuanced understanding of local conditions and preferences.

While doubtless irritating to Widodo, isolated taunts from small-time local politicians were not a serious affront to his authority. However, the same could not be said for what had been happening right

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54 'Gubernur Papua Barat Imbau Bupati Cabut Status Lockdown'. PapuaKini, 27 March 2020. Available at: https://papuakini.co/2020/03/27/gubernur-papua-barat-imbau-bupati-cabut-status-lockdown/

under his nose in the capital Jakarta, a sprawling, densely-populated mega-city of 10.5 million under the leadership of Governor (and possible 2024 presidential aspirant) Anies Baswedan. As the initial epicentre of the pandemic in Indonesia, Jakarta provides one of the clearest illustrations of how Indonesia’s framework for pandemic response mediated the actions of the central government and regional governments in their early responses to COVID-19.

2.3 Jakarta: ahead of the curve
In contrast to the central government, Jakarta was decidedly more proactive in its approach. Implicitly criticising the central government’s ‘relaxed’ attitude, on 22 April Baswedan framed the issue in the following terms:

‘The problem here is not about the division of authority [between the central and regional governments]. This is a question of whether or not this is an external threat that we need to address. If we don’t address it, well then we wait until the threat manifests here and only then begin putting the pieces in place to take action. But not us. Ladies and gentlemen, you can check the entire record. From the beginning of January, it’s all recorded, [Jakarta] began raising public awareness, preparing hospitals, informing them of symptoms of what was then still known as ‘Wuhan pneumonia’...’

And the record does indeed bear that out. On 29 January, the day after BNPB declared a ‘certain state of disaster emergency’ (and six days before the Minister of Health declared COVID-19 as a disease capable of causing an outbreak), the Jakarta Health Office issued its first circular on COVID-19. Companies and building managers in the city were advised of the possible threat of ‘novel coronavirus pneumonia’ and basic public health measures they should take to combat it. This was followed up just under a month later on 25 February with a Gubernatorial Instruction to all agencies of the Jakarta administration calling for ‘increased vigilance’ towards the risk of transmission of COVID-19.

On 6 March, Baswedan established a COVID-19 response team, a week before the President established a national equivalent. On 14 March, he closed all schools in the capital for two weeks, a day before the President gave all regional heads licence to consider that option. This was

57 Health Office Circular No. 21/SE/2020 regarding Vigilance towards Novel Coronavirus Pneumonia (nCoV), 29 January 2020.
59 Gubernatorial Decree No. 291/2020 regarding a COVID-19 Response Team for DKI Jakarta.
61 ‘Presiden Perintahkan Gubernur, Bupati, dan Wali Kota Monitor Kondisi Daerah’. Sekretariat Kabinet Republik Indonesia, 15 March 2020. Available at: https://setkab.go.id/presiden-perintahkan-
followed on 19 March with a formal (but unenforceable) appeal for houses of worship to close and for the faithful to carry out religious observances at home. The next day, the Governor issued a similar appeal for all offices in Jakarta that could to close, and for those that couldn’t to reduce the number of staff working in their offices. This coincided with a declaration of a state of emergency by Gubernatorial Decree.

2.4 Central government ‘speedhumps’ constrain and delay Jakarta’s response

Up until this point, direct public disagreement between the Governor and the President had been minimal. But that was to end on 16 March, when Baswedan restricted the operational hours of the MRT, LRT and TransJakarta buses from 6am to 6pm with the unintended (albeit largely predictable) consequence of causing long queues at stations as peak demand was squeezed into a compressed window. Widodo immediately responded with a statement that all regional governments should continue to provide normal public transport services. Baswedan complied the next day, while continuing to require social distancing.

Tensions escalated around 28 March, as Baswedan sent a letter to the President requesting permission to lock down Jakarta. Rejecting his request two days later, Widodo instead decided on a strategy of large-scale social restrictions (PSBB) under the Health Quarantine Law. The government regulation on PSBB was issued the following day (31 March), but without detailing the process for an application to be made to the Minister.

Wasting no time, Baswedan wrote to the Minister on 2 April requesting approval to impose PSBB. But this too was rejected on 5 April for not having complied with the provisions of a ministerial regulation requiring applications to presented in a certain format, which was issued the day after Baswedan made his request.

Venting his obvious frustration the following day (6 April), Baswedan accused

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62 Gubernatorial Advice No. 5/2020 regarding the Temporary Suspension of Worship and Religious Observances at Houses of Worship to Prevent the Transmission of COVID-19.

63 Gubernatorial Advice No. 6/2020 regarding the Temporary Suspension of Office Activities to Prevent the Transmission of COVID-19.

64 Gubernatorial Decree No. 337/2020 regarding the Declaration of a State of Disaster Emergency in relation to COVID-19 in the region of DKI Jakarta.


the Ministry of Health of ‘show[ing] no sense of urgency’ and it being ‘as if we are proposing a project that needs a feasibility study. Can’t the ministry see we are facing a rising death toll?’ Nevertheless, the Jakarta administration resubmitted its request in the stipulated format, and later that evening the Minister finally approved the imposition of PSBB in Jakarta for an initial period of 14 days effective from 10 April—almost two weeks after Baswedan made his first request to the President.71

An added complication arises from the fact that Jakarta is bounded by the satellite cities of Depok, Bogor and Bekasi (in West Java) and Tangerang and South Tangerang (in Banten). For the most part, the distinction between the component parts of this urban agglomeration is imperceptible but for lines on a map. To reflect this reality, Baswedan also requested that the entirety of greater Jakarta be treated as a single region for the purposes of PSBB.72 However, this was rejected by the Health Minister on the grounds that one region (Jakarta) could not seek the imposition of PSBB on another.

Instead, those cities (or their respective provinces) were required to request permission to apply PSBB on their own behalf, which they subsequently did. Requests from Depok, Bogor (municipality and district) and Bekasi (municipality and district) were channelled through the West Java provincial government73 and PSBB was approved by the Minister to commence on 15 April.74 Tangerang (municipality and district) and Tangerang Selatan followed a similar process and were granted approval to apply PSBB on 18 April—eight days after PSBB commenced in neighbouring Jakarta.75

2.5 PSBB beyond Jakarta

Despite the initial enthusiasm for regional lockdowns apparent in March, the imposition of PSBB outside of Jakarta has so far remained the exception rather than the norm. At the time of writing, the peak appears to have been in mid-May, when four of 34 provinces (Jakarta, West Java, West Sumatra and Gorontalo) plus an additional 15 municipalities and 12 districts were applying PSBB.76 Governor of East Java, Khofifah Indar Parawansa, had...
considered requesting a province-wide imposition of PSBB after the entirety of her province was declared a high risk ‘red zone’ around that time, but ultimately decided to defer the decision to individual districts and municipalities. Governor of Central Java, Ganjar Pranowo, adopted a similar position, remaining open to a province-wide application of PSBB if the central government requested, but otherwise preferring a ‘persuasive’ rather than regulatory approach.

But not all regions who wanted to apply PSBB were permitted to do so. By 20 April, the Minister had rejected requests from seven regions for either not meeting epidemiological criteria or for not allocating sufficient budget to cover the expected costs of PSBB. Those regions were three districts in West Papua (Fak Fak, Mimika and the municipality of Sorong), one district in each of NTT and North Sulawesi (Rote Ndao and Bolaang Mongondow), one municipality in Central Kalimantan (Palangka Raya) and the province of Gorontalo. The Governor of Gorontalo, Rusli Habibie, greeted that decision with incredulity:

‘So we have to wait until we have a large number of victims and only then we act. Look at Italy and America, they can’t keep up with burying the corpses. Do we have to wait for that to happen?’

Although at the time Gorontalo ranked 32nd out of 34 provinces in terms of total (albeit not per capita) cases, Habibie appealed for his province to not be compared to Java:

‘In Java, there are plenty of hospitals. Lots of specialists, and sophisticated equipment. But for us in Gorontalo, Aloei Saboe hospital in Gorontalo City is almost full. And we have only two lung specialists.’

He resubmitted his request and threatened to impose PSBB regardless if he was rejected again. It was subsequently approved by the Health Minister on 28

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April.\textsuperscript{85} But as Indonesia transitioned to its ‘new normal’ in June, enthusiasm for PSBB was waning.\textsuperscript{86} By 1 September, the number of regions applying PSSB had dropped to only 2 provinces and 5 districts/municipalities, even as the number of cases continued its steady rise.\textsuperscript{87}

2.6 What did Indonesia gain and lose from a centralised framework?
In a country like Indonesia, where government capacity varies significantly across the archipelago, there is good reason for the central government to retain ultimate authority over the imposition of public health measures such as quarantine and PSBB. Communicable diseases such as COVID-19 are not constrained by administrative boundaries, meaning idiosyncratic or reckless decision-making by any of Indonesia’s 514 districts and municipalities has the potential to trigger significant national consequences from both a public health and economic perspective. It therefore makes sense that the central government can, at the least, function as a circuit-breaker if and when regional governments fail to act. Ideally, of course, it should also go one step further and actively lead and coordinate a truly integrated national response.

In the early stages of the pandemic, however, the central government was often missing in action—or at least late to the party—when the exercise of its authority would have been beneficial. For example, imposing PSBB on the greater Jakarta area seems to be a textbook case for where the central government—under the principles articulated in the 2014 Regional Governance Law—should have played a coordinating role across provinces in relation to an issue of national strategic importance. Despite having that power under the Health Quarantine Law, the central government instead stood back and left it to the individual provinces to make their applications. Not only did this result in a significant delay, it also begs the question of what would have happened had those provinces not taken action?

The answer, it seems, is very little: the central government subsequently made clear that it will not require sub-national governments to apply PSSB if they do not want to.\textsuperscript{88} While the heavy-handed exercise of such authority would doubtless be unwise, so too is the decision to completely abdicate responsibility in that domain. And while the central government has blocked regions from imposing PSBB, once they have, it has given those regions complete discretion over when and what to reopen if they have achieved ‘green’ status (indicating low risk).\textsuperscript{89} The logic,

\textsuperscript{89}‘Gugus Tugas: Kepala Daerah Berwenang Putuskan Pelonggaran PSBB di Zona Hijau’. Kompas.com, 5 June 2020. Available at:
presumably, is that regional governments have sufficient economic incentives not to prolong the application of PSBB for any longer than is necessary. And this has been borne out in practice.

However, that logic should also apply at the front end, serving as a natural brake on the unnecessary application of PSBB. Which leads to the question of why the central government insisted on a process of active approval, rather than simply vetoing PSBB in circumstances where it was clearly unjustified. As the case of Jakarta demonstrates, potentially valuable time was lost through the Ministry of Health’s requirement that the Jakarta administration present to it various epidemiological data, all of which (at that stage) was ultimately sourced from the Ministry itself. Indeed, the Ministry routinely chastised regional governments for using data that had not been sourced from the Ministry, arguing that it could not rely on it because it didn’t know where it had come from. Even more baffling is the fact that the Ministry would have (or should have) been analysing that data itself to be ready to impose PSBB had the Jakarta administration failed to act.

The extent to which the trajectory of COVID-19 in Indonesia has been materially altered by delays in applying PSBB—in particular those arising from the way in which authority is divided between the centre and the regions—is not yet clear. What does seem clear is that rapid and decisive action is a common characteristic of countries that have been successful in containing the spread of the virus.

Were Indonesia to grant regions greater discretion in applying PSBB or other public health measures, it could facilitate quicker regional responses while still enabling central government intervention if required. This small adjustment to Indonesia’s framework for pandemic response has significant potential upside at relatively little cost. At a minimum, it would provide cheap insurance against the central government failing to demonstrate strong leadership at a time when early action is critical (assuming, of course, that regional governments do not do the same).


3. Administrative coordination and financial incentives

Up until this point, the focus has been primarily on decision-making authority for major public health measures—in other words, who gets to decide what to do and when. But once those decisions are made, equally if not more important is ensuring that each level of government acts in a complementary and coordinated way.

As this section shows, Indonesia’s COVID-19 response has not been immune from some of the country’s more general governance problems: actions by one level of government that are at cross-purposes with those of another, overlapping technical guidance and inconsistent data for targeting social assistance. It also describes how the central government is attempting—albeit somewhat ineffectually—to use the system for intergovernmental fiscal transfers to incentivise regional governments to take action to combat COVID-19.

3.1 Coordinating action by central and regional governments

Ensuring that governments at all levels are pulling in the same direction is a longstanding challenge of Indonesian governance. Indonesia’s initial response to COVID-19 has proved no exception. Both the central government and regional governments have at times been left exasperated by the actions of the other, leading to mutual finger-pointing and potentially compromising the effectiveness of measures to contain the spread of the virus.

A persistent problem has been discrepancies in COVID-19 case numbers recorded by the centre and the regions. These are crucial for planning and implementing public health responses. In describing what he felt to be the failure of regional governments to follow central guidance, then COVID-19 Taskforce spokesperson Achmad Yurianto said:

‘Regarding coordination with the regions, there have been several circulars issued by the Minister of Health, by Directors-General [of the Ministry of Health]. We’ve even made manuals. We ask our colleagues in the regions if they’ve received the circular, [they say] yes. Have they understood it, [they say] yes. But then why do they respond like this?’

It is not hard to imagine that Yurianto’s frustration has some basis in fact. Yet regional irritation with the central government is equally easy to understand. For example, Governor of South Sulawesi Nurdin Abdullah complained in May that central government policy was ‘messing up’ steps that regional governments had been taking to prevent COVID-19 transmission.

and asked for greater central government support of regional initiatives.\textsuperscript{94} Animating his concern was the closing and then rapid re-opening of flight routes between Jakarta and Makassar, and the repatriation of migrant workers direct to his province without first undergoing a period of quarantine in Jakarta. Both arguably increased the containment challenge faced by provincial authorities.

### 3.2 Technical guidance

One method by which national ministries and agencies seek to promote consistent action by regional governments is through issuing technical guidance. An avalanche of such guidance has been (and continues to be) issued in relation to addressing COVID-19 and its impacts in various contexts. The quantity, quality and consistency of that guidance, however, may go at least some way to explaining any confusion on the part of regional governments.

For example, in late March the Ministry of Home Affairs released ‘General Guidelines for Regional Governments for Dealing with the COVID-19 Pandemic: Prevention, Control, Diagnosis and Management.’\textsuperscript{95} At 206 pages including annexes, the final two chapters deal with matters legitimately within the policy remit of the Ministry (for example, the consequences of COVID-19 for upcoming regional elections and village preparedness for the impacts of COVID-19). However, the preceding six chapters deal almost entirely with the medical aspects of the crisis, including clinical diagnosis and infection control — areas in which the Ministry has no formal authority or expertise.

Although the medical guidance in those six chapters is said to be based on ‘Guidelines for the Prevention and Control of COVID-19’ published by the Ministry of Health,\textsuperscript{96} there are no cross-references to specific sections of that guidance. Indeed, it is unclear why it was deemed necessary to publish an abridged and slightly different version of that guidance rather than simply refer regional governments to the original Ministry of Health guidance.\textsuperscript{97} Compounding the situation, approximately one month later Home Affairs published additional ‘Management Guidelines for Regional Governments in Handling COVID-19 and its Impacts.’\textsuperscript{98} Oddly, General of Disease Prevention and Control, Ministry of Health, 27 March 2020. Available at: \url{https://www.kemkes.go.id/resources/download/infor-terkini/COVID-19-dokumen-resmi/REV-04_Pedoman_P2_COVID-19_27_Maret2020_Tanpa_TTD.pdf.pdf}


this makes no reference to the Ministry’s previous guidelines, or indeed the Ministry of Health guidelines, despite including chapters on boosting immunity and health system strengthening.

Recognising the need to try to impose a degree of order, the Ministry of Health subsequently convened an online seminar to work towards the ‘convergence’ of the two sets of guidelines, as well as further guidance for villages issued by the Ministry of Villages, Development of Disadvantaged Regions and Transmigration.\(^\text{99}\) This, however, consisted primarily of officials talking through their respective guides over a period of three hours with little attempt at reconciling them.

Whether or not this actually matters is hard to gauge. If regional governments simply follow Ministry of Health guidelines for clinical and public health matters and ignore any inconsistencies in the Ministry of Home Affairs guidelines, then the impact may be more symbolic than real. At the least, however, it does little to enhance the credibility of a central government that consistently preaches the need for coordination to the regions.

### 3.3 Targeting of social assistance

To mitigate the economic impacts of COVID-19 on households, all levels of government have unleashed what Minister of Social Affairs Juliari Batubara has referred to as a ‘tsunami’ of social assistance.\(^\text{100}\) But its rollout has generally been regarded as chaotic and slow, with numerous instances of those eligible missing out and vice-versa. In a particularly notable case, a member of the Jakarta regional parliament was listed as eligible to receive a package of basic supplies that should have been targeted at the poor. As he put it:

‘How could I receive that? Now this is a warning for the municipal government, when they’re providing data to the central government or to the provincial government, they need to be careful. It can’t just be random, they need to take it seriously.’\(^\text{101}\)

To target centrally funded social assistance, the Ministry of Social Affairs has been relying on data that was last updated in 2017.\(^\text{102}\) Even assuming that it was

\(\text{99}^{\text{‘Koordinasi Kegiatan Promosi Kesehatan Masyarakat dan Pemberdayaan Masyarakat Pusat serta Daerah dalam Pencegahan COVID-19’.}}\)

\(\text{99}^{\text{Directorate of Health Promotion and Community Empowerment, Ministry of Health, 20 May 2020. Available at: }}\)


\(\text{100}^{\text{‘Banyak Jenis Bansos yang Disalurkan Pemerintah, Menosos: Ini Namanya Tsunami Bansos’. TribunNews, 7 May 2020. Available at: }}\)

\(\text{https://www.tribunnews.com/corona/2020/05/07/banyaknya-jenis-bansos-yang-disalurkan-pemerintah-menosos-ini-namanya-tsunami-bansos}}\)

\(\text{101}^{\text{‘Data Kacau, Anggota DPRD DKI Jakarta Justru Masuk Daftar Penerima Bansos’. Kompas.com, 22 April 2020. Available at: }}\)


\(\text{102}^{\text{‘Kemensos Ungkap Alasan Data Penerima Bansos Semrawut’. CNN Indonesia, 14 May 2020. Available at: }}\)

\(\text{https://www.cnnindonesia.com/ekonomi/2020051}}\)
accurate then, that means it does not take into account subsequent changes in circumstances, particularly those recently thrown into poverty by the pandemic. But to update that data, the central government is largely reliant on regional governments. As Batubara explained:

‘Like it or not, you can say that we rely almost 100 per cent on data that’s sent by the regions. The appropriateness or inappropriateness of the prospective social assistance recipients that we receive is not our responsibility.’

Complicating matters—and causing further delays—is the fact that many districts and municipalities subsequently withdrew data that they had sent to the Ministry. This occurred after villages and wards complained that the data they provided to district and municipality social affairs offices was different to the data those offices subsequently sent to the Ministry.

While acknowledging the competing demands of speed, accuracy and accountability, the Ministry ultimately drew a line in the sand and restricted the ability of districts and municipalities to correct data in the interests of getting money out the door.

Multiple sources of social assistance can also cause headaches for regional governments when things go wrong. Governor of West Java Ridwan Kamil related his experience of receiving complaints from village heads about eligible community members missing out on centrally funded social assistance, not realising that he only had control over social assistance funded from the provincial budget.

In addition, upcoming regional elections have been associated with confirmed misuse of COVID-19 social assistance for political purposes in at least 23 regions. This includes placing photos of regional heads or symbols of political parties on state-funded aid packages, providing financial aid from regional budgets in the name of the regional head, and corruption of social assistance funds.

3.4 COVID-19 and intergovernmental fiscal arrangements

The economic impact of the COVID-19 crisis is providing ammunition for Finance Minister Sri Mulyani to renew arguments for reforming the framework for intergovernmental fiscal relations to generate greater ‘fiscal synergy’ between the spending programs of central and

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regional governments. A bill to revise the 2004 Fiscal Balance Law in the Parliament’s list of ‘priority bills’ for 2020, but considering it has languished in the National Legislative Program (Prolegnas) for over a decade, the likelihood of progress this year remains unclear.

In the immediate term, a component of the system of intergovernmental fiscal transfers—the regional incentive fund—is being used to encourage regions to take effective action to slow the spread of COVID-19 (or at least reward those that do). An additional IDR 5 trillion (340 million USD or 466 million AUD) has been allocated for this purpose for 2020, spread over three funding rounds. Funds may be used to support economic recovery as well as for the provision of COVID-19 related health services and social assistance.

A region’s eligibility for a grant and its quantum is determined by compliance with administrative preconditions (submission of a budget reallocation together with reports on COVID-19 public health and social assistance measures) and an assessment of its performance in responding to COVID-19. This is done by reference to either change over time in epidemiological scores or ‘risk mapping’ by unspecified means. Districts/municipalities with ‘green’ (low level) COVID-19 risk status that are entirely surrounded by other green districts/municipalities are not eligible to receive funds under the scheme, presumably because of a view that they do not require additional incentives to maintain that status.

The first funding allocations were made in the ministerial regulation establishing the scheme, with 1.918 trillion IDR shared amongst 171 regions. Grants ranged between approximately IDR 8 – 15 billion (USD 0.57 – 1.06 million), with most in the range IDR 11 – 14 billion (USD 0.78 – 0.99 million). While future funding allocations might (theoretically) have an incentive effect, this first round can only be understood as a reward given regions had no prior knowledge of its existence.

The extent to which an incentive effect is generated in the future depends in large part on whether an amount of IDR 8 – 15 billion (or recognition of good performance by the central government) is meaningful to a region and thereby encourages its government to do something it would not otherwise have done. Any effect is likely to be marginal, given regions already have strong public health and economic incentives to slow the spread of the virus.

This is even more so for large regions, given the formula for determining the amount of...
the financial ‘reward’ for good performance does not take into account a region’s size. For example, the districts of Cilacap in Central Java and Kepulauan Sulu in North Maluku each received the same incentive grant of Rp 13.45 billion (USD 0.95 million), presumably for similar performance (the actual calculations are not made public). But Cilacap (population 1.9 million) had a pre-Covid 2020 budget almost 4.5 times larger than that of Kepulauan Sulu (population 105,000), meaning that for it, the relative magnitude of the incentive is 4.5 times less than for Kepulauan Sulu. Rethinking this aspect of the scheme could in theory improve effectiveness, although at risk of diverting funds to regions that least need it. But the relatively small amount of funds available suggests that real world impact would likely remain limited.

Conclusion

The policy and programmatic challenges presented by COVID-19 are testing Indonesia’s system of governance on multiple fronts. The virus has inevitably exposed areas of weakness in the system, such as administrative coordination between levels of government and data collection and management. However, the macro level division of authority for decision-making and implementation between the centre and the regions under Indonesia’s framework for pandemic response was arguably not predestined to be one of them.

A more proactive central government should have been able to work within that framework (or make subtle adjustments to it) to minimise delays in approving certain public health measures such as PSBB. It might even have encouraged or required regions to move faster in applying them—a strength of the framework, given the consequences that could result from an individual region’s failure or refusal to act. Instead, however, in the early stages of the pandemic the central government showed a curious knack for inserting itself into the process where greater regional discretion may have been more appropriate, while absenting itself where a more active

coordinating role would have been beneficial.

When that occurred, it revealed the trade-off involved in a framework that grants the central government ultimate decision-making authority over the imposition of many public health measures. Regions were left with limited legal means to circumvent the barriers to action erected by the centre (although Bali’s early success in containing the virus without any public health measures requiring central approval demonstrated that regional creativity could go at least some way to overcoming them).  

A low cost means of mitigating this risk would be for regions to be granted greater discretion over the implementation of public health measures, with the central government retaining the ability to override if necessary. This would not solve the problem of a central government intent on preventing regions from taking action, but would at least serve as a fail-safe in the case of central government inaction.

Of course, mistakes and missteps are inevitable in a crisis. Is Indonesia learning from them? There is at least partial evidence to that effect.

When rapidly rising cases of COVID-19 in Jakarta led Anies Baswedan to reimpose ‘full’ PSBB in September, he did not warn the central government prior to his announcement, likely calculating that his options would be significantly constrained if he was expressly advised not to do so. And indeed, although President Widodo had moderated his view of public health and the economy as competing interests, he implicitly criticised what he viewed as Baswedan’s heavy-handed approach. His key ministers made the point in much more direct terms, leading Baswedan to make concessions on the degree to which non-essential businesses could continue to operate. Thereafter, however, the process was somewhat smoother than it had been in March. There were no delays associated with the Ministry of Health, although that was primarily due to the original authorisation for PSBB remaining in place rather than any change in procedures. There was better coordination between the


Available at:
121 ‘Kemenkes: PSBB Jakarta Total Tak Pelu Izin Lagi’. DetikNews, 10 September 2020. Available at:
Jakarta administration and the leaders of its satellite cities and neighbouring provinces, where many of those who work in Jakarta live. And while there remained differences in preferred approach between the central government and the Jakarta administration, there appeared to be more negotiation and coordination and a reduced level of open conflict. A low bar perhaps, but progress nonetheless.

Viewed more broadly, the Indonesian case reinforces the point about how systems of governance—unitary, federal, centralised and decentralised—influence national responses to COVID-19. It demonstrates that while the locus of macro level decision-making authority may not of itself determine how effectively a nation takes action to contain the virus and mitigate its impacts, neither is it without consequence.

In Indonesia’s case, the way in which authority is divided between the centre and the regions did introduce delays at critical moments. But, perhaps more importantly, the system determined who had their hands on key public health policy levers as the virus silently spread across the archipelago in March. Widodo and Baswedan occupy offices on opposing sides of Merdeka Square in central Jakarta. It is worth contemplating what Indonesia’s COVID-19 response might have looked like had the two swapped places.

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