

The Budget Policy Strategies and Directions in Priority Border Areas of Natuna

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Abstract. This study aims to assess the efficiency of the policy strategy for developing financial and economic management of the Indonesian border area through the evaluation of the Medium Term Development Plan and the Master Plan for Border Management. The methodology is based on qualitative research with the concept of "budgeting politics." The study results show the importance of the role of local governments in building cooperation with the central government and building proximity to border areas in accelerating the socio-economic system development of cross-border cooperation and the effect of integration.

Keywords: Budget Policy; Border Areas; Natuna.

1 Introduction

The border area has a significant and strategic role because it is the territory of a country that borders state sovereignty with other countries [1]. Borders are also areas that reflect the front page of a country but often pose very complex problems. One of the factors causing the problem of border areas is the result of lagging development with neighbouring countries. Indonesia has a wide border area and borders ten countries: Malaysia, Papua New Guinea, Singapore, the Democratic Republic of Timor Leste, India, Thailand, Vietnam, the Philippines, the Republic of Palau, and Australia. The role of the state (central government) is very much needed in developing and maintaining the security of border areas and the sovereignty of the Republic of Indonesia. However, the central government faces obstacles in implementing the development of border areas [2].

The government and local governments establish national and regional management agencies to manage state boundaries and border areas at the central and regional levels [5]. Management of the State Territory is carried out with a joint approach to welfare, security, and environmental sustainability [3]. The welfare approach in the sense of efforts to manage the State Territory should provide the maximum benefit for increasing the welfare of the people living in the Border Area [4]. The security approach manages the State Territory to ensure the state's territorial integrity and sovereignty and the entire nation's protection. While the approach to environmental sustainability is the sense of developing Border Areas that pay attention to aspects of environmental sustainability, which is a manifestation of sustainable development. (Law Number 43 of 2008).

Priority Locations (LOKPRI) are sub-districts in land and sea border areas within Development Concentration Areas (WKP) as stipulated in BNPP Regulation No. 1 of 2011

concerning the Great Design of State Boundary Management and Border Areas for 2011-2025. As an archipelagic region and a state border, Natuna Regency has several outermost villages. That has a consequence of the importance of more efforts in increasing equitable development in every area of Natuna Regency, especially related to regional connectivity to meet the needs of people's lives, such as food, education, health, and population administration. Also, when it comes to managing border areas, the local government, in this case, Natuna Regency, and the Central Government need to work together, especially with the relevant Ministries/Institutions, to support programs that will become priorities in border management. The RPJMD Regency/City is an excellent example of how the local government can help support the programs of relevant Ministries/Institutions.

Based on the problems above, the research team focused this research on the budgeting politics of the Natuna Regency Government in managing priority border locations. Henley D. et al. (1992) explain the relevance of activities focusing on the short term [6]. Budgeting is a matter of making various choices or priorities for doing something or not doing something [7]. According to Caiden and Caiden (2004), budgeting is a process in which various people or interest groups express different desires from one another and make different decisions [8].

They make their case about what is fair and proper to decide between these different interests. There is also a conflict within the government over how to choose policies for budgeting. Because the funds available in the budget are limited but must be divided proportionally, there must be a mechanism to divide. Conflicts of interest often occur in this process to control the budget [9]. In this case, budget politics is a work guideline and targets to be achieved by institutions or organizations in the future by considering limited funds, but it can accommodate various interests between actors involved in the process.

That there are at least four actors involved in the budgeting process, namely (1) interest groups, (2) service agendas, (3) chief executive and legislative bodies, (4) interest groups carrying out testimony or testimony on budget hearings and put pressure on the other three actors to support the desired policies and programs [10]. Magner and Johnson (1995) state that the parties involved in the budgeting process tend to maximize their utility by allocating resources in the budget set [11].

The preparation and determination of the budget have an essential and strategic meaning because it contains three main functions in the context of creating community welfare, namely the allocation function, distribution function, and stabilization [12]:

1. The allocation function means that budgeting is a way for the community to get the social services it needs (public).
2. The function of distribution is the preparation of a budget which is a mechanism for the equitable and fair distribution of various resources owned by a community and their utilization.
3. The stabilization function, namely the existence of fiscal policy mechanisms such as taxes, excise, levies, and expenditures (government and private/public sector spending), will affect aggregate government and overall economic activity.

So, in this paper, we will discuss the politics of budgeting for the Natuna Regency border area by preparing and determining a budget based on three main functions in the context of creating community welfare.

2 Research Method

This study uses a descriptive narrative approach to reveal the phenomenon, where the thematic focus data is obtained from various research reports, news, FGDs, and participant observations in 1 district in Kepulauan Riau Province. The data is processed structurally with a brief data classification of the observed facts and their reflections. The presentation of the data is analogous to the narrative model and its relation matrix according to the context [13]. Data analysis is carried out after data verification, combining analysis of data content from documents and news as well as formulating the driving factors for regional government development in border areas based on the political strength of their budgeting [14].

3 Result and Discussion

The Master Plan for the Management of State Boundaries and Border Areas formulated by BNPP is one of the foundations of the border area management plan. Law No. 43 of 2008: "The Unitary State of the Republic of Indonesia as an archipelagic country characterized by the archipelago has sovereignty over its territory and has sovereign rights outside its sovereign territory and certain other powers to be managed and utilized as much as possible for the welfare and prosperity of the Indonesian people as mandated in the 1945 Constitution of the Republic of Indonesia."

According to Law No. 43 of 2008, the definition of national borders includes two dimensions. State Territory Boundary is a line separating a country's sovereignty based on international law, and a Border Area is a portion of the State Territory located on the interior of Indonesia's territory's borders with other nations. Efforts or strategies for developing border areas, both land and sea-based on the Master Plan for the Management of State Boundaries and Border Areas for planning from 2020 to 2024 formulated by BNPP are:

1. Regional and sectoral funds are used to align the activities of the central government with the activities of the regional governments in order to promote growth and integrated border regions.
2. Foremost consideration by Ministries/Agencies in determining policies and strategies for securing the borders of neighbouring countries
3. Government, BUMN, private industry, and international investors all work together to assist border areas in their development.

The Strategic Direction of State Border Management in the Master Plan for the Management of State Boundaries and Border Areas for 2020-2024 includes four main priorities:

1. They realize the affirmation and determination of state boundaries, strengthening the defence and security system, law enforcement, and political awareness of sovereignty between countries.
2. They realize increased cross-border services and cross-border cooperation as a medium to maintain harmonious relations between countries.
3. They realize an increase in economic activity, development of facilities and infrastructure, and improving human resources quality.
4. They realize the management of state borders in a holistic, integrative, thematic, and oriented way towards sustainable inter-space connectivity.

Based on the 2015–2019 National Border Management Master Plan, there are several Priority Locations in Natuna Regency, namely as follows:

Table 1. Priority Locations for Natuna Regency

No	Priority Location District	Name of Village
1	Serasan	1. Kel. Serasan 2. Village Kampung Hilir 3. Village Batu Berian 4. Village Tanjung Setelung 5. Village Tanjung Balau 6. Village Pangkalan 7. Village Jermalik
2	Bunguran Barat	1. Village Sedanau 2. Village Mekar Jaya 3. Village Binjai 4. Village Pian Tengah 5. Village Selaut
3	Midai	1. Village Sabang Barat 2. Village Sebelat 3. Village Air Putih
4	Pulau Laut	1. Village Air Payang 2. Village Tanjung Pala 3. Village Kadur
5	Subi	1. Village Subi 2. Village Subi Besar 3. Village Meliah 4. Village Pulau Panjang 5. Village Terayak 6. Village Pulau Kerdau 7. Village Subi Besar Timur 8. Village Meliah Selatan
6	Serasan Timur	1. Village Arung Ayam 2. Village Air Nusa 3. Village Air Ringau 4. Village Payak
7	Bunguran Utara	1. Village Kelarik Barat 2. Village Kelarik 3. Village Kelarik Utara 4. Village Kelarik Air Mali 5. Village Teluk Buton 6. Village Belakang Gunung 7. Village Seluan Barat 8. Village Gunung Durian
8	Pulau Tiga	1. Village Sededap 2. Village Sabang Mawang 3. Village Tanjung Batang 4. Village Serantas 5. Village Sabang Mawang Barat 6. Village Teluk Labuh
9	Bunguran Timur Laut	1. Village Ceruk 2. Village Kelanga 3. Village Tanjung 4. Village Pengadah 5. Village Sebadai Hulu 6. Village Limau Manis 7. Village Selemam
10	Bunguran Selatan	1. Village Cemaga 2. Village Cemaga Selatan 3. Village Cemaga Utara 4. The Village Cemaga Tenggara

Source : Regulation Number 1 of 2015, BPS Kab. Natuna, 2022.

Strategy and policy direction means a comprehensive planning formulation on how the local government (in this case, the local government of Natuna Regency) to achieve the goals and objectives of the Regional Medium Term Development Plan effectively and efficiently. However, this section will limit the strategy and policy directions related to Natuna Regency as a priority location (LOKPRI). For instance, the following table and graph demonstrate a significant budget for developing the Kepulauan Riau border through the BNPP action plan. Nonetheless, its use necessitates an examination of its execution and the structure of cooperation between local governments and other relevant institutions from the ministry, as well as commercial and non-ministerial entities

Table. 2. Budget Allocation for BNPP Action Plan for Kepulauan Riau Province Border Management.

2016	2017	2018	2019
1,048,688,121,487.00	1,318,229,108,065.00	2,366,917,229,552.00	4,733,834,459,104.00

Source: The National Border Management Action Plan for 2019.

Based on the law's mandate, Presidential Regulation (Perpres) No. 12 of 2010 was issued concerning the National Border Management Agency (BNPP). The establishment of the BNPP through Presidential Decree No. 12 of 2010 is intended to make border management more focused, synchronized, coordinated, and at the same management level. To conduct an assessment, the researchers provided historical RPJMD data about the administration of Priority Locations in the Natuna Regency from 2016 to 2021. It was found that the implementation was still not optimal. Therefore, the evidence in the data presented starts from 2017 to 2021.

In seeking outcomes with a strategy, namely Infrastructure Planning at Priority Border Areas, for 2017, there are no targets to be achieved so that it has an impact on financing, which is also not available. This infrastructure development sector should receive more attention from the local government, given that Natuna has been designated as a national priority location, particularly in islands with difficult access, such as LOKPRI in Natuna Regency, where the condition of government service facilities and infrastructure is deplorable. The availability of buildings and poor quality of buildings has made people reluctant to provide essential social services to government offices.

The Natuna Regency RPJPD document for 2016 to 2021, where the focus of Natuna Regency development has integrated sustainable development; this means that the development of Natuna Regency is directed at developing human resources as a whole, the economy of the community, especially in coastal areas and improving the quality of the environment. With this harmonious development, it is hoped that development will be able to support and complement each other so that it has a significant impact on the development of the Natuna Regency.

Therefore, according to the statement above, the third development phase theme is the Intelligent and Independent Natuna Community in the Framework of Local Faith and Culture. From 2016 to 2021, the development of Natuna Regency point at developing human resources as a whole, the community's economy, especially in coastal areas, and improving the quality of the environment; this can understand if the local government does not prioritize infrastructure development on the priority of border areas because its work focuses on human resource development and the economy.

4 Conclusion

It can be resumed that the strategy carried out by the regional government in developing border areas based on priority locations that the national border agency has determined is still not optimal—evidenced by the absence of programs or policies that lead to priority locations in regional development plans. Even though the central government has prepared a large portion of the budget for priority locations, it is only the efforts and policy bases of the local government to pick it up, better known as 'political will.' because local governments are still focused on human resource development. Central and regional coordination and communication are still not optimal.

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