# Strategic Approaches to Mitigating Poverty Amidst COVID-19 In Denpasar: An Institutional Analysis

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Abstract: Poverty is a multidimensional and complex phenomenon. The Covid-19 pandemic outbreak that hit all countries, including Indonesia, has also had an impact on increasing poverty rates. Several city government policies in overcoming poverty, such as cash and non-cash assistance, have not been able to reduce the poverty rate in Denpasar City. Based on data from the Central Statistics Agency in 2022, Bali Province, 2021, there was an increase in the number of poor people, amounting to 201,970 people out of around 4.32 million Bali residents. The number of poor people is said to have increased by around 5,050 people compared to September 2020, which was 196,920 people. The aim of this research is to analyze and describe the poverty reduction policy strategy carried out by the Denpasar City government in responding to this problem by analyzing institutional culture, dynamic capabilities and adaptive policies in the poverty reduction process. The research method is descriptive qualitative. Data collection was carried out through observation, interviews and documentation. Informants were determined using a purposive sampling technique which focused on TKPK members in Denpasar City. The research results show that the implementation of mitigation policy strategies in Denpasar City is running dynamically. From the aspect of institutional culture, the Denpasar City government is supported by the spirit of Vasudhaiva Kutumbakam and Sewaka Dharma values. From the capability aspect, human resources are adequate to carry out their duties. From the dynamic policy aspect, the poverty reduction policy strategy is carried out through the one poverty data program, the development of a new paradigm for poverty reduction and the development of digitalization innovations in public services.

Keywords: Policy strategy, poverty reduction, Covid-19

#### 1. Introduction

Poverty is a complex problem. Poverty does not only involve economic, educational and health problems, but also social, cultural and even political problems (Larantika, 2017:41). The outbreak of Corona Virus Disease (Covid-19) is a challenge for central and regional governments in adapting to the situation and conditions that occur. The issuance of various policies to suppress the increase in positive Covid-19 cases in Indonesia, including through large-scale social restrictions (PSBB) in several regions, has had an impact on paralyzing socio-economic activities and community productivity. The fact is that this outbreak not only presents health problems but also has a significant impact on socio-economic life such as slowing economic growth, increasing unemployment rates, food insecurity, increasing socio-economic disparities, decreasing contributions from various sectors such as tourism and industry, increasing inflation and hampering development. infrastructure causes the phenomenon of poverty in society.

It has been recorded that there has been a drastic increase in the number of poor people in Indonesia due to the impact of the Covid-19 pandemic. The Covid-19 pandemic that has hit the world since the end of 2019 has hampered the rate of reduction in global poverty (Kumar & Pinky, 2021). Based on data from the Central Statistics Agency for 2022, at the end of 2021 the number of poor people in Indonesia was 27.5 million. This figure brings Indonesia to 94th place on the list of the poorest countries in the world. Meanwhile in Bali, based on data from the 2021 Bali Province Central Statistics Agency, it was reported that there was an increase in the number of poor people, amounting to 201,970 people out of around 4.32 million Bali residents. The number of poor people is said to have increased by around 5,050 people compared to September 2020, which was 196,920 people.

Denpasar City is the capital of Bali Province which has a larger population than other districts (Yudhiantara, 2021). Based on Denpasar statistical data in 2022, with an area of 127.78 square kilometers or 2.18 percent of Bali's area, Denpasar City is inhabited by 726,599 thousand people. This cannot be separated from Denpasar City as a center for economics, education, government and business which influences the level of population density. Based on the graph of the cumulative development of corona virus cases in Denpasar City is the city with the highest number of confirmed positive cases in Bali Province, namely 35,778 people with 882 dead patients (m.andrafarm .com, March 17, 2023).

Based on the 2021 Denpasar City Regional Government Implementation Report Summary (RLPPD), the Covid-19 pandemic situation has had a quite severe impact on the economic condition of the people of Denpasar City, with a significant increase in the number of poor people recorded. Apart from that, the unemployment rate in Denpasar also showed an increase from the previous 2.29% in 2019 to 7.62%

in 2020. This affected the economic growth rate of Denpasar City which fell drastically to -9.45% in 2020. Data gathered

byStatistics (Badan Pusat Statistik Kota Denpasar 2023)shows poverty condition inDenpasarfrom 2017-2022 as follows:

	Table 1.1: Poverty Condition of Denpasar City In 2017-2022								
	Poverty Indicator	Poverty Condition in Denpasar							
		2017	2018	2019	2020	2021	2022		
	Number of poor people (in thousands)	20,70	20,72	19,83	20,48	29,41	30,02		
	Percentage (%)	2,27	2,24	2,10	2,14	2,96	2,97		

**Table 1.1:** Poverty Condition of Denpasar City in 2017-2022

Source: Denpasar Dalam Angka 2023

From this table it can be seen that in 2017-2019 there was a trend of decreasing the percentage of poverty in Denpasar City. Meanwhile, in 2020-2022, the impact of the Covid 19 pandemic saw an increase in poverty in Denpasar City. Based on reportsfrom the Denpasar City Social Service, several of the Denpasar City government's efforts to overcome the social

impact of the Covid-19 pandemic include the Non-Cash Food Assistance Program (BPNT), the Family Hope Program (PKH), the Cash Social Assistance Program (BST) and Direct Cash Assistance Village Funds (BLT DD). These programs are as described in the following table:

Table 1.2: Government Social I	Programs during	the Covid-19 Pandemic
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No	Program	Amount	Benefit Recipients	Budget Source
1.	BPNT	Rp. 200.000/KPM/Month	2.264 KPM	ABPN
2.	PKH	The amount depends on health conditions, education and social welfare	2.664 KPM	APBN
3.	BST	Rp. 300.000/KPM/Month	9.569 KPM	APBN
4.	BLT DD	Rp. 300.000/KPM/Month	5.328 KPM	APBN
5.	BLT APBD	Rp. 300.00/KPM/Month	10.119 KPM	APBD

Source: Dinas Sosial Kota Denpasar

From the table above, it is understood that social programs are coordinated programs from the central government. As mentioned in research from Yudhiantara et al. with the title "Poverty Reduction Policy Model of Denpasar City Government" (Journal of Humanities And Social Science 2021). From an institutional aspect, the problem of poverty alleviation in Denpasar City is managed by a centralized work team. In general, poverty alleviation institutions in Indonesia use a top-down approach model. Coordination in poverty alleviation includes synchronization, harmonization and integration of poverty alleviation policies and programs, as well as controlling the implementation of poverty carried out by the National Team for the Acceleration of Poverty Alleviation (TNP2K), the Provincial Poverty Alleviation Coordination Team (Provincial TKPK), as well as for poverty alleviation in district areas /cities are managed by the Regency/City Poverty Reduction Coordination Team (TKPK Regency/City). Based on this, in this research the research subject will be focused on the Denpasar City Poverty Alleviation Coordination Team, hereinafter referred to as the Denpasar City TKPK.

BPS data from Bali Province in 2022 shows that economic growth in Denpasar City has increased again at 5.06%, however, as in the data contained in table 1.1, the percentage and number of poor people in Denpasar City actually shows an increasing fluctuating trend. In 2022, the number of poor residents in Denpasar City will reach 30.02 thousand people, which is an increase compared to 2021 which was 29.41 thousand people. Based on this, the poverty reduction policy in the city of Denpasar has not succeeded in reducing the poverty level, therefore researchers are interested in researching and analyzing poverty reduction policy strategies in the City of Denpasar.

## 2. Literature Review

## 2.1. Public Policy Strategy

Policy strategy or strategic management are decisions and actions in the form of analysis, formulation, implementation and evaluation of a plan which in its implementation involves all available resources as a basis for preparing long-term decision making that is oriented towards the future and achieving organizational goals.

Policy refers to a series of actions that have future goals and outcomes. Policy is related to a series of actions that emerge from processes involving organizational relationships and the role of policy agents. Policies have elements by which it can be understood why the policy is. Important elements of policy include policy objectives, problems, demands and impacts/outcomes(Handoyo, 2012).Post, et al (1999) interpret policy as an action plan carried out by government officials to achieve broader goals and can substantially influence the lives of the population. Meanwhile, in a more basic sense, Dye (2002:1) defines policy as a government choice to do something or not do something.

From the description above, it can be said that the concept of public policy is closely related to the choice of an action or decision related to a problem that is intended to achieve certain goals. The goals or objectives referred to are public goals, not the goals of certain individuals or groups. Policy is a set of actions or plans that have political objectives. Policies

involve behavior and intentions, which can be action or non-action.

Policy strategy is closely related to the strategic management process in the public sector. In analyzing poverty reduction policy strategies during the Covid-19 pandemic, the dynamic governance theory proposed by Neo and Chen (2007) is used, namely the concept of governance or government strategy management which emphasizes institutions, structures and policies that attempt to adapt to changing environmental conditions. with change and uncertainty.

#### 2.2. Dynamic Governance

Dynamic governance is measured based on three interrelated aspects, namely institutional culture, dynamic capabilities and adaptive policies. The elaboration of the concept of governance strategy is the basis for analyzing and describing the research findings which are described as follows:

#### **Institutional Culture**

According to Sutrisno (2019:1) institutional culture is a system of values, beliefs, assumptions or norms that have long been in effect, agreed upon and followed by members of an organization as a guide for behavior and solving problems in the organization. organization. Based on the research results, from the aspect of institutional culture, the poverty reduction program policy in Denpasar City is guided by the achievement of the vision and mission of the Denpasar City government. The Denpasar City Government's vision for 2021-2026 is "Creative, Culture-Based City Towards an Advanced Denpasar". The creative city concept emphasizes Denpasar as a living city. Where cities provide dynamic awareness of natural resources, human resources and spiritual resources in inspiring innovation, cultural dynamics and societal harmonization.

The vision and mission of the Denpasar City Government in its realization is based on the spirit of *Vasudhaiva Kutumbakam* (brotherhood/ kinship) and the principle of *Sewaka Dharma* (service/devotion). The *Vasudhaiva Kutumbakam* spirit is a concept of harmony or brotherhood regarding the global unity of all creatures in the world (Ariputra, 2022:85). In the context of the poverty reduction policy strategy in Denpasar City, this concept is the basis for building ties for the city government in synergy and together in formulating and implementing poverty reduction policies and programs with the aim of the common good.

Meanwhile, *Sewaka Dharma* is a public service concept of the Denpasar City government which emphasizes harmony of thought, speech and service actions for the harmony of human, natural and divine values (Artayasa, 2020). *Sewaka Dharma* as the work culture motto within the Denpasar City government is regulated in Denpasar Mayor Regulation no. 38 of 2018. The city government's *Sewaka Dharma* principle as a principle of public policy and service, especially poverty alleviation, is a reference for regional apparatus organizations in providing excellent service to the community.

### **Dynamic Capabilities**

Capability is defined by Neo and Chen (2007) as attitudes, knowledge, skills and organizational resources that are mobilized in preparing and carrying out important tasks that are coordinated to achieve desired results. Dynamic capabilities are divided into three, namely thinking ahead (thinking forward/anticipatively), thinking again (evaluating/reviewing the results of thinking) and thinking across (openness/thinking laterally, horizontally and across disciplines).

#### **Adaptive Policy**

The policy strategy for overcoming poverty during the Covid-19 pandemic in Denpasar City was carried out through several adaptive policies. According to Kwakkel, et al (2010) Adaptive policy is a general structured approach to designing dynamic plans. Adaptive policy making is rooted in assumption-based planning (Dewer, 1993). Adaptive policies are in the form of prevention or mitigation carried out to adapt programs to conditions occurring in the field.

## 3. Method

The approach in this research uses descriptive qualitative methods. According to Steven Dukeshire and Jennifer Thurlow in Sugiyono (2022:3) qualitative research deals with non-numerical data, collecting and analyzing narrative data. Meanwhile, the descriptive method according to Endang Danial (2009:62) is a method that aims to systematically describe a situation, conditions, conditions of objects in the field of study at a certain time accurately. The research focused on the Denpasar City Poverty Alleviation Coordination Team (TKPK Denpasar City).

Determining informants in this study used a purposive sampling technique, as according to Sugiyono (2022:95), purposive sampling is a technique for determining informants with certain considerations, based on capacity and knowledge related to the research problem. The data collection techniques used in this research are through observation, interviews and documentation. Data were analyzed using interactive techniques from Miles Huberman and Saldana (2014) consisting of Data collection, Data condentation, Data display, and drawing and verifying conclusions.

## 4. Results and Discussion

Neo and Chen (2007) explain the concept of dynamic governance as governance or government strategy management which emphasizes institutions, structures and policies that are able to adapt to environmental conditions full of change and uncertainty. Dynamic governance is measured based on 3 (three) interrelated indicators, namely 1) institutional culture, 2) dynamic capabilities and 3) adaptive policies. The research results are further explained as follows

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From an Institutional Culture perspective, the values or principles underlying the Denpasar City government in the formulation and implementation of regional poverty reduction policies/programs refer to the Denpasar City Government's vision and mission. The Denpasar City Government's vision for 2021-2026 is "Culture-Based Creative City Towards Denpasar Proceed".

The vision and mission as well as the planned priority programs are driven by the Vedic principles of Wakya Vasudaiva Khutumbakam which contain meaning in the lives of all of us brothers. That all problems faced are resolved together or mutual cooperation (Menyama Braya). Where in its implementation it is guided by the spirit of *Sewaka Dharma* which means that serving is an obligation. During the Covid-19 pandemic, these values are relevant in providing direction and providing perspective with the OPD involved in the Denpasar City TKPK in overcoming poverty as a result of the Covid-19 pandemic.

The dynamic capability aspect seen in the process of formulating poverty reduction policy strategies during the Covid-19 pandemic in Denpasar City can be seen from the coordination, evaluation and synergy process between OPDs involved as members of the Denpasar City TKPK. Denpasar City TKPK holds coordination meetings twice a year or more depending on needs. A coordination meeting was held at the beginning of the year to formulate the duties and responsibilities of all TKPK members in Denpasar City. TKPK Denpasar City always considers innovations or new practices in poverty reduction activity programs in each OPD. Denpasar City TKPK routinely carries out evaluations and reviews every poverty reduction policy program every year. Evaluation is carried out at the end of the fiscal year. Each OPD is asked to report on the realization, implementation and problems of implementing the program in each OPD. The results of the evaluation are used as a reference in formulating poverty reduction policy strategies for the following year's budget.

However, coordination of planning and evaluation of poverty reduction programs is still dominated by the city government and only involves OPDs that are members of the TKPK and does not involve parties outside the government such as the community, private sector/business or academics.

Adaptive policies are demonstrated in the poverty reduction policy strategy during the Covid-19 pandemic. The Denpasar City Government has begun building a database of poor people. Data collection on poor people following the Covid-19 pandemic outbreak was carried out to remap poverty conditions in Denpasar City which was directed at poor families using an approach to poverty factors, community needs and competencies. This is done to adapt programs/activities to suit the needs of the poor.

The Denpasar City Government has also begun to develop a new paradigm in poverty alleviation with a community empowerment approach that places the community as the main actor in development and the government as the facilitator. Efforts to overcome poverty are directed at government intervention towards potentially productive poor groups in order to develop the abilities, potential and independence of society.

## 5. Conclusions and Suggestions

## 5.1 Conclusion

The poverty reduction policy strategy during the Covid-19 pandemic in Denpasar City was quite adaptive. This can be seen from the value or spirit of Vasudhaiva Kutumbakam and Sewaka Dharma as institutional culture in the Denpasar City government which is relevant in supporting poverty reduction policy strategies. This is also supported by the capability of regional apparatus, where in formulating poverty reduction policies they always take into consideration developments and strategic issues currently occurring in society. Adaptation of the policy strategy was carried out through designing a database of poor people in Denpasar City using a needs and competency approach, efforts to develop a new paradigm in poverty alleviation in the form of a focus on empowering potential poor communities, maximizing ease of access to public services in the field of social welfare and digitalization of public services.

However, there are still problems related to the coordination of planning and evaluation of poverty reduction programs which are still dominated by the city government and only involve OPDs who are members of the TKPK and do not involve parties outside the government such as the community, private sector/business or academics.

### **5.2 Suggestions**

In the coordination process, it would be good for the city government, in this case the Denpasar City TKPK, to strengthen institutions. Regional leaders should carry out outreach to government employees in each field regarding the roles and functions of each field so that they are involved in the poverty reduction policy process.

In the process of formulating, implementing and evaluating poverty reduction programs/policies, the Denpasar City government, in this case TKPK, should actively invite and involve the private sector, the community and universities. To support poverty reduction efforts, it is necessary to develop the concept of actor collaboration.

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