Journal of Governance
Volume 7 Issue 2, June 2022 (418-426)
(P-ISSN 2528-276X) (E-ISSN 2598-6465)
http://dx.doi.org/10.31506/jog.v7i2.15166

Development Planning During The Covid-19 Pandemic And The New Normal In Indonesia

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Received: February 10 2022; Revised: May 20 2022; Accepted: May 27 2022

Abstract: *To overcome various problems that arise during the pandemic, the government has modified the policies of countries abroad that use regional quarantine policies or lockdowns as large-scale social restrictions (PSBB). This policy is adapted to different levels of severity in each city, district, and province. The Indonesian economy itself experienced a slight slowdown during this pandemic period. This slowdown could cause Indonesia's economic growth to experience a minus level in the following years. Therefore, the government needs to make new policies for the Indonesian economy during the pandemic period and the new normal era. This study aims to see how the government's policies will overcome the problems of the COVID-19 pandemic and the new normal era for development planning in Indonesia. This research will use a qualitative approach with data obtained from various previous studies and studies related to this research. The study results found that there was a need for a scenario to be created by the government to deal with this problem. Then the economy can be reactivated through cultural changes that are pretty significant in people's daily behaviors.*
Keywords: *Covid-19, New Normal, Development Planning, Policy*

Introduction

The year 2020 was a hard one, as the COVID-19 pandemic, which began locally in Wuhan, China, quickly expanded and decimated the global economy's joints. As of June 2, 2020, there have been 6,140,934 confirmed cases of COVID-19 in 216 countries, with 373,548 deaths (Putra & Abiyasa, 2021). Meanwhile, Indonesian data shows that 27,549 people across 34 provinces have tested positive for COVID-19, and 1,663 have died. There was no consideration given to COVID-19 when it emerged at the end of 2019 and began to plague and explode in China at the end of January 2020 before spreading worldwide from February to the end of May, implying that the economic outlook for 2020 and subsequent years is still predicted using conventional wisdom (Gover et al., 2020).

The escalation of the health catastrophe, which is wreaking havoc on the global economy, has effectively compelled all governments to abandon previously established strategic plans in favor of emergency response measures that involve deploying all available resources to combat the COVID-19 pandemic. Think tanks and strategic thinkers revised their estimates,

particularly for 2020, when a slowdown, recession, and possibly an economic collapse are expected (He & Harris, 2020). Every country's development is certain to be harmed. Each country revises the APBN and allocates substantial sums to combat the corona outbreak. Given the severity of the disease caused by the coronavirus (an average of roughly 3-5 percent of deaths from patients exposed to the virus), and the fact that no patent treatments have been discovered, only preventative measures should be sought to ensure that each country can protect its citizens' lives (Safitri et al., 2021).

Although the economic shock caused by the COVID-19 outbreak has lessened progressively as the local financial market steadied and various economic sectors expanded. However, given the nature of the shock to the economy's supply and demand sides, recovery efforts will take time. Simultaneously, the virus's transmission shows no signs of abating, as the trend of verified cases and deaths continues to rise (Olivia et al., 2020). On the one hand, demands for the restoration of various social and economic activities are intensifying, as evidenced by the relaxation of social constraints in a number of fields. On the other hand, the current state of public health infrastructure is insufficient. As a result, there is a significant risk of reactivating the many wheels of social and economic activity (Naimoli, 2022).

Through the brief discussion above, the researcher then intends to examine how the government deals with economic development planning in Indonesia during the pandemic and the new normal era.

Method

This research will be carried out using a qualitative approach. The data used in this study comes from various previous studies that still have relevance to this research. Research data that has been successfully collected will be analyzed so that researchers' expected results can be found.

Result And Discussion

Policy Modifications in Facing COVID-19

Numerous governments have instituted lockdown policies in order to contain the virus's overall spread. Changing people's social behaviors, on the other hand, is not an easy task. Even wealthy countries like the United States and Europe are struggling to keep up with the pace of change. Humans who are accustomed to social conduct on Earth will find it difficult to comply with the overall guidelines requiring physical and social separation.

In contrast to the regional quarantine, the PSBB is not applied equally in Indonesia. This policy adjustment is projected to continue reviving the economy but may be the most effective in breaking the chain of coronavirus spread. The PSBB policy is

mainly implemented by increasing the number of school vacations, both private and public, and by shutting down shopping, entertainment, or tourist establishments in general. Additionally, this policy includes instituting a work-at-home policy for non-essential sector offices and other restrictions necessary to halt the spread of this coronavirus pandemic.

Impact on the Economy

Numerous assessments from research institutions analyzing the impact of COVID-19 predicted that the global economy would stall in 2020, and Indonesia is no exception. When COVID-19 struck the world's poorest countries, they had already been struggling for years with unsustainable debt burdens. Developing countries' total debt stock reached a record high of 191 percent (almost twice as much as their combined GDP) at the end of 2018. (Kwon, 2020). Reduction of the debt for developing countries following the COVID-19 shock should take into account two components of the developing nation debt issue prior to the COVID-19 shock. To begin, the current debt crisis affects people from all walks of life, not only those in the world's poorest developing countries. Second, it is the outcome of global economic and financial mismanagement, not domestic economic incompetence.

Prior to the COVID-19 crisis, UNCTAD found that the debt balances of developing countries had become more vulnerable as a result of the simultaneous adjustments in their private and public debt holdings and currency denominations. As a result, international investors are rapidly penetrating the domestic bond market (Barbosa-Filho & Izurieta, 2020). Indonesia, like many other countries, faces the risk of becoming entrenched in a fiscal imbalance that is unsustainable. During the outbreak of COVID-19, President Joko Widodo announced Perpu No. 1 of 2020 on State Financial Policy and Stability in Response to the Corona Virus Pandemic (Perpu No. 1 of 2020) in Indonesia (Rajagukguk & Najib, 2021). According to Article 2 of the Perpu, the government may waive the 3% limit on fiscal deficits. When dealing with COVID-19 and other potential dangers to the economic and financial system's stability, the budget deficit cap may rise above 3 percent of GDP no later than the end of Fiscal Year 2022.

The Economist Intelligence Unit, The Economist's strategic think tank, presented a report concluding that COVID-19 will plunge practically all Group 20 (G-20) economies into recession. This analysis was completed in late March 2020. The global economic situation appears bleak, as a recession in any of the G20 nations will have a domino effect, spreading the downturn throughout the world. Global economic growth is predicted to resume in the second half of 2020, but even then, the threat of a second or third wave of pandemics will dim that

optimism for the time being (Atayah et al., 2021).

The pressure on all countries to embrace a regional quarantine regime will definitely intensify. Economic uncertainty will intensify, resulting in a gradual or abrupt economic recession. All nations will confront conditions in which state revenues decline, but countries will require a significant increase in state spending to meet varied COVID-19 handling requirements. This circumstance will precipitate a protracted debt crisis in a number of countries.

As a follow-up, the World Bank released a report on East Asian and Pacific economies during COVID-19's early phases. When it comes to Asian economies, the World Bank predicts that certain countries will be severely affected. An estimated 2.1% to negative 3.5% growth is forecast for Indonesia's economy in particular (the most skeptical prediction so far). One of the world's most resilient economies despite adversity, Vietnam is considered the best example (Muhyiddin & Wardhana, 2020).

In 2020, Indonesia is expected to be dominated by dwindling economic prospects, a trend that was forecast before the emergence of COVID-19. The economic slump in Indonesia has been compounded by the COVID-19. People who are "vulnerable" (meaning they lack financial security) are expected to climb significantly, despite the fact that poverty is expected to diminish. At best, economic growth in 2020 will be negative 3.5 percent, before recovering to a 5.4-percent average in 2021–2022 as aggregate demand improves. Considering all things considered, this is the most likely outcome.

Chang Yong Rhee of the International Monetary Fund forecasts a more modest 0.5 percent growth rate for Indonesia's economy in 2020, in contrast to the World Bank, which shows a range of optimistic (2.1 percent) and pessimistic assumptions (negative 3.5 percent) (Lee et al., 2021). Additionally, it was highlighted that, theoretically, Indonesia has the potential to experience reasonably rapid economic growth beyond the 2020 crisis, with the IMF predicting up to 8.2 percent in 2021. This prognosis is based on the assumption that the government can deal with COVID-19 quickly and accurately, and the most optimistic projection is an 8.2 percent level in 2021. Countries in ASEAN and the rest of the world, including Indonesia, confront two risks. If a vaccine for COVID-19 can be found quickly, the economic constraints it is causing can be alleviated (upside risk). Financial stress will be more likely in 2020 if the number of COVID-19 cases increases during the second quarter (downside risk).

According to Rhee, the current economic situation is distinct from the 2008–2009 global financial crisis and past economic difficulties. As a result of a decline in real sector activity, the economy is expected to develop at a 0% annual rate (Dell'Ariccia et al., 2018). According to McKinsey's report, these sectors are

particularly vulnerable to the proliferation of COVID-19. On the other hand, Rhee noted how industrialized countries' economic growth pressures were far greater than those of Asia's emerging countries. The International Monetary Fund (IMF) expects global economic growth to be negative 3% this year. Trade with the United States and the European Union, two of Asia's most important commercial allies, shrank significantly (Leal Filho et al., 2021).

New Normal Adjustment Policy

Several Jakarta satellite cities and other regions within the province, district, or city that are experiencing a large increase in cases have implemented a regional quarantine policy change to PSBB as of April 10, 2020. The emergency response period for handling COVID began at the beginning of March 2020. PSBB is not enforced equally across Indonesia, yet its impact on the socioeconomic community is undeniable.

At this point, the Indonesian government is contemplating a return to normalcy and relaxing PSBB limitations after more than three months of emergency reaction and execution of the PSBB.

Based on WHO recommendations, Indonesia has decided to alter the PSBB, according to Monoarfa. The first criterion is epidemiology, namely, the Effective Reproductive Rate (Rt) indicates the average number of people infected by one infected person. When Rt = 2.5, one infected person can transmit the virus to 2-3 other people. It is expected that Rt < 1 for two consecutive weeks, meaning that although the virus is still present, its spread can be controlled (Gusti et al., 2021). Several countries, including the United States and its 54 states, England, and Germany, have adopted this method. Rt is also heavily influenced by physical distancing. A UK study entitled "Quantifying the Impact of Physical Distance Measures on the Transmission of COVID-19 in the UK" found a 74 percent reduction in average daily contacts could reduce Rt from 2.6 to 0.62.

The healthcare system is the second factor to consider, with a ratio of greater than 1.2 between the number of hospital beds and the number of patients in need of care. A 20% rise in COVID-19 patients may be accommodated by the health system's staff, equipment, and beds. A daily average of 100 cases necessitates a minimum of 120 hospital beds for COVID-19 patients. Also recommended are an emergency room and isolation room, as well as personal protective equipment and qualified health care staff.

As part of its efforts to limit the virus in Indonesia, the government has issued the following statement, which expresses its commitment to creating a cashless and contactless society. Digital technology and robotics are widely used in South Korea, whereas the Japanese government has outlined eleven measures to reduce social contact, such as promoting online

shopping, wearing masks, and working from home, except for essential services.

The PSBB Adjustment policy has yet to be implemented by the administration. Numerous hypotheses developed from a variety of government entities that should have been well-coordinated in order to avoid becoming communal conjecture. However, the unpredictability of the timeline causes many to disregard the necessary discipline.

According to Panji Hadisoemarto, an epidemiologist at the University of Padjadjaran, COVID-19 cases will always exist, according to an article in Tempo Magazine on the possibility of an explosion. This is due to two factors: cases that serve as a source of transmission and vulnerable individuals who serve as the targets of transmission. According to Hadisumarto, the population's vulnerability to COVID-19 hazards will not be greatly reduced until and unless a vaccine is discovered and used by at least 60% of the exposed population. Approximately 7% of the population of Stockholm had an antibody response to COVID-19, which is defined as establishing a new herd immunity approach in Sweden. Accordingly, it's likely that the New Normal policy will revert back to a more robust approach than the PSBB Adjustment (Sumardiyono & Suryono, 2021).

Hadisoemarto stressed the significance of a strong monitoring system and laboratory evaluation in accordance with government and WHO regulations. Meanwhile, with Indonesia's capability for dealing with this unique virus severely constricted and industrialized countries with sophisticated health systems similarly overloaded, it is essential to acknowledge that the new normal is not cohabitation, much less peace with COVID-19. A new normal life is one in which humans are continually threatened with COVID-19 (Nadjib et al., 2022).

Development Planning in Indonesia

The coronavirus epidemic has compelled all governments to rethink their development strategies. Targets have been realistically adjusted, assumptions have been modified in light of actual realities, and short-term program priorities have been directed primarily toward tackling the COVID-19 outbreak. While the COVID-19 emergency response phase concludes, capital-intensive development plans like infrastructure are on pause and will be evaluated before being re-implemented.

All levels of government that exist, including regional and federal, have been forced to reevaluate their growth plans as a result of the epidemic's social and economic effects. Especially what is indicated in the planning and budget documents, which were not prepared with the pandemic in mind. Appropriate modifications and deliberate responses to the coronavirus outbreak will serve as the foundation for recovery.

A science technopark and vocational education and training for industry 4.0 are

also significant undertakings. From 2018 to 2024, there will be a 50% increase in the share of workers in medium and high-skilled positions, and there will be a 2 million increase in graduates of vocational education and training with competency certifications.

Affirmative action policy development and execution accelerate the growth of impoverished areas, subdistricts, border priority places, and the world's most remote and isolated tiny islands. As a foundation for the digital economy, the positive pattern intends to broaden access to elementary education and health care, as well as to build housing and infrastructure, supply clean drinking water and sewage systems, and offer power. Increasing investment, promotion, marketing, and trade cooperation is also a goal of this plan.

The five-year plan to speed up the development of 62 neglected regions must include integrated village development. According to the 2020-2024 National Priority RPJMN 2, Developing Regions to Reduce Inequality and Ensure Equity, the Ministry of National Development Planning/Bappenas mainstreamed 62 undeveloped areas as priority places for confirmation. 62 underprivileged regions are being prioritized in several development projects sponsored by ministerial/institutional budget schemes and the Special Allocation Fund (DAK) scheme. The strategy for 62 undeveloped regions to accelerate growth will also optimize the policy framework for major projects.

Conclusion

Indonesia should be able to formulate its scenario with the assumption that new patented drugs and vaccines will take a long time to be discovered, which certainly will not happen in the short term. How to move the economy when a new normal life requires a very drastic cultural change in people's behavior? The government provides guidance on how the community should conduct its new normal life in seven norms, with a modest revision to accommodate a new normal existence in the face of the COVID-19 danger. Make minor adjustments to timelines and targets based on assumptions that have been updated in light of the COVID-19 pandemic's circumstances and conditions, and then maintain a program in which the fundamental beliefs remain valid and may be altered in light of post-COVID-19 requirements.

Acknowledgment

The author would like to take this opportunity to extend his gratitude to all parties involved, including their coworkers, for making the successful completion of this research project possible.

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