

# The Government's Policy Strategy on Mitigating Covid-19 Pandemic In Indonesia

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**Abstract:** As one of the countries affected by the COVID-19 pandemic, Indonesia has a death toll of 7.8% of the total deaths due to the COVID-19 disease in the world. This figure is one of the highest death rates in the world. Of course, if it is not handled correctly, then various problems will continue to emerge from each other, so it can have a long-lasting bad impact if it is not appropriately handled. Therefore, the researcher intends to examine how the government will make economic policies in Indonesia to overcome the COVID-19 problem. This research will use a qualitative approach through the case approach method. The findings obtained from this research suggest that the government should make new economic policies to help various elements of society deal with the COVID-19 pandemic. These policies include reducing electricity and fuel costs, direct assistance in cash, issuing pre-employment cards and food cards for recipients, free examinations, and special incentives for medical staff. **Keywords:** Covid pandemic, Government Policy, Strategy, Economy.

#### Introduction

National security is threatened by disease outbreaks, as outlined in the Indonesian Defense White Paper for 2015. The world continues to face an epidemic of a number of severe infectious diseases. The World Health Organization (WHO) warns that contagious diseases that are dangerous to humankind have not been fully contained and have even spread more widely (Chattu et al., 2019). One to three varieties of new infectious diseases or the reappearance of existing diseases are discovered in humans nearly every year. Human respiratory infections have a tendency to grow with new cases in the indicated population particular in regions (Acter et al., 2020).

Among the diseases that continue to threaten humanity are dengue fever, tuberculosis, human immunodeficiency virus/Acquired Immune Deficiency Syndrome, mad cow disease or Variant Creutzfeldt-Jakob Disease, Avian Influenza, Severe Acute Respiratory Syndrome (SARS), swine flu, Middle East Respiratory Syndrome, Ebola, and a new variant of bird flu (Tania et al., 2021). WHO has classified Asia, Sub-Saharan Africa, Latin America, and the Caribbean as regions prone to numerous deadly diseases (Marois et al., 2020).

In response to this genuine threat, a new coronavirus strain appeared in Wuhan, China, in December 2019. Coronaviruses are a vast family of respiratory viruses that include SARS and MERS. Coronaviruses have been widely discovered in civets, camels, and bats, among other mammals (Chang et al., 2020). It is possible for animal-tohuman and human-to-human transmission of this virus. SARS and



MERS were the first two cases of this coronavirus to occur. While it looks to be a new virus, the coronavirus has developed and has become more dangerous as a result of its evolution. Covid-19 has been found in at least 180 nations (Forestieri et al., 2020). The number of coronavirus-positive patients in the world exceeds 862 thousand. There were 42,000 fatalities and 178,800 recoveries. However, around 40 locations globally have not recorded a single coronavirus case (Aldalaykeh et al., 2021).

Indonesia is one of the nations devastated by COVID-19, contributing 7.8% of the global death toll, making it the deadliest on the planet. Under the guise of preventing panic, the Indonesian government is hesitant to give facts to the public in a clear and concise manner (Nguyen et al., 2021).

In response to Governor Anies Baswedan's pleas, the president rejected imposing a complete or partial curfew in Jakarta and West Java. "We believe Jakarta should stop activities in the capital city and prevent people from coming or leaving the city." We cannot decide this on our own, but there is a need to act quickly, "said Anies (Lele, 2021). According to President Obama, lockout rules at the regional or national level fall under the authority of the federal government, despite the loss of economic activity owing to the increasing number of telecommuters in this country.

Based on the explanation above, the researcher then intends to examine how the government will carry out the economic strategy to overcome the problems of the COVID-19 pandemic in Indonesia.

# **Public Policy**

Understanding Policy, according to Anderson, explains as follows: "Policy is a direction of action that has a purpose set by an actor or several actors in overcoming a problem or a problem." Meanwhile, according to the Sinambela public, the public comes from English, which means general, community, or state (Petridou & Mintrom, 2021).

In the concept of public policy, many opinions give different meanings, but the idea gives meaning to public policy. This concept explains the depth of analysis required to formulate the limitations of the concept of public policy (McIntosh & Wright, 2019). The author describes experts' opinions on the definition of public policy for analysis in this paper, including Robert Eyestone. The latter contends that public policy is, broadly speaking, the interaction between a government unit and its surroundings (Freier et al., 2021).

In addition, Harold D. Lasswell and Abraham Kaplan define wisdom as a program for accomplishing goals, values, and directed behaviors. The opinion above emphasizes that policy is a program to be completed. Then Nugroho said that public policy is a way to achieve the aspired common goal. Suppose the ideals of the Indonesian people are to achieve a just and prosperous society based on Pancasila and the 1945 Constitution. In that case, public policy is all the infrastructure and means to reach that "destination" (Costa Buranelli, 2021).

According to the definition of public policy given above, public policy must have or contain goals or objectives to be achieved or to be completed. The meaning of public policy is often associated with or given meaning as a political act. The meaning of public policy is in line with the opinion of W.I. Jenkins, who stated that public policy is a set of interrelated decisions made by a political actor or group of political players regarding the chosen goals and the means to attain them in a context where the decisions are, in principle, still

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within the limitations of these actors' powers (Butkus et al., 2018).

Chief J.O. Udoji has a slightly different view from the opinion of W.I. Jenkins above, and Chief J.O. Udoji emphasizes more on public policy that has a specific purpose and can influence the community. According to Chief J.O. Udoji, public policy is as follows: "a sanctioned action that leads to a specific, interrelated goal that affects a large part of society" (Uster et al., 2022).

Based on the above notions of public policy put forward by scientists, it can be explained how public policy has a broad and dynamic dimension to develop knowledge further. Public policy can also be interpreted as a series of decisions or actions determined by the government in which some stages are interrelated and have goals to be achieved (Lenihan et al., 2019).

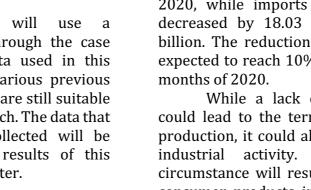
From Anderson's view, it can be concluded that every policy must have a specific goal to solve a particular issue. That goal can be achieved if the policy can be appropriately implemented (Howlett, 2019).

# Method

This research will use a qualitative approach through the case study method. The data used in this research comes from various previous studies and studies that are still suitable or relevant to this research. The data that this researcher has collected will be analyzed so that the results of this research can be found later.

#### Result And Discussion The Economic Impact of the Covid-19 Pandemic

As of January 8, 2020, the Passport Index data has been changed. Indonesian visitors are exempt from visa requirements in eighty-five countries worldwide. Don't even think about visas now, as several foreign flight routes have



been canceled owing to the fast spreading illness. AirAsia Indonesia has suspended all domestic service till June 2020. Other airlines must likewise operate with limited passenger capacity. As of April 1, 2020, 1,174 hotels and 286 eateries had shuttered in Indonesia alone. As a result, the company was forced to lay off thousands of people. that "Business sectors require attendance have fallen prey to COVIDsays Indonesian Hotel 19," and Restaurant Association chairman Hariyadi Sukamdani.

In the March 2020 edition of the Study on Trade and Industry by the Institute of Economic and Community Research, University of Indonesia (LPEM UI), supply chain obstruction was cited as the most significant immediate effect of the COVID-19 epidemic. According to Finance Minister Sri Mulyani, China provides 30 to 50% of the raw materials used in the plastic, textile, footwear, steel, and chemical industries. According to data from the Central Statistics Agency (BPS), the value of raw and auxiliary material imports declined by 15.89 percent to \$8.89 billion in February 2020, while imports of capital goods decreased by 18.03 percent to \$1.80 billion. The reduction in significance is expected to reach 10% in the first three

While a lack of raw resources could lead to the termination of home production, it could also constrain local industrial activity. Ultimately, this circumstance will result in the price of consumer products increasing and the number of workers decreasing. There are a number of ways to reduce the negative impact of COVID-19 on the economy. Fithra Faisal Hastiadi, an economist from the Universitv of Indonesia, remarked that the government must ensure the immediate availability and stability of prices for vital commodities. Examples of goods



that require extra care include rice, poultry, steak, eggs, shallots, garlic, red chilies or cayenne pepper, cooking oil, and sugar.

Indef economist Bhima Yudhistira thinks that Indonesia could lose IDR 127 trillion as a result of a worsening prognosis for economic growth. If China's economy falls by 1%, Indonesia's economy will fall by 0.3%, according to the government's claim. The moderately significant relationship between Indonesian and Chinese trade and investment could have a 0.3 percent impact on Indonesian GDP.Indef had set an economic growth target for Indonesia of 4.8 percent before the outbreak of the coronavirus.

This objective is far lower than the government's target of 5.3% economic growth. If the GDP in 2019 at current prices reaches 15,833.9 trillion IDR, then the 2020 APBN assumption for economic growth is 5.3%, or IDR 16,673 trillion. Due to the coronavirus outbreak, Indef predicts that Indonesia's economic growth could decline by 4.5 percent in 2020. Bhima stated that the GDP would be worth IDR 16.546 trillion if the increase was at 4.5 percent. "This means we have wasted 127 trillion IDR," Bhima stated.

#### Indonesian Government Response to the Covid-19 Outbreak: Policy Considerations

So many people can be quickly infected by the COVID-19 sickness because it is very contagious. Experts believe that the best way to end the pandemic is to slow the transmission of the coronavirus (COVID-19). According to them, delaying the spread so that existing health facilities can continue to accommodate the number of instances of illness at once is the best option. Thus, key at-risk populations can receive enough treatment. In order to prevent the spread of the COVID-19 virus, several governments have taken the required precautions. Based on local incidence rates, interventions are taken. Some employers implemented restrictions on employees' ability to travel, such as requiring them to take unpaid time off, canceling major events, and so on.

Indonesia has also taken steps to curb the disease's spread. This slope can be flattened with non-medical actions that can be implemented by all stakeholders in conjunction with the local government. Some places where the number of HIV-positive patients is fast expanding have implemented largescale social restriction (PSBB) policies as part of a larger government effort.

As announced at a press conference held on March 31, 2020, President Jokowi has announced the policies he has decided to battle the global epidemic of COVID-19, from which the Indonesian people are presently suffering. At a press conference, President Jokowi stated that the PSBB policy was implemented because of a health emergency.

Law No. 6 on Health Quarantine, passed in 2018, serves as the foundation for this rule. While announcing the PSBB plan, Indonesia's President Jokowi emphasized the need for regional governments to adhere to central government norms. This brings back "local memories of Indonesia's lockdown" policy. which was implemented in a number of places.

There has been a steady rise in the number of confirmed cases of COVID-19, according to an epidemiologist at the Faculty of Public Health of the University of Indonesia. Obviously, this is a source of concern for the community, since it suggests that the government has not been quick to address problems.



### **Economic Impact of PSBB Policy**

PSBB has not been deployed uniformly throughout all locations. This is natural given the complex conditions that each region must meet in order to successfully deploy PSBB. The following policy realization pertains to the provision of social assistance to disadvantaged members of society. There will be a wide range of measures to help those in need, President Jokowi said, from direct monetary support to free and discounted electricity prices for specific groups, to driver training and credit payment relief aimed at small businesses.

However, during the subsequent news conference, there were still a number of inquiries from the public regarding online motorcycle taxis allegedly being pursued bv moneylenders. At one point, the OJK claimed that they had replied by employing the previously described motorcycle taxi drivers in their web ventures. At one point, the OJK claimed that they had replied by employing the previously described motorcycle taxi drivers in their web ventures.

Covid-19 has had a significant impact on the revenue of many small towns, and direct financial aid is the only way lower-income families can meet their basic needs. Online motorcycle taxis cannot carry passengers under any circumstances because of the PSBB policy in DKI Jakarta. The drop in daily income is felt not just by taxi bike drivers, but also by employees of micro, small, and medium-sized enterprises (MSMEs), taxi drivers, and public transportation drivers, as well as individuals whose income is insufficient to meet their daily demands.

Therefore, direct cash aid must be made available to individuals in need. However, the COVID-19 case has resulted in a number of unfortunate situations, including the eviction of online motorcycle taxi drivers and their families for nonpayment of rent. Since the Covid-19 case, the online motorcycle taxi driver stated that it has been difficult for him to earn a living. As a result, he was unable to make his rent payments. During an interview with a local television station, the motorist confirmed that he had not received any help from the authorities. As a result, direct financial aid has not yet been implemented, or if it has, it has not yet been distributed in an equitable manner and on target.

According to the preceding statement, the government's PSBB response to the COVID-19 epidemic is still in the process of being executed. However, despite the fact that it hasn't been implemented in its entirety, at least some progress has been made. There are, however, some places that are still evaluating the policy. Similarly, President Jokowi's social aid strategy is still being implemented, despite the fact that operational challenges remain.

#### The Indonesian Government's Economic Approach to the Covid-19 Outbreak

The government has failed to give prompt diagnostic tests to the entire population when it comes to outbreak management and preventing the spread of COVID-19. To expedite treatment and prevent more widespread transmission, the government must implement a policy of no expense spared, such as the acquisition of medical equipment supporting examinations, isolation rooms, and Personal Protective Equipment (PPE); free of charge for inspections, whether proven or not, or preventive measures such as the distribution of inexpensive masks, etc. According to the substantial decrease in APBN revenues, the government will definitely be burdened by the escalating budget deficit. However, humanitarian



calculations should take precedence over economic measures that can still be handled based on the economic recovery of the community.

A slowdown in the economic cycle requires the government to cut costs that are immediately under its control, such as the basic rates for energy and clean water. SOEs' and RBEs' budgets will not be strained by the cut in electricity and fuel tariffs because crude oil prices are expected to remain in the \$20 per barrel range for an extended length of time due to the potential of a worldwide recession. This strategy could help lower-middle-class people whose current income can only be spent on food.

It is imperative that government officials keep an eye on the industrial sector in a situation when people's purchasing power is decreasing and other economic activities are slowing down so that the economy can recover as quickly as possible following an outbreak of the COVID-19 virus. This proposes lowering the tax burden on manufacturers and their employees (abolition of PPh 21 for six months) as well as manufacturing industry corporations (exemption of PPh 22 and a 30% discount on PPh 25). One of the reasons for this is that the current economic slowdown affects more than just manufacturing. Tax relief measures granting tax exemptions, such as up the distribution speeding of restitution payments, and deferring the payment of tax installments to other sectors, particularly those that have been adverselv affected, should he implemented by the government.

In order to maintain economic activity, the government must keep track of the purchasing habits of the lower classes. Specifically, by giving Direct Cash Assistance (BLT) to those experiencing a drop in income and unemployment, it is vital to support policies to ensure the seamless supply and distribution of goods, particularly food. The potential for panic buying and stockpiling is high during these periods, so distribution security must be enhanced. In such instances, as in China, the military can be optimally utilized to aid in the care of victims and the prevention of their spread, as well as to assist in guaranteeing the supply and distribution of products.

In order to encourage financial institutions to restructure and refinance private sector debt, MSMEs, and enterprises exposed to market risk and high exchange rates, OJK should develop measures. Economic players face a challenge in the current downturn due to the high level of banking interest rates, which Bank Indonesia (BI) and OJK must address.

Allowing policymakers to experiment with new ideas is a key responsibility of the government. Because of the increased need for public spending to stimulate the economy, fiscal policy must increase the budget deficit above the limit permitted under the State Finance Law. When the benchmark interest rate policy and other conventional policies don't work as well as they now do, monetary authorities in several nations that are actively engaged in creating incentives are an important model to follow. The Fed, for example, uses Quantitative Easing in order to make the economy more liquid.

Revision of Bank Indonesia Regulation No. 10/13/PBI/2008 or Law No. 24 of 2002 regarding Government Securities, enabling BI the freedom to purchase SUN on the primary financial market in support of state financing interests, could be a breakthrough for BI and the government.

### Conclusion

Prophylactic measures, such as providing free swab testing or quick



tests to the entire population, should be bolstered by the government to expedite the management of the COVID-19 outbreak. Although this strategy may result in a larger budget shortfall, is there anything more important than human lives?

People who depend on daily income are particularly hard hit by PSBB, so the government must provide BLT to ensure their well-being. The economic engine continues to operate. However, the distribution of BLT must be precise and comprehensive so that no lowincome community is overlooked.

The community will gain from the government's plan to cut the cost of electricity and fuel, as these are the two largest household expenditures. During an economic slump such as this, this strategy will be of great assistance to the community despite the indeterminate duration of the economic uncertainty.

The value of the Family Program of Hope's pre-employment and basic food recipient cards should not be increased; instead, the government should issue financial packages that directly affect the community, such as BLT and lower electricity and fuel costs, and free examinations should be made available to everyone.

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