



## 2022: INDONESIA'S ECONOMIC RECOVERY

Anisa Dewi Arismaya

State Islamic University Of Salatiga

### Info Article

#### History Article:

Submitted : 01 November  
2022

Revised : 15 November  
2022

Accepted : 30 Januari  
2023

#### Keywords :

*Indonesian Economy,  
Covid-19 Pandemic,  
National Economic  
Recovery*

### Abstract

The world's economic condition was made into a crisis due to the effects of the Covid-19 pandemic, including in Indonesia. Indonesia is one of the countries that has experienced the impact of a decline and economic slowdown from 2019 to 2021. The Covid-19 pandemic has not only had an economic impact but also has an impact on health, social and education due to the government *Lockdown* which requires all people to be active. inside the house. Policies continue to be carried out to improve the economy Back to normal, one of which is the National Economic Recovery (PEN) policy by the Indonesian government. Through PEN, all aspects are assisted by the disbursement of funds from the State Budget to assist various aspects ranging from education, social to economic so that all economic activities continue to run. The government divided the PEN program into three parts, namely Stimulus 1, Stimulus 2, and Stimulus 3 and succeeded in helping Indonesia's economic recovery until 2022.

## 2022: INDONESIA'S ECONOMIC RECOVERY

### Abstrak

Kondisi ekonomi dunia dibuat krisis akibat dampak pandemi Covid-19, termasuk di Indonesia. Indonesia merupakan salah satu negara yang mengalami dampak penurunan dan perlambatan ekonomi dari tahun 2019 ke tahun 2021. Pandemi Covid-19 tidak hanya berdampak pada ekonomi tetapi juga berdampak pada kesehatan, sosial dan pendidikan akibat *Lockdown* pemerintah yang menuntut semua orang untuk aktif. di dalam rumah. Kebijakan terus dilakukan untuk meningkatkan perekonomian Kembali normal, salah satunya adalah kebijakan Pemulihan Ekonomi Nasional (PEN) oleh pemerintah Indonesia. Melalui PEN, semua aspek dibantu kucuran dana dari APBN untuk membantu berbagai aspek mulai dari pendidikan, sosial hingga ekonomi agar semua kegiatan ekonomi tetap berjalan. Pemerintah membagi program PEN menjadi tiga bagian yaitu Stimulus 1, Stimulus 2, dan Stimulus 3 dan berhasil membantu pemulihan ekonomi Indonesia hingga tahun 2022.

✉correspondence Address

Institutional address : Universitas 17 Agustus 1945 Jakarta

E-mail: [dwiyuliani2794@gmail.com](mailto:dwiyuliani2794@gmail.com), [khalisah.subekti@uta45jakarta.ac.id](mailto:khalisah.subekti@uta45jakarta.ac.id)

2776-5865 (online)

DOI:

<http://dx.doi.org/10.35473/v1i1>

## INTRODUCTION

Covid-19 hit the world since 2019 to affect the global economy in three main ways, namely affecting production (trade supply), disruption to financial markets, and disruption of the supply side of goods and services in the macro economy. These three things can worsen inflation because they have a direct impact on employment, a decrease in gross domestic product (GDP), an increase in unemployment, and an increase in raw material prices (Shlomo,2020). Noy et al., 2020 explained that the impact of the Covid-19 pandemic was not only on global trade flows, decreased income from the tourism sector, unstable labor flows, but also had an impact on consumer behavior, namely decreased consumer confidence due to the dissemination of unreliable information through social media is widespread. This can have an impact on the loss and vulnerability of a country's economy. Consumers and companies have become less optimistic, thereby reducing consumption, investment, employment, and production levels so that the government must pursue expansionary policies and recovery of economic activity while implementing measures to minimize the spread of the virus from a health perspective (Njindan Iyke, 2020).

Covid-19 hit the world until it entered Indonesia since March 2, 2022 and hit the health resilience system to the social and economic side of Indonesia. Various countries in the world hit by the Covid-19 virus are competing to create innovations in the health sector to prevent the spread and treatment of the Covid-19 virus because the spread of the Covid-19 virus has had a considerable impact on the global economy (<http://p2p.kemkes.go.id/>). The National Police, in 2021 explained that the impact of the Covid-19 virus has a direct impact on health aspects, namely the increasing number of deaths due to the rapid transmission of the Covid-19 virus and occurs in the central government area which is close to the economic center so that it directly has an impact on the decline and slowdown. economy. Not only the high mortality rate, but also an increase in unemployment, especially in small industries such as Micro, Small and Medium Enterprises (MSMEs). And the third impact is the social impact due to an increase in poverty that occurred in the Pati Regency, Central Java. Indonesia is not the only country that has had the impact of losses caused by the Covid-19 virus, but the global impact has occurred in all countries that have very high economic risk, occurring in most

areas of Sub-Saharan Africa, South Asia, and Southeast Asia. The consequences of a pandemic are direct and indirect losses such as the economic impact of the tourism sector. A country needs a policy mechanism to deal with future risks, especially economic risks (Noy et al., 2020).

Ali et al., 2020 explained that the community and business units feel economic vulnerability due to the Covid-19 pandemic from the macroeconomic and microeconomic indicators of a country. Some of the influencing factors are declining state income, increased spending on health, low productivity, fiscal policy disturbances, monetary policy disturbances, and global capital market conditions. There are many causes that make the economic situation of a country shaken, one of which is because the *Lock Down* imposed by a country causes many business units to close their businesses resulting in a reduction in employees and an increase in unemployment. There needs to be a framework for developing economic development that is in accordance with the conditions of a country for economic recovery. Countries in the world that have experienced the economic impact of Covid-19, one of which is Indonesia, until the beginning of 2021, experienced economic growth pressures of minus -6.13% in August 2020. The economic slowdown has forced the Indonesian government to work extra hard so as to create several economic policies. In this study, what are the policies carried out by the Indonesian government for economic recovery and how they are implemented for all Indonesian citizens, especially the business sector. The purpose of this study is to find out what policies are being carried out by the Indonesian government for economic recovery and their implementation for the business sector.

## Covid-19 Pandemic

In 2021 explained that the *World Health Organization* (WHO) gave news that an extraordinary event occurred, namely the Covid-19 virus that hit the world as a global pandemic which was first discovered in Wuhan, China. The rapid spread of the epidemic with a high number of cases has had a negative impact on the whole world in terms of health, social, welfare and economy. The very impact that Covid-19 has given from the health side is the high number of deaths and infectious cases at all ages, while from the economic side is the weakening of the global economy due to the implementation of the *Lock Down*. In Indonesia, the first case of Covid-19 occurred since March 2020. This requires changes

and adjustments so that people take precautions so as not to contract Covid-19. One of the policies made by the Indonesian government is to oblige people to do activities at home so that economic support activities weaken because they do not work as they should. The Indonesian government is confused because the government does not only think about the health aspect but also the economy so that the wheels of the Indonesian economy do not stop. The government spends a lot of state budget funds for the provision of PPE and medical equipment as much as 75 trillion. Apart from the health side, the government must also think about policies to help the economy and society continue to survive in the midst of the Covid-19 pandemic, which is not yet known when it will end.

Susilo et al., 2020 explained that Covid-19 is a disease that has turned into a pandemic because its spread is quite fast and wide. The Covid-19 disease is wary of because it has a fairly high mortality rate and there is no specific therapy for its cure. Covid-19 is a newly discovered disease so knowledge about its prevention, transmission, and cure is still in the research stage. Over time, the prevention of Covid-19 has begun to be widely implemented by the wider community and has become a policy for the government, among others, by maintaining distance and self-isolation when infected and the mandatory vaccination policy given to all Indonesian people so that the spread can be reduced. Covid-19 data as of April 4, 2022 accessed from the official website <https://covid19.go.id/peta-sebaran> shows that although Indonesia has Covid-19 cases and a fairly high death rate of 155,626, the Indonesian government continues to carry out various policies for recovery are not only in terms of health but also various economic policies such as the Cash Assistance Program for street vendors, stalls, and fishermen.

### The Impact of Covid-19 on Economic Growth

Fahrika & Roy, 2020 explained that Indonesia experienced economic growth of 2.97% due to the impact of handling the Covid-19 virus because it affected aspects of life and economic activities of all countries, not only in Indonesia but also in the world. However, despite experiencing the impact due to the spread of the Covid-19 virus, the decrease in inflation, the increase in the manufacturing industry, the increase in investment value, the decrease in the number of imported goods in the first quarter gave positive

numbers in contributing to the increase in Indonesia's economic growth. Government policies continue to be taken in an effort to overcome macroeconomic problems during the Covid-19 pandemic, namely the Social Safety Net and support for APBN financing and the Economic Safety Net by providing fiscal and non-fiscal incentives. In addition, policies from the financial sector and taxation policies also contribute to Indonesia's economic growth.

Year	State Revenue
2019	1,960,633.60
2020	1,647,783.34
2021	1,735,742.80
2022	1,846,136.70

Table 1. [www.bps.go.id](http://www.bps.go.id), 2022 State Revenue Data (in billion Rupiah)

Table 1 is data on Indonesia's state revenues from the economic side, showing that state revenues will decline in 2020 to 2021 compared to 2019. Sources of state revenue consist of tax and non-tax revenues and grants. The indicators of tax revenue consist of Domestic Taxes, Income Taxes, PPN and PPNBM, PBB, Customs on Acquisition of Rights on Land and Buildings, Excise, Other Taxes, International Trade Taxes, Import Duties, Export Taxes. Meanwhile, non-tax indicators come from Natural Resource Revenue, Separate Revenue from State Assets, Other Non-Tax Revenues, Revenue from Public Service Agencies. From table 1 it can be seen that in 2022 state revenues began to grow. This shows that Indonesia is starting to improve economic conditions in line with the reduced cases of Covid-19 in Indonesia.

### RESEARCH METHODOLOGY

This study uses a qualitative method of phenomenology with research methods to reveal phenomena that occur naturally by a group of individuals (Cresswell: 1998). The data used uses secondary data taken from several official websites to reveal the Covid-19 phenomenon and economic policies by the Indonesian government whose data is downloaded on the following website page:

1. <https://ekon.go.id/>
2. <https://ekon.go.id/>  
[/www.djkn.kemenkeu.go.id/](http://www.djkn.kemenkeu.go.id/)
3. <https://www.kemenkeu.go.id/>
4. <https://www.kominfo.go.id/>
5. <https://www.bps.go.id/>
6. <https://www.bi.go.id/>

## DISCUSSION

important role that boosted economic growth, which had fallen due to the Covid-19 pandemic, came from government consumption, namely household components and investment. Several factors driving economic improvement were also supported by various business sectors, including the manufacturing, trade, construction, transportation and warehousing sectors to increase economic activity. Apart from the role of the government, the community also plays an important role because with the maintenance of people's purchasing power during the Covid-19 pandemic, inflation can be suppressed at a low level. It was proven that inflation in September 2021 was stable at the level of 1.60% (yoy). The government continues to improve policies from various sectors to improve the country not only in terms of the economy but in terms of health, the distribution of vaccinations 1 and 2 will continue to be carried out until April 2022, it is recorded that 162 million Indonesians have been fully vaccinated with doses 1 and 2.

### **The Covid-19 Handling Committee and National Economic Recovery**

The national economic recovery was strengthened at the national level by the establishment of a special committee that was formed for the handling and recovery of the Indonesian economy and health. The government established a Task Force for the Acceleration of Handling Covid-19 through Presidential Decree No. 7 of 2020 which has several tasks, namely increasing national resilience from the health aspect, expediting the handling of Covid-19 by synergies between regions and institutions, increasing anticipation of the development of escalation in the spread of Covid-19, increasing synergy in policy-making related to operations, increasing the ability to prevent, detect, and response to Covid-19 and its readiness. Since the Task Force was created for health-focused treatment, the government then established the Covid-19 Handling Committee and National Economic Recovery (KPCPEN) because economic problems during the pandemic had to be resolved before economic conditions worsened. The two institutions have the right and authority to make decisions that bind government agencies as well as communicate and coordinate policies related to handling Covid-19.

### **National Economic Recovery Program**

The National Economic Recovery Program (PEN) is a program from the Ministry of Finance which was ratified as PP 23/2020 with the main objective of reducing the impact of Covid-19 on the economy as a response to the decline in community activities that have an impact on formal and informal business units. The capital of the PEN Program comes from State Expenditures, Fund Placements, Guarantees, State Equity Participation, and Government Investments. The form of activities of the PEN Program is support for the business world which is divided into three, 1. MSMEs with an interest subsidy of Rp. 34.15 T, tax incentives of Rp. 28.06 T consisting of PPh 21 DTP, Final PPh of DTP MSMEs, and guarantees for new working capital credit for MSMEs amounting to Rp. 6 T. 2. Corporations with tax incentives of Rp. 34.95 T (free of import PPh 22, reduction of PPh 25 installments, preliminary refund of VAT), and 3. SOEs in the form of state capital participation, compensation payments, bridging (investment) for working capital, and other support in the form of optimizing BMN, settlement of bills, deferral of dividends, Loss limit guarantees, government guarantees, payments for national strategic project (PSN) tanak bailouts. The PEN program is to support the existence of MSMEs in Indonesia with a credit stimulus policy for MSMEs amounting to Rp 34.15 T which is divided into three distribution methods namely through banking, through pawnshops, and finally through online, cooperatives, farmers, LPDB, LPMUKP, and MSME Regional Government.

### **Fiscal Policy and State Budget**

The government establishes various policies by collaborating with various agencies including the Financial System Stability Committee consisting of Bank Indonesia, the Financial Services Authority, the Deposit Insurance Corporation to optimize policies in overcoming the health crisis and economic crisis that occurred in Indonesia. The government is responsive to ensure that the policies taken can be implemented properly. The government and authorities in Indonesia carry out stimulus in various sectors such as tourism and encourage labor-intensive activities.

Fiscal policies made to deal with Covid-19 are:

1. Refocusing and reallocating the budget
2. STIMULUS I: Strengthening the domestic economy through accelerated spending and policies to encourage labor-intensive and spending stimulus.

3. STIMULUS II: Maintaining people's purchasing power and facilitating the export and import of goods and services through fiscal stimulus, non-fiscal stimulus, and policies in the financial sector.
4. STIMULUS III: Saving health and the national economy and maintaining financial stability, namely state financial policies (health, social safety net, business support, financing support for economic recovery) and policies in the financial sector.

Monetary and Financial Policy :

- a. Monetary : Lowering the Bank Indonesia 7DRR interest rate, increasing the intensity of triple intervention, lowering the Statutory Reserves (GWM).
- b. Banking: Relaxation of credit requirements/providing of funds for MSMEs, restructuring of MSME loans/financing.

**The refocusing/reallocation of the**

APBN budget provides a quick response to the sharply increasing need for health budgets through refocusing and reallocation. This step is used to deal with Covid-19 according to Presidential Instruction No. 4 of 2020 on March

20, 2020, namely the Minister and Head of Institutions in Indonesia prioritizing the budget for handling Covid-19 with the following instructions: 1) Budget allocation for activities that accelerate the handling of Covid-19. 2) Refocusing on activities and budget reallocation with budget revisions and immediately submitting budget revisions to the Minister of Finance. 3) Procurement of goods and services in the context of handling Covid-19 in order to facilitate access. 4) Procurement of goods and services by involving the Government Goods and Services Procurement Policy Institute and the Financial and Development Supervisory Agency. 5) Procurement of goods and services for medical devices and medical devices according to the standards of the Ministry of Health to accelerate the handling of Covid-19. Local governments also focus on health and meeting the basic needs of the people. The Ministry of Finance encourages local governments to refocus their budgets and obtain Transfer Funds for handling Covid-19.

**Stimulus Package**

provides a stimulus for handling Covid-19, which is prioritized to improve the economy in terms of households, health and finances. The stimulus series was launched since February 2020 as follows:

Program	Stimulus Package II	Stimulus Package III
<p>The Stimulus Package I was issued by the government through policies to strengthen the Indonesian economy through state spending, namely accelerated spending and encouraging labor-intensive policies.</p> <ol style="list-style-type: none"> <li>1. Acceleration of spending and incentives for labor intensive, namely:                             <ol style="list-style-type: none"> <li>a. Acceleration of working capital disbursement, acceleration of tender implementation, acceleration of revisions, acceleration of strategic budgets, anticipation of cash availability.</li> <li>b. Accelerate the disbursement of social assistance spending, namely the National Health Insurance Contribution Assistance Recipients, namely spending from February to</li> </ol> </li> </ol>	<p>Stimulus Package II is a package designed to maintain people's purchasing power and consists of:</p> <ol style="list-style-type: none"> <li>1. Fiscal stimulus in the form of tax reductions from April-September 2020.</li> <li>2. Non-fiscal stimulus in the form of reducing export bans and restrictions with code 749 and simplifying and reducing import restrictions and restrictions, accelerating export and import processes and improvement of export and import services with the <i>National Logistic Ecosystem</i>.</li> <li>3. Financial sector policies by providing support to banks for customers affected by Covid-19, especially MSMEs through MSME financing loans and the relaxation of the</li> </ol>	<p>The Stimulus Package III is a government policy by increasing the expenditure and financing of the State Budget, namely:</p> <ol style="list-style-type: none"> <li>1. Health by 75 T</li> <li>2. Expand the safety network by 110 T</li> <li>3. The economy and the business world by 70.1 T</li> <li>4. PEN 150 T</li> </ol>

<p>April will be disbursed in February.</p> <p>c. Encouraging the implementation of village activities by transferring to blood and village funds with activities aimed at absorbing labor.</p> <p>2. Protection for community groups affected by Covid-19 with a shopping stimulus. The spending stimulus program is implemented through the following programs:</p> <p>a. Protecting the purchasing power of the people with the lowest income as much as 40% with the basic food card program, housing interest subsidies and increasing the volume of houses around 175 thousand housing units.</p> <p>b. Support for the tourism sector that has a direct impact by providing incentives for travel agents who bring in foreign tourists and marketing personnel.</p> <p>c. Protect the workforce with digitized pre-employment cards for training programs.</p>	<p>BPJAMSOSTEK program.</p>	
---	-----------------------------	--

The PEN program is a policy program that involves all levels of the central and local government, government institutions and agencies, supervisors, the private sector and cannot be separated from the support of the community as economic actors. Evaluation for the PEN program continues to be carried out to maximize the output of the PEN program through monitoring and evaluation by KPC PEN so that supervisors can assess the effectiveness of the PEN program. In the health sector, a fund allocation of Rp 87.55 T was launched to fulfill the handling of Covid-19 for health workers, including incentives given to ASN, Non ASN and Covid-19 volunteers. Incentives are given to health workers due to the high risk and workload in handling Covid-19 cases. The social protection sector received funds of Rp. 203.9 trillion by focusing on the poor and vulnerable. There are various forms of social protection assistance, ranging from Pre-Employment Cards, Internet Quota Subsidies from the Ministry of Education and Culture and Ministry of Religion, Ministry of Manpower Salary Subsidy Assistance, to Honorary Teacher BSU.

The employment sector shows that in 2021 there will be a recovery of a group of workers and continuous improvement. This is in line with the economic recovery from the PEN program by creating job opportunities from manufacturing, services, food and beverage, and agricultural trade. The education sector is also the focus of the PEN program because the education sector is directly impacted by the spread of Covid-19. Gradually the government distributes internet quota subsidies for students, students, teachers, and lecturers so that they can be used for all groups because distance learning is still being implemented until early 2022. MSMEs in Indonesia contribute 60% to Gross Domestic Product (GDP) and 97 % of the national workforce. The government cannot ignore the importance of the existence of MSMEs in contributing to national economic income. Support for MSMEs in the PEN program amounting to Rp 123.46 T in the form of interest subsidies, GENERAL credit guarantees, Final Income Tax, Placement of Funds, Investment

Financing, and Banpres for Productive Micro Businesses.

### CONCLUSION

The Covid-19 outbreak that has hit the world has become a challenge for various countries because it has changed the global economy, including Indonesia. The significant increase in cases paralyzed economic activity due to global activity restrictions. Indonesia is one of the countries that suffer losses from various sectors including the economic sector. In the midst of these dynamics and challenges, the Indonesian government launched the PEN Program to overcome and anticipate state losses from various sectors such as the economic, health, education and social sectors. State budget support for the PEN program amounting to RP 744.75 helps various affected communities.

### REFERENCES

- Ali, M. J., Bhuiyan, D. A. B., Zulkifli, N., & Hassan, M. K. (2020). The COVID-19 Pandemic: Conceptual Model for the Global Economic Impacts and Recovery. *SSRN Electronic Journal*.  
<https://doi.org/10.2139/ssrn.3656243>
- Fahrika, A. I., & Roy, J. (2020). Dampak Pandemi Covid-19 terhadap Perkembangan Makro Ekonomi di Indonesia dan Respon Kebijakan yang Ditempuh The Impact of the Covid-19 Pandemic on Macroeconomic Developments in Indonesia and The Policy Response taken. *Inovasi*, 16(2), 206-213.  
<file:///C:/Users/asus/Downloads/8255-15843-1-PB.pdf>
- <https://ekon.go.id/> (2022)
- <https://ekon.go.id/ /www.djkn.kemenkeu.go.id/> (2022)
- <https://www.kemenkeu.go.id/> (2022)
- <https://www.kominfo.go.id/> (2022)
- <https://www.bps.go.id/> (2022)
- <https://www.bi.go.id/> (2022)
- Keuangan, K. (2021). *Merekam Pandemi Covid-19 dan Memahami Kerja Keras Pengawal APBN*.
- Njindan Iyke, B. (2020). Economic Policy Uncertainty in Times of COVID-19 Pandemic. *Asian Economics Letters*, 1(2), 2-5.  
<https://doi.org/10.46557/001c.17665>
- Noy, I., Doan, N., Ferrarini, B., & Park, D. (2020). Measuring the Economic Risk of COVID-19. *Global Policy*, 11(4), 413-423.  
<https://doi.org/10.1111/1758-5899.12851>
- Polri, L. (2021). Jurnal Litbang Polri. *Polri*, 24(1), 17-34.
- Shlomo, M. (2020). The Global Economic Impact of Covid-19: A Summary of Research. *Samuel Neaman Institute for National Policy Research, March 2020*, 1-12.
- Susilo, A., Rumende, C. M., Pitoyo, C. W., Santoso, W. D., Yulianti, M., Sinto, R., Singh, G., Nainggolan, L., Nelwan, E. J., Khie, L., Widhani, A., Wijaya, E., Wicaksana, B., Maksum, M., Annisa, F., Jasirwan, O. M., Yuniastuti, E., Penanganan, T., New, I., ... Cipto, R. (2020). Coronavirus Disease 2019: Tinjauan Literatur Terkini Coronavirus Disease 2019: Review of Current Literatures. *Jurnal Penyakit Dalam Indonesia*, 7(1), 45-67.