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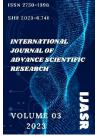
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HOW DANGEROUS WAS THE CORONAVIRUS PANDEMIC THAT CAUSED INDONESIA'S DOWNTURN?

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Abstract

The scope of Indonesia's recession during the COVID-19 outbreak, which has been going on for nearly a year, was the subject of this paper. This study centers around the public authority's endeavors to determine this emergency through arrangement and system to limit the conversation. To achieve the objective of this review, we initially accumulated primer perusing material by perusing articles on downturn brought about by pandemics to get adequate review plan-related data. We then go over the various means by which we can convey an understanding of the recession and its causes after the opening section's conclusion. After that, we proceed to the middle of the study to select the most significant results. We declare that the findings of this study are legitimate and solid before completing the results. The findings can be summarized as follows, last but not least: The recession has had an impact on the national economy, so the government has decided to give additional money to the most affected individuals as a boost. Another strategy used by the government is to collaborate with third parties to create procedures for dealing with the possibility of a domestic recession and anticipating Covid-19.

Keywords

COVID-19; decline in Indonesia; pandemic; recovery strategy; inspect strategy.

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INTRODUCTION

The Corona virus or COVID-19 pandemic, which is now in its first year, continues to pose a threat to all human activities and the global economy, as well as to the development and property of the Indonesian economy. According to the most recent data released by the Ministry of Economy, this disruption to the economic process still tends to decrease by quite a bit during the second quarter. In the same way, experts always say that the Indonesian economy could go down in the next quarter if the pandemic subscription doesn't get better. At the same time, the Indonesian economy may experience a constant potential decline in the fourth quarter—specifically from -2.9% to -1%—if the management of a plague does not provide reason for optimism. Experts recommend that numerous parties, including economic aid and donor agencies, be involved in the land's recovery in order for the economy to emerge from this recession.

An effective strategy for halting the spread of the pandemic virus is to implement government policies supported by medical professionals regarding the efficacy of health protocols during the initial outbreak of COVID-19. These policies include social isolation and imprisonment. However, in the long run, this policy will cause economic development to be disrupted wherever public quality is restricted, rendering the wheels of the economy and business inoperative. On the other hand, the government's ability to manage the decline in corona virus cases in the future may be hindered if it does not collaborate with

alternative parties as the party providing support and assistance. As a result, the economic decline will have a greater impact, particularly on the domestic economy. In order to prevent this from happening, it is necessary to organize from the beginning with the government, the public, businesspeople, and medical professionals, particularly with the participation of outsiders who are demonstrated capable of overcoming the pandemic (Valdés-Floridoet al., 2020; 2020; Darlenski and Tsankov Sudiartini and others, 2020). The primary choice for Indonesia's strategic policy, which is still in an unsustainable state of development, is the collective recommendation of medical and economic officers to market cooperation across experience and practitioners that support from several domestic and transnational parties to slow and handle the unfolding also, on restoring the impact of COVID-19, particularly economic recovery. The Indonesian government must come up with creative ways to make the most of all the resources at its disposal and foster regional and international cooperation if this is to be implemented. To make room for a variety of needs, resources, and human resource capacity to deal with this pandemic and economic disruption, including health technology. So that the land can fight COVID-19 while simultaneously overcoming the economic downturn.

Since the pandemic struck Indonesia's economy, it is impossible to avoid a recession if the national economic process continues to be negative for

many quarters in a row. Steady with a few monetary examinations and business financial cycle, this public downturn's effect is on customer exchanges, and employment misfortunes, trailed by a reduction in the undertaking because of occupants generally disapprove of monetary benefit issues. Another study also stated that if the recession continued, it would be difficult for the country to recover; possibly taking longer than when the pandemic first struck the economy. Compared to the downturn that occurred at the height of the New Order era in 1998. Land was unable to emerge from its recession for five years. Another study also stated that it was anticipated that the economy would shrink by 5.32 percent in the second quarter of land.

The previous recession prediction has been revised by the government; the most recent forecast for 2020 indicates that the recession will persist between -0.7% and -0.6%. On many events, the public authority keeps on giving certainty that the downturn won't proceed. It that production indicates activities are decreasing, or negative, and that this trend is likely to continue into the fourth quarterroughly zero percent—indicating an increase in economic activity or positive. The Indonesian State Budget Law program results for 2021 may be used by the government as another option. With forecasts going from 4.5% to 5.5% with a gauge of 5.0%. If numerous studies support the government's prediction, it is accurate. Take, for instance, Triggs et al. 2019); According to a study by Purwanti (2020), the Organization for Economic Cooperation and Development (OECD) anticipates that Indonesia's economic growth will be 5.3 percent next year, followed by the Asian Development Bank's growth of 5.3 percent and Bloomberg's growth of 5.4 percent. However, if the problem and the way COVID-19 is managed in the country showed a downward trend, what happened was less than expected. This indicates that the COVID-19 case data play a crucial role in determining everything—whether it decreases or increases will have an effect on domestic economic and business activities and eventually result in a significant recession.

The creators notice different public news media that financial development presently will in general be negative until the second from last quarter. Low consumer purchasing power activity pointed to this unusual growth. During the lockdown, when customers were still shopping for groceries and other essentials, this symptom persists. Even some families with low incomes continue to rely heavily on government assistance, such as direct cash assistance and Ministry of Social Affairs assistance. As a result, there is no rotation of money, no economic activity, and very little spending occurs. To break this cycle, the government will unavoidably make investments in subsidies and provide assistance to consumers with domestic consumption in order to lift individuals out of trouble or a recession. This approach is consistent with the findings of Adeniran & Sidig (2018), who comprehend the causes of economic recessions and offer suggestions for navigating the Nigerian case in the context of global socio-economic studies. so that later, the government can emerge





from a difficult recession this year, as evidenced by a 5.32 percent decrease in gross domestic product in the second quarter of 2020.

The aforementioned recession scenario turns out to be more severe than the government's forecast, which is frequently expressed by Bank Indonesia and in speeches given by cabinet ministries, particularly by ministers who are most familiar with updates on COVID-19-related financial developments. According to national media reports, the estimated decline in the second quarter's gross domestic product will be -3.8%, which is slightly lower than Bank Indonesia's forecast of -4.8% economic recessions. For this situation, somebody determined the public monetary downturn in the second quarter of 2020 on a year-on-year premise by contrasting it with the downturn in the very guarter in 2019 that is shrunk by 5.32% before the pandemic disturbed. The second quarter's national economic growth also decreased by -4.19 percent when compared to the first quarter of 2020 or quarter on quarter. Altig et al. conducted the following research regarding the recession: 2020), who investigated the relationship between the pandemic's uncertainty and economic growth and recession.

Baldwin and Weder di Mauro (2020), evaluate the condition of the economy in Corona virus and connected with a few nations that will before long experience a serious monetary downturn assuming there is a constriction in their particular nation's GDP. If growth conditions in the second quarter decline, it is evident that Indonesia will become one of the Southeast Asian nations hardest hit by the recession in the third quarter. This condition is relevant to the findings of Resosudarmo & Abdurohman (2018), who questioned whether Indonesia would experience a significant recession if the 5% economic growth rate was considered to be normal. Similarly, Cranfield (2020) suggests that a recession is imminent due to low consumer demand for necessities during the pandemic. The argument goes that, unless they can no longer afford it due to difficult financial conditions, no consumer can hide behind their food needs and other primary needs.

If Indonesia experiences negative and negative gross domestic product growth for two consecutive quarters in the subsequent quarter, understanding the extent of the recession will be repeated. After that, the recession has occurred. However, it could be considered a severe recession if the fall is extremely deep and varies in size from year to year. So this information builds up the event of a downturn in light of the fact that the drop is very critical. After all, returning to positive in the subsequent third quarter is not easy. In this way, Indonesia is taking the development of the first-quarter total national output at 2.97%. It will read -1.7% with a downward trend forecast for the third quarter. Be more insistent; If the Indonesian economy goes into a deep recession, there won't be many jobs in the future. That's a clear sign of the current recession.

In today's education, it is crucial to comprehend how the COVID-19 recession and depression cause excessive anxiety as many citizens lose



regular income or shut down their businesses and livelihoods. Many regions or nations must survive, but frequently the nation or society is in a difficult situation and is overly anxious to contemplate and live a future that is always dominated by fear. Then, at that point, this dread will, thus, make it hard for buyers or the local area since they must be ready to live with short expenses and business exercises that need to stifle speculation, which at last outcomes in additional financial slack from the state and society who are more ready to adapt to the effect of downturn because of pandemic disturbance. The condition of the stock market, which shows a fluctuating trend from a sudden high to a low from before the COVID-19 outbreak until the middle of the year, when Indonesia entered a new normal, is the next thing that most often occurs when the country experiences a recession. The stock market owns as quickly as other institutions do, which is easy to understand. A government that is determined to end an almost never-ending recession by enacting policies that prevent it from happening again, like when the New Order collapsed in 1998. The government is working to ensure that the current financial system no longer poses a threat. However, the current state of affairs is strikingly different: tens of millions of Indonesians are forced to receive direct subsidies like the direct cash payment (BLT) and assistance from the social ministry as a result of unemployment, while millions of others have no idea what to do when Indonesia experiences a national recession.

MATERIALS AND METHODS

The essential target of this survey was to decide the way that terrible the Indonesian economy was in downturn after the Coronavirus pandemic, which has been influencing impacted countries, including Indonesia, for close to 12 months. We wanted this study to focus on national policies and strategies used to recover from this huge recession. To achieve the objectives of this review, we began by perusing various related articles and refering to them to get data and information that are applicable to the current subject. We then, at that point, give an outline of how we might interpret downturns and their subsequent to causes composing the presentation. After that, we finished the main part of our study and decided what to make of the results. After that, we look over the results to see if they meet the validity and reliability requirements. We believe that our study method is correct, as demonstrated by Flick (2013), who has developed his book into a guidebook for the study of qualitative analysis of SAGE, industrial activities for the journal, and other publications.

RESULTS AND DISCUSSIONS

Downturn arrangement

The public power's undertakings to overcome the slump strangely were through the Help of Cash draws near. For instance, the public authority ought to increase direct assistance in order to initiate the spending plan from post-public financial recovery (REN). This time, the program

got a huge amount of IDR 695.20 trillion, which was disseminated gradually to the Coronavirus impacted populaces. Due to the nature of the stimulus budget, the government must ensure that it achieves its implementation objectives. Furthermore, it harvests the field's elements. The public authority should also communicate the rationale for the subsidizing assistance, particularly the understanding that the boost reserves are intended to ensure that the community only needs to survive and is not valued. funds for stimulation in response to the causes of the Covid-19 pandemic; all gatherings should understand the meaning of help reserves while endeavoring to get away from the downturn and return to past standards.

How quickly will Indonesia emerge from the recession? The nation was severely affected by a financial crisis in 1998. The public authority's recuperation from that emergency required over five years. Because, if guided by the experience of the recession, the nation may face an economic emergency during the fall of the New Order, the development period to fully recover from the effects of COVID-19 on the recession is probably going to span multiple periods of governance. As a result, Olivia et al.'s study As the nation has previous experience with crises and recessions, the Indonesian government will implement this strategy in 2020 to combat the COVID-19 recession. The study of Indonesian economic studies regarding knowledge of these two significant events is significant and beneficial because the impact of the COVID-19 pandemic is comparable to that of the crisis in 1998.



Indonesia's largest economic crisis was the monetary crisis that lasted from 1997 to 1998.

Only a small number of sectors desired an easy government response to the financial crisis of 1998. Be that as it may, Coronavirus caused the emergency and downturn this time, influencing all businesses. All things considered, the government appears to have anticipated a pandemic-driven downturn with various strategies, a significant allocation of funds for the recuperation program impacted by unrestricted and concurrent monetary assistance, and a significant spending plan for treatment and care for Corona virus survivors. It acknowledges the government's bravery in enacting regulations to reduce the State Revenue and Expenditure Budget deficit, which could exceed 3% for three years. It should be valued as a method by which the public authority can recuperate from a downturn whose term is obscure.

Financial plan support

This frightening eruption of Covid has truly imperiled more open monetary plans in many affected countries. Due to soaring spending to overcome and anticipate the outbreak's effects, the Indonesian government anticipates that the budget deficit will continue to soar above the 4% deficit that is typically invested in every budget start. Conversely, the government provided an official guideline expressing that the financial plan deficiency for 2020 is expected to be IDR 1.03 quadrillion, or roughly 6.34 percent of Gross domestic product. This indicates that the fiscal deficit is greater than twice the standard budget



limit. On the other hand, as a result of the pandemic's response to declining production and exchange, the country's pay has also decreased completely.

They were referring to a number of experts who had suggested that the government's perspective could be the key to overcoming the recession brought on by Covid-19. Experts say that the government was asked to stop using a separate policy on the effects of the pandemic for the cabinet for the economy and the ministry of health to solve the economic recession. For instance, because health and the economy both have an impact on one another, the government cannot, through its cabinet, prioritize health over the economy. In order to end a recession, we must adopt a viewpoint that is broadly supported by policymakers. Because the COVID-19 pandemic has had an impact on both the supply and demand sides, which has a financial impact, there are times when it is also necessary to be assertive when putting unconventional policies into effect.

The public authority has gotten roughly US\$1.8 billion (Rp.26.3 trillion) in financing from different countries to determine the Coronavirus downturn until the center of 2020. For example, Japan's guide has reported the dispensing of 50 billion yen (Rp. 6.9 trillion), supporting the monetary downturn and helping the public authority in beating the impacts of the general wellbeing pandemic. This kind of assistance has an interest rate of 0.01% over the course of a 15-year tenon. However, there is a great deal of risk associated with this kind of debt assistance with other governments. Thus, the public authority

should practice intense watchfulness while acquiring unfamiliar advances, in any event, for unobtrusive totals.

Non-funding assistance

There is more to economic recovery than just a financial plan. The public authority managing the downturn has also benefited from the association of specialized assistance with various methods from related partners, in this case, domestic assistance and unfamiliar specialized assistance. Because it has a lot of cooperative relationships with a lot of parties from other countries, Indonesia needs to take into account the interests that have a positive effect on the recovery of its economy. The government will finally be able to learn from other nations' experiences during the technical process that will be carried out in Indonesia. In a number of nations, recovery efforts have been evaluated and recovery programs have been implemented. In order for Indonesia to expand the specialized scope of monetary recovery in a manner that is both convenient and defined, an evaluation of such strategies and experiences will serve as an important reference.

It is essential to provide an illustration of the manner in which the Australian government has shared its experiences with a few nations in Asia, providing yet another standard strategy for resuming work and restoring the economy. Australia's parliamentarians frequently explained how their policies would restore the economy that was affected by Covid-19. For example, Australia's act of appropriating interior

supports in two ways — to the focal and state levels — with the goal that they can be dispersed all the more rapidly and unequivocally. After the lockdown, the Australian government shares its strategy for organizing financial strategies for business activities. Since the COVID-19 outbreak began in Indonesia at the beginning of 2020, the Australian government has actively responded to the outbreak with three steps of economic assistance packages worth 260 billion Rp (A\$). 2,783 trillion), or 13.3% of the GDP of the nation.

To boost Indonesia's economy and encourage business investment, the first package is being The second package includes prepared. preparations and packages for household assistance in order to guarantee a steady flow of loans. The third package focuses on programs that support businesses and reduce layoffs. The allocation of the National Economic Recovery can be seen in Australia's three actions. As stated earlier, the budget is IDR. The Ministry of Central Institutions and Local Government, COVIDrelated health issues, workforce social security, SMB incentives, corporate finance, and 677.2 trillion were added. There isn't a single country that knows exactly how to recover from COVID-19's effects. However, it is crucial for Indonesia to share and experience successful stories with other nations in order for Indonesia to take steps and implement policies to improve the economic recession through a variety of assistance.

Economic diplomacy

The public authority should focus on the premium of recuperating the public economy using monetary tact abroad, especially with well disposed countries with close state relations in an assortment of monetary, monetary, speculation, and other asset improvement fields, to recuperate from a financial downturn welcomed on by various emergencies. The nations that have the advantage of contributing and are willing to share their experiences in a variety of ways to restore the national economy, including cooperation in diplomacy to boost each nation's economic capacity, are essential. The COVID-19 outbreak has increased public awareness in numerous nations. As strategic trade partners, some countries are now providing them with a lot of assistance to help them get through the crisis, especially when there are issues with imports and exports.

For instance, Indonesia could promote the possibility of alternative partners for the same product in the fight against the COVID-19 outbreak by taking advantage of the international community's need for mask supplies from Asia. Specifically, the country's conciliatory objective is to cooperate to meet the world's medical care needs and carry out an emergency recuperation program for each accomplice country with the goal that the world local area acknowledges Indonesia as an accomplice in exchange discretion and other long haul programs. Nabbs-Keller (2013) asserts that Indonesia's foreign ministry could be reformed to express its ideas, organizational role, and leadership diplomacy. It suggests that economic diplomacy is a major



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component of Indonesia's global relations through the foreign affairs ministry. This suggests that Indonesia may view all of its Southeast Asian partners as a strategic power.

By allowing other nations' banks to collaborate with Bank Indonesia, Indonesia can improve the economic standing of the country and encourage speculation and exchange on both sides of the exchange. Indonesia acknowledges that regional cooperation can be used to maintain other relationships of interest during times of prosperity as well as during times of crisis and economic recession brought on by COVID-19 if there is a strong sense of unity between nations.

Discussion

In this section, we will discuss the findings of research conducted to determine how severe Indonesia's economic recession was as a result of government policy efforts to halt the spread of COVID-19. We will concentrate on efforts to escape the recession, which has been ongoing for nearly a year. The first thing we can say is that the stimulus money provided by the government can be used to help the most affected communities get out of this economic recession. According to Indrawati & Erliyana (2017), the government funded this solution with approximately IDR 695.20 trillion from the state budget and designated it as a national recovery assistance program. When it comes to the policy strategy that will be utilized by the government in order to bring about a recovery from the recession, the decision made by the government is in line with numerous previous studies. According to Indrawati and Erliyana (2017), the role of the government in monetary recovery is extremely important due to the fact that the public authority is the party with the most expertise, assets, and power, as well as responsibility for the local government's assistance in preventing Corona virus and ensuring a prosperous life.

The mere distribution of enormous resources does not guarantee prompt results. A recession that has very different characteristics and causes from the economic slowdown in 1998, when the New Order regime fell, requires hard work and a relatively long period of time to truly recover. Foroni and others 2020), they guess that the experience of recuperating from a downturn welcomed on by Coronavirus will act as a wake up call about how troublesome it very well may be to deal with one's funds after an emergency, particularly one in which the recuperation cycle isn't generally so direct as the reason for the emergency. This demonstrates that it will require some investment before results are gotten. The recession recovery strategy requires the initial provision of fresh budget support. In order to withstand the effects of the recession, this budget boosts the community's emergency needs. According to Botta and co. (2020), the recovery from crises and recessions brought on by COVID-19 may take the form of giving money to the community to help the people's economy grow. These assets can come from bonds or obligations.

Non-monetary assistance is provided by various systems and approaches. For instance, the transfer of information from nations that have International Journal of Advance Scientific Research (ISSN - 2750-1396) VOLUME 03 ISSUE 05 Pages: 01-11 SJIF IMPACT FACTOR (2021: 5.478) (2022: 5.636) (2023: 6.741) OCLC - 1368736135

previously emerged from the same recession (Akhtaruzzaman et al., 2020). It is essential to distribute new funds. In any case, the nation has recuperated rapidly from the downturn on account of other non-monetary help gave during the Coronavirus emergency, like global participation. Deploring the economy is another possible strategy for Indonesia to recover from the financial crisis. Gerard et al. (2020), express that non-industrial countries like Indonesia have the choice of having created countries safeguard their social obligation from the downturn emergency welcomed on by Coronavirus. A thorough examination of the extent to which the response to COVID-19 has impacted the decline of the national economy and caused severe economic harm led to these conclusions.

Conclusion

As stated at the top, the goal of this study is to determine how bad Indonesia's recession caused by the COVID-19 pandemic is. This study examines the public authority's strategies and procedures for recovering from Indonesia's economic downturn, which has been ongoing for nearly a year. The process of allocating existing resources, such as funds and other support, through national policies is known as the economic recovery effort. The goal is to prevent people who are impacted by business and investment from going bankrupt as a result of difficult financial conditions. For the economy to quickly recover from the recession, this necessitates that the government allocate existing resources.

The first effort by the government to end the recession is to provide fresh stimulus funds to citizens who are most affected by COVID-19. This is one of the actions that the government has taken in this regard. The second option is to provide stimulus funds in time for the recovery of the recession, following the estimated pandemic recovery period. Thirdly, recovering funds from a recession is crucial. Accordingly, the public authority should be adequately valiant to take this sum, in spite of the way that doing so would be dangerous given that it depends on advance assets from giver associations and different nations. Fourthly, assistance from any party in the form of non-monetary donations or the transfer of expertise and technical knowledge so that experienced foreign parties and Indonesia can share recovery strategies and experiences. Finally, financial tact with other nations that will work together with Indonesia during this downturn.

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