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lkusumasari@yah.../Inbox



**Dr. Krismiaji, M.Sc., Ak., C.A.** <p3m@aaykpn.ac.id>  
To: Lita Kusumasari <lkusumasari@yahoo.com>

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Dr. Krismiaji, M.Sc., Ak., C.A.

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Wahana: Jurnal Ekonomi, Manajemen dan Akuntansi  
Pusat Penelitian dan Pengabdian Masyarakat Akademi Akuntansi YKPN  
Yogyakarta.  
Jl. Gagak Rimang No. 2-4 Balapan, Kotak Pos 6417 YKGK  
Phone (0274) 560159, 562317, 513413, 563516 Fax. (0274) 561591  
Yogyakarta 55222

# The Perception on Indonesia Policies to Overcome the Impact of Corona Virus Outbreak

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## ABSTRACT

The Corona Virus led to global economy crisis, including in Indonesia. WHO also warn to all countries must strike a fine balance between protecting health, minimizing economic and social disruption, and respecting human rights. Based on the situation to amid Corona Virus outbreak, Indonesian Government added Rp405.1 trillion to national budget in 2020 for Corona virus. It is allocated to Rp75 trillion for health sector, Rp110 trillion for social welfare, Rp70.1 trillion for tax incentive and micro credit, and Rp150 trillion for Indonesia economy recovery including credit restructure and funding for micro, small, and medium enterprises. Indonesia government is trying to channeling the Corona virus outbreak to be controllable. The purpose of research study is examining Indonesian people perception toward strategy of Indonesian government. Prior researches stated that the impact of Covid-19 pandemic affects the economy in Indonesia, could harmed the economy, could cause liquidity problems and finally would get domino effect on the economy. Previous researches found based on the qualitative methods. This research approach used survey by electronic forms and quantitative methods approach used multiple regression. The result found that Indonesian people perception on health, social welfare net and fiscal strategy by Indonesian government was significantly contributed to economic goals in Indonesia toward Corona Virus Outbreak. This study in line with the claim of Indonesia government that the strategy is success.

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Keywords: *Corona Virus, Indonesian Strategy, People Perception*

## INTRODUCTION

The outbreak of Corona virus start at the end of 2019 in Wuhan, China. On the March 27, 2020, there are 531,943 cases and 24,073 deaths with 202 countries affected (Thebaselab, 2020). The virus is spread fast throughout the world because of human to human transmission (Munster, et al., 2020). The human to human transmission occurred through droplets, contact and fomites (WHO, 2020). The outbreak virus has negative effects as deadly illness and the global economy. It started in China with lockdown on Wuhan city and causing limitations on travelling, a decline in foreign travel and step back in economy activity in China (Ahani & Nilashi, 2020). First the most affected business are those that depend on companies in China

for parts and supplies. The disruption in China economy and the outbreak of Coronavirus has impact on global situation. Second, Coronavirus spread by human to human transmission has been reacted by limitation of travelling and also cancelled international flight schedules by some nations. The travel industry is experiencing a drastic freeze as the demand fall. Furthermore, capital market have unexpectedly been terrified by the outbreak. The stocks of public companies in stock markets around the world have been down. It is causing high inflation and shortfall on exchange rate.

The outbreak of **Coronavirus** can be named an economic crisis since it has terrible effect on the global economy like previous SARS outbreak (Keogh-Brown & Smith, 2008). In 2003, after the outbreak of Severe Acute Respiratory Syndrome (SARS) epidemic, Malaysia severe of declining tourist arrival from a million to 500,000 by 50 percent in a month (Ahani & Nilashi, 2020). Historically the accommodation and restaurants, wholesale and retail and transport and storage industries have been negative although GDP growth remains robust (Ahani & Nilashi, 2020).

Based on World Health Organization (WHO), the coronavirus is pandemic (WHO, 2020). It is concluded after more than 118,000 cases in 114 countries, and 4,291 people have lost their lives. WHO also warn to all countries must strike a fine balance between protecting health, minimizing economic and social disruption, and respecting human rights.

### **Indonesia**

Indonesia has 1.046 cases with 87 death on March 28, 2020 (BNPB, 2020). The Rupiah currency of Indonesia exchange rate toward Dollar USA has decline sharp due to Coronavirus outbreak. From the average of Rp14.000 to Rp16.000 on March, 2020. It is around 12% declining rate. According to Perry Warjiyo the weakness of Rupiah exchange rate is still tolerable compare to monetary crisis in 1998 and financial global crisis in 2008 (Kompas.com, 2020).

Indonesia President stated on his press release regarding Corona outbreak in Indonesia on March 30, 2020. It is stated that due to corona virus, Indonesia is on health emergency. It is

imposing large-scale restrictions as stipulated by Law No.6/2018 on health quarantines (The Jakarta Post, 2020).

For channeling the Corona virus, the government had prepared a budget of Rp1 trillion or around \$70 million. The funding will pay for personal protective equipment, surveillance at airports, ports and other entry gates to Indonesia, hospital treatment and procurement of referral hospital infrastructure (Jakarta Globe, 2020). After the Corona virus outbreak with escalated numbers of victims in Indonesia spread out, Indonesian government has taken another step. Indonesian government added Rp405.1 trillion to national budget in 2020 for Corona virus. It is allocated to Rp75 trillion for health sector, Rp110 trillion for social welfare, Rp70.1 trillion for tax incentive and micro credit, and Rp150 trillion for Indonesia economy recovery including credit restructure and funding for micro, small, and medium enterprises (Indonesian Cabinet Secretary, 2020).

The 405.1 trillion is 2.5% from Indonesia Gross Domestic Product (GDP). Indonesia become the highest country in Asia who gives the stimulus compare to others country. The stimulus for Tiongkok is 1.2% from GDP, South Korea is 0.8% from GDP, India is 0.5% from GDP. The stimulus number is still lower compare to Thailand (3% from GDP) and Malaysia (17% from GDP) (CORE Indonesia, 2020).

Indonesia government is trying to channeling the Corona virus outbreak to be controllable. The purpose of the Indonesian government effort is to stabilize the economy and overcome the Corona virus toward Indonesian people. The economic growth of Indonesia from 5.3% will decline to be 2.3% in the heavy stress and will further down to be -0.4% in the heaviest scenario (Indonesian Ministry of Finance, 2020).

Table 1. The Economic Scenario of Indonesia

Indonesia Indicators	Before Corona Virus Outbreak	Heavy Scenario	Heaviest Scenario
GDP Growth	5.3%	2.3%	-0.4%
Crude Oil Price	\$63	\$38	\$31
Currency Rate to US\$	Rp14,400	Rp17,500	Rp20,000
Inflation	3,1%	3,9%	5,1%

(Indonesian Ministry of Finance, 2020)

Indonesia is trying to overcome the impact of Coronavirus. The stimulus would expect to recover the decline in the health, social and economy. Indonesian people will get the most impact on the government strategy. Indonesian people has divided toward the possibility successful of these strategy.

Based on the situation above, the purpose of research study is examining Indonesian people perception toward strategy of Indonesian government. The result will answer whether Indonesian people thought what government did are enough to control the economy and social welfare.

### **LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

The strategies are implementing to rules for stimulating economy and helping the poor (Indonesian Cabinet Secretary, 2020). First strategy is addressing to Promising Family Program. The receiver families will be upgrading from 9.2 million family to 10 million family. Each family will receive rise of 25 percent benefit, such as pregnant mother will get Rp3 million each year from Rp2.4 million before. The program is implemented from April, 2020.

Second is basic food relief card. The card holders who will receive money to buy basic food package will be increase from 15.2 million holders to 20 million holders. The benefit increase is 30% from Rp150.000 thousands to Rp200.000. The holders will receive for nine months. Third is Pre-employment card. The budget is increasing from Rp10 trillion to Rp20 trillion. The benefit holder will increase to 5.6 million people. The benefit range is Rp650.000 – Rp1.000.000 each month. It will be given for 4 months. Fourth, electricity subsidy. Government will give free of charge for 450 VA electricity consumers. The 450 VA electricity consumers are 24 million people. For 900 VA electricity consumers, will be given 50% discount for the charges. The 900 VA electricity consumers are 7 million consumers. The electricity program will be given for April, May and June 2020. Fifth, Indonesian government allocated Rp25 trillion budget for basic needs. It is included market operation and logistic.

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Sixth, Indonesian government is giving credit installment holiday for informal workers, online riders, taxi driver, micro, small and medium enterprises, and fisherman. The credit installment holiday is maximum for Rp10 billion. Financial service authority will publish regulation toward this policy. It will enact starting from April, 2020.

### **Potential Risk Toward National Budget Deficit**

The Indonesian stimulus will demand fund financing from national budget. Ministry of Finance has asked to reallocate budget spending to cover the stimulus. This might not be as easy as stated. If we look at the whole situation in Indonesia, the Corona virus slow the economy. The budget spending will not trigger the income as high as it wish. The budget deficit will be Rp852 trillion or 5.07% from PDB (CORE Indonesia, 2020).

The budget deficit will add potential risk toward Indonesia. The Indonesian government will look for funding by government bond. It will risk because government bond will be bought by foreign investors for around 35%-40%. This will add risk of sudden capital outflow. Currently in February and March 2020, the foreign capital outflow is Rp145 Trillion from government bond (CORE Indonesia, 2020). This will lead to weaken the Indonesian exchange rate.

The second funding Indonesian government used could be crowding out from banks. The potential risk for this action is bank liquidity. The private sectors will get the impact. It will be difficult for looking funding. The private sectors will turn to foreign debts. Based on the data, 89% the private foreign debts are in US Dollar currency (CORE Indonesia, 2020). When the economy in the world is going down. This could risk the private company in Indonesia because default payment.

### **Hypothesis**

Indonesian government put health sector as the heart of the battle for Covid. The budget will aim to overcome emergencies, how to overcome, limit transmission, also to minimize the spread, and later immediately accelerate the settlement of Covid. There are two department involved namely National Disaster Management Authority (BNPB) and the Ministry of Health. BNPB will be responsible to support facilities and infrastructure for handling in the

health sector. Meanwhile, the of Health is responsible for providing tracking, then maintaining, and carrying out care and treatment (Sekretariat Kabinet RI, 2020) .

H1 = There is impact on health policy toward economic goals

The impact of Covid-19 pandemic affects the economy in Indonesia. The affected sectors are transportation, tourism, trade, health, and other sectors, with the most affected is household sector (Susilawati, et al., 2020). The COVID-19 pandemic harmed the economy of the people of Bandung because many were unemployed and many became new poor citizens. The implication is that the Bandung City Government needs to expand its social protection program to help the poor, both new and existing ones. (Supriatna, 2020).

H2 = There is impact on social welfare net policy toward economic goals

Financial institutions also have the potential to experience liquidity problems, causing depreciation of Indonesian currency, volatility in financial markets and capital flight. To mitigate that, policy coordination between the Government, Bank Indonesia and OJK is very important to maintain economic stability (Astuti & Mahardhika, 2020). Indonesia is facing up an economic domino effect of covid-19 and Bank of Indonesia (BI) has taken several steps by strengthens policy coordination with the government and other authorities to stabilize the rupiah exchange rate and mitigate the impact of Covid-19 risk on the domestic economy (Pati, 2020).

The increasing number of lockdown days, monetary policy decisions and international travel restrictions severely affected the level of economic activities and the closing, opening, lowest and highest stock price of major stock market indices. In contrast, the imposed restriction on internal movement and higher fiscal policy spending had a positive impact on the level of economic activities, although the increasing number of confirmed coronavirus cases did not have a significant effect on the level of economic activities (Ozili & Arun, 2020).

H3 = There is impact on fiscal policy toward economic goals

## RESEARCH METHODS

In this section, we empirically examine whether Indonesian policies affected economic activities. The data collected is a one-month data from the 4<sup>th</sup> to 29th April, 2020. The narrow sample period allows us to capture the direct (and immediate) impact of Indonesian policies when the level of general economic/business activities at the peak of the coronavirus crisis in March and April of 2020.

We collected data using questionnaires that distributed using google form. There are 301 respondents. The survey included 19 items on 5-point Likert scale (from 1- strongly disagree to 5-strongly agree). Five statements described the perception of respondents on health policy taken by Indonesian government. There are eight statements described the perception on social welfare. There are four statements described the perception on fiscal policy. There are two statements described the perception on achievement goals by Indonesian government toward Covid outbreaks. All the statements are based on the budget allocation by Indonesian government (see table 2)

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Table 2. Statements on Survey

No	Statements
	HEALTH POLICY
	Indonesian government was allocated budget 75 Trillion Rupiah for stimulate health aspect due to Corona virus outbreak.
1	The health budget from Indonesia government was enough to amid the Corona virus outbreak.
2	The subsidy adjustment 3 Trillion Rupiah for BPJS fee was enough
3	Medical insentive 5.9 Trillion Rupiah was enough
4	Death support 300 Million per medical staff was enough
5	Health spending 65.8 Tillion for maintaining Covid was enough
	SOCIAL WELFARE POLICY
	Indonesian government was allocated budget 110 Trillion Rupiah for social safety net aspect due to Corona virus outbreak.
1	The social safety net budget from Indonesia government was enough to amid the Corona virus outbreak.
2	Cash assistance for Family Hope Program (PKH) for 10 million beneficiaries with total 8.3 Trillion Rupiah was enough.
3	Pre-Employment Card Program had 10 Trillion Rupiah budget. It was enough.



4	The budget of 3.5 Trillion Rupiah for discount program for 450 and 900 VA electricity customers was enough.
5	Home insentive budget 1.5 Trillion for low level income people (MBR) was enough.
6	The social welfare net budget 30.8 Trillion was enough.
7	The buffer for stock and logistics budget of 25 Trillion Rupiah was enough
8	Education adjustment budget of 20 Trillion was enough
	<b>FISCAL POLICY</b>
	Indonesian government was allocated budget 220.1 Trillion Rupiah for stimulate fiscal aspect due to Corona virus outbreak.
1	Income Tax (PPh) Article 21 and Value Added Tax incentives with 52 Trillion budget was enough
2	Enter tax free with the budget of 12 Trillion Rupiah was enough
3	MSMEs can revive themselves by restructuring policy and credit interest subsidy by 6.1 Trillion is enough.
4	Recovery Economics Program to Revitalize Indonesia funded by 150 Trillion was enough.
	<b>GOALS</b>
	Indonesian GDP was 5.3%.
1	Indonesian government policies stimulus could overcome the economy impact of Corona virus outbreak.
2	Indonesian government policies could stabilize economics growth in 2020.

## Participants

The participants in this study were 301. There were 158 (52.5%) females and 143 (47.5%) males. More than 50% of the participants were holders of a graduate degree (N = 212, 70.4%) and undergraduates were also included in the pool of respondents (N = 74, 24.6%) and others were else. The participants job were lecturers (N = 92, 30.6%) and undergraduate students (N = 98, 32,6%). Others were entrepreneurs (N = 32, 10.6%). From lecturers and undergraduates that participated have background accounting (N = 138, 45.8%), management (N = 69, 22.9%) and economics (N = 36, 11.96%). Those participants acknowledged Covid by following news intensively (N = 158, 52.5%) and casually (N = 143, 47.5%). From the participant demographics, they were educated and concerned of the Covid outbreak in Indonesia.

## Reliability Test

The reliability of the constructs were tested based on the results of examining the measurement model. To test the reliability using Cronbach Alpha. Cronbach Alpha values

indicated the reliability of the measurement model, the recommended level of Cronbach's alpha is 0.70, and 0.60 is acceptable for exploratory research (Hair, et al., 2010). Here the Cronbach Alpha is between 0.737 – 0.902. The model is reliable (see table 3).

Table 3. Reliability Test Result

No	Item Health	Cronbach	Item Social	Cronbach	Item Fiscal	Cronbach	Item Goal	Cronbach
1	K1	0.777	JS1	0.799	F1	0.899	DC1	0.891
2	K2	0.831	JS2	0.876	F2	0.897	DC2	0.870
3	K3	0.865	JS3	0.865	F3	0.890	-	-
4	K4	0.737	JS4	0.812	F4	0.895	-	-
5	K5	0.875	JS5	0.838	-	-	-	-
6	-	-	JS6	0.902	-	-	-	-
7	-	-	JS7	0.885	-	-	-	-
8	-	-	JS8	0.853	-	-	-	-

### Validity Test

The convergent validity is a measure of the magnitude of the direct structural relationship between an observed variable and latent construct. The acceptable level to achieve convergent validity is 0.50 (Shook, et al., 2004). All variables had validity more than 0.50. For health policy was 0.884, while social welfare policy was 0.913, fiscal policy was 0.844, and goals was 0.782. All variables were valid (see table 4).

Table 4. Validity Test Result

#### Component Matrix<sup>a</sup>

	Component
	1
Kesehatan	0.884
JarSos	0.913
Fiskal	0.844
Tujuan	0.782

Extraction Method: Principal Component Analysis.

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## RESULT AND DISCUSSION

Analysis of perception on corona outbreak data and final scores was completed by SPSS. The descriptive for health policy, social welfare, fiscal policy, and achievement goals are presented in Table 5. Overall, Indonesia policy to amid corona breaks is in the right direction. People rates the fiscal policy is the highest contribution toward helping Indonesia economy compares to health policy and social welfare. People is on the average thought that all the policies taken by Indonesian government does not satisfied enough to overcome the corona outbreak and fulfill the goals.

Table 5. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Kesehatan	301	1.00	5.00	3.1123	0.80945
JarSos	301	1.00	5.00	3.2002	0.82064
Fiskal	301	1.00	5.00	3.3056	0.85099
Tujuan	301	1.00	5.00	2.8638	0.89706
Valid N (listwise)	301				

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Table 6 presents the results of the bivariate correlation tests. The correlation analysis showed that health policy, social welfare and fiscal policy were positively associated with goals achievement to overcome Corona virus outbreak ( $r = 0.606, 0.593$ , and  $0.521$ , respectively, all  $p < 0.01$ ).

Table 6. Bivariate Correlation Test Result

Item	Goals	Significant
Health Policy	0.606	0.000
Welfare	0.593	0.000
Fiscal Policy	0.521	0.000

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As shown in Table 7, the results of the regression analysis confirmed the significant impact of health policy, social welfare, and fiscal policy on economy goals to overcome Covid virus

outbreak. The fits model of the health policy, the social welfare, and the fiscal policy are significantly impact the Indonesia economy goals on Covid outbreak. It is statistically proven on result of F test with significant value 0.000 on  $\alpha = 5\%$ .

**Table 7. Regression Analysis Result**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	99.988	3	33.329	69.993	.000 <sup>b</sup>
	Residual	141.427	297	0.476		
	Total	241.415	300			

a. Dependent Variable: Tujuan

b. Predictors: (Constant), Fiskal, Kesehatan, JarSos

The three variables (health policy, social welfare, and fiscal policy) could explain 41.11% toward economy policy in Indonesia to amid Corona virus outbreak. This result is supported by R square as stated on table 8.

**Table 8. The Result of R Square Analysis**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.644 <sup>a</sup>	0.414	0.408	0.69006	1.859

a. Predictors: (Constant), Fiskal, Kesehatan, JarSos

b. Dependent Variable: Tujuan

## Hypothesis 1

The health policy significantly impact Indonesia goals with the standardized regression coefficient ( $\beta$ ) is 0.385 with critical ratio (CR) (t-value) 4.885 at significant level 0.000. It is supported that health policy had impact with Indonesia goals (see table 9).

The health of people is the first priority with handling the spread of Corona virus and giving medication for the patients. Indonesia spread the campaign to wear masks, social distance, and wash hands with soap. To slow down the spread of Corona virus, Indonesian Government applied large-scale social restrictions (PSBB) in various regions. Prohibiting homecoming

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and holidays. Covid-19 tests have taken places to establish a new normal order. The health sector policy is in line with WHO protocols. Various activities to reduce the spread of the virus are finding, testing, isolating cases, quarantining contacts and social restrictions. Meanwhile activities to reduce mortality are pursued by expanding health services, adding vital health facilities, and strengthening medical personnel (Gitiyarko, 2020) . Right now Indonesia is giving free Covid vaccine with first priority to medical personnel, follow with elderly and public servants then to publics. The priority of health policy has the highest perception on Indonesian people. This is so related to slow down the spread of Corona Virus and hope to combat the Corona.

### **Hypothesis 2**

Indonesia goals are affected by the social welfare with standardized regression coefficient ( $\beta$ ) is 0.241 with critical ratio (CR) (t-value) 2.693 at significant level 0.007. It is supported that social welfare net strategy had impact with economic goals (see table 9).

Various social assistance (bansos) and incentives received by the community during the pandemic are included in the national economic recovery to protect the poor and vulnerable to poverty and supporting the business world so that it does not get worse. Social protection for the poor and vulnerable to the poor is carried out by activating the Social Safety Net program. Meanwhile, protection of the business world is carried out by providing business incentives, support for micro, small and medium enterprise (UMKM), corporate financing, and sectoral assistance. The social protection program is planned to be accepted by 43.6 million people. Based on the sector recipients are farmer, breeders and planters, with 18.4 million. The scheme are the Family Hope Program (PKH), the basic food card, discounts on electricity, non-Jabodetabek cash assistance, Jabodetabek's basic food assistance, direct cash assistance (BLT) for village funds, pre-employment cards, and incentive interest housing for low income people (Chryshna, 2020).

### **Hypothesis 3**

Tax policy significantly impact the Indonesia goals ( $\beta$  0.148, CR 2.111, p 0.036). It is supported that tax policy has relationship with Indonesia economic goals (see table 9). The tax policy had impact on economics goals.

Directorate General of Taxes (DJP) issued the Minister of Finance Regulation (PMK) Number 86/PMK.03/2020 for many incentive on taxations. Income Tax (PPh) Article 21 incentives stated that employees who work in one of the 1.189 certain industrial fields at companies that get import facilities for export purposes (KITE) and in companies in the region bonded (KB) can obtain government-borne income tax (DTP) facilities.

For UMKM players, the get a final income tax facility with a rate of 0.5% in PP 23/2018. UMKM players do not need to submit a PP 23 Certificate but it is sufficient to submit a realization report every month. Whereas for the import income tax incentive, corporate taxpayers of the 721 specific industrial fields, KITE companies, and companies in bonded zones get exemption form tax collection. Those specific industrial fields get VAT incentives, too. Income Tax (PPh) Article 25 installment incentives for taxpayers who engaged in one of the 1.013 specific industrial fields (Abidin, 2020).

Indonesia has taken five steps to protect economy. First by spending on a large scale to reduce economic contraction due to the Covid-19 pandemic. Second, the government formed the Committee for handling Covid-19 and National Economic Recovery. The committee will ensure that economy and health run in synergy. Third, the government provides low-interest credit assistance, and prepares various programs so that MSMEs can revive themselves by restructuring policy and credit interest subsidy. Fourth, the government places funds in banks in order to turn the wheels of the economy. Last, the government guarantees working capital loans for corporations (Nidya, 2020). These results supported three hypotheses: (H1) There is impact on health policy toward economic goals, (H2) There is impact on social welfare net policy toward economics goals, and (H3) There is impact on fiscal policy toward economic goals.

Table 9. The Result of Hypothesis

Testing Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.408	0.177	-	2.308	0.022
Kesehatan	0.385	0.079	0.347	4.885	0.000
JarSos	0.241	0.089	0.220	2.693	0.007
Fiskal	0.148	0.070	0.140	2.111	0.036

a. Dependent Variable: Tujuan

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### The Success of Government Strategy

The strategy to overcome Corona virus pandemic was based on territory, numbers of people, discipline, geographic character, culture, economy, fiscal, and others things. It is stated that Indonesia cannot replicate the same strategy from other country. The second strategy is giving social safety to poor people so that they can survive.

All the strategy to pursue goal of reduce impact of Corona virus lead to success. The percentage of national active cases tends to decline, where as of August 2020 it has reached 23.64 percent from 91.26 percent in March 2020. In addition, the percentage of national deaths also tend to decline from the peak of 8.64 in April 2020 to 4.47 percent in August. The percentage of national recovery is increasing from only 3.84 percent in March 2020 to 72.17 in August 2020 (Detikcom, 2020).

The social protection program was success claimed by President Indonesia. The Hope Family Program distributed to 10 million recipients. The basic food program has distributed to 19.14 million beneficiaries. The Jabodetabek staple food program distributed to 1.9 million beneficiaries. The non-Jabodetabek assistance program has disbursed to 9.18 million beneficiaries, the pre-employment card program, has distributed to 4.86 million beneficiaries. The village fund (BLT) program has distributed to 7.55 million beneficiaries. The productive banpres program and the working capital have been received to 5.9 million beneficiaries. The

salary subsidy program has distributed to 9 million beneficiaries. The electricity discount program, has distributed to 31.4 million beneficiaries (Hidayat, 2020).

The Central Bureau of Statistics noted that the economy growth in 2020 contracted 2.07 percent year on year. The contraction was influenced by the weakening in various economic sectors due to the Covid-19 pandemic (Rosana, 2021). In the year 2021, the government believes that economic growth will be better than 2020. The gross domestic product (GDP) will be in the range of 4.5 – 5.3 percent that in line with the projections of several international institutions. The IMF predicts Indonesia GDP will be 4.8 percent while The World Bank is 4.4 percent and the ADB is 4.5 percent (Prakoso, 2021).

### CONCLUSION

Indonesian government made several policies regarding Covid virus outbreak. The budget to support the policies was 405.1 Trillion with allocation to health program, social welfare net program, and fiscal program. Those programs were claimed success by Indonesian government. People perception on health program, social welfare net program and fiscal program was statistically significant toward economic goals in amid the Corona Virus outbreak. Indonesia government should take more actions to continue the successful of the programs. The result of this research will contribute to Indonesian Government that made the policies. Government will aware that People was in line toward those programs and acquired the benefits toward all.

The research contribute to existing research with adding value on quantitative research. It will enrich the finding by scholars that mainly based on quantitative research at this moment. For future research, the variables and participants could be enlarge to coverage all the territory in Indonesia. The Indonesian government should continue working hard to minimize the impact of Covid and people has in line to support those programs.

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# The Perception on Indonesia Policies to Overcome the Impact of Covid-19 Outbreak

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## ABSTRACT

Covid-19 led to global economy crisis, including in Indonesia. WHO also warn to all countries must strike a fine balance between protecting health, minimizing economic and social disruption, and respecting human rights. Based on the situation to amid Covid-19 outbreak, Indonesian Government added Rp405.1 trillion to national budget in 2020 for Covid-19. It is allocated to Rp75 trillion for health sector, Rp110 trillion for social welfare, Rp70.1 trillion for tax incentive and micro credit, and Rp150 trillion for Indonesia economy recovery including credit restructure and funding for micro, small, and medium enterprises. Indonesia government is trying to channeling Covid-19 outbreak to be controllable. The purpose of research study is examining Indonesian people perception toward strategy of Indonesian government. Prior researches stated that the impact of Covid-19 pandemic affects the economy in Indonesia, could harmed the economy, could cause liquidity problems and finally would get domino effect on the economy. Previous researches found based on the qualitative methods. This research approach used survey by electronic forms and quantitative methods approach used multiple regression. The result found that Indonesian people perception on health, social welfare net and fiscal strategy by Indonesian government was significantly contributed to economic goals in Indonesia toward Covid-19 outbreak. This study in line with the claim of Indonesia government that the strategies are success.

Keywords: *Covid-19, Indonesian Government Strategy, People Perception*

## INTRODUCTION

The outbreak of Covid-19 start at the end of 2019 in Wuhan, China. On the March 27, 2020, there are 531,943 cases and 24,073 deaths with 202 countries affected (Thebaselab, 2020). The virus is spread fast throughout the world because of human to human transmission (Munster, et al., 2020). The human to human transmission occurred through droplets, contact and fomites (WHO, 2020). The outbreak virus has negative effects as deadly illness and the global economy. It started in China with lockdown on Wuhan city and causing limitations on travelling, a decline in foreign travel and step back in economy activity in China (Ahani & Nilashi, 2020). First the most affected business are those that depend on companies in China for parts and supplies. The disruption in China economy and the outbreak of Covid-19 has

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Sudah diganti semua dengan Covid-19

impact on global situation. Second, Covid-19 spread by human to human transmission has been reacted by limitation of travelling and also cancelled international flight schedules by some nations. The travel industry is experiencing a drastic freeze as the demand fall. Furthermore, capital market have unexpectedly been terrified by the outbreak. The stocks of public companies in stock markets around the world have been down. It is causing high inflation and shortfall on exchange rate.

The outbreak of Covid-19 can be named an economic crisis since it has terrible effect on the global economy like previous SARS outbreak (Keogh-Brown & Smith, 2008). In 2003, after the outbreak of Severe Acute Respiratory Syndrome (SARS) epidemic, Malaysia severe of declining tourist arrival from a million to 500,000 by 50 percent in a month (Ahani & Nilashi, 2020). Historically the accommodation and restaurants, wholesale and retail and transport and storage industries have been negative although GDP growth remains robust (Ahani & Nilashi, 2020).

Based on World Health Organization (WHO), the Covid-19 is pandemic (WHO, 2020). It is concluded after more than 118,000 cases in 114 countries, and 4,291 people have lost their lives. WHO also warn to all countries must strike a fine balance between protecting health, minimizing economic and social disruption, and respecting human rights.

The world will suffer with declining GDP on the average of 2.1% with developing countries 2.5% and develop countries by 1.9%. It predicted that the biggest loss will affect East Asia and Pacific (EAP) countries with declining in Singapore (2.1 %), Malaysia (2.1 %). China (2.3 %), Vietnam (2.7 %), Cambodia (3.2 %), Hong Kong SAR, Thailand (3 %), and Indonesia predicted GDP losses better with declined to 1.7 % (Maliszewska, et al., 2020).

The policies to cope the Covid-19 could be measured into four categories: (i) monetary term, (ii) fiscal item, (iii) public health, and (iv) human control (Ozili & Arun, 2020). Although countries have implement many fast policies still not sufficient.

Insufficient put Government into dilemma between saving people before saving the economy, or save the economy before saving the people. Many countries put priority on saving people life before economy. The result is economy suffer in some countries. The

majority policy to save people are lock down (Italy, UK, Iran, Nigeria, China etc), Border quarantine (Poland, Vietnam, India, UK, US, Pakistan, Australia and Colombia), and Social distancing policy (almost every country) (Ozili & Arun, 2020).

### **Indonesia**

Indonesia has 1.046 cases with 87 death on March 28, 2020 (BNPB, 2020). The Rupiah currency of Indonesia exchange rate toward Dollar USA has decline sharp due to Covid-19 outbreak. From the average of Rp14.000 to Rp16.000 on March, 2020. It is around 12% declining rate. According to Perry Warjiyo the weakness of Rupiah exchange rate is still tolerable compare to monetary crisis in 1998 and financial global crisis in 2008 (Kompas.com, 2020).

Indonesia President stated on his press release regarding Covid-19 outbreak in Indonesia on March 30, 2020. It is stated that due to Covid-19, Indonesia is on health emergency. It is imposing large-scale restrictions as stipulated by Law No.6/2018 on health quarantines (The Jakarta Post, 2020).

For channeling Covid-19, the government had prepared a budget of Rp1 trillion or around \$70 million. The funding will pay for personal protective equipment, surveillance at airports, ports and other entry gates to Indonesia, hospital treatment and procurement of referral hospital infrastructure (Jakarta Globe, 2020). After Covid-19 outbreak with escalated numbers of victims in Indonesia spread out, Indonesian government has taken another step. Indonesian government added Rp405.1 trillion to national budget in 2020 for Covid-19. It is allocated to Rp75 trillion for health sector, Rp110 trillion for social welfare, Rp70.1 trillion for tax incentive and micro credit, and Rp150 trillion for Indonesia economy recovery including credit restructure and funding for micro, small, and medium enterprises (Indonesian Cabinet Secretary, 2020).

The 405.1 trillion is 2.5% from Indonesia Gross Domestic Product (GDP). Indonesia become the highest country in Asia who gives the stimulus compare to others country. The stimulus for Tiongkok is 1.2% from GDP, South Korea is 0.8% from GDP, India is 0.5% from GDP. The stimulus number is still lower compare to Thailand (3% from GDP) and Malaysia (17% from GDP) (CORE Indonesia, 2020).

Indonesia government is trying to channeling Covid-19 outbreak to be controllable. The purpose of the Indonesian government effort is to stabilize the economy and overcome Covid-19 toward Indonesian people. The economic growth of Indonesia from 5.3% will decline to be 2.3% in the heavy stress and will further down to be -0.4% in the heaviest scenario (Indonesian Ministry of Finance, 2020).

Table 1. The Economic Scenario of Indonesia

Indonesia Indicators	Before Covid-19 Outbreak	Heavy Scenario	Heaviest Scenario
GDP Growth	5.3%	2.3%	-0.4%
Crude Oil Price	\$63	\$38	\$31
Currency Rate to US\$	Rp14,400	Rp17,500	Rp20,000
Inflation	3,1%	3,9%	5,1%

(Indonesian Ministry of Finance, 2020)

Indonesia is trying to overcome the impact of Covid-19. The stimulus would expect to recover the decline in the health, social and economy. Indonesian people will get the most impact on the government strategy. Indonesian people has divided toward the possibility successful of these strategy.

Based on the situation above, the purpose of research study is examining Indonesian people perception toward strategy of Indonesian government. The result will answer whether Indonesian people thought what government did are enough to control the economy and social welfare.

## LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

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Sudah mensitasi artikel jurnal internasional dan menambahkan materi dampak covid dari dunia dan ASEAN

Without a doubt, the coronavirus will have a negative impact on ASEAN's economy and that of the rest of the world in 2020. The major sector affected are travel and tourism, business supply chain, business, and employment that put economy on global recession.

Based on Envisage Model, China get the worst impact while other countries will get impact half of it. The impact is underutilization of labor by 3 percent across all sectors in the global economy results in declining capital usage, trade costs of global imports and exports increase by 25%, applied across all goods and services, sharp drop in international tourism and reallocation of demand away from sectors requiring human interaction (Maliszewska, et al., 2020).

For finding the solution toward the Covid 19, we need to understand the Non-Pharmaceutical Interventions (NPI) that implemented by many nations. These NPI are international travel restrictions, limitation on gathering, lock down and business closure except for essential sector. They are effective for reducing the rate of transmission of the virus. The costs of NPI are production declining and dropping demand. For instance, model-based estimates show that the global industry value-added may have dropped by 25– 40%, depending upon the scale and severity of the implementation of NPI (Verschuur, et al., 2021) .

The study on economic activities and stock market reveal that social distancing policies are severely affected. It was examined from closing, opening, lowest and highest stock price of major stock market indices. The limitation on movement and higher fiscal policy spending had a positive impact on the economy. The number of confirmed coronavirus cases did not have a significant effect on the level of economic activities. Data is collected is a one-month data from the 23rd of March to 23rd April, 2020. The collected data taken from stock markets in four continents: North America, Africa, Asia and Europe (Ozili & Arun, 2020).

In ASEAN, the pandemic has so far brought immediate disruptions in economic activities across the region. ASEAN (2020) give policy recommendations as follows:

- A. Put all effort for all available macro, financial, and structural policy.
- B. Preserving the economy's productive capacity:



- C. Reducing minimum barrier on the supply chains operation. Implement technology and digital trade.
- D. Widespread the social safety nets.
- E. Collaborating regional pandemic responses.
- F. Redoubling the resolve to advance regional integration.

Hopefully the policies will overcome impact of Covid-19. The position of channeling could be seen based on the shock geometry theory that explain types of recovery after shocks. The economy would recovery based on the most optimistic is 'V-shape', where the output quickly recovers to its pre-crisis path. Second, there is the 'U-shaped' path with output drops swiftly but does not return to its pre-crisis path. There is large gap between old and new. The last one is L-Shaped path with output drops and growth rates declining further (Carlsson-Szlezak, et al., 2020).

Indonesia as a member of ASEAN imposed social distancing, health protocol (wash hand and wear mask), encourage to stay at home, and close the border temporarily to safe people amid Covid-19. In the other side to reduce the impact on health, social, and economy, Indonesia implement health, welfare (social net), and fiscal policy.

The Indonesian strategies are implementing to rules for stimulating economy and helping the poor (Indonesian Cabinet Secretary, 2020). First strategy is addressing to Promising Family Program. The receiver families will be upgrading from 9.2 million family to 10 million family. Each family will receive rise of 25 percent benefit, such as pregnant mother will get Rp3 million each year from Rp2.4 million before. The program is implemented from April, 2020.

Second is basic food relief card. The card holders who will receive money to buy basic food package will be increase from 15.2 million holders to 20 million holders. The benefit increase is 30% from Rp150.000 thousands to Rp200.000. The holders will receive for nine months. Third is Pre-employment card. The budget is increasing from Rp10 trillion to Rp20 trillion. The benefit holder will increase to 5.6 million people. The benefit range is Rp650.000 – Rp1.000.000 each month. It will be given for 4 months. Fourth, electricity subsidy.

Government will give free of charge for 450 VA electricity consumers. The 450 VA electricity consumers are 24 million people. For 900 VA electricity consumers, will be given 50% discount for the charges. The 900 VA electricity consumers are 7 million consumers. The electricity program will be given for April, May and June 2020. Fifth, Indonesian government allocated Rp25 trillion budget for basic needs. It is included market operation and logistic.

Sixth, Indonesian government is giving credit installment holiday for informal workers, online riders, taxi driver, micro, small and medium enterprises, and fisherman. The credit installment holiday is maximum for Rp10 billion. Financial service authority will publish regulation toward this policy. It will enact starting from April, 2020.

#### **Potential Risk towards National Budget Deficit**

The Indonesian stimulus will demand fund financing from national budget. Ministry of Finance has asked to reallocate budget spending to cover the stimulus. This might not be as easy as stated. If we look at the whole situation in Indonesia, Covid-19 slow the economy. The budget spending will not trigger the income as high as it wish. The budget deficit will be Rp852 trillion or 5.07% from PDB (CORE Indonesia, 2020).

The budget deficit will add potential risk toward Indonesia. The Indonesian government will look for funding by government bond. It will risk because government bond will be bought by foreign investors for around 35%-40%. This will add risk of sudden capital outflow. Currently in February and March 2020, the foreign capital outflow is Rp145 Trillion from government bond (CORE Indonesia, 2020). This will lead to weaken the Indonesian exchange rate.

The second funding Indonesian government used could be crowding out from banks. The potential risk for this action is bank liquidity. The private sectors will get the impact. It will be difficult for looking funding. The private sectors will turn to foreign debts. Based on the data, 89% the private foreign debts are in US Dollar currency (CORE Indonesia, 2020). When the economy in the world is going down. This could risk the private company in Indonesia because default payment.

## Hypothesis

Indonesian government put health sector as the heart of the battle for Covid-19. The budget will aim to overcome emergencies, how to overcome, and limit transmission, also to minimize the spread, and later immediately accelerate the settlement of Covid-19. There are two department involved namely National Disaster Management Authority (BNPB) and the Ministry of Health. BNPB will be responsible to support facilities and infrastructure for handling in the health sector. Meanwhile, the Ministry of Health is responsible for providing tracking, then maintaining, and carrying out care and treatment (Sekretariat Kabinet RI, 2020) .

H1 = There is impact on health policy toward economic goals

The impact of Covid-19 pandemic affects the economy in Indonesia. The affected sectors are transportation, tourism, trade, health, and other sectors, with the most affected is household sector (Susilawati, et al., 2020). The Covid-19 pandemic harmed the economy of the people of Bandung because many were unemployed and many became new poor citizens. The implication is that the Bandung City Government needs to expand its social protection program to help the poor, both new and existing ones. (Supriatna, 2020).

H2 = There is impact on social welfare net policy toward economic goals

Financial institutions also have the potential to experience liquidity problems, causing depreciation of Indonesian currency, volatility in financial markets and capital flight. To mitigate that, policy coordination between the Government, Bank Indonesia and OJK is very important to maintain economic stability (Astuti & Mahardhika, 2020). Indonesia is facing up an economic domino effect of covid-19 and Bank of Indonesia (BI) has taken several steps by strengthens policy coordination with the government and other authorities to stabilize the rupiah exchange rate and mitigate the impact of Covid-19 risk on the domestic economy (Pati, 2020).

The increasing number of lockdown days, monetary policy decisions and international travel restrictions severely affected the level of economic activities and the closing, opening, lowest and highest stock price of major stock market indices. In contrast, the imposed restriction on

internal movement and higher fiscal policy spending had a positive impact on the level of economic activities, although the increasing number of confirmed Covid-19 cases did not have a significant effect on the level of economic activities (Ozili & Arun, 2020).

H3 = There is impact on fiscal policy toward economic goals

## RESEARCH METHODS

In this section, we empirically examine whether Indonesian policies affected economic activities. The data collected is a one-month data from the 4<sup>th</sup> to 29<sup>th</sup> April, 2020. The narrow sample period allows us to capture the direct (and immediate) impact of Indonesian policies when the level of general economic/business activities at the peak of the Covid-19 crisis in March and April of 2020.

We collected data using questionnaires that distributed using Google form. There are 301 respondents. Previous studies stated that a sample size of 100 is considered small, between 100 and 200 is considered medium, and more than 200 is considered large (Hair, et al., 1998). The other rule of thumb to follow is the number of participants in a questionnaire that should be larger than 30 and less than 500 (Roscoe, 1975). It mentioned that in multivariate research like multiple regression analysis, the sample size should be at least preferably 10 times or more as large as the number of variables in the study. In this study, there are a total of four independent and dependent variables for multiple regression analyses. Therefore, the sample size of 301 is appropriate.

The survey stated in 19 items on 5-point Likert scale (from 1- strongly disagree to 5-strongly agree). Five statements described the perception of respondents on health policy. There are eight statements described the perception on social welfare. There are four statements described the perception on fiscal policy. There are two statements described the perception on achievement goals by Indonesian government toward Covid-19 outbreaks. All the statements are based on the budget allocation by Indonesian Government (see table 2)

Table 2. Statements on Survey

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Sudah ditambahkan berdasarkan Hair dan Roscoe kepatutan 301 responden.

No	Statements
	<b>HEALTH POLICY</b>
	Indonesian government was allocated budget 75 Trillion Rupiah for stimulate health aspect due to Covid-19 outbreak.
1	The health budget from Indonesia government was enough to amid Covid-19 outbreak.
2	The subsidy adjustment 3 Trillion Rupiah for BPJS fee was enough
3	Medical insentive 5.9 Trillion Rupiah was enough
4	Death support 300 Million per medical staff was enough
5	Health spending 65.8 Tillion for maintaining Covid was enough
	<b>SOCIAL WELFARE POLICY</b>
	Indonesian government was allocated budget 110 Trillion Rupiah for social safety net aspect due to Covid-19 outbreak.
1	The social safety net budget from Indonesia government was enough to amid Covid-19 outbreak.
2	Cash assistance for Family Hope Program (PKH) for 10 million beneficiaries with total 8.3 Trillion Rupiah was enough.
3	Pre-Employment Card Program had 10 Trillion Rupiah budget. It was enough.
4	The budget of 3.5 Trillion Rupiah for discount program for 450 and 900 VA electricity customers was enough.
5	Home insentive budget 1.5 Trillion for low level income people (MBR) was enough.
6	The social welfare net budget 30.8 Trillion was enough.
7	The buffer for stock and logistics budget of 25 Trillion Rupiah was enough
8	Education adjustment budget of 20 Trillion was enough
	<b>FISCAL POLICY</b>
	Indonesian government was allocated budget 220.1 Trillion Rupiah for stimulate fiscal aspect due to Covid-19 outbreak.
1	Income Tax (PPh) Article 21 and Value Added Tax incentives with 52 Trillion budget was enough
2	Enter tax free with the budget of 12 Trillion Rupiah was enough
3	MSMEs can revive themselves by restructuring policy and credit interest subsidy by 6.1 Trillion is enough.
4	Recovery Economics Program to Revitalize Indonesia funded by 150 Trillion was enough.
	<b>GOALS</b>
	Indonesian GDP was 5.3%.
1	Indonesian government policies stimulus could overcome the economy impact of Covid-19 outbreak.
2	Indonesian government policies could stabilize economics growth in 2020.

## Participants

The participants in this study were 301. There were 158 (52.5%) females and 143 (47.5%) males. More than 50% of the participants were holders of a graduate degree (N = 212, 70.4%)

and undergraduates were also included in the pool of respondents (N = 74, 24.6%) and others were else. The participants job were lecturers (N = 92, 30.6%) and undergraduate students (N = 98, 32.6%). Others were entrepreneurs (N = 32, 10.6%). From lecturers and undergraduates that participated have background accounting (N = 138, 45.8%), management (N = 69, 22.9%) and economics (N = 36, 11.96%). Those participants acknowledged Covid-19 by following news intensively (N = 158, 52.5%) and casually (N = 143, 47.5%). From the participant demographics, they were educated and concerned of the Covid-19 outbreak in Indonesia.

### Reliability Test

The reliability of the constructs were tested based on the results of examining the measurement model. To test the reliability using Cronbach Alpha. Cronbach Alpha values indicated the reliability of the measurement model, the recommended level of Cronbach's alpha is 0.70, and 0.60 is acceptable for exploratory research (Hair, et al., 2010). Here the Cronbach Alpha is between 0.737 – 0.902. The model is reliable (see table 3).

Table 3. Reliability Test Result

No	Item Health	Cronbach	Item Social	Cronbach	Item Fiscal	Cronbach	Item Goal	Cronbach
1	K1	0.777	JS1	0.799	F1	0.899	DC1	0.891
2	K2	0.831	JS2	0.876	F2	0.897	DC2	0.870
3	K3	0.865	JS3	0.865	F3	0.890	-	-
4	K4	0.737	JS4	0.812	F4	0.895	-	-
5	K5	0.875	JS5	0.838	-	-	-	-
6	-	-	JS6	0.902	-	-	-	-
7	-	-	JS7	0.885	-	-	-	-
8	-	-	JS8	0.853	-	-	-	-

### Validity Test

The convergent validity is a measure of the magnitude of the direct structural relationship between an observed variable and latent construct. The acceptable level to achieve convergent validity is 0.50 (Shook, et al., 2004). All variables had validity more than 0.50. For health policy was 0.884, while social welfare policy was 0.913, fiscal policy was 0.844, and goals was 0.782. All variables were valid (see table 4).

Table 4. Validity Test Result

	Component
Health Policy	0.884
Welfare	0.913
Fiscal Policy	0.844
Goals	0.782

Extraction Method: Principal Component Analysis

**Commented [a4]:** Variable ditranslate ke bahasa Inggris juga karena artikel dalam bahasa Inggris.

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## RESULT AND DISCUSSION

Analysis of perception on Covid-19 outbreak data and final scores was completed by SPSS. The descriptive for health policy, social welfare, fiscal policy, and achievement goals are presented in Table 5. Overall, Indonesia policy to amid Covid-19 breaks is in the right direction. People rates the fiscal policy is the highest contribution toward helping Indonesia economy compares to health policy and social welfare. People is on the average thought that all the policies taken by Indonesian government does not satisfied enough to overcome the Covid-19 outbreak and fulfill the goals.

Table 5. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Health Policy	301	1.00	5.00	3.1123	0.80945
Welfare	301	1.00	5.00	3.2002	0.82064
Fiscal Policy	301	1.00	5.00	3.3056	0.85099
Goals	301	1.00	5.00	2.8638	0.89706
Valid N (listwise)	301				

Table 6 presents the results of the bivariate correlation tests. The correlation analysis showed that health policy, social welfare and fiscal policy were positively associated with goals achievement to overcome Covid-19 outbreak ( $r = 0.606, 0.593$ , and  $0.521$ , respectively, all  $p < 0.01$ ).

Table 6. Bivariate Correlation Test Result

Item	Goals	Significant
Health Policy	0.606	0.000
Welfare	0.593	0.000
Fiscal Policy	0.521	0.000

**Commented [a5]:** Penamaan variabel distandarkan sudah

As shown in Table 7, the results of the regression analysis confirmed the significant impact of health policy, social welfare, and fiscal policy on economy goals to overcome Covid-19 virus outbreak. The fits model of the health policy, the social welfare, and the fiscal policy are significantly impact the Indonesia economy goals on Covid-19 outbreak. It is statistically proven on result of F test with significant value 0.000 on  $\alpha = 5\%$ . The three variables (health policy, social welfare, and fiscal policy) could explain 41.11% toward economy policy in Indonesia to amid Covid-19 outbreak.

Table 7. Regression Analysis Result

Model	Sum of Squares	Mean Square	F	Sig.
Regression	99.988	33.329	69.993	0.000
Residual	141.427	0.476	-	-
Total	241.415	-	-	-

Model	R	R Square	Adjusted R Square
Covid	0.644	0.414	0.408

### Hypothesis 1

The health policy significantly impact Indonesia goals with the standardized regression coefficient ( $\beta$ ) is 0.385 with critical ratio (CR) (t-value) 4.885 at significant level 0.000. It is supported that health policy had impact with Indonesia goals (see table 8).

The health of people is the first priority with handling the spread of Covid-19 and giving medication for the patients. Indonesia spread the campaign to wear masks, social distance, and wash hands with soap. To slow down the spread of Covid-19, Indonesian Government applied large-scale social restrictions (PSBB) in various regions. Prohibiting homecoming and holidays. Covid-19 tests have taken places to establish a new normal order. The health sector policy is in line with WHO protocols. Various activities to reduce the spread of the virus are finding, testing, and isolating cases, quarantining contacts and social restrictions. Meanwhile activities to reduce mortality are pursued by expanding health services, adding vital health facilities, and strengthening medical personnel (Gitiyarko, 2020) . Right now Indonesia is giving free Covid-19 vaccine with first priority to medical personnel, follow



with elderly and public servants then to publics. The priority of health policy has the highest perception on Indonesian people. This is so related to slow down the spread of Covid-19 and hope to combat the Corona.

### **Hypothesis 2**

Indonesia goals are affected by the social welfare with standardized regression coefficient ( $\beta$ ) is 0.241 with critical ratio (CR) (t-value) 2.693 at significant level 0.007. It is supported that social welfare net strategy had impact with economic goals (see table 8).

Various social assistance (bansos) and incentives received by the community during the pandemic are included in the national economic recovery to protect the poor and vulnerable to poverty and supporting the business world so that it does not get worse. Social protection for the poor and vulnerable to the poor is carried out by activating the Social Safety Net program. Meanwhile, protection of the business world is carried out by providing business incentives, support for micro, small and medium enterprise (UMKM), corporate financing, and sectorial assistance. The social protection program is planned to be accepted by 43.6 million people. Based on the sector recipients are farmer, breeders and planters, with 18.4 million. The scheme are the Family Hope Program (PKH), the basic food card, discounts on electricity, non-Jabodetabek cash assistance, Jabodetabek's basic food assistance, direct cash assistance (BLT) for village funds, pre-employment cards, and incentive interest housing for low income people (Chryshna, 2020).

### **Hypothesis 3**

Tax policy significantly impact the Indonesia goals ( $\beta$  0.148, CR 2.111, p 0.036). It is supported that tax policy has relationship with Indonesia economic goals (see table 8). The tax policy had impact on economics goals.

Directorate General of Taxes (DJP) issued the Minister of Finance Regulation (PMK) Number 86/PMK.03/2020 for many incentive on taxations. Income Tax (PPh) Article 21 incentives stated that employees who work in one of the 1.189 certain industrial fields at companies that get import facilities for export purposes (KITE) and in companies in the region bonded (KB) can obtain government-borne income tax (DTP) facilities.

For UMKM players, the get a final income tax facility with a rate of 0.5% in PP 23/2018. UMKM players do not need to submit a PP 23 Certificate but it is sufficient to submit a realization report every month. Whereas for the import income tax incentive, corporate taxpayers of the 721 specific industrial fields, KITE companies, and companies in bonded zones get exemption form tax collection. Those specific industrial fields get VAT incentives, too. Income Tax (PPh) Article 25 installment incentives for taxpayers who engaged in one of the 1.013 specific industrial fields (Abidin, 2020).

Indonesia has taken five steps to protect economy. First by spending on a large scale to reduce economic contraction due to the Covid-19 pandemic. Second, the government formed the Committee for handling Covid-19 and National Economic Recovery. The committee will ensure that economy and health run in synergy. Third, the government provides low-interest credit assistance, and prepares various programs so that MSMEs can revive themselves by restructuring policy and credit interest subsidy. Fourth, the government places funds in banks in order to turn the wheels of the economy. Last, the government guarantees working capital loans for corporations (Nidya, 2020). These results supported three hypotheses: (H1) There is impact on health policy toward economic goals, (H2) There is impact on social welfare net policy toward economics goals, and (H3) There is impact on fiscal policy toward economic goals.

Table 8. The Result of Hypothesis

Testing Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.408	0.177	-	2.308	0.022
Health Policy	0.385	0.079	0.347	4.885	0.000

Welfare	0.241	0.089	0.220	2.693	0.007
Fiscal Policy	0.148	0.070	0.140	2.111	0.036

a. Dependent Variable: Goals

### The Success of Government Strategy

The strategy to overcome Covid-19 pandemic was based on territory, numbers of people, discipline, geographic character, culture, economy, fiscal, and others things. It is stated that Indonesia cannot replicate the same strategy from other country. The second strategy is giving social safety to poor people so that they can survive.

All the strategy to pursue goal of reduce impact of Covid-19 lead to success. The percentage of national active cases tends to decline, where as of August 2020 it has reached 23.64 percent from 91.26 percent in March 2020. In addition, the percentage of national deaths also tend to decline from the peak of 8.64 in April 2020 to 4.47 percent in August. The percentage of national recovery is increasing from only 3.84 percent in March 2020 to 72.17 in August 2020 (Detikcom, 2020).

The social protection program was success claimed by President Indonesia. The Hope Family Program distributed to 10 million recipients. The basic food program has distributed to 19.14 million beneficiaries. The Jabodetabek staple food program distributed to 1.9 million beneficiaries. The non-Jabodetabek assistance program has disbursed to 9.18 million beneficiaries, the pre-employment card program, has distributed to 4.86 million beneficiaries. The village fund (BLT) program has distributed to 7.55 million beneficiaries. The productive banpres program and the working capital have been received to 5.9 million beneficiaries. The salary subsidy program has distributed to 9 million beneficiaries. The electricity discount program, has distributed to 31.4 million beneficiaries (Hidayat, 2020).

The Central Bureau of Statistics noted that the economy growth in 2020 contracted 2.07 percent year on year. The contraction was influenced by the weakening in various economic sectors due to the Covid-19 pandemic (Rosana, 2021). In the year 2021, the government believes that economic growth will be better than 2020. The gross domestic product (GDP) will be in the range of 4.5 – 5.3 percent that in line with the projections of several international

institutions. The IMF predicts Indonesia GDP will be 4.8 percent while The World Bank is 4.4 percent and the ADB is 4.5 percent (Prakoso, 2021).

## CONCLUSION

Indonesian government made several policies regarding Covid-19 virus outbreak. The budget to support the policies was 405.1 Trillion with allocation to health program, social welfare net program, and fiscal program. Those programs were claimed success by Indonesian government. People perception on health program, social welfare net program and fiscal program was statistically significant toward economic goals in amid Covid-19 outbreak.

The health programs are campaigning the health protocol, adding more vital health care facility, and giving free vaccines, and also applying large-scale social restrictions (PSBB) in various regions. The social welfare net program are protecting the impact by giving incentives to poor, micro, small and medium enterprise (UMKM), corporate financing, and sectorial assistance. The last fiscal program many incentive on taxations. Indonesia government still face the challenging Covid-19 situation, so the success should not put on state situation but should take more actions to continue the successful of the programs. Indonesia still on the U-shaped path because not return to pre-crisis condition yet.

The result of this research will contribute to Indonesian Government that made the policies. Government will aware that People was in line toward those programs and acquired the benefits toward all. The research contribute to existing research with adding value on quantitative research. It will enrich the finding by scholars that mainly based on quantitative research at this moment. For future research, the variables and participants could be enlarge to coverage all the territory in Indonesia. The Indonesian government should continue working hard to minimize the impact of Covid-19 and people has in line to support those programs.

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**Commented [a6]:** Uji hipotesis dan permasalahan sudah dijabarkan dengan baik. Seharusnya hasil uji, permasalahan, dan tujuan penelitian disimpulkan dalam konklusi ini. Konklusi masih bersifat sangat umum.

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## The Perception on Indonesia Policies to Overcome the Impact of Covid-19 Outbreak

Lita Kusumasari

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### Afiliasi

Sekolah Tinggi Ilmu Ekonomi YKPN  
Yogyakarta

### \*Koresponden

[lkusumasari@yahoo.com](mailto:lkusumasari@yahoo.com)

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### Artikel Masuk

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**Abstract.** Covid-19 led to global economy crisis, including in Indonesia. WHO also warn to all countries must strike a fine balance between protecting health, minimizing economic and social disruption, and respecting human rights. Based on the situation to amid Covid-19 outbreak, Indonesian Government added Rp405.1 trillion to national budget in 2020 for Covid-19. It is allocated to Rp75 trillion for health sector, Rp110 trillion for social welfare, Rp70.1 trillion for tax incentive and micro credit, and Rp150 trillion for Indonesia economy recovery including credit restructure and funding for micro, small, and medium enterprises. Indonesia government is trying to channeling Covid-19 outbreak to be controllable. The purpose of research study is examining Indonesian people perception toward strategy of Indonesian government. Prior researches stated that the impact of Covid-19 pandemic affects the economy in Indonesia, could harmed the economy, could cause liquidity problems and finally would get domino effect on the economy. Previous researches found based on the qualitative methods. This research approach used survey by electronic forms and quantitative methods approach used multiple regression. The result found that Indonesian people perception on health, social welfare net and fiscal strategy by Indonesian government was significantly contributed to economic goals in Indonesia toward Covid-19 outbreak. This study in line with the claim of Indonesia government that the strategies are success.

**Keywords:** *Covid-19, Indonesian Government Strategy, People Perception*



## **Introduction**

The outbreak of Covid-19 start at the end of 2019 in Wuhan, China. On the March 27, 2020, there are 531,943 cases and 24,073 deaths with 202 countries affected (Thebaselab, 2020). The virus is spread fast throughout the world because of human to human transmission (Munster, et al., 2020). The human to human transmission occurred through droplets, contact and fomites (WHO, 2020). The outbreak virus has negative effects as deadly illness and the global economy. It started in China with lockdown on Wuhan city and causing limitations on travelling, a decline in foreign travel and step back in economy activity in China (Ahani & Nilashi, 2020). First the most affected business are those that depend on companies in China for parts and supplies. The disruption in China economy and the outbreak of Covid-19 has impact on global situation. Second, Covid-19 spread by human to human transmission has been reacted by limitation of travelling and also cancelled international flight schedules by some nations. The travel industry is experiencing a drastic freeze as the demand fall. Furthermore, capital market have unexpectedly been terrified by the outbreak. The stocks of public companies in stock markets around the world have been down. It is causing high inflation and shortfall on exchange rate.

The outbreak of Covid-19 can be named an economic crisis since it has terrible effect on the global economy like previous SARS outbreak (Keogh-Brown & Smith, 2008). In 2003, after the outbreak of Severe Acute Respiratory Syndrome (SARS) epidemic, Malaysia severe of declining tourist arrival from a million to 500,000 by 50 percent in a month (Ahani & Nilashi, 2020). Historically the accommodation and restaurants, wholesale and retail and transport and storage industries have been negative although GDP growth remains robust (Ahani & Nilashi, 2020). Based on World Health Organization (WHO), the Covid-19 is pandemic (WHO, 2020). It is concluded after more than 118,000 cases in 114 countries, and 4,291 people have lost their lives. WHO also warn to all countries must strike a fine balance between protecting health, minimizing economic and social disruption, and respecting human rights. The world will suffer with declining GDP on the average of 2.1% with developing countries 2.5% and develop countries by 1.9%. It predicted that the biggest loss will affect East Asia and Pacific (EAP) countries with declining in Singapore (2.1 %), Malaysia (2.1 %). China (2.3 %), Vietnam (2.7 %), Cambodia (3.2 %), Hong Kong SAR, Thailand (3 %), and Indonesia predicted GDP losses better with declined to 1.7 % (Maliszewska, et al., 2020).

The policies to cope the Covid-19 could be measured into four categories: (i) monetary term, (ii) fiscal item, (iii) public health, and (iv) human control (Ozili & Arun, 2020). Although countries have implement many fast policies still not sufficient. Insufficient put Government into dilemma between saving people before saving the economy, or save the economy before saving the people. Many countries put priority on saving people life before economy. The result is economy suffer in some countries. The

majority policy to save people are lock down (Italy, UK, Iran, Nigeria, China etc), Border quarantine (Poland, Vietnam, India, UK, US, Pakistan, Australia and Colombia), and Social distancing policy (almost every country) (Ozili & Arun, 2020).

### Indonesia

Indonesia has 1.046 cases with 87 death on March 28, 2020 (BNPB, 2020). The Rupiah currency of Indonesia exchange rate toward Dollar USA has decline sharp due to Covid-19 outbreak. From the average of Rp14.000 to Rp16.000 on March, 2020. It is around 12% declining rate. According to Perry Warjiyo the weakness of Rupiah exchange rate is still tolerable compare to monetary crisis in 1998 and financial global crisis in 2008 (Kompas.com, 2020). Indonesia President stated on his press release regarding Covid-19 outbreak in Indonesia on March 30, 2020. It is stated that due to Covid-19, Indonesia is on health emergency. It is imposing large-scale restrictions as stipulated by Law No.6/2018 on health quarantines (The Jakarta Post, 2020).

For channeling Covid-19, the government had prepared a budget of Rp1 trillion or around \$70 million. The funding will pay for personal protective equipment, surveillance at airports, ports and other entry gates to Indonesia, hospital treatment and procurement of referral hospital infrastructure (Jakarta Globe, 2020). After Covid-19 outbreak with escalated numbers of victims in Indonesia spread out, Indonesian government has taken another step. Indonesian government added Rp405.1 trillion to national budget in 2020 for Covid-19. It is allocated to Rp75 trillion for health sector, Rp110 trillion for social welfare, Rp70.1 trillion for tax incentive and micro credit, and Rp150 trillion for Indonesia economy recovery including credit restructure and funding for micro, small, and medium enterprises (Indonesian Cabinet Secretary, 2020).

The 405.1 trillion is 2.5% from Indonesia Gross Domestic Product (GDP). Indonesia become the highest country in Asia who gives the stimulus compare to others country. The stimulus for Tiongkok is 1.2% from GDP, South Korea is 0.8% from GDP, India is 0.5% from GDP. The stimulus number is still lower compare to Thailand (3% from GDP) and Malaysia (17% from GDP) (CORE Indonesia, 2020). Indonesia government is trying to channeling Covid-19 outbreak to be controllable. The purpose of the Indonesian government effort is to stabilize the economy and overcome Covid-19 toward Indonesian people. The economic growth of Indonesia from 5.3% will decline to be 2.3% in the heavy stress and will further down to be -0.4% in the heaviest scenario (Indonesian Ministry of Finance, 2020).

Table 1. The Economic Scenario of Indonesia

Indonesia Indicators	Before Covid-19 Outbreak	Heavy Scenario	Heaviest Scenario
GDP Growth	5.3%	2.3%	-0.4%
Crude Oil Price	\$63	\$38	\$31

Currency Rate to US\$	Rp14,400	Rp17,500	Rp20,000
Inflation	3,1%	3,9%	5,1%

(Indonesian Ministry of Finance, 2020)

Indonesia is trying to overcome the impact of Covid-19. The stimulus would expect to recover the decline in the health, social and economy. Indonesian people will get the most impact on the government strategy. Indonesian people has divided toward the possibility successful of these strategy. Based on the situation above, the purpose of research study is examining Indonesian people perception toward strategy of Indonesian government. The result will answer whether Indonesian people thought what government did are enough to control the economy and social welfare.

### **Literature Review And Hypothesis Development**

Without a doubt, the coronavirus will have a negative impact on ASEAN's economy and that of the rest of the world in 2020. The major sector affected are travel and tourism, business supply chain, business, and employment that put economy on global recession. Based on Envisage Model, China get the worst impact while other countries will get impact half of it. The impact is underutilization of labor by 3 percent across all sectors in the global economy results in declining capital usage, trade costs of global imports and exports increase by 25%, applied across all goods and services, sharp drop in international tourism and reallocation of demand away from sectors requiring human interaction (Maliszewska, et al., 2020).

For finding the solution toward the Covid 19, we need to understand the Non-Pharmaceutical Interventions (NPI) that implemented by many nations. These NPI are international travel restrictions, limitation on gathering, lock down and business closure except for essential sector. They are effective for reducing the rate of transmission of the virus. The costs of NPI are production declining and dropping demand. For instance, model-based estimates show that the global industry value-added may have dropped by 25– 40%, depending upon the scale and severity of the implementation of NPI (Verschuur, et al., 2021).

The study on economic activities and stock market reveal that social distancing policies are severely affected. It was examined from closing, opening, lowest and highest stock price of major stock market indices. The limitation on movement and higher fiscal policy spending had a positive impact on the economy. The number of confirmed coronavirus cases did not have a significant effect on the level of economic activities. Data is collected is a one-month data from the 23rd of March to 23rd April, 2020. The collected data taken from stock markets in four continents: North America, Africa, Asia and Europe (Ozili & Arun, 2020).

In ASEAN, the pandemic has so far brought immediate disruptions in economic activities across the region. ASEAN (2020) give policy recommendations as follows:

- A. Put all effort for all available macro, financial, and structural policy.
- B. Preserving the economy's productive capacity:
- C. Reducing minimum barrier on the supply chains operation. Implement technology and digital trade.
- D. Widespread the social safety nets.
- E. Collaborating regional pandemic responses.
- F. Redoubling the resolve to advance regional integration.

Hopefully the policies will overcome impact of Covid-19. The position of channeling could be seen based on the shock geometry theory that explain types of recovery after shocks. The economy would recovery based on the most optimistic is 'V-shape', where the output quickly recovers to its pre-crisis path. Second, there is the 'U-shaped' path with output drops swiftly but does not return to its pre-crisis path. There is large gap between old and new. The last one is L-Shaped path with output drops and growth rates declining further (Carlsson-Szlezak, et al., 2020).

Indonesia as a member of ASEAN imposed social distancing, health protocol (wash hand and wear mask), encourage to stay at home, and close the border temporarily to safe people amid Covid-19. In the other side to reduce the impact on health, social, and economy, Indonesia implement health, welfare (social net), and fiscal policy. The Indonesian strategies are implementing to rules for stimulating economy and helping the poor (Indonesian Cabinet Secretary, 2020). First strategy is addressing to Promising Family Program. The receiver families will be upgrading from 9.2 million family to 10 million family. Each family will receive rise of 25 percent benefit, such as pregnant mother will get Rp3 million each year from Rp2.4 million before. The program is implemented from April, 2020.

Second is basic food relief card. The card holders who will receive money to buy basic food package will be increase from 15.2 million holders to 20 million holders. The benefit increase is 30% from Rp150.000 thousands to Rp200.000. The holders will receive for nine months. Third is Pre-employment card. The budget is increasing from Rp10 trillion to Rp20 trillion. The benefit holder will increase to 5.6 million people. The benefit range is Rp650.000 – Rp1.000.000 each month. It will be given for 4 months. Fourth, electricity subsidy. Government will give free of charge for 450 VA electricity consumers. The 450 VA electricity consumers are 24 million people. For 900 VA electricity consumers, will be given 50% discount for the charges. The 900 VA electricity consumers are 7 million consumers. The electricity program will be given for April, May and June 2020. Fifth, Indonesian government allocated Rp25 trillion budget for basic needs. It is included market operation and logistic.

Sixth, Indonesian government is giving credit installment holiday for informal workers, online riders, taxi driver, micro, small and medium enterprises, and fisherman.

The credit installment holiday is maximum for Rp10 billion. Financial service authority will publish regulation toward this policy. It will enact starting from April, 2020.

### **Potential Risk towards National Budget Deficit**

The Indonesian stimulus will demand fund financing from national budget. Ministry of Finance has asked to reallocate budget spending to cover the stimulus. This might not be as easy as stated. If we look at the whole situation in Indonesia, Covid-19 slow the economy. The budget spending will not trigger the income as high as it wish. The budget deficit will be Rp852 trillion or 5.07% from PDB (CORE Indonesia, 2020). The budget deficit will add potential risk toward Indonesia. The Indonesian government will look for funding by government bond. It will risk because government bond will be bought by foreign investors for around 35%-40%. This will add risk of sudden capital outflow. Currently in February and March 2020, the foreign capital outflow is Rp145 Trillion from government bond (CORE Indonesia, 2020). This will lead to weaken the Indonesian exchange rate.

The second funding Indonesian government used could be crowding out from banks. The potential risk for this action is bank liquidity. The private sectors will get the impact. It will be difficult for looking funding. The private sectors will turn to foreign debts. Based on the data, 89% the private foreign debts are in US Dollar currency (CORE Indonesia, 2020). When the economy in the world is going down. This could risk the private company in Indonesia because default payment.

### **Hypothesis**

Indonesian government put health sector as the heart of the battle for Covid-19. The budget will aim to overcome emergencies, how to overcome, and limit transmission, also to minimize the spread, and later immediately accelerate the settlement of Covid-19. There are two department involved namely National Disaster Management Authority (BNPB) and the Ministry of Health. BNPB will be responsible to support facilities and infrastructure for handling in the health sector. Meanwhile, the Ministry of Health is responsible for providing tracking, then maintaining, and carrying out care and treatment (Sekretariat Kabinet RI, 2020) .

**H1:** There is impact on health policy toward economic goals

The impact of Covid-19 pandemic affects the economy in Indonesia. The affected sectors are transportation, tourism, trade, health, and other sectors, with the most affected is household sector (Susilawati, et al., 2020). The Covid-19 pandemic harmed the economy of the people of Bandung because many were unemployed and many became new poor citizens. The implication is that the Bandung City Government needs to expand its social protection program to help the poor, both new and existing ones. (Supriatna, 2020).

**H2:** There is impact on social welfare net policy toward economic goals

Financial institutions also have the potential to experience liquidity problems, causing depreciation of Indonesian currency, volatility in financial markets and capital flight. To mitigate that, policy coordination between the Government, Bank Indonesia and OJK is very important to maintain economic stability (Astuti & Mahardhika, 2020). Indonesia is facing up an economic domino effect of covid-19 and Bank of Indonesia (BI) has taken several steps by strengthens policy coordination with the government and other authorities to stabilize the rupiah exchange rate and mitigate the impact of Covid-19 risk on the domestic economy (Pati, 2020).

The increasing number of lockdown days, monetary policy decisions and international travel restrictions severely affected the level of economic activities and the closing, opening, lowest and highest stock price of major stock market indices. In contrast, the imposed restriction on internal movement and higher fiscal policy spending had a positive impact on the level of economic activities, although the increasing number of confirmed Covid-19 cases did not have a significant effect on the level of economic activities (Ozili & Arun, 2020).

**H3:** There is impact on fiscal policy toward economic goals

### Research Methods

In this section, we empirically examine whether Indonesian policies affected economic activities. The data collected is a one-month data from the 4<sup>th</sup> to 29<sup>th</sup> April, 2020. The narrow sample period allows us to capture the direct (and immediate) impact of Indonesian policies when the level of general economic/business activities at the peak of the Covid-19 crisis in March and April of 2020.

We collected data using questionnaires that distributed using Google form. There are 301 respondents. Previous studies stated that a sample size of 100 is considered small, between 100 and 200 is considered medium, and more than 200 is considered large (Hair, et al., 1998). The other rule of thumb to follow is the number of participants in a questionnaire that should be larger than 30 and less than 500 (Roscoe, 1975). It mentioned that in multivariate research like multiple regression analysis, the sample size should be at least preferably 10 times or more as large as the number of variables in the study. In this study, there are a total of four independent and dependent variables for multiple regression analyses. Therefore, the sample size of 301 is appropriate.

The survey stated in 19 items on 5-point Likert scale (from 1- strongly disagree to 5-strongly agree). Five statements described the perception of respondents on health policy. There are eight statements described the perception on social welfare. There are four statements described the perception on fiscal policy. There are two statements described the perception on achievement goals by Indonesian government toward Covid-19 outbreaks. All the statements are based on the budget allocation by Indonesian Government (see table 2)

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**The Perception on Indonesia Policies to Overcome the Impact of Covid-19 Outbreak**

Table 2. Statements on Survey

No	Statements
<b>HEALTH POLICY</b>	
	Indonesian government was allocated budget 75 Trillion Rupiah for stimulate health aspect due to Covid-19 outbreak.
1	The health budget from Indonesia government was enough to amid Covid-19 outbreak.
2	The subsidy adjustment 3 Trillion Rupiah for BPJS fee was enough
3	Medical insentive 5.9 Trillion Rupiah was enough
4	Death support 300 Million per medical staff was enough
5	Health spending 65.8 Tillion for maintaining Covid was enough
<b>SOCIAL WELFARE POLICY</b>	
	Indonesian government was allocated budget 110 Trillion Rupiah for social safety net aspect due to Covid-19 outbreak.
1	The social safety net budget from Indonesia government was enough to amid Covid-19 outbreak.
2	Cash assistance for Family Hope Program (PKH) for 10 million beneficiaries with total 8.3 Trillion Rupiah was enough.
3	Pre-Employment Card Program had 10 Trillion Rupiah budget. It was enough.
4	The budget of 3.5 Trillion Rupiah for discount program for 450 and 900 VA electricity customers was enough.
5	Home insentive budget 1.5 Trillion for low level income people (MBR) was enough.
6	The social welfare net budget 30.8 Trillion was enough.
7	The buffer for stock and logistics budget of 25 Trillion Rupiah was enough
8	Education adjustment budget of 20 Trillion was enough
<b>FISCAL POLICY</b>	
	Indonesian government was allocated budget 220.1 Trillion Rupiah for stimulate fiscal aspect due to Covid-19 outbreak.
1	Income Tax (PPh) Article 21 and Value Added Tax incentives with 52 Trillion budget was enough
2	Enter tax free with the budget of 12 Trillion Rupiah was enough
3	MSMEs can revive themselves by restructuring policy and credit interest subsidy by 6.1 Trillion is enough.
4	Recovery Economics Program to Revitalize Indonesia funded by 150 Trillion was enough.
<b>GOALS</b>	
	Indonesian GDP was 5.3%.
1	Indonesian government policies stimulus could overcome the economy impact of Covid-19 outbreak.
2	Indonesian government policies could stabilize economics growth in 2020.

### Participants

The participants in this study were 301. There were 158 (52.5%) females and 143 (47.5%) males. More than 50% of the participants were holders of a graduate degree (N = 212,

70.4%) and undergraduates were also included in the pool of respondents (N = 74, 24.6%) and others were else. The participants job were lecturers (N = 92, 30.6%) and undergraduate students (N = 98, 32.6%). Others were entrepreneurs (N = 32, 10.6%). From lecturers and undergraduates that participated have background accounting (N = 138, 45.8%), management (N = 69, 22.9%) and economics (N = 36, 11.96%). Those participants acknowledged Covid-19 by following news intensively (N = 158, 52.5%) and casually (N = 143, 47.5%). From the participant demographics, they were educated and concerned of the Covid-19 outbreak in Indonesia.

### Reliability Test

The reliability of the constructs were tested based on the results of examining the measurement model. To test the reliability using Cronbach Alpha. Cronbach Alpha values indicated the reliability of the measurement model, the recommended level of Cronbach's alpha is 0.70, and 0.60 is acceptable for exploratory research (Hair, et al., 2010). Here the Cronbach Alpha is between 0.737 – 0.902. The model is reliable (see table 3).

Table 3. Reliability Test Result

No	Item Health	Cronbach	Item Social	Cronbach	Item Fiscal	Cronbach	Item Goal	Cronbach
1	K1	0.777	JS1	0.799	F1	0.899	DC1	0.891
2	K2	0.831	JS2	0.876	F2	0.897	DC2	0.870
3	K3	0.865	JS3	0.865	F3	0.890	-	-
4	K4	0.737	JS4	0.812	F4	0.895	-	-
5	K5	0.875	JS5	0.838	-	-	-	-
6	-	-	JS6	0.902	-	-	-	-
7	-	-	JS7	0.885	-	-	-	-
8	-	-	JS8	0.853	-	-	-	-

### Validity Test

The convergent validity is a measure of the magnitude of the direct structural relationship between an observed variable and latent construct. The acceptable level to achieve convergent validity is 0.50 (Shook, et al., 2004). All variables had validity more than 0.50. For health policy was 0.884, while social welfare policy was 0.913, fiscal policy was 0.844, and goals was 0.782. All variables were valid (see table 4).

Table 4. Validity Test Result

Component	
Health Policy	0.884
Welfare	0.913
Fiscal Policy	0.844
Goals	0.782

Extraction Method: Principal Component Analysis



## Result And Discussion

Analysis of perception on Covid-19 outbreak data and final scores was completed by SPSS. The descriptive for health policy, social welfare, fiscal policy, and achievement goals are presented in Table 5. Overall, Indonesia policy to amid Covid-19 breaks is in the right direction. People rates the fiscal policy is the highest contribution toward helping Indonesia economy compares to health policy and social welfare. People is on the average thought that all the policies taken by Indonesian government does not satisfied enough to overcome the Covid-19 outbreak and fulfill the goals.

Table 5. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Health Policy	301	1.00	5.00	3.1123	0.80945
Welfare	301	1.00	5.00	3.2002	0.82064
Fiscal Policy	301	1.00	5.00	3.3056	0.85099
Goals	301	1.00	5.00	2.8638	0.89706
Valid N (listwise)	301				

Table 6 presents the results of the bivariate correlation tests. The correlation analysis showed that health policy, social welfare and fiscal policy were positively associated with goals achievement to overcome Covid-19 outbreak ( $r = 0.606$ ,  $0.593$ , and  $0.521$ , respectively, all  $p < 0.01$ ).

Table 6. Bivariate Correlation Test Result

Item	Goals	Significant
Health Policy	0.606	0.000
Welfare	0.593	0.000
Fiscal Policy	0.521	0.000

As shown in Table 7, the results of the regression analysis confirmed the significant impact of health policy, social welfare, and fiscal policy on economy goals to overcome Covid-19 virus outbreak. The fits model of the health policy, the social welfare, and the fiscal policy are significantly impact the Indonesia economy goals on Covid-19 outbreak. It is statistically proven on result of F test with significant value 0.000 on  $\alpha = 5\%$ . The three variables (health policy, social welfare, and fiscal policy) could explain 41.11% toward economy policy in Indonesia to amid Covid-19 outbreak.

Table 7. Regression Analysis Result

Model	Sum of Squares	Mean Square	F	Sig.
Regression	99.988	33.329	69.993	0.000
Residual	141.427	0.476	-	-
Total	241.415	-	-	-
R = 0.644			Adj. R Squared = 0.408	

### Hypothesis 1

The health policy significantly impact Indonesia goals with the standardized regression coefficient ( $\beta$ ) is 0.385 with critical ratio (CR) (t-value) 4.885 at significant level 0.000. It is supported that health policy had impact with Indonesia goals (see table 8). The health of people is the first priority with handling the spread of Covid-19 and giving medication for the patients. Indonesia spread the campaign to wear masks, social distance, and wash hands with soap. To slow down the spread of Covid-19, Indonesian Government applied large-scale social restrictions (PSBB) in various regions. Prohibiting homecoming and holidays.

Covid-19 tests have taken places to establish a new normal order. The health sector policy is in line with WHO protocols. Various activities to reduce the spread of the virus are finding, testing, and isolating cases, quarantining contacts and social restrictions. Meanwhile activities to reduce mortality are pursued by expanding health services, adding vital health facilities, and strengthening medical personnel (Gitiyarko, 2020) . Right now Indonesia is giving free Covid-19 vaccine with first priority to medical personnel, follow with elderly and public servants then to publics. The priority of health policy has the highest perception on Indonesian people. This is so related to slow down the spread of Covid-19 and hope to combat the Corona.

### Hypothesis 2

Indonesia goals are affected by the social welfare with standardized regression coefficient ( $\beta$ ) is 0.241 with critical ratio (CR) (t-value) 2.693 at significant level 0.007. It is supported that social welfare net strategy had impact with economic goals (see table 8). Various social assistance (bansos) and incentives received by the community during the pandemic are included in the national economic recovery to protect the poor and vulnerable to poverty and supporting the business world so that it does not get worse. Social protection for the poor and vulnerable to the poor is carried out by activating the Social Safety Net program.

Meanwhile, protection of the business world is carried out by providing business incentives, support for micro, small and medium enterprise (UMKM), corporate financing, and sectorial assistance. The social protection program is planned to be accepted by 43.6 million people. Based on the sector recipients are farmer, breeders and planters, with 18.4 million. The scheme are the Family Hope Program (PKH), the basic

food card, discounts on electricity, non-Jabodetabek cash assistance, Jabodetabek's basic food assistance, direct cash assistance (BLT) for village funds, pre-employment cards, and incentive interest housing for low income people (Chryshna, 2020).

### Hypothesis 3

Tax policy significantly impact the Indonesia goals ( $\beta$  0.148, CR 2.111, p 0.036). It is supported that tax policy has relationship with Indonesia economic goals (see table 8). The tax policy had impact on economics goals. Directorate General of Taxes (DJP) issued the Minister of Finance Regulation (PMK) Number 86/PMK.03/2020 for many incentive on taxations. Income Tax (PPh) Article 21 incentives stated that employees who work in one of the 1.189 certain industrial fields at companies that get import facilities for export purposes (KITE) and in companies in the region bonded (KB) can obtain government-borne income tax (DTP) facilities.

For UMKM players, the get a final income tax facility with a rate of 0.5% in PP 23/2018. UMKM players do not need to submit a PP 23 Certificate but it is sufficient to submit a realization report every month. Whereas for the import income tax incentive, corporate taxpayers of the 721 specific industrial fields, KITE companies, and companies in bonded zones get exemption form tax collection. Those specific industrial fields get VAT incentives, too. Income Tax (PPh) Article 25 installment incentives for taxpayers who engaged in one of the 1.013 specific industrial fields (Abidin, 2020).

Indonesia has taken five steps to protect economy. First by spending on a large scale to reduce economic contraction due to the Covid-19 pandemic. Second, the government formed the Committee for handling Covid-19 and National Economic Recovery. The committee will ensure that economy and health run in synergy. Third, the government provides low-interest credit assistance, and prepares various programs so that MSMEs can revive themselves by restructuring policy and credit interest subsidy. Fourth, the government places funds in banks in order to turn the wheels of the economy. Last, the government guarantees working capital loans for corporations (Nidya, 2020). These results supported three hypotheses: (H1) There is impact on health policy toward economic goals, (H2) There is impact on social welfare net policy toward economics goals, and (H3) There is impact on fiscal policy toward economic goals.

Table 8. The Result of Hypothesis

Model	Unstandardized Coefficients	t	Sig.
(Constant)	0.408	2.308	0.022
Health Policy	0.385	4.885	0.000**
Welfare	0.241	2.693	0.007**
Fiscal Policy	0.148	2.111	0.036*

**The Success of Government Strategy**

The strategy to overcome Covid-19 pandemic was based on territory, numbers of people, discipline, geographic character, culture, economy, fiscal, and others things. It is stated that Indonesia cannot replicate the same strategy from other country. The second strategy is giving social safety to poor people so that they can survive. All the strategy to pursue goal of reduce impact of Covid-19 lead to success. The percentage of national active cases tends to decline, where as of August 2020 it has reached 23.64 percent from 91.26 percent in March 2020. In addition, the percentage of national deaths also tend to decline from the peak of 8.64 in April 2020 to 4.47 percent in August. The percentage of national recovery is increasing from only 3.84 percent in March 2020 to 72.17 in August 2020 (Detikcom, 2020).

The social protection program was success claimed by President Indonesia. The Hope Family Program distributed to 10 million recipients. The basic food program has distributed to 19.14 million beneficiaries. The Jabodetabek staple food program distributed to 1.9 million beneficiaries. The non-Jabodetabek assistance program has disbursed to 9.18 million beneficiaries, the pre-employment card program, has distributed to 4.86 million beneficiaries. The village fund (BLT) program has distributed to 7.55 million beneficiaries. The productive banpres program and the working capital have been received to 5.9 million beneficiaries. The salary subsidy program has distributed to 9 million beneficiaries. The electricity discount program, has distributed to 31.4 million beneficiaries (Hidayat, 2020).

The Central Bureau of Statistics noted that the economy growth in 2020 contracted 2.07 percent year on year. The contraction was influenced by the weakening in various economic sectors due to the Covid-19 pandemic (Rosana, 2021). In the year 2021, the government believes that economic growth will be better than 2020. The gross domestic product (GDP) will be in the range of 4.5 – 5.3 percent that in line with the projections of several international institutions. The IMF predicts Indonesia GDP will be 4.8 percent while The World Bank is 4.4 percent and the ADB is 4.5 percent (Prakoso, 2021).

**Conclusion**

Indonesian government made several policies regarding Covid-19 virus outbreak. The budget to support the policies was 405.1 Trillion with allocation to health program, social welfare net program, and fiscal program. Those programs were claimed success by Indonesian government. People perception on health program, social welfare net program and fiscal program was statistically significant toward economic goals in amid Covid-19 outbreak.

The health programs are campaigning the health protocol, adding more vital health care facility, and giving free vaccines, and also applying large-scale social restrictions (PSBB) in various regions. The social welfare net program are protecting the impact by

giving incentives to poor, micro, small and medium enterprise (UMKM), corporate financing, and sectorial assistance. The last fiscal program many incentive on taxations. Indonesia government still face the challenging Covid-19 situation, so the success should not put on state situation but should take more actions to continue the successful of the programs. Indonesia still on the U-shaped path because not return to pre-crisis condition yet.

The result of this research will contribute to Indonesian Government that made the policies. Government will aware that People was in line toward those programs and acquired the benefits toward all. The research contribute to existing research with adding value on quantitative research. It will enrich the finding by scholars that mainly based on quantitative research at this moment. For future research, the variables and participants could be enlarge to coverage all the territory in Indonesia. The Indonesian government should continue working hard to minimize the impact of Covid-19 and people has in line to support those programs.

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