

POST-PANDEMIC ECONOMIC RECOVERY STRATEGY THROUGH THE UMKM AND TOURISM SECTOR: EXPERIENCE FROM INDONESIA

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Abstract: The aim of this paper is to look at the state of the world economy due to the pandemic, economic recovery strategies in the UMKM sector and tourism. The method used is descriptive qualitative by using a content analysis technique approach and literature study. From the results of this study, there are several countries that provide salary subsidies to workers, encourage the development of innovation, relaxation of loans and digitalization in both UMKM and tourism. Meanwhile, Indonesia's economic recovery strategy in the UMKM sector is: providing assistance to business actors, providing tax incentives, credit relaxation and restructurization, expansion of working capital financing, product support, and e-learning training. Then the economic recovery strategy in the tourism sector, developing tourism products, developing tourist destinations, developing tourism human resources, developing tourism institutions, and managing tourism infrastructure

Keywords: Economic Recovery, Pandemic, Tourism

Abstrak: Tulisan ini bertujuan untuk melihat keadaan perekonomian dunia akibat pandemi, strategi pemulihan ekonomi di sektor UMKM dan pariwisata. Metode yang digunakan adalah deskriptif kualitatif dengan menggunakan pendekatan teknik analisis isi dan studi kepustakaan. Dari hasil penelitian ini, terdapat beberapa negara yang memberikan subsidi gaji kepada pekerja, mendorong pengembangan inovasi, relaksasi pinjaman dan digitalisasi baik pada UMKM maupun pariwisata. Sementara itu, strategi pemulihan ekonomi Indonesia di sektor UMKM adalah: pemberian bantuan kepada pelaku usaha, pemberian insentif perpajakan, relaksasi dan restrukturisasi kredit, perluasan pembiayaan modal kerja, product support, dan pelatihan e-learning. Kemudian strategi pemulihan ekonomi di sektor pariwisata, pengembangan produk pariwisata, pengembangan destinasi wisata, pengembangan SDM pariwisata, pengembangan kelembagaan pariwisata, dan pengelolaan infrastruktur pariwisata yang baik dan besar bagi perusahaan-perusahaan milik negara Indonesia, menurut penelitian empiris. Hanya sampel perusahaan milik negara Indonesia yang digunakan dalam penelitian ini.

Kata Kunci: Pemulihan Ekonomi, Pandemi, Pariwisata

INTRODUCTION

The global Covid-19 daily case and death trend in aggregate is declining. As of June 20, 2021, data shows that vaccination programs have been carried out in 180 countries with a total dose of 2.59 billion doses, and 35.28 million doses of vaccine have been administered in Indonesia. Acceleration of vaccination in developed countries tends to be successful in controlling the pandemic and expanding reopening. Meanwhile, conditions in several developing countries such as Latin America, South Africa, and ASEAN countries are still escalating. "Last week's G7 meeting, the leaders said they would provide one billion vaccines to other countries and this has a positive impact, because there are still citizens whose access to vaccines is very limited. Of course, the increasing number of vaccinations will give hope for a sustainable global economic recovery," said Minister of Finance Sri Mulyani Indrawati at our State Budget press conference in June 2021.

The global economic recovery continues, as indicated by the strengthening of various indicators. The World Bank and the Organization for Economic Cooperation and Development (OECD) raised their global economic growth projections amid positive sentiment on vaccinations and the recovery of various economic indicators, to 5.8 percent (yoy) and 5.6 percent (yoy) for 2021, respectively, as well as 4.4 percent (yoy) and 4.3 percent (yoy) for 2022. In addition, global trade and manufacturing also continued to improve, with the Baltic Dry Index consistently at high levels, as well as the expansion of the Global Manufacturing PMI in the previous month. May, which reached the highest level since 2010. Furthermore, the price of oil and coal as Indonesia's main commodities experienced a significant increase, while the price of CPO declined since May due to a decline in demand from India. On financial markets, the global financial market volatility (VIX) index fell, while the stock markets of developed and developing countries continued to rise.

However, several risk factors need to be watched out for, including the emergence of a more infectious and virulent wave and variant of Covid-19, uneven access to vaccinations and global economic recovery, as well as the possibility of a faster normalization of US monetary policy. Meanwhile, the domestic economic recovery strengthened, indicating that economic recovery momentum is underway in Indonesia. In the midst of the dynamics of the Covid-19 case, exports and imports grew high, in line with growth in electricity and household consumption, the Consumer Confidence Index, and the Manufacturing PMI. Economic growth

in the second quarter is projected to grow high, supported by an increase in various economic indicators in line with the Eid momentum and the base effect factor. The state budget performance until May 2021 was much better than in the same period the previous year, where state revenues experienced significant growth from the original contracted 9.0 percent (yoy) to 9.3 percent (yoy) supported by growth in taxes and PNBP and maintenance of customs and excise receipts. Likewise, in terms of state spending, which grew from negative 1.4 percent (yoy) to 12.1 percent (yoy), it was driven by high Central Government Expenditures and improvement in TKDD.

Optimizing revenues and improving the quality of state spending will continue to be carried out in line with the maintained performance of state budget financing and the decline in SILPA when compared to April 2021. The state budget continues to work hard to continue this momentum of improvement, along with anticipatory steps to deal with the pandemic through the implementation of more massive vaccinations, and 3T and 3M reinforcement. All levels of life in the world have been affected by the local to the large number of deaths. This situation has forced the International Health Organization (WHO) to designate it as a PHEIC on January 30, 2020 based on the 2005 International Health Regulation (IHR) (Pandoman, 2020). On March 11, 2020, WHO declared COVID-19 a pandemic. The majority of countries in the world have been affected by the outbreak, including Indonesia. Countries around the world are suddenly busy taking lockdown and social distancing policies, as an effort to hasten the cessation of the spread of Covid-19. Indonesia as the fifth most populous country in the world, does not lag behind in taking steps like other countries in the world in fighting COVID-19, but Indonesia's type of action is with PSBB (Large-Scale Social Restrictions). The purpose of the PSBB itself is intended to break the chain of the spread of Covid-19, such as lockdowns and social distancing. Inevitably the PSBB also has an economic and social impact on Indonesia. The economic impact is clearly exposed because it is inevitable that there will be layoffs (Termination of Employment) in the real sector.

The International Monetary Fund (IMF) projects that the global economy will grow at minus 3%. The impact of the Covid-19 outbreak on the economies of countries in the world is also very powerful. In the first quarter of 2020, economic growth in a number of Indonesia's trading partner countries grew negatively: Singapore -2.2, Hong Kong -8.9, the European Union -2.7 and China decreased to minus 6.8. Some countries still grew positively but decreased when

compared to the previous quarter. The United States fell from 2.3 to 0.3, South Korea from 2.3 to 1.3 and Vietnam from 6.8 to 3.8. This fairly deep contraction in the first quarter in Indonesia was beyond expectations considering that the physical distancing and PSBB arrangements came into effect in early April 2020, where in the first quarter (Q1) 2020 it only reached 2.97 percent. The value landed far from the first quarter target which is expected to reach the range of 4.5-4.6 percent. Based on year-on-year growth, the largest source of Indonesia's economic growth in Q1 2020 was in the information and communication sector at 0.53 percent.

As the country with the second largest economy in the world, the decline in China's economy certainly has an impact on the global economy. The negative impact of this pandemic is rapidly spreading throughout the world, not only because of the nature of the virus that is contagious, but also because of the mobility of the world's population and the global value chain, which has a very high level of connectivity. Several credible research institutions in the world predict the bad impact of the spread of this epidemic on the global economy. JPMorgan predicts the world economy will be minus 1.1% in 2020, EIU predicts minus 2.2%, Fitch predicts minus 1.9%, and the IMF predicts the world economy will be minus 3% in 2020. For Indonesia itself, the Minister of Finance of the Republic of Indonesia, Sri Mulyani Indrawati predicts economic growth in the worst scenario to reach minus 0.4% (Iskandar et al., 2020).

Since then too, bankruptcies have piled up and the initial rate started to crumble. For example, in March, US business applications fell between 40% and 75% over the previous year—the contraction was even sharper than during the Great Recession. MSMEs provide every two out of three jobs in the OECD region and contribute half of GDP. If there is a negative correction on production in China, the world will experience supply chain disruptions which in turn can reduce world production processes whose raw materials are imported from China. The Indonesian state itself really needs raw materials from China to carry out the production process, especially raw materials for electronic parts, furniture, plastics, textiles and computers (Nasution et al., 2020). Small and medium enterprises (MSMEs) are at the forefront of the economic shocks caused by the COVID-19 pandemic. Lockdown measures have brought economic activity to a sudden halt, reducing demand and disrupting supply chains around the world. In the initial survey, more than 50% of MSMEs indicated that they could go out of business in the next few months (Thaha, 2020). The impact of the Covid-19 pandemic on the MSME sector is certainly very influential on the condition of the Indonesian economy where

the contribution of MSMEs to the Indonesian economy is very large in various fields, including; (1) The number of business units in Indonesia as of 2018 is a total of 64.2 million business units, with the number of MSME business units being 64.1 million (99.9%), (2) Contribution to the number of workers, the number of workers in Indonesia per 2018 a total of 120.6 million people, with a total workforce in MSMEs of 116.9 million (97%), (3) Contribution to GDP. GDP of 8,573,895 billion (61.07%), (4) Contribution to Non-Oil and Gas Exports Indonesia's total non-oil and gas exports per 2018 totaled 2,044,490 billion, with the contribution of MSMEs to non-oil exports of 293,840 billion (14.37%), and (5) Contribution to Investment, Total investment in Indonesia as of 2018 totals 4,244,685 billion, with the contribution of MSMEs to investment of 2,564,549 billion (60.42%) (Thaha, 2020).

The impact of COVID-19 on the tourism sector is also not without threats. Data compiled from the Central Statistics Agency explains that in 2019 foreign tourists from China who came to Indonesia touched 2.07 million travelers or 12.8% of the total number of foreign tourists throughout 2019 (Nasution et al., 2020). Mulyana further stated that based on a release from the Central Statistics Agency, the number of foreign tourists who came to Indonesia in the first quarter of 2020 dropped dramatically to only 2.61 million visits, a decrease of 34.9 percent compared to last year. This is in line with the ban on flights between countries which came into effect in mid-February. The number of rail and air transport passengers also grew negatively in line with the enactment of the PSBB (Mulyana, 2020). Of course, the economic recovery process for tourists who come to Indonesia will decline. Tourism supporting sectors, namely restaurants, hotels and retail entrepreneurs are also affected by the Covid-19 pandemic. Hotel profits have decreased by up to 40% so that it has an impact on hotel operations and threatens the continuity of its business.

The decline in foreign visitors also affects the income of restaurants or restaurants whose customers are more dominantly visitors from abroad. Weak tourism growth also has an impact on the retail industry. The areas whose retail sector is most affected are Jakarta, Medan, Bangka Belitung, Riau Islands, Manado and Bali. The Covid-19 pandemic is also expected to affect the micro, small and medium business sector, this is because foreign visitors who come to a destination will usually buy souvenirs to take home. If the number of foreign visitors who visit decreases, it is certain that the income of micro, small and medium enterprises will also decrease. Bank Indonesia has released data in 2016 regarding the micro, small and medium

business sector which states that micro, small and medium enterprises are very dominant in business units in Indonesia and this type of micro-enterprise is able to absorb a lot of workers (Nasution et al., 2020). Of course, the economic recovery process will take a longer time, at least until the end of 2021. According to Widyar's analysis, the pandemic will not last for years in Indonesia. Through the active role of all citizens, the decline in the number of Covid-19 cases should be faster than estimated. However, this is still influenced by the policies taken by the government in an effort to suppress its spread (Mulyana, 2020). Based on this, the government and the community independently need an effective formula or strategy to return to a stable condition with several policies to recover the economic recession due to COVID-19. Therefore, one of the strategies offered in this study is the Post-Pandemic Economic Recovery Strategy through the MSME and Tourism Sector. With the aim of writing to find out; 1) The condition of the world economy due to covid-19; 2) What are the strategies for economic recovery through MSMEs; and 3) an economic recovery strategy through the tourism sector.

METHOD

The method used in this study is a descriptive quantitative method that uses an approach called secondary data analysis (Sugiyono, 2016). Secondary data analysis or what is often abbreviated as DAS is a research methodology that uses secondary data as the main data source (Hinrichs et al, 2017). The intended use of secondary data is to use an appropriate statistical test technique to obtain the required information from the data issued by a competent agency or institution to be processed in a systematic and objective manner.

Data analysis results in quantitative are usually presented with pictograms and piecharts, bar or line graphs and frequency distribution tables (McNabb, 2017). The discussion of the research analysis will be explained in depth and the interpretation of the data presented is straightforward and detailed in order to produce conclusions that contain short answers to the problem formulation based on the data that has been collected. Meanwhile, in this descriptive study, the research aims to record, describe, interpret and analyze the current situation. Or it can be said that this research has the aim of getting information about current conditions and then analyzing the relationship between existing variables (Moen & Middelthon, 2015). This study does not use a hypothesis, but only describes the information as it is in accordance with the research variables. Secondary data that has been obtained from competent institutions or agencies is then presented on research instruments that have been

tested, then processed using certain statistical test techniques. This data will then be identified and further analyzed. Bogdan explained that data analysis is a step in systematically compiling and searching for data obtained from field notes and other materials, so that it will be easy to understand, and the findings can be informed to people in need (Minakshi, 2017).

RESULTS

1. World Economy Due to Covid-19

Corona Virus or Coronavirus Diseases which was discovered at the end of 2019, Corona Virus has spread rapidly in 213 countries. Data published on April 19, 2020, the Corona outbreak on the world community that was confirmed to be affected was 2,245,872 people, with a death rate of 152,707 people. Due to the phenomenon of the very fast spread of the virus, 20 countries have implemented lockdowns (isolation). China has preceded the lockdown since January 23, 2020. During the lockdown period, people are required to isolate themselves at home (Nurhayati, 2020). Countries affected by the COVID-19 pandemic are not only Indonesia, but almost all parts of the world are also affected by this pandemic. The G20 meeting has been held to discuss COVID-19, namely on 22-23 February 2020 in Saudi Arabia.

The members of the G20 that have been implemented consist of several countries, namely Indonesia, Argentina, Australia, Brazil, the United States, China, France, Germany, India, the European Union, Saudi Arabia, Britain, Mexico, Russia, South Korea, South Africa, Italy, Turkey, Japan and Canada. The COVID-19 pandemic has become the focus of discussion at the G20 meeting, the countries that are members of the organization convey empathy to the countries and residents affected by COVID-19. The emergence of world pressure on Covid-19 has triggered countries that are members of the G20 to strengthen foreign cooperation (Nasution et al., 2020). The International Labor Organization (ILO) estimates that there will be 25 million people worldwide who will lose their jobs or the equivalent of USD 3.4 trillion. For the year that Covid is running, every country is asked to protect millions of health workers, some of whom are women. You could say, if there is an economic crisis, women will feel the impact the most. However, this does not mean ignoring the economic impact on men (Nurhayati & Aji, 2020). The ILO statement has become a serious critique in promoting worker protection efforts. Even before the COVID-19 pandemic occurred, at the beginning of 2020 there were 190 million people in the world without a job. There are four sectors most affected by the pandemic and make up 37.5% of global employment. The first sector is food and

accommodation with 144 million workers, retail and wholesale 482 million, services and administration with 157 million, and manufacturing with 463 million. The informal sector has always felt the most impact, both from the economic crisis and the pandemic. Plus, their large number of as many as 2 billion people. This is equivalent to 61% of the total number of workers worldwide (Nurhayati, 2020). In Nasution's view, he explained that related to the pandemic that had an impact on transportation (Nasution et.al., 2020), namely the Covid-19 pandemic had an impact on the decline in the number of transportation customers this year when compared to last year, the calculation was carried out within 10 days after Hari Raya. Chinese New Year. The decline in the number of transportation customers occurred in almost every mode of transportation, ranging from air, land, water and rail transportation which caused the amount of income in the transportation sector to decline, for more details on the movement of transportation modes can be seen in the Outbreak Affected Movement in China Significantly graph as shown in Figure 1.

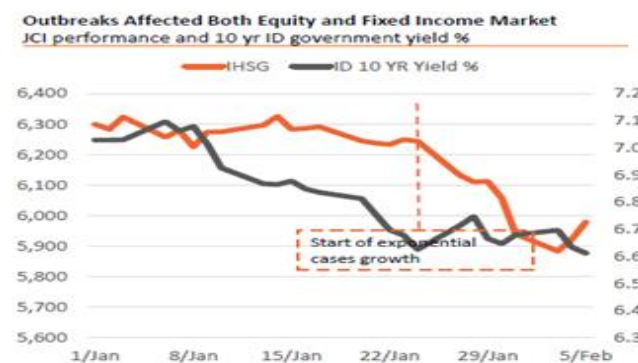


Figure 1 Outbreak Affected Movement in China Significantly

The decline in retail sales growth had been previously predicted by Syailendra Capital which stated that the Covid-19 pandemic would have a significant impact on China's economic growth from 0.5 to 1 percent in the first quarter of 2020. Not only that, the slow pace of Indonesia's export activities to China will also have a significant impact on the national economy. The slowdown in the global economy has greatly impacted Indonesia's economic growth (Nasution et al., 2020). This can be seen in the sensitivity analysis of the Indonesian economy as shown in Figure 2.

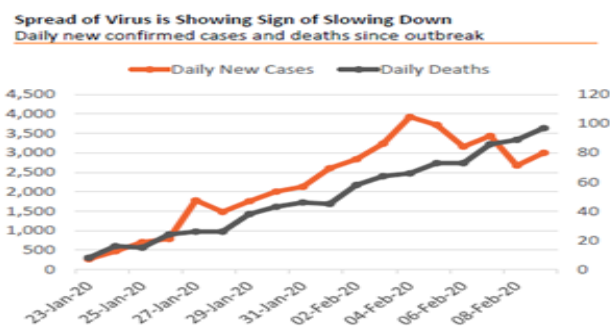


Figure 2 Spread of Virus is Showing Sign of Slowing Down

Based on the sensitivity analysis, it was found that when there is a 1% slowdown in the Chinese economy, it will affect and have an impact on the rate of economic growth in Indonesia, which is -0.09%. In line with the further sensitivity analysis where, every 1% of the economic slowdown in the European Union will have an impact on the economic growth rate in Indonesia by -0.07%, India (-0.02%), Japan (-0.05%) and America. United States (-0.06%). The same picture also occurs in most commodities, namely every 10% decline in the price of crude palm oil (CPO) will have an impact on the Indonesian economy by 0.08%, positive oil 0.02%, and coal by -0.07%.

Currently, Indonesia is in a recession stage, according to the chairman of Isei, West Java, estimating economic growth to be below 5%, the government orders its people to stay at home so that the business world loses, many investors withdraw their capital so that there will be potential layoffs, MSMEs can no longer be a buffer for the economy such as What happened in the 1997 to 1998 crisis, MSME actors are currently being hit at the forefront because there are no activities carried out in the community (Asmini et al., 2020). Indonesia has been hit hard by the spread of the Corona virus. Not only human health, this virus is also disrupting economic health around the world. The Financial Sector Stability Committee (KSSK), estimates that Indonesia's economic growth in the worst case scenario could be minus 0.4 percent. Our economic growth is based on the assessment we saw earlier, BI, OJK, LPS, and we estimate that economic growth will decline to 2.3 percent, even in a worse scenario, it could reach negative 0.4 percent (Asmini et al., 2020).

2. Economic Recovery Strategy in the MSME Sector

a. Policies of Other Countries in Economic Recovery

Various countries have introduced or adopted a mix program to save the small and medium business sector or MSMEs as according to OECD (2020) data quoted by (Sugiri, 2020), First,

providing salary subsidies to MSMEs who are unable to pay the salaries of their employees. Second, encourage the development of entrepreneurial innovation so that it can absorb unemployed workers. Third, providing a postponement of the settlement of MSME obligations or debts for both tax obligations and business loan obligations. Fourth, provide loans directly to MSME actors in order to have sufficient capital to maintain the business. Fifth, encourage the digitization of MSME businesses so that they can continue to operate in conditions where there are restrictions on community movement. Febrantara's research (2020) presents a summary of the handling of Covid-19 in several countries. Fiscal instruments such as deferred income tax are still a common option used by many countries in overcoming the Covid-19 pandemic (Spagnuolo, 2020).

In several countries that provide salary subsidies to MSMEs that are unable to pay their employees' salaries, including: Singapore, the United States (US), Belada, China, England, Turkey, South Korea (South Korea), Japan, Australia, and Italy. Countries that encourage the development of entrepreneurial innovation in order to absorb unemployed workers include: the US, the Netherlands, the UK, South Korea, Australia, and Italy. Countries that have suspended the settlement of MSME obligations or debts for both tax obligations and business loan obligations include: Singapore (PPN), the US (PPh), the Netherlands (PPh), China (PPN), Turkey (PPN) and Japan (PPN). Countries that provide loans directly to MSME actors in order to have sufficient capital to maintain their business include: Malaysia, the Netherlands, China, Britain, Saudi Arabia, Turkey, South Korea, Australia, and Italy. Countries that encourage the digitization of MSME businesses so that they can continue to operate in conditions where there are restrictions on people's movements include: Malaysia. China, Japan, South Korea and Italy. Only four countries have pushed for the digitization of MSME businesses, even though digitization is very necessary during this pandemic, for example, Italy, which was stated by Febrantara (2020) is building a digital portal that is provided free of charge to MSMEs so that they can continue to run their business during the pandemic.

Interventions through wage subsidies for the MSME sector have been carried out by several countries such as China, France, Japan, Serbia, Thailand and Venezuela as written by Gentilini et al. (2020). Table 1 presents efforts to save MSMEs in several countries through labor market intervention efforts (Sugiri, 2020). Intervention efforts through wage subsidies as much as 36% 11%. In addition to salary subsidies and labor training, several countries have

also made efforts to intervene in the labor market sector in the MSME sector, among others, by changing labor market regulations/management by 11% and reducing workers' working hours by 3%. Policy-making authorities in China intervene in the form of economic stimulus to stabilize or maintain economic growth, as written by Fernandes, (2020). After the COVID-19 pandemic, even three months after the outbreak, the Chinese economy will not operate normally. MSMEs are key because in almost all countries, MSMEs employ a large number of productive workers. Making the right policies to restore the economy is very decisive, especially with regard to maintaining MSME liquidity, supporting affected families, the reaction and readiness of the business world to start their economic activities (Spagnuolo, 2020).

Good policy steps are also exemplified by Saudi Arabia which puts forward a series of coordinated policies with the main objective of protecting humans and maintaining economic stability as Sikki (2020) views. The government of Saudi Arabia provides relief for business owners within a period of 3 months to delay the payment of VAT, Excise Tax, Income Tax and filing a statement of zakat and payment of other obligations. The Ministry of Finance of Saudi Arabia also provides financing assistance in the form of loans and exemptions from loan repayments and costs until the end of 2020 in the company's sustainability program initiatives (Sugiri, 2020). The US government responded with a soft loan program for several business sectors, this program provides cash for those in need to retain workers, pay rent, and help their businesses revive as Baker & Judge (2020) argues. The US government needs to find new and creative ways to work with existing intermediaries, including banks and online lenders, who have the infrastructure and tools needed to help small businesses get the additional loans they need to survive and thrive. can increase the speed, scale, and scope of government responses, all important policies undertaken in an effort to support small businesses in the USA (Spagnuolo, 2020).

b. MSME Recovery Policy in Indonesia

In the view of Wibowo & Handika (2017), Indonesia has taken several steps to reduce the effects of the Covid-19 pandemic, including reducing the BI 7-Day Reverse Repo Rate by 25 bps to 4.75%, the Deposit Facility interest rate by 25 bps to 4.00 % and the Lending Facility interest rate of 25 bps to 5.50%. This measure was implemented to stimulate domestic economic growth amidst the delayed prospects of global economic recovery due to the Covid-

19 pandemic. In addition, to keep inflation and external stability under control and to strengthen the momentum of economic growth, Bank Indonesia must be able to observe global and domestic economic developments (Nasution et al., 2020). There are five schemes in the recovery of cooperatives and MSMEs in the midst of the Covid-19 pandemic, namely: (a) providing social assistance to poor and vulnerable MSME sector business actors, (b) tax incentives for MSMEs; (c) relaxation and credit restructuring for MSMEs; (d) expansion of MSME working capital financing; (d) placing ministries, state-owned enterprises and local governments as a buffer for MSME products; and (e) e-learning training (Spagnuolo, 2020).

a) Providing Social Assistance

Social assistance is given to MSME actors who are categorized as poor and vulnerable. Included in this social assistance scheme is a 50 percent reduction in electricity tariffs for electricity customers with a capacity of 450 watts for more than three months as written by Arifin, 2020), which generally can be MSME workers or business actors. The obstacle in providing social assistance is that there are still many recipients who have not been recorded in detail.

b) Tax Incentives

The provision of tax incentives for MSMEs is given to MSMEs with a turnover of less than Rp. 4.8 billion per year (Kemenkop-UKM, 2020). The stimulus for PPh is the imposition of a zero percent PPh rate for six months, from April to April. September 2020. However, according to D. Setiawan (2020), this facility is still largely untapped by MSME actors. As of May 29, 2020, the number of applications for tax incentives reached 375,913 applicants. Of the total applicants, 345,640 or around 91.9% of applications were granted (Spagnuolo, 2020). According to the tax policy set by the government in Government Regulation Number 23 of 2018 concerning Income Tax (PPh) on income from business received or obtained by taxpayers who have a certain gross turnover, this regulation is known as PP. 23/2018. This Government Regulation is still the reference for the SME tax rate, which is 0.5 percent of gross turnover per month. The purpose of this rate reduction is to explore the potential of SME taxpayers due to the increasing number of SMEs in Indonesia as well as support from the government so that SMEs can grow. During the Covid-19 pandemic, as it is today, the public health aspect remains a top priority. Therefore, the government does not remain

silent about this situation. In order to maintain stability and restore the national economy, the government issued several policies to continue to support SMEs during the pandemic. The policy is regulated in Government Regulation (PP) Number 23 of 2020 concerning the Implementation of the National Economic Recovery Program (PEN) which is a mandate from Perppu 1/2020 including tax incentives, interest subsidies and guarantees for new working capital for SMEs (Kumala & Junaidi, 2020)

c) Loan Relaxation and Restructuring for MSMEs

This policy is a policy issued on March 13, 2020 as a non-fiscal response in the form of easing or restructuring bank loans to MSMEs along with simplifying the certification process for exporters and facilitating the import of OECD raw materials (2020). The government will provide credit relief below Rp10 billion, especially for informal workers (online motorcycle taxis, taxi drivers, MSME players, fishermen, residents with daily incomes) which are effective in April 2020 as stated by Maftuchan (2020). The SME loan restructuring stimulus package for several provincial governments, especially Central Java, was complemented by additional interventions. In line with this policy, on March 19, 2020, Bank Indonesia announced a reduction in the reserve requirement ratio by 50 basis points (bps) for banks involved in MSME financing, following a 50 basis point (bps) cut in the previous month. to support trading activities. Financial assistance to MSME actors is also carried out by encouraging the banking sector to provide soft loans to MSME actors with a strict mechanism as stated by Pakpahan (2020) quoted (Spagnuolo, 2020).

d) Expanding MSME Working Capital Financing

This expansion of working capital financing for MSMEs, as reviewed by Pakpahan (2020) is carried out by encouraging banks to be able to provide soft loans to MSMEs. Thus, MSMEs have sufficient working capital to be able to run their business. This policy is necessary to maintain MSME liquidity. This program is targeted at 23 million MSMEs that have never received financing from banks and financial institutions. Setiawan (2020), stated that this financing expansion program was provided for both “bankable” and non-bankable MSMEs.

e) Provision of Product Support

Cooperative and MSME products in agriculture, fishery, culinary and household industries need to get buffer support. Thus, there is certainty that MSME products will be absorbed, so that cooperatives and MSMEs will be able to have a better inventory turnover. This policy will be more beneficial if it is followed by efforts to increase safe distribution flows, for example by providing reliable e-commerce facilities or services in buffer zones.

f) MSME Labor Market Intervention through Training with the E-Method Learning

Indonesia intervened in the labor market by conducting training aimed at re-activating the labor market through the Pre-Employment Card which was launched in April 2020. Gentilini et al. (2020) mentions that this program provides subsidized training that is skilling and re-skilling for 5.6 million affected workers, especially in the small and micro business sector. Participants of the pre-employment card program can be MSME sector workers who have been laid off and new workers who have not get a job. According to the OECD (2020) this policy is in line with the entrepreneurship growth policies carried out by several OECD countries such as the United States, the Netherlands, Britain, South Korea, Australia and Italy (Spagnuolo, 2020).

g) Application of Health Protocols in the Business World

The Ministry of Health (2020) on May 20, 2020 issued provisions regarding the COVID-19 prevention protocol in public areas, especially for the service and trade sector. These provisions apply to administrators or managers of workplaces/business actors, workers, and consumers/customers. This step was recommended by the Ministry of Cooperatives and MSMEs, among others, in the form of the use of masks by both MSME sector actors and the community as users of MSME products or services.

3. Economic Recovery Strategy in the Tourism Sector

a. Statistics of International Tourist Visits

The growth of tourism in Indonesia has increased in the 2009-2013 range, the number of foreign tourists to Indonesia reached 8.8 million tourists in 2013 (Sujai, 2016). The biggest contributor to foreign tourist arrivals is Singapore with a total number of around 1.4 million tourists, second is Malaysia with a total number of 1.3 million tourists. While the third place is Australia with a total number of 980 thousand tourists, followed by Japan, China, South Korea and Taiwan. As in Figure 3 below:

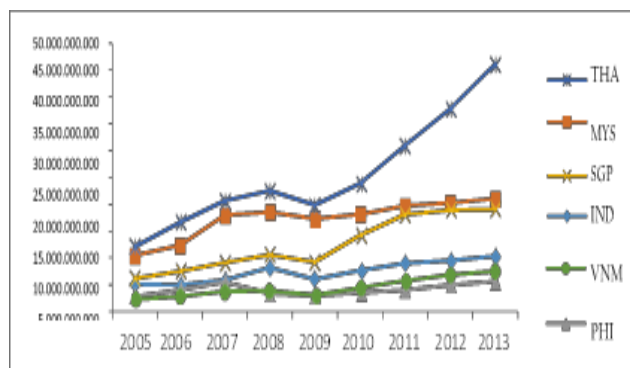


Figure 3 Foreign Tourist Visits to Indonesia

Along with the increase in the number of tourists who come to a country, it also affects the country's foreign exchange earnings. In the ASEAN region, tourist visits as an example are Thailand where foreign tourist visits in 2013 generated foreign exchange earnings of US\$ 46.3 billion, then Malaysia became second with total foreign exchange earnings of US\$ 21 billion (Sujai, 2016).

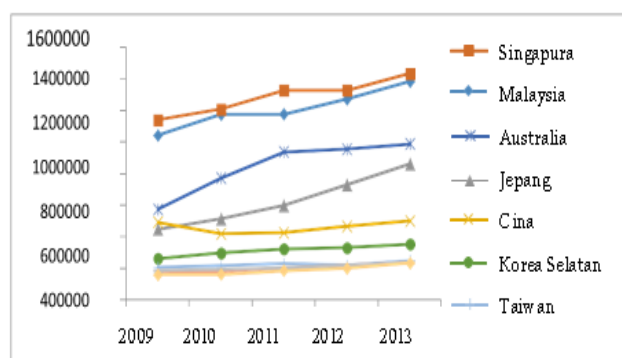


Figure 4 Country Ranks in Tourism Sector Foreign Exchange Receipts

The next position is occupied by Singapore, Indonesia, Vietnam and the Philippines as shown in Figure 4 the position of the six countries in the ASEAN region in terms of foreign exchange earnings.

b. Post-pandemic Tourism Sector Economic

Recovery Strategy

Foreign tourist visits can provide a stimulus for economic growth including: contribution to GDP, number of tourist arrivals, and income from the tourism sector. As written (Sujai, 2016) that the contribution of the tourism sector to the national GDP is estimated to reach around 8% of GDP in 2019, increasing from around 4.2% of GDP in 2014. Another target is the number of tourist arrivals which is estimated to reach around 20 million tourists in 2019, a sharp

increase from around 9 million tourists in 2014. To achieve this target, it is necessary to formulate breakthrough strategies that are more than just business as usual strategies. To attract foreign tourists to come to Indonesia, including by using the following strategies:

1) Tourism Promotion Strategy Through Public Relations

Anna Gregory (2004) states that public relations strategy is an overall approach to a program that must be formed, it guides the main ideas, and the thinking behind tactics and becomes the foundation of tactical programs. In Anna's view, strategy is a principle that moves you from where you are now to where you want to be. Promotions are carried out to make the target persuaded and motivated to make tourist visits, in the end prospective tourists have positive opinions, so they want to visit tourist objects. which is offered. considering the advantages and limitations of each existing media. Media that are commonly used in disseminating information are possible to explain and promote the various advantages of tourism objects offered, both to audiences who have low awareness of traveling and those who need tourism information, both internal audiences and external audiences including: Mass media, organizational publications, newsletters, pamphlets, leaflets, booklets and posters, letters, inserts, speeches that are printed (the printed word). Every publication, or every word printed, is part of a coordinated communication program, designed to achieve specific goals set in response to an organization's situation (Chatamallah, 2008). As in the article (Sujai, 2016) The types of tourism that will be promoted in Indonesia in the next five years are; nature tourism which consists of marine tourism, ecological tourism and adventure tourism, cultural and religious tourism, heritage tourism, culinary and shopping, as well as city and village tourism; and MICE (Meeting, Incentives, Conference and Exhibition) tourism and activities, sports tourism, and integrated area tourism. The tourism object to be promoted should be facilitated to spread widely.

2) Tourism Product Development Strategy

Tourist objects and attractions are related formations and or activities and facilities that can attract tourists or visitors to come to a country or tourist spot. The product concept has a very broad meaning. It does not only cover goods and services, but also includes ideas/ideas/concepts, organizations, cities, countries, nations, people, tourist attractions, parties and various other forms of products that can be offered to fulfill consumer desires. Medlik and Middleton stated that related to tourism products, it can be seen in the form of: attractions (attractiveness), accommodation (accommodation), refreshment/catering (food and drink)

(catering), supporting facilities (supporting facilities), and other infrastructure (other infrastructure)) (Chatamallah, 2008).

3) Tourism Destination Development Strategy

There are several strategies that have been formulated for the development of tourism destinations including; first, facilitating the development of national tourism destinations that focus on advocating forms of tourism by establishing tourism designation areas, supporting the preparation of location plans and detailed designs of regional tourist destinations; second, building other public facilities in many tourist destinations together with tourism stakeholders; third, improve the image of Indonesia's tourism; and fourthly, institutional reform of the tourism destination management organization (Destination Management Organization).

4) Strategy for Collaborating with the Public

Tourism development needs to be directed to encourage the growth of competitiveness through the development of inter-regional potential, then by itself the tourism public can also be added, as stated by Frank Jefkin, it is necessary to add other governments to become external publics and even foreign countries (Chatamallah, 2008). (Sujai, 2016) suggests that tourism development can be done by; development of local community-based tourism businesses, facilitating investment in support from the tourism sector, facilitating the development and upgrading of local workforce skills in the tourism industry, increasing the attitude and mental development of local residents to be more tourist friendly.

5) Tourism HR Development Strategy

Tourism management requires professional Human Resources (HR), in this case the government has formulated a strategy in order to develop tourism institutions including; coordinate with tourism HR providers such as universities and educational institutions in the field of tourism, increase the capacity and quality of tourism educational institutions, expand majors and interests and build tourism schools, and contribute to and maintain the quality of tourism education (Sujai, 2016).

6) Tourism Infrastructure Management Strategy

The government plans tourism-related infrastructure, especially for marine-based tourism, including the development of river ecotourism facilities. The targets in this development are five rivers, namely Kapuas, Barito, Mahakam, Musi and Batang Hari. with river marina construction, river dredging and floating jetty construction construction. The second target is

the construction of marine ecotourism facilities at 38 landing points including Anambas, Tanjung Pinang, Lingga, Karimun Jawa, Lovina, Alor, Tarakan, Bitung, Raja Ampat, Biak, Makassar and Wakatobi; and the third target is the construction of 3 port entry points, namely Kupang, Saumlaki and Tarakan. In the aftermath of this pandemic, the Ministry of Tourism and Creative Economy has compiled a CHS (Cleanliness, Health and Safety) program as a strategy for restoring tourist destinations in the new normal order by involving tourism industry players and the creative economy which later is expected to be productive and safe tourism from COVID-19. Quoted from CNN Indonesia "This protocol will go through several stages, starting from conducting simulations, then socialization and publication to the public, and finally conducting trials. The implementation of these stages must be closely monitored and disciplined and take into account regional readiness" (Solemede et al. al., 2020).

President Joko Widodo asked his staff to innovate and improve in the tourism sector. So that with the changing trends in global tourism, it is hoped that Indonesia will be able to adapt. In this case, changing trends in tourism will shift to alternative vacations where there are not many people, such as solo travel tours, virtual tourism, and staycations where health, hygiene, and safety issues will be the main considerations for tourists who want to travel. Then the tourism industry and creative economy players must really anticipate and not be in a hurry to open tourist destinations so that there are no more imported cases that can have a bad impact on the image of tourism. Besides that, the media has an important role in shaping the stigma of society, especially during the current pandemic.

The media is one of the centers of information bridges between the government and the community, including information about the development of the tourism sector which should be a hope for the community to survive and prepare to start the New Normal with a special protocol for the tourism sector. But the reality is that there is a lot of negative news circulating, the high enthusiasm of the public in viewing hot news such as the death rate causes the media to continue to fry the issue to get a high number of audience traffic, so that public panic is formed which makes some people lose hope of surviving in difficult situations such as at the moment. Uses and Gratification Theory proposed by Herbert Blumer and Elihu Katz, views that the public actively chooses which media to choose with certain content to satisfy their needs (Solemede et al., 2020).

It is important for the media to publish to the public with the enactment of a special new normal protocol in order to restore the level of tourist confidence and increase public enthusiasm for traveling back to a number of destinations in Indonesia with health, hygiene, and security protocols implemented according to standard operating procedures (SOP). Waiting for the new normal protocol to be enforced and tourists re-emerging, tourism industry players and the creative economy are expected to be able to innovate digitally to market their businesses so that they can compete globally and rise from adversity due to the Covid-19 pandemic (Solemede et al, 2020).

Minister of National Development Planning (PPN)/Head of Bappenas Suharso Monoarfa said that the Covid-19 crisis requires Unprecedented Policies or policies that have never happened before in which the policy of stopping the spread of the virus is combined with economic policies. The speed of economic recovery depends on the right combination of policies between policies to stop the spread of the virus (maximum virus containment) and economic policies (maximum economic policy intervention).

In the outlook for development targets that have been prepared by Bappenas, the Minister of National Development Planning stated that economic growth in 2021 will increase by 5.3%. Likewise, the poverty rate and open unemployment rate (TPT) which were described as declining in the 2020 outlook, there will be a change in the 2021 outlook. This outlook, according to the Minister of PPN, which later became the Government Work Plan (RKP) in 2021. The 2021 RKP is expected to provide for concrete benefits for society and the country's economy, the Minister of National Development Planning said that the Strategic Priority Projects (Major Projects) in the 2020-2024 RPJMN will be the focus of the RKP plans and budgets. According to the Minister of National Development Planning, there are 41 major projects for economic recovery with a budget of Rp 62.1 trillion and other major projects of Rp 36.2 trillion. Major projects that are the focus of economic recovery include building 10 priority tourism destinations, 9 industrial estate projects outside Java and 31 smelters, industry 4.0 in 5 priority sub-sectors, vocational education and training for industry 4.0, integrated main port network, integration of fishing ports and international standard fish market, then strengthening business guarantees and 350 farmer and fisherman corporations (Mulyana, 2020).

CONCLUSION

The whole world has been affected by the Covid-19 pandemic, an estimated 25 million people worldwide have lost their jobs due to the collapse of MSMEs, the decline in the quantity of exports and imports, the disruption of transportation modes, a decrease in the number of tourists, as well as the disruption of bonds and the stock market. The government is also trying to help the recovery. in the business sector by providing support to MSMEs and corporations, as well as providing business incentives. The support for MSMEs and corporations has been realized in the amount of Rp. 48.05 trillion or 24.8 percent of the target, among others, is used for the provision of Government Assistance to Micro Enterprises (BPUM), IJP MSMEs and corporations, as well as placement of funds in banks, while the realization of providing business incentives reached Rp36.02 trillion or 63.5 percent of the ceiling, including incentives for various types of PPh and VAT.

The strategy for economic recovery in several countries is by providing salary subsidies to workers, encouraging the development of tourist innovation, relaxing direct loans and digitizing in the development of MSMEs and optimizing tourism. Meanwhile, countries with economic recovery strategies can also implement the same strategy to increase economic recovery among the strategies that can be carried out including: Providing social assistance for business actors, tax incentives, loan relaxation, providing working capital, providing product buffers, e-learning coupled with long-term strategies. long-term and short-term, such as the handling of Covid-19. While the economic recovery in the tourism sector can be seen from foreign tourism visits in 2009-2013 Indonesia experienced significant growth from 7 countries including Malaysia, Singapore, Japan, China, Australia, South Korea, and Taiwan. When compared to ASEAN countries, Thailand, foreign tourist visits to these places are more than Indonesia, so that they are superior in foreign exchange earnings. The strategies that can be carried out are by: Promotion of tourism through public relations, development of tourism products, development of tourism destinations, development of tourism human resources, and management of tourism infrastructure. Shopping and Investment Needs Are Fulfilled Through Income and Financing Improved spending and investment performance for handling the Covid-19 pandemic and economic recovery accompanied by more optimal tax and non-tax revenues as well as financing support. Until the end of May 2021, state revenue was realized at Rp726.4 trillion or 41.7 percent of the 2021 APBN target, growing 9.3 percent (yoy), much higher than

the same period the previous year, which contracted by 9.0 percent (yoy). Tax revenue reached Rp459.6 trillion or 37.4 percent of the 2021 APBN target, improving by growing by 3.4 percent (yoy). The performance of this tax revenue is very good considering the pandemic conditions that have not fully recovered and the fiscal incentives that are still being given to business actors. The recovery in economic activity and the Eid al-Fitr holiday in May resulted in positive growth in the majority of types of taxes, including PPh 21, PPh 22 Imports, PPh 26, as well as VAT DN and VAT Imports. The economic recovery phase is also reflected in sectoral tax revenues in line with rising business expectations (PMI) and consumers (IKK), mainly supported by THR payments, dividend payments, increased imports and improved domestic demand. In addition, the provision of tax incentives which will continue in 2021 has provided benefits to more than 300 thousand taxpayers.

Furthermore, customs and excise revenues reached IDR 99.3 trillion or 46.2 percent of the 2021 APBN target, and grew 21.6 percent (yoy). Import Duty Revenue was realized at Rp. 14.28 trillion, an increase of 3.56 percent (yoy) in line with the increase in import performance, while Export Duties reached Rp. 10.26 trillion, a significant growth of 844.6 percent (yoy) driven by the receipt of BK copper and palm oil products. Meanwhile, excise revenue was realized at Rp74.78 trillion or grew by 11.9 percent (yoy), driven by tobacco products excise revenues which grew 12.6 percent (yoy) influenced by the overflow of excise tape credit repayments from the end of 2020 and the policy of adjusting tariffs for ribbons. excise duty.

Fiscal stimulus in various sectors has provided great benefits in efforts to save and recover the economy during the pandemic. The momentum of pandemic control and economic recovery that is happening in Indonesia needs to be maintained with the support of the hard work of the APBN and the implementation of PPKM and Health Protocols that are more disciplined and controlled. In addition, acceleration and participation in vaccination programs must also continue to be increased to prevent the spread of Covid-19 cases being even wider so that domestic recovery is not disrupted. The government is committed to continuing the performance of the state budget through optimizing state revenues and improving the quality of state spending in order to make a maximum contribution to the welfare of the community.

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