

Law Economic Development: A Study Of Economic Protection And Recovery Policies In The Pandemic Covid-19

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ABSTRACT

This study describes the role of law in the development and recovery of Indonesia's national economy in the era of the Covid-19 pandemic and describes various policies for protection and economic recovery in the MSME sector during the Covid-19 pandemic and its implications. Method, normative juridical law research which bases its analysis on legal documents that are closely related to the problem under study. Analyzed by analytical descriptive, qualitative conclusion. Research Results: The Indonesian Government's policies have been responsive enough to overcome the pandemic, this is indicated by the various policies issued to regulate sectors affected by the co-19 pandemic, especially in the MSME sector. But it is felt that at the implementation stage it has not been able to target to the lowest point, this condition is characterized by complicated and procedural regulatory constraints, too rigid budgeting and administration barriers, weak coordination and supervision and overlapping authority in managing and providing assistance to beneficiaries.

Novelty: Belum ada penelitian yang mempelajari Ragam Kebijakan PEN dalam Pemulihan Ekonomi di Indonesia Pasca Pandemic Covid 19.

Keywords: *Policy; Development; Economic Recovery; MSME; Covid-19.*

INTRODUCTION

The Covid-19 pandemic last year, namely from 2019 to 2022, became a serious problem for economic growth, including changes to social and societal conditions, while the political aspect was accompanied by various momentary political interests that were not oriented towards the public interest. (Nasution et al., 2020). The Covid 19 Pandemic problem did not only occur in several developed countries such as China, America, Korea, (Sansa, 2020) as well as other big countries, but also spreading to developing countries such as Indonesia and Thailand, getting negative consequences from the Covid-19 pandemic problem. (Susilawati et al., 2020) It seems that there is no country that has not been affected by the Covid-19 pandemic.

The empirical condition of Indonesia is one of the countries that has been affected, especially on the economic side and the decline in the gross income index, this condition is evident because it is felt by all levels of society as well as a number of Micro and Small Enterprises in Indonesia. (Prawoto et al., 2020). Indonesia's condition, which is dominated by MSMEs, has become the main target of the pandemic and various businesses have been closed and bankrupt. output of the implemented policies. The condition of MSMEs as the spearhead of the national economy must be supported by policies that are right on target and have serious implications for long-term economic growth. large enough. (Pakpahan & Fakultas, 2020)

The International Labor Organization (ILO) predicts that the impact of COVID-19 will be affected to the economic growth and the number of unemployed will increase. In addition, business operations will be difficult, especially for Small and Medium-sized Enterprises (OECD, 2020). In line with the conditions for the spread of the COVID-19 pandemic, the Government of Indonesia has issued various economic policies to avoid the negative impacts of coronavirus from 2020 to 2021. The strategy of the national economic recovery program (PEN) will continue, so the National Economy of Indonesian will recover. For this reason, in revitalizing the Indonesian economy in the midst of the pandemic, the government has issued various regulations to make the national economy stable.

In support the national economic recovery, the government created the National Economic Recovery Program (PEN) (Soleh, 2020). This program is in response the the implications caused by the COVID-19 pandemic, which has an impact on the sustainability of Micro, Small, and Medium Enterprises in Indonesia. The program aims to encourage Indonesia by issuing various policies in order to stabilize the financial system, and the national economy.

During the coronavirus outbreak. One of the policies is to pay attention to Micro, Small, and Medium Enterprises in dealing with the negative impacts of the coronavirus.

This research was conducted based on: *first*, to reveal how the role of the law in development and various regulations of Indonesian government, which are focused on legal protection to recover Micro, Small, and Medium Enterprises as a center of economic development in Indonesia; *second*, to describe the strategies, policies and concepts that can be taken by the Indonesian Government in recovering the National Economy of Indonesian, especially focus on the protection and recovery of MSMEs using the PEN strategic policy; *third*, this study also conducts a brief review toward the policies countries such as the United States, China, Saudi Arabia, and Denmark to review the synchronization of economic recovery policies in the MSME sector.

RESEARCH METHOD

Method; the research used normative juridical law research (doctrinal). Approach; the legislation, concepts, and policies. The type of data; the research used library research, the data collected from primary legal materials such as; laws or legal documents, that were relevant to the problem of the study. Whereas, Secondary legal materials have been taken from law books and legal journals which are relevant to the object of the study. The data were analyzed by analytical and descriptive with the qualitative conclusions.

RESULTS & DISCUSSION

The Role of the Law in Development and Recovery National Economy of Indonesian During the Covid-19 Pandemic.

The economy is the main factor of the people's welfare, science is a supporting pillar of the nation's progress, but the law is the institution that determines how the welfare of society can be enjoyed equally and how social justice can be reached in people's lives, and also the science or technology can give the progress to the society (Sukardi, 2016). On the other hand, there are three stages of development by a country. Starting from a developing become developed country; the first stage is unification with an emphasis on how to achieve political integration to create national unity and integrity. the second stage is industrialization which focus on economic development and political modernization. The third stage is social welfare,

where the state has to protect the citizens from the negative side of industrialization, correcting mistakes in the previous stage and focusing on people's welfare (Iyan, 2012).

Development is a necessity for the country because development can make social welfare. Usually, the development of the state is focusing on economic development. Through economic development, the output or wealth in society will increase. Economic development can provide humans with a greater ability to control their nature and increase their level of freedom in action. Therefore, economic development needs to be carried out for the sake of a decent human life, so humans will be able to achieve prosperity and happiness.

Referring to Law 17/2007 concerning the National Long-Term Development Plan for 2005-2025, it explained that national development is sustainable development efforts which the aspects include the people's lives in order to create national goals as formulated in the preamble of the 1945 Constitution. It contains development activities continuously by increasing the level of social welfare from generation to generation. The implementation of these efforts is needed without compromising the ability of future generations to get their needs. For this reason, in the next 20 years, national development is important and urgent for the Indonesian government to carry out the realignment of various steps such as; in the field of natural resource management, human resources, the environment, and institutions. So Indonesian nation has an equal position with other nations in the international world.

the development will be carried out with a wide scope, so it is necessary to have a law for all development activities that are being and will be implemented. In order to make the development as well, the role of the law as a development tool is necessary. The role of the law in development activities consists of; planning, implementation stage, controlling, and supervising the development. According to Sunaryati Hartono, in the society who do not have a development plan, whether in a traditional society or in a modern liberal society, the role of law occurs after the formation of legal habits, while in a society that develops by planning, the role of law occurs before the formation of legal (Hartono, 2015a). This is important to ensure that development does not make injustice in society (Hartono, 2015a). Although the impact of the development will be continuously changes, community justice must be realized. So this is the meaning of the law as a guardian of development.

The role of the law in the state which prioritizes development in the agricultural sector is different from the role of law in society which relies on development in the industrial sector. In agricultural (agrarian), the society did not really need legal rules, but in industrial societies,

legal rules are more needed (W. Arthur Lewis as quoted by Sunaryati Hartono). In the rice fields, farmers are their own employers, making various decisions for themselves, for instance when to plant rice, the seeds used, the method and time of irrigation, the use of fertilizers, when to harvest, the amount of rice sold and it consumed by themselves. In the factory, people work under the supervision of others, have to do things according to the instructions (Hartono, 2015b).

Legal participation as economic development in Indonesia is characterized by the tendency of market demands. In such conditions, the legal products are formed on the wishes of the government due to market demands. The demands of economic were able to make fundamental changes, both physical or social politically, and culturally which are able to transcend the legal institutions. The legal products are focused on giving direction in order to resolve the conflicts in economic life. (7)

Legal development of economic life must be able to focus on legal regulations to get successful in economic dynamics and development, which still relate to the economic democratic system by giving the access of the people to achieve the efficiency and protection of small groups of society.

Adam Smith (1723-1790) states that the end of justice is to secure from injury. (Cairns, 1993) It became the basis of the inseparable relationship between law and economics. Economics and politics had a close relationship and then known as the political economy. (An Inquiry into the Nature and Causes of the Wealth of Nations ... New ... - Adam Smith - Google Books, nd) the goal of political economy is to provide power for the state or government in order to do their duty as well. Political economy seeks to prosper the society and the government at the same time

In the globalization era, the existence of the law is important, the various changes in the sector demand the existence of norms and rule of law, which provide economic equality and the welfare of the world society who did not get unfair as a result of colonialism.

David M. Trubek (Professor from the University of Wisconsin) stated that the 'rule of the law' is very important for economic growth and will have a big impact on the 'reform' of economic systems around the world, based on what theory is needed for development and how the role of law in economic change (Harjono, 2011).

The importance of reviewing legal theory as the basis for economic development is because the general economic actors thought that economic activities only on a one-sided

approach, this can be seen in the policies implemented by the World Bank and IMF cannot control and make a market shock. Financial market liberalization without effective and adequate legal regulations will make economic instability and high interest rates, as the result, it will make the real sector and economic actors difficult. Furthermore, Trubek also stated that at this time, every country needs a systematic effort to understand the relationship between law, social, economic, and political, if it cannot be done in a comprehensive, consistent, and coherent manner, it will have an impact on the occurrence of a legal crisis (crisis of law). (Zaini, 1970)

Based on the opinion above, if it is associated with conditions in Indonesia, especially during the pandemic, the legal basis used in economic development needs to be reviewed, where the rule of law for Indonesia's economic development in the future. The law is not only formalist but the law must be systematically and comprehensive in order to reach goals. This is in line with the analysis of The European Bank for Reconstruction and Development (EBRD) regarding legal infrastructure in developing countries including Indonesia and transition economies showed a significant correlation between the effectiveness of the legal system and economic growth.

Policies for Protection and Economic Recovery in the MSME Sector During the Covid 19 Pandemic.

Referring to the data from the Indonesian Coordinating Minister for Cooperatives and MSMEs, the number of MSMEs in Indonesia is 64 million in various districts/cities throughout Indonesia, and many MSMEs have been affected by the COVID-19 pandemic (Auliya & Arif, 2021). For this reason, to support the recovery of MSMEs who got financial problems during the pandemic, the Indonesian government has issued a budget, as shown in the following table:

Tebel 1.
Various Government Policies and Budgets in Handling the Impact of the Covid-19 Pandemic

Health (Rp, 87.55 Trillion)	Social Protection (Rp, 203.90 Trillion)	Business Incentive (Rp, 120, 61 Trillion)
1. Shopping for Covid 19 Handling Rp. 65.80 Trillion	1. PKH IDR 37.40 Trillion	1. PPh 21 DTP Rp 39, 66 Trillion
2. Medical Personnel Incentive Rp. 5, 90 Trillion	2. Basic Food Rp 43.60 Trillion	2. Exemption of 22 Import PPh Rp 14.75 Trillion
	3. Jabodetabek Social Assistance Rp, 6.80 Trillion	

3. Death Compensation Rp. 0.30 Trillion	4. Social Assistance for Non Jabodetabek Rp, 32, 40 Trillion	3. Reduced Income Tax Installment 25 IDR 14.40 Trillion
4. JKN Contribution Assistance Rp. 3.00 Trillion	5. Pre-employment IDR 20.00 Trillion	4. Preliminary Return of VAT Rp 5.80 Trillion
5. Covid-19 Task Force Rp. 3.50 Trillion	6. Electricity Discount Rp, 6.90 Trillion	5. Decrease in Corporate Income Tax Rates Rp, 20.00 Trillion
6. Tax Incentives in the Health Sector Rp. 9.05 Trillion	7. Logistics/food/groceries Rp. 25 00 Trillion	6. Other stimulus Rp, 26.00 Trillion
8. Village Fund BLT Rp, 31.80 Trillion		
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MSME (Rp, 123, 46 Trillion)	Cooperative Financing (Rp, 53.57 Trillion)	K/L Sector and Local Government (Rp, 106.11 Trillion)
<hr/>		
1. Interest Subsidy Rp. 35, 28 Trillion	1. Placement of funds for labor-intensive restru Rp, 3.42 Trillion	1. K/L Labor Intensive Program Rp. 18.44 Trillion
2. Placement of Funds for Restru Rp. 78, 78 Trillion	2. PMN Rp, 20.50 T (HK Rp. 7.5 Trillion, BPUI Rp. 6 Trillion, PNM Rp. 1.5 Trillion, ITDC Rp. 0.5 Trillion, PPA Rp. 5 Trillion	2. Housing Incentive Rp, 1.30 Trillion
3. IJP shopping Rp. 5.00 Trillion	3. Bailout/Investment for working capital Rp, 29.65 Trillion (Garuda Rp. 8, 5 Trillion, KAI Rp. 3.5 Trillion, PTPN Rp. 4 Trillion, KS RP, 3T, Perumnas Rp. 0.65 Trillion, PPA Rp. 10 Trillion	3. Tourism Rp, 3.80 Trillion
4. Guarantee for working capital IDR 1.00 Trillion		4. DID Economic Recovery Rp, 5.00 Trillion
5. MSME DTP Final PPh Rp 2.40 Trillion		5. Physical DAK Reserve Rp, 8.70 Trillion
6. Investment financing to cooperatives through LPDB MSME Rp. 1.007 Trillion		6. Regional Loan Facility Rp, 10.00 Trillion
		7. Expansion Reserves Rp, 58, 87 Trillion

Source. Yose Rizal, (2021).(Turner, 2012)

Based on the table above, various policies issued by the government in handling the COVID-19 pandemic in various sectors, one of the PEN program policies is focused on MSMEs. The government has reserved funds of Rp. 123.46 trillion in the context of recovering MSMEs affected by the COVID-19 pandemic. The government assistance is divided into six aid schemes, namely interest subsidies (Rp 35.28 trillion), fund placement (Rp 78.78 trillion), guarantee return (Rp 5 trillion), working capital guarantee (stop loss) (Rp 1 trillion),

government assistance -borne final income tax (Rp, 2.4 trillion), investment financial to cooperatives (Rp 1 trillion) (Turner, 2012).

Micro and Small Businesses are difficult to pay installments on their debts and interest to banks, while sales did not get income to pay credit obligations to the Bank, even being forced to lay off employees or be forced to Terminate Work Relations (PHK) (Yamali & Putri, 2020). Before the coronavirus outbreak, Micro and Small Businesses had a role in national economic growth. The contribution of MSMEs to Indonesia's gross domestic product increased to 60% even from data at the MSMEs ministry it contributes 61.7% to gross domestic product (GDP) or equivalent to Rp. 8.952 Trillion out of a total of Rp. 14.837 Trillion of Indonesia's GDP.

The existence of Micro and Small Enterprises in the national economy reflects an important role in achieving the Sustainable Development Goals (SDGs) in Indonesia. MSMEs can be the forefront in achieving the economic pillars of the SDGs by creating and providing job opportunities, creativity and business innovation. for inclusive, and sustainable national economic growth in the globalization era. However, the current conditions in dealing with the Covid-19 pandemic have demanded that the government must actively seek to fight against the Covid-19 pandemic.

In the recovery of the national economy, the Indonesian government issued various policies to recover the national economy, as contained in the following table:

Table. 2
Various national economic recovery policies for MSMEs

No	Policy	Policy Number
1.	Tax incentives for taxpayers affected by Coronavirus Disease 2019	PMK-44/PMK.03/2020
2.	Policy on (PPPEN)	PP 23/2020
3.	Regarding the Placement of Funds in Participating Banks in the Context of the National Economic Recovery Program	PMK64/PMK.05/2020
4.	Procedure for Giving Interest Subsidy/Margin Subsidy for Micro, Small and Medium Enterprise Credit/Financing	PMK-65/PMK.05/2020
5.	Acceleration of Adjustment of 2020 Regional Revenue and Expenditure Budgets in the Context of Handling Coronavirus Disease 2019 (COVID-19), as well as Securing Public Purchasing Power and the Economy	Joint Decree of the Minister of Home Affairs Number 119/2813/SJ and the Minister of Finance Number KMK 177/KMK.07/2020
6.	Regulation of the Financial Services Authority regarding National Economic Stimulus as a	POJK No.11/POJK.03/2020

	Countercyclical Policy Impact of the Spread of Coronavirus Disease 2019	
7.	Coordination of Fund Placement and Interest Subsidy Provision in the Context of National Economic Recovery Program	MoU of the Ministry of Finance and OJK No. 265/KMK.010/2020 and SKB-1/D.01/2020
8.	Special Treatment for People's Business Credit Recipients Affected by the 2019 Coronavirus Disease Pandemic	Coordinating Minister for the Economy No. 6 Year 2020
9.	Amendment to the Regulation of the Coordinating Minister for the Economy No 6 of 2020 concerning Special Treatment for People's Business Credit Recipients Affected by the 2019 Coronavirus Disease Pandemic	Coordinating Minister for the Economy No. 8 Year 2020
10.	Procedure for Allocating, Budgeting, Disbursing, and Accountability of Pre-Employment Card Funds	PMK-25/PMK.05/2020 and SP-26/KLI/2020 (Not a special policy for MSMEs, but many MSME actors meet the requirements for receiving Pre-Employment Cards).

Source. Compiled from various sources.

From the table above, various policies in national economic recovery have been issued by the Government of Indonesia, one of them is the Policy on the Role of Tax Incentives in the PEN Program as contained in PMK 44 / PMK.03/2020 regarding incentives for taxpayers affected by Coronavirus Disease 2019 in the regulations. One of the goals is the role of taxes in the recovery of MSMEs affected by the pandemic. This tax stimulus gave to assist taxpayers in dealing with the impact of the COVID-19 pandemic.

Indonesia get the impact of the economic side during the pandemic, (Pakpahan & Faculty, 2020) Indonesian society were difficult to find jobs, they do not have the income for their daily needs and there are many difficulties that received from all sectors because of the pandemic (Hanoatubun, 2020).

On October 10th, 2021, 37,000 MSME actors reported themselves to the Ministry of Cooperatives and MSEs during the COVID-19 pandemic (Sugiri, 2020). Based on the data release, the difficulties experienced by MSMEs during the pandemic were divided into four problems, such as; (1) there is a decrease in sales due to reduced community activities outside as consumers. (2) capital difficulties due to declining sales levels. (3) there are barriers to

product distribution in certain areas. (4) the difficulties in getting raw materials because as MSMEs, they depend on the available raw materials from other industrial sectors.

Of the four problems as above, the decline in sales has become the biggest problem experienced by Micro, Small and Medium Enterprises in Indonesia, and even in other studies as described by Febrantara it is believed that the impact is greater, due to the high level of vulnerability and lack of resilience due to limitations human resources, suppliers, and options in overhauling the business model.(Febrantara, 2020)

Under these conditions, the government's efforts to save MSMEs in Indonesia due to the Covid-19 pandemic are the Indonesian government issuing various policies to help the community's economy due to the impact of the pandemic.(Susilawati et al., 2020) On the other hand Hadi's research, (Hadi et al., 2020) recommends that MSME revitalization policies be carried out by increasing synergy between programs between government agencies, by increasing various efforts to modernly promote MSME products to the domestic and export markets, implementing credit policies with low interest rates and simple processes, and encouraging increased MSMEs supporting facilities and MSMEs creativity to be highly competitive.

Reflecting on the policies of other countries in overcoming the Covid 19 Pandemic in order to restore the economy, many countries have introduced assistance programs to save the Small and Medium Enterprises or MSMEs sector. These policies include; First, provide salary subsidies to MSMEs that 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 suspension of settlement of MSMEs obligations or debts both for tax obligations and business loan obligations; Fourth, provide loans directly to MSMEs actors so they can have sufficient capital to maintain their business; Fifth, encouraging the digitization of MSME businesses so that they can continue to operate in conditions of restrictions on people's movements.

Reflecting on European countries in recovering MSMEs and entrepreneurship, namely conducting workforce training so that they have sufficient work skills. In addition to salary subsidies and workforce training, several countries have also made intervention efforts in the MSME labor market sector, among others by changing regulations/labor market governance and reducing workers' working hours. Intervention through wage subsidies for the MSME

sector is carried out by several countries such as Cina, Perancis, Jepang, Serbia, Thailand and Venezuela.(Gentilini et al., 2020)

China, intervened in the form of economic stimulus to stabilize or maintain economic growth after the Covid-19 pandemic. Even three months after the pandemic, China's economy will not operate normally. MSMEs are key because in almost all countries, MSMEs employ a lot of productive workers. Taking the right policies to restore the economy is crucial, especially by maintaining the liquidity of Micro, Small and Medium Enterprises, supporting affected families, preparing the business world through productive economic activities.(Fernandes, 2020)

Meanwhile, the State of Saudi Arabia, which puts forward a series of coordinated policies with the aim of protecting humans and maintaining economic stability. The State 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 submission of zakat statements and payment of other obligations. Besides that, the Ministry of Finance of Saudi Arabia also provides financial assistance in the form of loans and exemption from loan repayments and fees until the end of 2020 in the initiative of the company's sustainability program.(Sikki, 2020)

On the other hand, this can also be seen in Demmark, where this country provides compensation for losses of 75% for MSME actors, with the categorization of the number of employees below 10 people and experiencing losses of around 30% or more. Meanwhile, the Italian State is building a digital portal that is provided free of charge to MSMEs so that they can continue to run their business during a pandemic.

It is also different with the United States, responding with soft programs for several business sectors, this program provides cash for those who need to maintain workers, pay rent, and help their businesses to return to operation. The USA government cooperates with banks and online lending companies that have adequate infrastructure and tools to help MSMEs. The USA Government also utilizes other institutions to help MSMEs to resume operations, this condition is responsive to the USA Government to support small businesses in the USA during the Covid 19 pandemic.(Todd Baker, 2020)

Meanwhile in Indonesia, various policies have been issued to restore MSMEs, from 2020 to 2021, the Indonesian government has issued policy packages, one of which is the concept or scheme for the protection and recovery of cooperatives and MSMEs during the Covid 19 pandemic as mentioned above. Referring to the policies of the Government of

Indonesia contained in PP No. 43 of 2020, Permenkop No. 2 of 2021 and Permenkeu No. 32 of 2021, mentioned above, the policies are conceptualized as follows: First, Provision of Social Assistance, this policy is in the framework of providing social assistance to MSMEs who fall into the category of 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, which generally can be workers or business actors. The obstacle to providing social assistance is that there are still many recipients who have not been recorded in detail. Second, Tax Incentives, the provision of tax incentives for MSMEs is given to MSMEs with a turnover of less than IDR 4.8 billion per year. The form of the stimulus for PPh is the imposition of a zero percent PPh rate for six months, namely the period from April to September 2020. However, according to Setiwan's research, many MSMEs still haven't used this facility. As of 2021, the number of applications for tax incentives has reached 375,913, out of a total of 345,640 applicants or around 91.9% of applications have been granted.(Sutrisno, 2020)

Third, Credit Relaxation and Restructuring for MSMEs, this policy is a policy issued as a non-fiscal response in the form of easing or restructuring bank loans to MSMEs and simultaneously with simplification of the certification process for exporters and ease of importing raw materials. The government will provide credit relief of under IDR 10 billion, especially for informal workers such as (online motorcycle taxis, taxi drivers, MSME players, fishermen, and/or residents with low daily incomes).(Prakarsa, 2020) Fourth, Expansion of working capital financing for MSMEs, this policy 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 GENERAL liquidity. This program is targeted at 23 million MSMEs that have never received financing from banks and financial institutions.

Fifth, Provision of Product Support, UMKM and Cooperative products in the agricultural, fishery, culinary and home industry sectors need to get buffer support. Thus, there is certainty that UMKM products will be absorbed, so that cooperatives and UMKM can have better supplies. Sixth, e-learning training. This policy is by intervening in the labor market by conducting training to reactivate the labor market. This program provides subsidized skills and re-skilling training for 5.6 million workers affected by the pandemic, especially in the MSME sector.(Barba et al., 2020) This program is intended to provide special training and education for workers affected by layoffs and new workers who have not found a job. This policy is also

in line with the entrepreneurial growth policies carried out by several countries such as the US, the Netherlands, the UK, South Korea, Australia and Italy.

Policy implementation and implications, the PEN program as described above, has been very supportive. The Indonesian government's steps have been responsive in overcoming the impact of the co-19 pandemic. Even so, it turns out that there are still a number of the above programs, which are contained in the National Economic Recovery Policy, that have not been fully realized or have not been fully absorbed. This is an important note when many people expect that the PEN Program will help economic recovery as the policies mentioned above. The results of the search by the authors found that the PEN program had not been realized properly, this condition was marked by the many complaints from the public, especially regarding social assistance and assistance to MSMEs that were directly affected, for example the number of people who did not receive assistance even though they had registered, or received less than they should. received. On the other hand, it was also found that there were officers who did not distribute assistance to beneficiaries (fiftive recipients), or received more assistance than was intended and there was still inadequate quality of assistance.

In the implementation of the National Economic Recovery program, the government evaluates periodically, both at the central and regional levels, this is done to measure the accuracy of the intended distribution and distribution of aid, even though there are still gaps and deficiencies as described above. On the other hand, the PEN program is constrained by regulations that are too complicated and rigid which also hinder the realization of the PEN program for several MSMEs, the same thing with death benefit assistance and health funds, there is a verification process for incentive payments and death benefits for health workers in health service programs that are not realized by good. For this reason, the government, in addition to supporting the policy implementation of the PEN Program, must also be able to speed up the process of completing and changing regulations while still prioritizing the principle of credibility, so that the allocated budget can be disbursed, including preparing credit guarantees for labor-intensive corporations, as well as completing credit distribution to several business entities. State-owned (BUMN) and assistance for economic development and recovery for MSMEs. Meanwhile, for the health service program, efforts have been made, including accelerating the billing process and verifying claims for COVID-19 medical expenses by the Health Social Security Administration Agency (BPJS), strengthening the coordination of the ministry of health and local government with Savings and Insurance Employees (TASPEN) to

accelerate the process of verifying health workers, including for health worker death benefits, as well as simplification of medical expense claim provisions.

There are still procedural and rigid budgeting and administrative barriers. During the implementation stage of the PEN Program, several related ministries/institutions were slow in submitting budgets so that the Budget Implementation Entry List (DIPA) was published late and hampered assistance to MSMEs. This affects the speed of the budget absorption process. On the other hand, administrative constraints occur in social protection programs, for example programs whose targets are outside the Integrated Social Welfare Data (DTKS) have not been fully implemented and are target-prone. Errors (inclusion and exclusion). The temporary suspension of the Pre-Employment Card program has also hampered the budget absorption process. To overcome these obstacles, the government should try to accelerate the issuance and revision of DIPA while still prioritizing the principle of accountability. On the other hand, the Government must also make efforts to speed up target setting outside the DTKS, accelerate targeting for basic food assistance, improve targeting accuracy, and align Pre-Employment Card training materials with the needs of economic recovery. The government is also strengthening the role of village assistance to accelerate the distribution of direct cash assistance from the Village Fund and so on.

Meanwhile, in terms of coordination. In the implementation of the PEN Program, it was found that there was lack of solid coordination between ministries/agencies and local governments, for example coordination between the Ministry of Health and BPJS Health regarding the process of verifying cost claims for treating COVID-19 patients and the Ministry of Health and the local government in ensuring payment of incentives for health workers. Also, there is overlapping roles between the National Disaster Management Agency (BNPB) and the Ministry of Health in dealing with the COVID-19 pandemic. There is overlap in the allocation of social assistance programs within social protection programs, and the amount of assistance varies, and the distribution per province is also different. In order to overcome this problem, the government should make efforts to strengthen coordination, especially related to health support programs such as the process of verifying health insurance claims and death benefits for medical personnel. Coordination between the central and regional governments was also strengthened regarding the Village Fund Direct Cash Assistance Program and loans including in the MSME sectors.

In the PEN program, there are also other constraints such as the lack of socialization of the PEN program, not only for people who receive social assistance, Incentive Funding, BLT, PKH and even assistance for MSMEs. In terms of incentive programs for the business world, such as those for MSMEs, the participation rate of taxpayers (WP) applying for tax incentives is still minimal. On the other hand, taxpayers tend to be reluctant to deal with the tax office because taxpayers do not have a comprehensive understanding of the benefits of incentive programs in the business world. Save writer The government must continue to carry out outreach involving all stakeholders, including representative tax offices in the regions up to the provinces and the Center. On the other hand, the government must also map out the initial estimate of the number of incentive users to be realized and track the business activities of WP in previous years.

Much of the budget in the PEN program has been disbursed by the government in overcoming communities directly affected by the pandemic including MSMEs, even in 2021 yesterday the government increased the National Economic Recovery budget/fund. For this reason, the relevant stake holders must be accompanied by efforts to improve the distribution of stimulus funds. From the data for 2020, there are items in the PEN budget that have not been optimal, such as the health budget. The 2020 PEN fund for the health budget is only 63.8% or IDR 63.51 trillion of the total ceiling of IDR 99.5 trillion. In fact, in the context of handling a pandemic, it is precisely this health budget that is important as an effort to deal with the COVID-19 pandemic, which is authentic or has never happened before. However, for 2021 the government is asked to have a more mature policy plan. In particular, maintaining the consumption of the lowest economic groups, prioritizing the distribution of stimulus funds to sectors that are important in dealing with this pandemic, and resolving technical issues such as improving data on beneficiaries, be it Tax Incentives, BLT, PKH and Assistance for MSMEs. (Avisena, 2021).

The condition of the distribution in 2020 yesterday must be a record of evaluation and improvement in future distribution, for this reason the Government must first resolve the problem of beneficiary data, where the Integrated Social Welfare Data (DTKS) is not updated by the Regional Government, even though this DTKS is the key for distribution PEN social protection, especially social assistance can be distributed properly. Apart from being right on target, this increase can also encourage the realization of aid distribution to be faster and more effective. The MSME business sector is prioritized by the government because it tends to be

more vulnerable than other business sectors. (Rivani, 2021) Meanwhile, the data from the Supreme Audit Agency highlights several findings in the distributed programs, namely the quality of social assistance, the distribution budget of each social assistance, to the target beneficiaries of such assistance. (Tegar Arif, 2021), for this reason. In order for implementation in the following year to be more optimal, the Government needs to pay attention to the matters reminded by the Financial Examination Agency, including:

First, the Supreme Audit Agency considers the government to be inconsistent in carrying out regulations related to the distribution of aid. This is because many regulations have changed and require adjustments at the level of policy makers. Regulatory changes caused the implementation of the COVID-19 handling program to falter. Second, distribution programs tend to be misplaced. The use of unupdated Beneficiary Unified Data is the root of the problem in the distribution of this program. the problem is, the data used as the basis for program distribution was made in the previous year and did not update the latest data. This condition can have implications for the validity of the data used by the Government to distribute aid. Third. The Financial Audit Agency highlighted that aid distribution schemes carried out through banks also have the risk of causing problems. This is because public access, especially the lower middle class, to banking is still minimal and the mechanism is rigid.

CONCLUSION

The policies of the Government of Indonesia have been quite responsive in overcoming the covid 19 pandemic as a political product, the role of law is very dominant in directing and establishing policies and budget allocations for handling the covid 19 pandemic, this is indicated by the variety of policies issued by the Government of Indonesia in dealing with the impact of the pandemic in various sector is included in the MSME sectors. Normatively this policy has regulated up to a vital point, but in terms of implementation it is felt that it has not been able to target it to the lowest point. These policies include PP No 43 of 2020, Permenkop No 2 of 2021 and Permenkeu No 32 of 2021. These various policies aim to regulate 1) Provision of Social Assistance; 2) Tax incentives; 3) Credit Relaxation and Restructuring for MSMEs; 4) Expansion of working capital financing for MSMEs; 5) Provision of Product Support in the agricultural, fishery, culinary and home industry sectors, however, the implementation and implications of the national economic recovery policy are still not optimal, this condition is characterized by the presence of complex and procedural regulatory constraints, too rigid

Budgeting and Administrative Barriers, weak Coordination and supervision as well as overlapping authority in managing and providing assistance to beneficiaries.

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