

## Policies Relating to Criminal Economic Law to Overcome the Covid-19 Pandemic and Analysis of Their Impact on Indonesia's Statement out of the Crisis after China

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### Abstract

*Covid-19 has been developing in Indonesia for more than six months. This situation is to take advantage of opportunities for personal gain. These things are mainly related to the economy. The government has committed more than 150,000 cases of economic crime and also sold 160,000 cases of basic food and medical equipment. The Indonesian government is taking wise steps in overcoming the economy during this pandemic. The government issued nine policies that have been implemented some time ago until now. These things are regulated in Government Regulation in place of the Constitution of the Republic of Indonesia Number 1 of 2020. The impact of the policies provided by the government is undoubtedly tremendous for the people of Indonesia. This policy can undoubtedly help Indonesia to escape from the economic crisis quickly.*

### Keywords

covid-19; criminal economic law; crisis; policies



### I. Introduction

COVID-19 has been developing in Indonesia for more than six months. Coronavirus Diseases 2019 (COVID-19) is a new type of disease that has never been previously identified in humans, developing the SARS and MERS outbreaks. This virus has common signs and symptoms of COVID-19 infection, including acute respiratory disorders such as fever, cough, and shortness of breath (Alodokter, 2020). This virus has many impacts, both in terms of economy, social, education, etc. The policies of each country are different in responding to this virus. The government also issued a Circular (SE) as of March 18, 2020, which contains matters regarding all indoor and outdoor activities in all sectors temporarily postponed to reduce the spread of COVID-19. One of the most impacted impacts is the economic sector. Economic activities, both in terms of the production of goods and services, are hampered to prevent the spread of COVID-19. The income of each community has decreased due to many sectors experiencing closures and forced to terminate employment with employees. In addition, the state expenditure is very large to overcome the impact of this outbreak. To overcome the country's economy that is getting worse, each country issues different policies.

Based on the [money.kompas.com](http://money.kompas.com) article, it is said that Indonesia is the country with the fastest recovery after China. It was noted by Morgan Stanley, who included Indonesia in the category of the second-fastest economic recovery. Besides Indonesia, there are also the Philippines, Korea, Taiwan, and India. These countries are said to regain their economic power in the fourth quarter of 2020 and in the first quarter of 2021. He wrote this in the Asia Economic Mid-Year Outlook research. Things that affect this growth are the structure of the country's economic growth, the effectiveness of the responses issued by institutions to contain the deeper negative effects of COVID-19, and also the easing or availability of space for policies that will at any time be needed to face the challenges of COVID-19.

Indonesia is a developing country that has been exposed to COVID-19 since last March. Uncertainty about when this virus will end will undoubtedly impact the sustainability of the Indonesian economy. The longer this virus is in Indonesia, the more the crisis will continue. Indonesia's health facilities, which are also inadequate, are significant factors that have taken a long time to handle this virus. To overcome the uncertain economic impact and the large number of people COVID-19 has caused a slowdown in national economic growth, a decrease in state revenues, and an increase in state spending and financing, various Government efforts are needed to save health and the national economy, with a focus on spending. For health, social safety nets, and economic recovery, including the business world and affected communities. Indonesia, which is still a lot of people in the middle to lower economic group, this pandemic period has also caused many employees to be laid off, MSMEs out of business, and many more. The government has tried to ease the burden on the community by assisting in the form of basic necessities and cash. However, if it continues, the state will not be able to, considering the total population of Indonesia is more than 250 million people. The vaccine, which is expected to be available next year, will certainly threaten the economy of Indonesia and the world.

Since the outbreak of the corona virus that was recorded starting at the end of 2019 in China, precisely the city of Wuhan, then later this virus became global and infected almost all countries in the world including Indonesia. The world health agency (WHO) has also announced that the corona virus, also called COVID-19, is a global threat worldwide. Dharmawati (2021) states that COVID-19 pandemic has changed all aspects of human life. The prolonged Covid19 pandemic has contributed to economic and climatic uncertainty in business. This is because the development of Covid19 transmission greatly determines government policy implementation in social restrictions. Moreover, it influences the general public's socio-economic behavior, causing fluctuations in business risk development. The idea of a New Normal emphasizes the importance of handling health problems while minimizing economic risks. By sustaining the economy during a pandemic and implementing strict health protocols, the new normal is the most rational approach and policy in response to the concerns of business sectors. This includes the micro businesses that have fluctuated due to economic difficulties during strict social restriction policies (Wijaya, 2021).

The outbreak of this virus has an impact especially on the economy of a nation and globally. This unforeseen circumstances automatically revised a scenario that was arranged in predicting an increase in the global economy (Ningrum, 2020). The Covid-19 pandemic caused everyone to behave beyond normal limits as usual (Sihombing, 2020). On March 24, 2020 the Ministry of Education and Culture of the Republic of Indonesia issued Circular Number 4 of 2020 concerning the implementation of educational policies in the emergency period of the spread of Corona Virus Disease (Covid-19) in Sياهو (2021).

Not only that, many people take advantage of this situation to take advantage of opportunities for personal gain. These things are mainly related to the economy. Even though this is already regulated in economic criminal law. Economic criminal law is part of criminal law which is a separate style, namely the economic style. Thus, economic criminal law should take place in addition to criminal law. Moch Anwar defines economic criminal law as a set of regulations in the economic field that make provisions regarding obligations/obligations and or prohibitions threatened with punishment. The government has committed more than 150,000 cases of economic crime and also sold 160,000 cases of basic food and medical equipment. This case is only an accumulation of security and legal action results for three months throughout Indonesia. To ease the burden of economic impacts during this pandemic period and prevent economic crimes, the Indonesian government issued nine policies.

The Covid 19 transmission significantly increased in the office sector shortly after implementing the new normal era and reopening several businesses. Moreover, restaurants are globally recognized as a means of transmitting Covid 19, contributing significantly to increased positive confirmed cases. This confirms the unique interactive behavior between people in business organizations.

Building a new habitual culture in business organizations naturally faces the challenge of natural human indecisiveness towards change. This regards the behavior that overly ignores the dangers of Covid 19 transmission at work when interacting with other people. There are several reasons for this, including social discomfort or fear of being in contact with objects that potentially transmit Covid 19, especially those used for public or shared interests.

## **II. Research Methods**

Judging from the type of data, the research approach used in this study is qualitative. Qualitative research intends to understand the phenomenon of what is experienced by the research subject holistically and by way of description in the form of words and language, in a special natural context and by utilizing various scientific methods (Moleong, 2003). 2007:6). The type of this research approach is descriptive. Descriptive research is research that seeks to describe current problem solving based on data. The data collection method used in this case is a literature study by analyzing news, journals, articles, and so on obtained through books and the internet.

## **III. Results and Discussion**

### **3.1 Results**

The Indonesian government is taking wise steps in overcoming the economy during this pandemic. The government issued nine policies that have been implemented some time ago until now. First, the President of the Republic of Indonesia ordered all ministers, governors and mayors to cut spending plans that are not from priority expenditures from the APBN and APBD, such as the official travel budget, meeting budget, etc. Second, the government asked the central government and regional governments to allocate budget funds to accelerate overcoming the impact of the COVID-19 virus from a health and economic perspective. Third, the President of the Republic of Indonesia asked the regional and central governments to ensure the availability of basic commodities and ensure that the people's purchasing power is maintained, especially for the lower classes. Fourth, the President also asked for the Cash Work-Intensive program to be multiplied and multiplied but still with the Covid-19 virus protocol. Fifth, the President also provided additional funds of IDR 50,000 for cheap primary food cardholders with a period of six months. Sixth, the President also applies a pre-employment card to anticipate workers being laid off. Then seventh, the government also pays income tax from taxpayers. Eighth, the government provides credit relaxation below IDR 10 billion for MSMEs to reduce interest or delay instalments for a year. Then the last policy is that people with low incomes who subsidized mortgage loans will be give subsidies. These things are regulated in Government Regulation in place of the Indonesian Constitution Number 1 of 2020.

This government regulation in lieu of the Indonesian Constitution Number 1 of 2020 is about state financial policy and financial system stability for handling the 2019 coronavirus disease (Covid-19) pandemic and or in the context of dealing with threats that endanger the national economy and or financial system stability. The four key things in this regulation are handling covid-19, social assistance, economic stimulus for micro, small and medium enterprises or MSMEs and cooperatives, and anticipation in the financial system. In terms of

the taxation sector, there are four things, including adjustment of the income tax rate for domestic corporate taxpayers and permanent establishments; tax treatment in trading activities through the Electronic System (PMSE); extension of time for the exercise of rights and fulfilment of tax obligations; and granting authority to the Minister of Finance to provide customs facilities in the form of exemption or relief from import duties in the context of handling emergency conditions as well as restoring and strengthening the national economy.

In detail, this regulation amends several laws, such as the state revenue and expenditure budget for the 2020 fiscal year, prevention and handling of financial system crises, concerning villages and regional governments, regarding the MPR, DPR and DPD, the stipulation of government regulations in lieu of Law No. 2008 concerning the second amendment to Law No. 23 of 1999 concerning Bank Indonesia into Law, concerning health, the stipulation of government regulations in lieu of law Number 5 of 2008 concerning the fourth amendment to Law Number 6 of 1983 concerning general and taxation procedures into Law. In addition, this Law also changes the financial balance between the central government and regional governments, deposit insurance institutions, state treasury, state finances, Bank Indonesia, and general provisions and taxation procedures.

### 3.2 Discussion

Uncertainty about when this virus will end will undoubtedly impact the sustainability of the Indonesian economy. The longer this virus is in Indonesia, as long the crisis will continue. This government regulation in lieu of the Indonesian Constitution Number 1 of 2020 is about state financial policy and financial system stability for handling the 2019 coronavirus disease (Covid-19) pandemic and or in the context of dealing with threats that endanger the national economy and or financial system stability.

The impact of the policies provided by the government is undoubtedly huge for the people of Indonesia. One of the direct policies provided was providing basic necessities and cash transfers that were most felt by the community. Then in terms of instalments, of course, it will also make it easier for MSME business actors. In terms of taxes, it also provides the community with relief, especially in terms of business, so that MSMEs can survive due to reduced spending in terms of taxes. However, some problems still occur frequently, such as mistargeted assistance. The middle and lower economic community sometimes do not get the assistance.

This Government Regulation in Lieu of Law is a special concern to the public, especially the business world. Suppose the regulations contained in the law are enacted. In that case, many businesses will undoubtedly worsen because they are not making a profit during this pandemic. It will, of course, reduce state revenues from the tax sector. Tax is one of the main factors in planning the management compensation system. It is related to management accounting, where the tax effect affects capital budgeting in determining cash flow. Therefore, reduced tax rates have a significant impact on a company's cash flow.

This policy is, of course, related to the statement mentioned by Morgan Stanley. This policy from the government can make MSMEs, as well as companies, survive during this pandemic. Not only is that, the stimuli provided also beneficial for the community's economy, especially in terms of taxes, as well as instalments. The government also supports the community to continue developing various MSMEs but still by paying attention to health protocols.

## IV. Conclusion

Uncertainty about when this virus will end will undoubtedly impact the sustainability of the Indonesian economy. In this regard, the government issued nine economic policies with the issuance of Government Regulation in Lieu of the Indonesian Constitution Number 1 of 2020, which greatly helped the community in terms of the economy. This government regulation in lieu of the Indonesian Constitution Number 1 of 2020 is about state financial policies and financial system stability for handling the 2019 coronavirus disease (Covid-19) pandemic and or in dealing with threats that endanger the national economy and or financial system stability. The impact of the policies provided by the government is undoubtedly tremendous for the people of Indonesia. This policy can undoubtedly help Indonesia to escape from the economic crisis quickly.

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