

Regional Perspectives of COVID-19 in Indonesia

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FOREWORD

The Indonesian economy remains mired in a pandemic recession with high unemployment, increased poverty, and worsening inequality, including the inequality between regions. While efforts to contain the pandemic and its impact remain convoluted, at the time of the writing of this Foreword the government's attention seems already shifting to an intriguing if indistinct prospect: a post COVID-19 recovery. Some even use the term 'post COVID-19 boom'. Yet, what is going on in the ground continues to be a source of serious concern. The country still endures more new infections and more deaths. There remains a gap between what is publicly announced and the actual policies taken with respect to which gets prioritized, the public health or the economy. Every time officials declare that the pandemic will not last "for a long time", the claim has always been overtaken by events, at least until now. Only because the test rates are lower the increase in infections slows.

It is gratifying that most articles in this timely book do not fall into the trap of forecasting or prognosticing a post COVID-19 boom. Instead, they discuss what has been going on with regards to the virus and its impact in various parts of Indonesia. The editors of the book made a wise decision. This is precisely what needs to be uncovered, openly and truthfully, before discussing the scenarios of recovery. After all, no one knows when this dreadful pandemic will end. Another encouraging feature of the articles throughout the book is highly consistent with the interest of astute regional scientists, economists, and public policy experts; they do not exclusively rely on aggregate growth measure. Except in chapter 3, where the authors' original intention was to distil the growth differences between regions, the rest of the book highlight various important aspects relevant to the regional development during the COVID-19 shock. They range from the political dimension of development such as the direct election of local leaders (PILKADA), the social aspects of development such as the social conflicts and mobility,

and the role of local wisdom and social capital in regional development. The bulk of Part 2 covers discussions as to how the public responded to official policies in different regions. These are all important affairs and embracing what is important to the public at large during this pandemic is the task for our time. This book could not be more relevant for those who wish to feel the pulse of society in different regions during this extraordinary event.

Iwan J Azis

Ithaca, NY, June 2021

Chapter 6

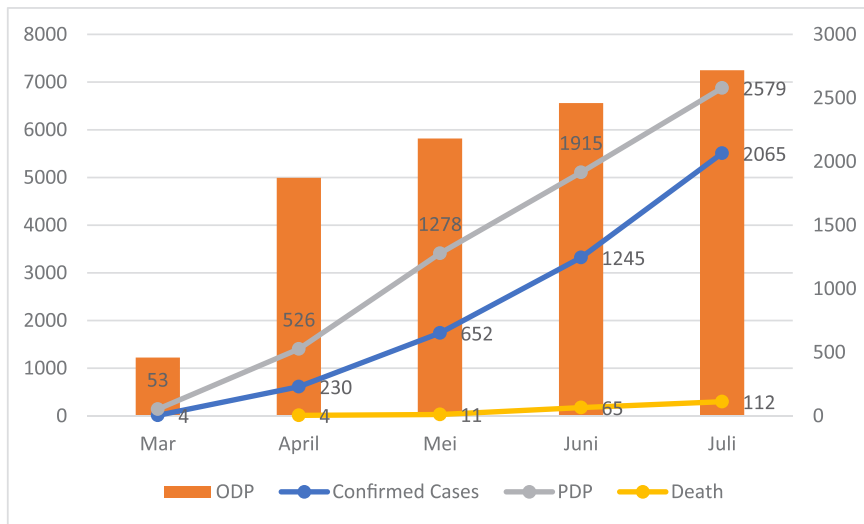
Impact of COVID-19 Pandemic on the Economy of West Nusa Tenggara Province and Government Policies

Mansur Afifi

INTRODUCTION

The Government of Indonesia (GOI) first announced a positive case of COVID-19 in Indonesia on 2 March 2020 (*Kompas* 3 March 2020). Since then, the spread of positive instances of COVID-19 has continued, and it has reached almost all parts of Indonesia territory. On 24 March 2020, the Regional Government of West Nusa Tenggara (WNT) province declared the first case confirmed positive COVID-19 found in the region (CNN 24 March 2020). Even though only four people were confirmed to be positively infected until the end of March 2020, the number of people under monitoring (Orang Dalam Pemantauan/ODP) increased to more than 1000e, while the number of patients under supervision (Pasien Dalam Pengawasan/PDP) had reached 53. Until July 2020, the number of ODP, PDP, and Confirmed Cases continued to increase steadily, and there is no indication that it will decrease, as seen in Figure 1.

Figure 1. Number of People under Surveillance (ODP), Patients under Supervision (PDP), and Confirmed Cases of COVID-19 in WNT Province



Source: Satgas COVID-19 WNT, <https://corona.WNTprov.go.id/all-list-data>

To break the COVID-19 virus chain, the GOI has closed schools, places of worship, markets, shopping centers, tourist attractions, and reduced worker density in the industrial sector. Besides, the Government has also issued Work From Home (WFH) policy for the State Civil Service (ASN) and a physical distancing policy (keep a distance or maintain a safe distance). Furthermore, the GOI also considered at that time to implement regional quarantine (lockdown) if deemed necessary (Djalante et al. 2020). The debate around this policy continues to consider the social and economic implications (Surbakti 2020; Suyanto 2020). If the GOI implements a lockdown policy then they must provide all community needs (logistics) during the lockdown period. Therefore, a more lenient alternative is large-scale social restrictions (*Kompas* 13 April 2020). Consequently, the Government still has to provide essential food assistance to the poor and those without jobs and income.

Since the COVID-19 pandemic broke out in Indonesia and the implementation of social restrictions, worker housing and layoffs continue to increase every day. This condition raises new problems, namely a decrease in people’s purchasing power and subsequently

weakening economic growth (Gusman 2020; BPS 2020). If the COVID-19 pandemic does not end soon, the economic impact will undoubtedly be even more remarkable, and economic growth will slow down, and at the end of the year, it could be harmful. Therefore, the economic recession is inevitable.

Until the second quarter (Q2) of 2020, several developed countries—such as, Singapore, Germany, the United States, South Korea, and Hong Kong—had declared their states to be in an economic recession (Uly 2020). A recession is a condition in which economic activity has experienced a significant decline in several months, marked by negative economic growth in at least two consecutive quarters (Putsana 2020). Indonesia's economic growth also contracted in the Q2/2020 (BPS WNT 2020b) and will deepen in the next quarter. Likewise, several regions in Indonesia will probably experience contractions at various levels.

Therefore, it is crucial to do a study on the impacts of COVID-19 pandemic on the regional economy and assess the policies taken by the Regional Government in overcoming those impacts, especially in the economic sector. Thus, the results of this study will provide information used to reformulate comprehensive policies to respond to conditions disrupted by the pandemic with high and innovative agility.

This chapter aims to provide a brief description, analysis, and evaluation of the impacts of COVID-19 pandemic on the economy of WNT Province and the Regional Government policies to deal with them. This chapter does not intend to provide an exhaustive list of economic aspects affected by the pandemic and the Government responses either. Still, it aims to focus on specific variables of macro-regional economics and capture current government policies as responses to the crisis. This chapter can be seen as 'real-time evaluation' as it provides insights and lessons for the regional Government to improve and adjust existing policy options.

The objectives of this chapter are: (1) To describe the impact of COVID-19 pandemic on the performance of economic and social aspects of WNT Province; (2) to estimate the prospect of economic activity, purchasing power, and business climate for the next three months, six months ahead, and 2021 based on regional economists' opinion; (3)

To analyze Regional Government policies in dealing with COVID-19 pandemic by setting cluster and matrix specific impacts; and (4) To formulate policy recommendations for economic recovery efforts in the short- and medium-terms.

The method used to achieve the research objectives is descriptive statistical methods and qualitative analysis. The use of descriptive statistical methods is to describe objective quantitative facts related to economic performance. Quantitative data used in this study consist of economic growth rate, inflation rate, unemployment rate, poverty rate, disparity rate, regional government budget, local banking industry data, and Regional Development Bank (Bank Pembangunan Daerah/BPD) of WNT. Banking data consists of third party funds, credit, and MSME (micro, small, and medium enterprise) credit.

The primary qualitative data include policies taken by the local Government in dealing with the impact of COVID-19 pandemic. Those policies consist of policies related to local government regulations (Perda and Pergub), regional budget (Anggaran Pendapatan dan Belanja Daerah/APBD) policies, and economic recovery policies. Besides, the qualitative data include regional economists' perceptions of local economic conditions. Nineteen economists have provided their perceptions of the states and prospects for the regional economy in the future. Subjective primary data consist of economic activity, purchasing power, and business confidence.

IMPLEMENTED REGIONAL GOVERNMENT POLICIES

To overcome the impact of COVID-19 on economic and health performance, Regional Governments throughout Indonesia have made various policies (Ayuningtyas et al. 2020), including revising the 2020 APBD. The WNT Provincial Government has changed its APBD policies by issuing a Governor Regulation (Pergub) No. 4 of 2020 concerning Changes in Translation of 2020 APBD on 13 April 2020. The change caused the assumption of regional income to decrease by IDR 412.3 billion (Rakhman 2020). The largest decrease occurred in the General

Allocation Fund (Dana Alokasi Umum/DAU) and Local Own-source Revenue (Pendapatan Asli Daerah/PAD).

The revision of regional revenues has brought about the adjustment of regional expenditure. Inevitably, regional spending drops since the local revenue decreases. The nominal value of reducing regional spending is greater than the decline in regional revenue, which is IDR 603.9 billion. The reduced provincial expenditures components include spending on subsidies, grants, social assistance, revenue sharing at districts/cities, and financial assistance. The expenditure posts that have increased are Personnel Expenditures and Unexpected Expenditures.

Although aggregate regional spending has decreased, the Regional Government has allocated spending for handling COVID-19 amounting to IDR 926.96 billion. The funds will be utilised for health management of IDR 466.29 billion, handling economic impacts of IDR 310.51 billion, and the social safety net of IDR 150.17 billion (Rakhman 2020). In handling the economic impact, Regional Government initiates the MSME (Micro, Small and Medium Enterprise) Empowerment Program (supporting and buying WNT local products), Job Creation and Labor Intensive, and Affected Business Assistance (*Post Kota* 16 May 2020).

It is important to note that MSME plays a very significant role in the Indonesian economy. As shown by the latest BPS data (Indonesian Statistics), MSMEs absorbed 117 million workers or 97% of the business sector's absorption capacity in 2018. Meanwhile, the remaining 3% was absorbed by corporations (Purwanto 2020). Purwanto (2020) also noted that the MSME sector contributed 61.07% of Indonesia's total GDP in the same period. With Indonesia's GDP in 2018 amounting to IDR 14,038 trillion, the contribution of MSME was IDR 8,573 trillion. During the pandemic, however, 84.7% of MSMEs have suffered badly due to the COVID-19 pandemic (BRI 2020).

Furthermore, the Regional Government, together with the Regional People's Representative Council, has enacted a Regional Regulation (Peraturan Daerah/Perda) on Controlling the Disease on 3 August 2020. The Perda was an attempt to accelerate the break in the chain of COVID-19 spread. The Perda regulates applying a fine of IDR 500 thousand for citizens who do not use masks in public places or crowds

and six-month imprisonment or an IDR 50 million fine for violators of the health protocol (DPRD WNT 2020).

During Q-2 of 2020, the realization of Regional Government expenditure in WNT Province was IDR 6.76 trillion or 32.95% of the total ceiling of IDR 20.51 trillion. Compared to the same period in 2019, the performance of the realization of expenditures in Q-2/2020 was nominally lower. Still, its percentage of the budget ceiling was slightly higher. Unexpected Expenditures' realization increased sharply from IDR 3.27 billion in 2019 to IDR 133.83 billion in 2020. Due to an increase in the budget ceiling for Unexpected Expenditures as a result of APBD adjustments in dealing with the COVID-19 pandemic (Kanwil Perbendaharaan 2020).

Table 1. Realization of the Second Quarterly Regional Budget for WNT Province 2019-2020 (IDR Billion)

DESCRIPTION	2020				2019		
	Ceiling (Pure)	Ceiling (Change)	Real	%	Ceiling	Real	%
REGIONAL INCOME	21,501.84	19,780.66	8,974.47	45.37	21,314.90	9,938.30	46.63
Regional Origin Income	3,877.18	3,393.65	1,507.03	44.41	3,488.42	1,456.54	41.75
Transfer Income	16,695.25	15,689.68	7,250.70	46.21	15,052.47	7,099.11	47.16
Other Legal Income	929.42	697.33	216.75	31.08	2,774.00	1,382.65	49.84
REGIONAL EXPENDITURE	21,613.52	20,507.48	6,757.61	32.95	21,801.65	7,152.18	32.81
Operational Expenditure	16,789.96	15,448.67	5,579.89	36.12	16,351.76	6,168.84	37.73
Capital Expenditure	3,997.3	2,900.94	477.96	16.48	4,301.51	494.03	11.49
Unexpected Expenditure	59.12	613.33	133.83	21.82	30.76	3.27	10.62
Revenue Sharing to Region	1,477.82	1,544.54	565.93	36.64	1,117.61	486.04	43.49
REGIONAL FINANCING	606.66	581.52	430.47	74.03	472.20	466.61	98.82
Financing Income	675.53	644.34	501.77	7.87	594.35	518.11	87.17
Financing Expenditure	68.87	62.82	71.30	113.49	122.16	51.50	42.16
SURPLUS/ DEFISIT	-822.18	-726.82	2,216.86		-486.75	2,066.03	

Source: Regional Fiscal Study of WNT Province in Quarter I & II 2020.

Meanwhile, the performance of revenue realization in Q-2 of 2020 was worse than the same period of the previous year. The realization of regional revenue in Q-2 of 2020 was 45.37% lower than the realization in the previous year (46.67%), even though the revenue budget ceiling in 2020 was smaller than in 2019. It was due to the revenue from the Other Legal Income post which dropped sharply from IDR 1,382.65 billion in the previous year to only IDR 133.83 billion in Q-2/2020. It is interesting to note that the Original Local Government Revenue (Pendapatan Asli Daerah/PAD) post has increased in terms of the percentage of realization from 41.75% to 44.41% and the nominal value, which increased from IDR 1,456.54 billion to IDR 1,507.03 billion. The fact shows that the impact of COVID-19 on regional revenues, especially PAD, has not been felt even though the intensity of economic activity has begun to decline.

IMPACT OF COVID-19 PANDEMIC

COVID-19 pandemic's impact on WNT economy occurred when the Government began implementing social restriction policies. According to each region's conditions, social restriction policy with various scales decreases community mobility significantly (BPS 2020). The results of Bank Central Asia (BCA) economic research show that the economic activities that are "severely affected" are tourism, aviation, public transportation, property and construction, and manufacturing and building materials sectors. Then the economic sectors that are "affected" to "less affected" are financial services, mining, plantations, information technology, and e-commerce. The industries that have had a "positive impact" are the pharmaceutical and medical devices sector, food and beverages, and staple foods (Sumual 2020).

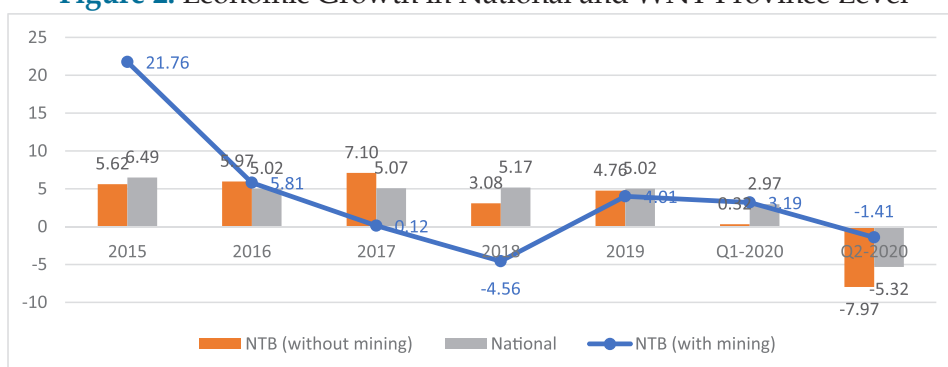
Macroeconomic Indicators

The rate of economic growth in WNT province also experienced a slowdown compared to the previous year. In Q-1 of 2020, the economy of WNT only grew by 3.19% (BPS WNT, 2020). The categories of business fields that experienced an increase in growth compared to the conditions in Q-1 of 2019 included among others: (1) Mining; (2) Accommodation, Eating, and Drinking; (3) Transportation and Warehousing; (4) Health

and Social Activities; and, (5) Other Services. Meanwhile, the types of business fields that experienced declining growth were Trade, Manufacturing, Construction, and Agriculture. The growth decline in the Agriculture category was caused by a shift in the planting period so that the peak harvest occurred in April-May 2020.

In Q-2 of 2020, WNT's economic growth experienced a contraction of -1.41% (BPS WNT 2020a). The decline in various business fields caused the contraction in development due to the COVID-19 pandemic during Q-2 of 2020. The category of Accommodation, Food, and Drinking deeply contracted by 58.66%, followed by the Transportation and Warehousing category which contracted by 58.05%; and the Construction category contracted by 26.71%. The highest growth rate was achieved by the Mining and Excavation category at 47.78%, followed by the Information and Communication category at 17.81%, the Financial Services and Insurance category at 10.83, and the Agriculture category at 7.87%. The economic growth of WNT Province without metal ore mining in Q-2 of 2020 (YoY) contracted by 7.97% (BPS WNT 2020b).

Figure 2. Economic Growth in National and WNT Province Level



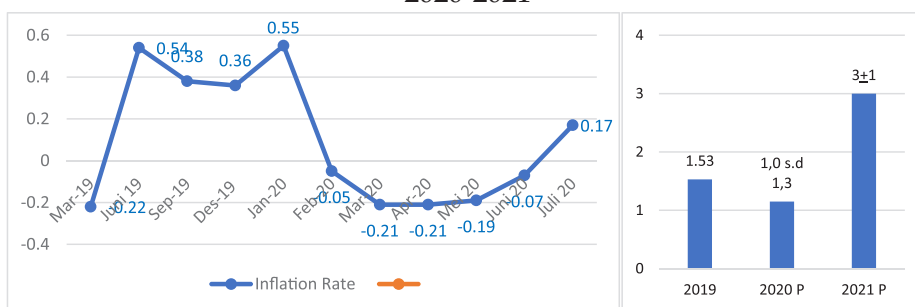
Source: BPS WNT and BI Representative Office of WNT (processed data).

Apart from the rate of economic growth, the primary indicator for measuring financial performance is inflation. The decline in economic activity as a result of the COVID-19 pandemic has significantly affected the inflation rate (Apergis et al., 2020). When the COVID-19 pandemic began, inflation experienced a deep contraction with a negative growth rate until June 2020 (BPS WNT, 2020c). Eid al-Fitr, falls in May 2020,

which is usually one of the triggers for inflation (Susan Olivia, et al, 2020), cannot drive up general prices. The situation indicates that purchasing power is decreasing even though people affected by COVID-19 has received social assistance from the national and regional Government.

The inflation rate has slightly decreased from 1.53% in 2019 to between 1.00 to 1.30% in 2020. Next year, inflation will likely increase in the range of 3 + 1% in line with the economic recovery trend, should the COVID-19 pandemic could be managed (BI 2020a).

Figure 3. Monthly Inflation in WNT Province 2019-2020 and Prognosis 2020-2021



Source: BPS WNT and Representative Office of WNT (processed data).

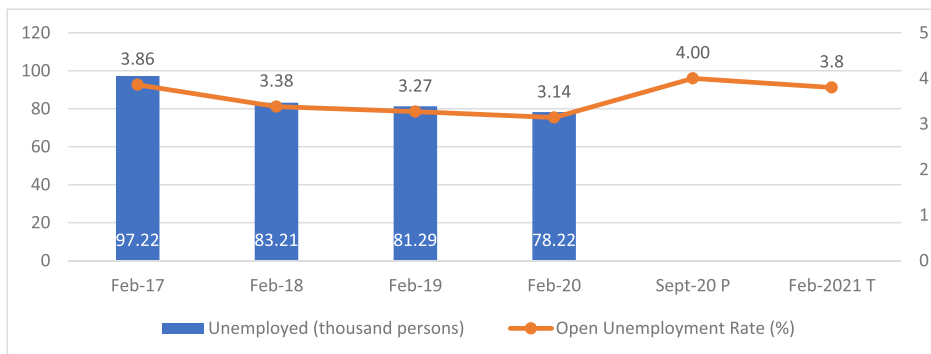
The Government’s social restriction policy, followed by the closure of markets, shopping centers, tourist attractions, and a reduction in worker density in the industrial sector, has resulted in a huge number of layoffs. According to Head of the WNT Provincial Manpower and Transmigration Office, Agus Patria, 180 companies were forced to lay off 11,000 employees because there were no visitors or customers who made transactions. Most of those employees worked in hotels, villas, and restaurants (*Kompas* 15 April 2020).

Sectoral Indicators

As stated by the Head of the WNT Provincial Tourism Office, Lalu Muhamad Faozal, 4,000 hotel and restaurant employees stay at home because of no visitors during the COVID-19 pandemic. At the same time, more than 100 workers were laid-off because companies could not pay their salary due to the COVID-19 pandemic (*Kompas* 15 April 2020).

However, BPS has not published official data, considering the published data on unemployment rates are data for February and August 2020 (BPS WNT 2020c). Therefore it is estimated that the open unemployment rate will increase sharply at the end of 2020, there will be a decline in 2021 in line with the trend of economic recovery.

Figure 4. Open Unemployment Rate and Number of Unemployed in WNT Province

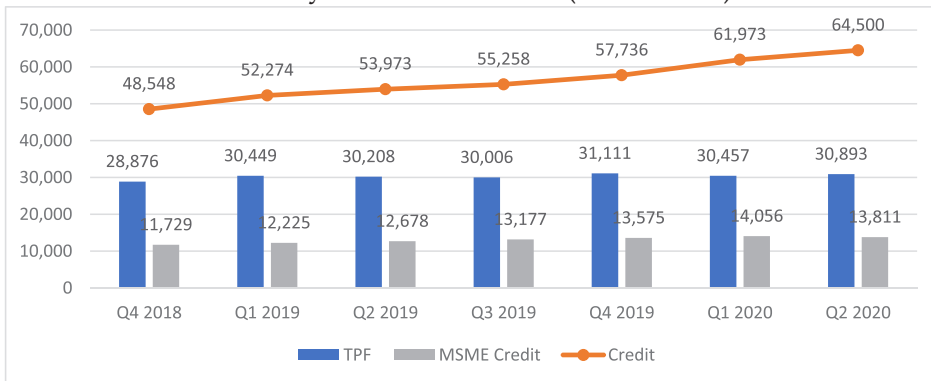


Source: BPS WNT (Processed Data).

Large-scale social restrictions have reduced human mobility, which in particular has caused the number of tourist arrivals nosedive sharply (Travel Dream 2020). It impacts the contraction of the growth of business fields in the transportation and warehousing, and the accommodation, food, and drink categories. Weakening economic activity further causes the poverty rate to increase slightly. The poverty rate did not increase drastically because of social assistance policy initiated by both the central and regional governments. The number of poor people has increased from 705,680 in September 2019 to 713,890 in March 2020.

The banking industry's performance in Q-2/2020 was still positive mainly due to credit supports, which grew by 19.50% (y-o-y). This credit growth is mostly contributed by the credits to productive sectors which are still growing at a robust pace. Meanwhile, the Third Party Funds (TPF) only increased by 0.02% (y-o-y). The decline in TPF is in line with the shift from funds allocated for saving to funds used for consumption. The MSME credit continued to grow positively, with the second quarter of 8.94% (y-o-y) (BI 2020).

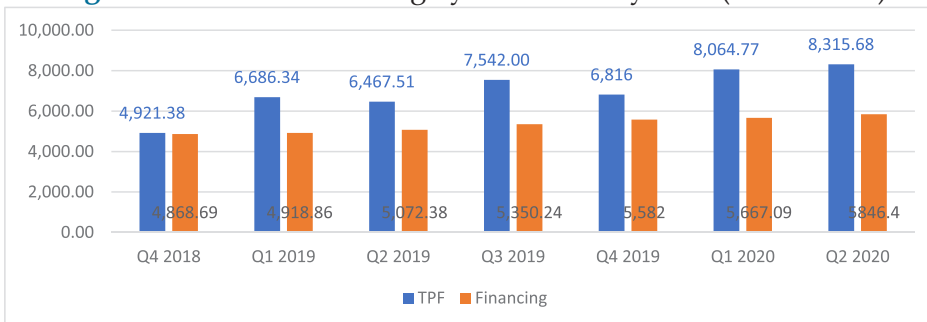
Figure 5. Third Party Fund (TPF), Credit, and MSME Credit of Banking Industry in WNT Province (IDR trillion)



Source: WNT Economic Development Report for Quarter II 2020 (Data processed).

The performance of Bank NTB Syariah also shows a positive trend marked by positive growth both from TPF and financing. In Q-2/2020, TPF continued to grow by 28.58% (y-o-y), while funding grew by 15.26% (y-o-y) (Bank NTB Syariah 2020a). The high growth of financing at Bank NTB Syariah and credit growth in the banking industry in WNT show that economic activity is still running well, which indicates that the impact of COVID-19 pandemic on the banking and financial industry is not profound.

Figure 6. TPF and Financing by Bank NTB Syariah (IDR trillion)

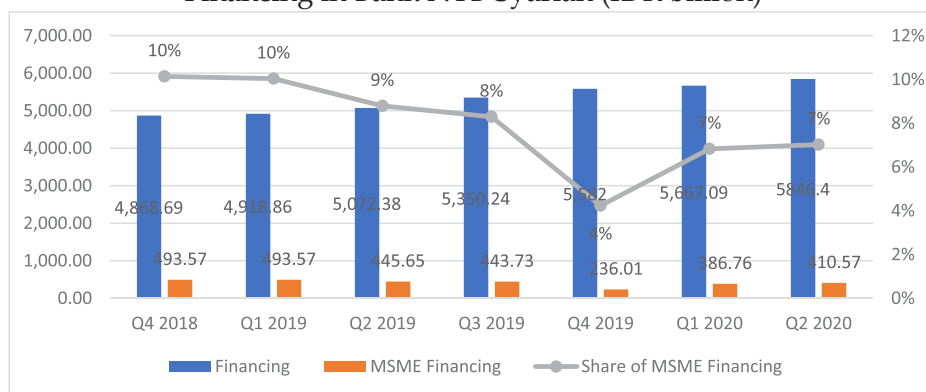


Source: Bank NTB Syariah Financial Report (Data processed).

Although financing and mobilization of public funds carried out by Bank NTB Syariah continue to increase, its contribution to the development of MSMEs tends to decline. The proportion of MSME

financing continue to decline, which was only 7%, even though it was higher than in Q-4/2019 (Bank NTB Syariah 2020c). When compared to the same period last year, the proportion of MSME financing was still 2%. Besides, the nominal value of funding for MSMEs was lesser and decreased by 7.9%. It shows that the attention of Bank NTB Syariah to the development of MSMEs is still not optimal.

Figure 7. Financing, MSME Financing, and Proportion of MSME Financing in Bank NTB Syariah (IDR billion)



Source: Bank NTB Syariah Financial Report (Data processed).

The local Government continues to strive to overcome the impact of COVID-19 both in the health sector and in the economic sector (Rakhman 2020). One of the instruments used by the Government to stimulate economic growth in the regions is the Regional Budget (Anggaran Pendapatan & Belanja Daerah/APBD). APBD does not only plays roles as an instrument of allocation, distribution, and stabilization of public finances but also acts as a driving force and determinant of the achievement of regional macroeconomic targets, including poverty, unemployment, and economic disparity. Therefore, a reasonable budget can be expected to play the roles effectively (Afifi 2020).

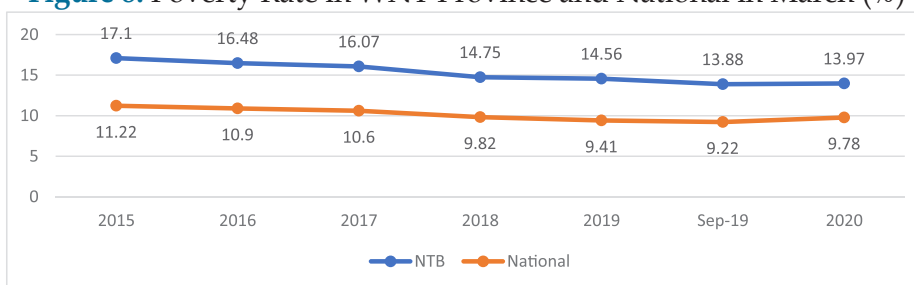
Poverty and Inequality Indicators

Large-scale social restrictions have reduced human mobility, which made the number of tourist arrivals nosedive sharply (Travel Dream 2020). It impacts the contraction of the growth of business fields in the transportation and warehousing, and the accommodation, food,

and drink categories. Weakening economic activity further causes the poverty rate to increase slightly. However, it did not increase drastically because of social assistance policy initiated by both the central and regional governments. The number of poor people has increased from 705,680 in September 2019 to 713,890 in March 2020. Meanwhile, the poverty rate increased from 13.88% in September 2019 to 13.97% in 2020.

As indicated in Figure 8, the poverty rate in WNT is apparently not affected by the pandemic since the available data indicate the condition in March 2020. As the COVID-19 pandemic only started in the end of February 2020, therefore the poverty rate has not been heavily affected. However, the poverty rate has increased by the end of September 2020 when the second term of survey was undertaken. The poverty rate survey was carried out twice a year in March and September.

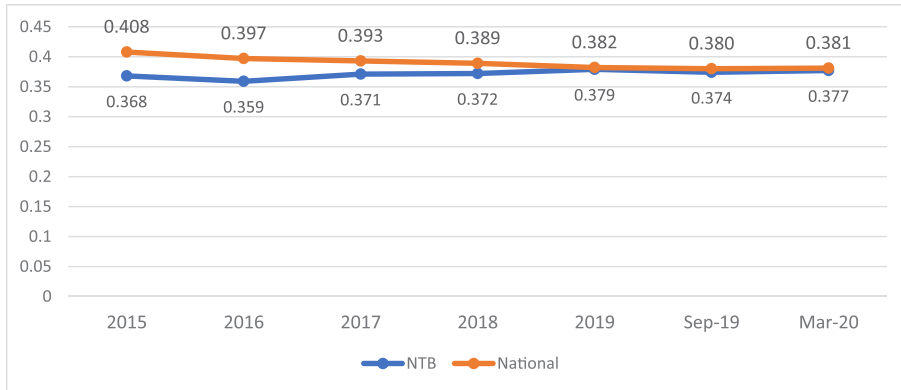
Figure 8. Poverty Rate in WNT Province and National in March (%)



Source: BPS RI, and BPS WNT (processed data).

The disparity among community tends to get narrower, but the COVID-19 pandemic has turned it around so that in the March measurement period, the Gini Ratio index increased slightly. This condition is in line with the increase in the number of open unemployment and the number of poor people in the same period in March 2020. The social assistance provided by both the Local and the Central Government, and the existing social institutions had not withstood the widening inequality of people's income.

Figure 9. Disparity Rate (Gini Ratio) in WNT Province and National in March



Source: BPS RI and BPS WNT (processed data).

Indicators from the Economic Perception Survey

An economic perception survey among nineteen economists in WNT province were conducted from June to July 2020 to gather their opinions on WNT’s general economic activities, people purchasing power and local business confidence. The empirical conditions of the economy in WNT Province confirmed by regional economists domiciled in WNT are perceived to be almost uniform. The perceptions of nineteen economists—mostly academicians and some businessmen—relating to “Economic Activity” show that they believe there will be a decline in the next three months. Meanwhile, in the next six months, they are doubtful because some of them think the economic activities will remain stuck, while others believe that those activities will increase in 2021. Nonetheless, they mostly agree that economic activity will improve or increase.

Concerning people’s “Purchasing Power”, most economists believe that there will be a decline in the next three months, while the rest think there is no change. Economists’ opinions varied when they saw the development of people’s purchasing power in the next six months, where half of them thought it would remain, while the rest’s opinions differ between worsening and improving. It shows that there is doubt whether the COVID-19 pandemic will end soon or will continue until

the end of the year. They almost agree that in 2021 people’s purchasing power will increase in line with the perception of an improvement in economic conditions and an end to the pandemic.

As with “Business Confidence,” most of them think that there will be a decline in the next three months, and some do not believe there will be changes. Meanwhile, in the next six months, the economists’ perception is already positive, where more than half think there will be an increase, while the rest think there will be no change. By 2021 almost all economists agree that business confidence will either recover or increase. They believe that economic conditions will improve, and the pandemic will pass.

Table 2. Survey Results on Economists’ Perceptions of WNT’s Economic Prospects

Economic Aspects	Next three months		Next six months		2021	
	Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Economic Activities						
Decrease	13	69%	2	10%	0	0%
Constant	5	26%	10	53%	2	10%
Increase	1	5%	7	37%	17	90%
Purchasing Power						
Decrease	12	63%	4	21%	1	5%
Constant	7	37%	11	58%	3	16%
Increase	0	0%	4	21%	15	79%
Business Confidence						
Decrease	12	63%	1	5%	0	0%
Constant	7	37%	8	42%	2	10%
Increase	0	0%	10	53%	17	90%

Source: Primary data processed.

POLICY EVALUATION

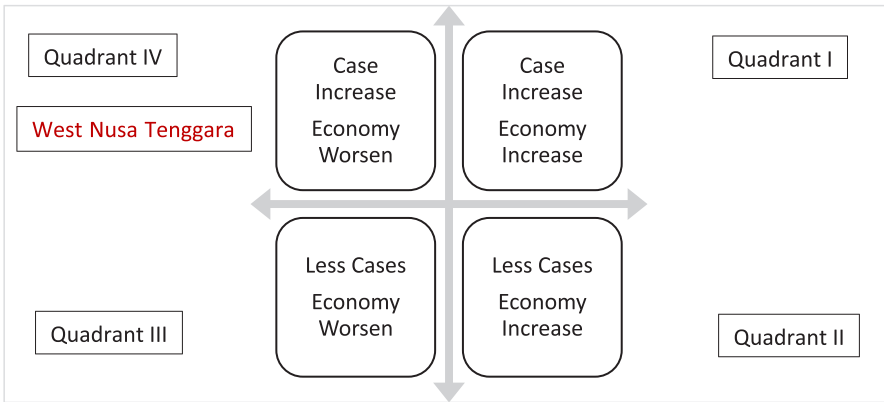
Although the Regional Governments, province and districts, have revised the APBD and allocated a relatively large budget for handling COVID-19

and its impacts on economic and social recovery, positive COVID-19 cases continue to grow. Meanwhile, the economic performance in Q-2/200 showed a worsening trend, marked by downward and negative growth. Even the economic growth without mining, which is an indicator of the people's economy, actually shows a worsening performance with an increasingly sharp decline in growth.

The social assistance and economic stimulation provided have not been able to increase people's purchasing power and increase the productive economic sector's growth as well. The public's purchasing power is relatively low since people do not work and earn money optimally. Therefore, public demand for consumer goods and services decrease significantly. As a result, inflation rate continued to decline during Q-2/2020, even though entering Q-3/2020, inflation tended to increase. The increase in inflation at the beginning of Q3-2020 was more due to the shortage of supply as a result of reduced economic activity, mainly production and distribution.

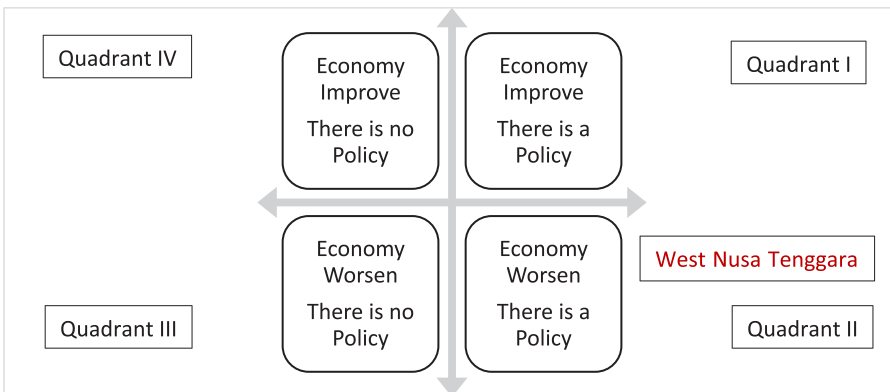
By employing Importance Performance Analysis (IPA) (Tileng et al 2013) we can compare two things as indicators of government performance in dealing with the pandemic. We compare the confirmed case of COVID-19 with economic condition during the pandemic, and between economic condition and the policy existence. Each of the comparison will generate four possibilities which can be described in Importance Performance Matrix or often called the Cartesian diagram. Importance Performance Matrix consists of four quadrants based on importance-performance measurement result as presented in Figure 10 and 11.

Figure 10. Cartesian Diagram between COVID-19 Cases and Economic Conditions in WNT Province



If we map it in a Cartesian diagram when comparing the COVID-19 case and economic conditions, the position of WNT Province is in Quadrant IV, where confirmed cases continue to grow while economic conditions worsen. Meanwhile, if we map between policies and economic conditions, the WNT Province is in Quadrant II, where the economy is deteriorating, but there are local government policies. This condition shows that even though the Regional Government has made policies to deal with the COVID-19 pandemic and made economic recovery efforts, it has not succeeded in improving economic conditions and overcoming the pandemic.

Figure 11. Cartesian Diagram between Economic Conditions and Policies in WNT Province



CONCLUSION

The COVID-19 pandemic outbreak in the WNT Province has affected the community's social and economic conditions. This study has found that positive cases of COVID-19 continue to increase with a tendency to get bigger. It indicates that the COVID-19 pandemic will not end soon. Meanwhile, people's economic condition has worsened, marked by negative economic growth, increasing unemployment, and declining purchasing power.

On the other hand, although the Regional Government has attempted to overcome the impact of the COVID-19 pandemic by making various breakthrough policies, such as public budget reallocation, regional regulation institution, SME/SMI assistances, social grant for poor family and vulnerable groups, and health protocol promotion, their effectiveness has not been optimal. The increasing number of positive cases of COVID-19 and economic conditions that tend to worsen should encourage the Government to be more alert and creative by making innovative and effective policies and breakthroughs because if not, then depression may occur. Currently, the signs of economic recession have begun to appear. Slowing economic growth, rising unemployment, and falling purchasing power are symptoms of the economy that is heading for a recession.

Interventions carried out by the Regional Government in overcoming the impact of the COVID-19 pandemic with various policies have not been able to prevent a decline in economic performance and the spread of COVID-19. Therefore, local governments need to evaluate the implementation of policies and programs to optimize their effectiveness. Besides, they should establish coordination and cooperation with other stakeholders in helping MSMEs to revitalize their businesses. To increase the effectiveness of the MSMEs empowerment program, local governments need to improve coordination and cooperation with banks and other financial institutions in increasing budget absorption for economic recovery through the stimulation of funds for MSMEs.

Although the Regional Government is dynamically revising and refocusing the budget in line with developments in the spread of COVID-19 and the economic situation, efforts to increase budget absorption should become a priority. The higher the absorption of the budget for handling the impact of COVID-19 pandemic, the higher its effectiveness.

Finally, the presence of the Regional Government must be felt by the community to reduce the psychological impact of COVID-19 so that people can play an active role in overcoming the economic and social problems they are facing. Therefore, all channels and means of communication in society, both formal and informal, need to be utilized by the Regional Government to build participation and cooperation with the community and other stakeholders.

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