

# Covid-19 Pandemic as Momentum of National Economic Policy Reflection

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There are various responses from governments all over the world have responded to the impact of the Covid-19 pandemic on the economic sector. One of which is by providing fiscal stimulus.

According to Dr. Revrisond Baswir, MBA, as UGM Economist, concerning policies to restore the economy as before the pandemic, it is necessary to reflect on national economic policies and correct systemic weaknesses.

"The pandemic moment must be used as a way to correct the national economy back to the mandate of the Basic Law," he said in an online Seminar on the Center for Community Democracy Studies UGM entitled "Challenges of Economic Democracy in the Pandemic Era" on Wednesday (6/17).

In the first beginning of the emergence of the Covid-19 case in Indonesia, the community did not see this pandemic as a serious and long-term impact. This is considered to be dangerous because according to him, from the upper society to the middle-low society, they have a strong tendency not to really understand or even not take the reality seriously as it is.



"That is troubling because we really do not know what will happen in the future. Perhaps, this pandemic may last not only for a year. Our realistic and honest understanding will cause us to be able to respond proportionally," he explained.

He cited predictions from several institutions on global economic growth in 2020. Last April, the IMF predicted the global economy would contract by minus three percent. Meanwhile, in June the World Bank made predictions of global economic growth at minus 5.2 percent, and OECD predictions sometime later called the minus 6 percent.

"I don't mean to exaggerate this prediction, but it also appears from this that even international institutions. In fact, there are indeed signs that this problem is serious," he said.

Expert Staff of UGM Center for Community Economic Studies, Dr. Hempri Suyatna, said that during the pandemic, Micro, Small and Medium Enterprises (MSMEs) faced some challenges, ranging from obstacles in the production process due to raw material and capital difficulties to distribution and marketing delays, which led to a reduction in income of up to 90 percent and termination of employment.


The New Normal, he said, emerged in response to economic pressure due to the pandemic.

"The New Normal in Indonesia is not because Indonesia is safe from Covid-19, but rather because of economic pressure," he said.

He regretted the policy related to MSME which was considered to cause a paradox. Hempri explained some policy recommendations, including the development of new stimulus for MSMEs, the grand design of local economic recovery, as well as government commitment and policy transparency regarding the handling of Covid-19.

On the same occasion, UGM Anthropology lecturer, Dr. Laksmi Adriani Savitri, delivered a presentation related to food pandemic and globalization. Pandemic, she explained, exacerbated the problem of hunger which had become a major issue in various countries in the world before the pandemic, including in Indonesia.

However, this crisis could be a turning point and open up opportunities for food globalization. In the scope of civil society, he explained, survivors and resilient social groups have grown the seeds of deglobalization by strengthening local solidarity, networking, and collectivity such as returning to local food and developing nested markets.



Meanwhile, the government, according to her, could restructure the food industry by supporting and encouraging the formation of cooperatives producing foodstuffs and artisanal healthy foods, and not using genetic engineering products.

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