

The Governments Efforts To Save The States Financial Economic During The Covid -19 Pandemic

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ABSTRACT

The extraordinary condition of the pandemic prompted various countries to take extraordinary steps in order to save the people and their economy, such as carrying out a fiscal expansion policy, loose monetary policy, lowering Central Bank interest rates, accompanied by pumping liquidity or other measures. quantitative easing, as well as relaxation of regulations in the financial sector. These various efforts are made to be able to maintain and protect people's lives and the economy, the government provides regulatory protection, namely the issuance of Perppu No. 1 of 2020 and Law No. 2 of 2020. Issuance of Law (UU) No. 2 of 2020 concerning State Finance Policy and Financial System Stability for Handling the Covid-19 Pandemic is intended to provide protection for people's lives which are very seriously threatened by the spread and spread of Covid-19, both from the aspect of life safety due to health and safety threats, as well as the social and economic life of the community. All policies in Law Number 2 of 2020, especially policies in the field of state finances that have been implemented at this time, have been based on assessments and using factual data on the impact of the Covid-19 threat to society and the state.

Keywords: Government, Pandemic, Economy, State

A. Introduction.

Government Regulation in Lieu of Law or commonly abbreviated as PERPPU¹ is the prerogative of the President as the head of state and also the highest authority of the government to stipulate government regulations in lieu of law in matters of compelling urgency, this prerogative is enshrined in Article 22 paragraph (1) of the 1945 Constitution.²

In the hierarchy of laws and regulations, Perppu is in line with or equal to laws after the 1945 Constitution. Therefore, Perppu can also carry out the orders of the 1945 Constitution of the Republic of Indonesia. Article 1 paragraph (4) of Law No. 12 of 2011 concerning Formation of Legislative Regulations, it is stated that Government Regulations in Lieu of Laws are Legislative Regulations stipulated by the president in matters of urgency that compel.

The state condition that allows the formation of a Perppu is an abnormal situation (emergency), where in an emergency situation legal norms that are also of a special nature apply which need separate regulations regarding the

¹ Meriam Budiardjo. 1996. *Demokrasi di Indonesia: Demokrasi Parlemerter dan Demokrasi Pancasila*, Cet. 2. Jakarta: Gramedia, hlm.37

² Undang undang Negara Republik Indonesia 1945

conditions, procedures for its implementation, as well as things that are allowed and not allowed. may be carried out in an emergency, it needs to be clearly regulated so as not to give the opportunity/opportunity for abuse of authority to arise which is contrary to the 1945 Constitution of the Republic of Indonesia..³

The position of Government Regulation in Lieu of Law (PERPPU) in Indonesia is often controversial, both in terms of its formation and in terms of its implementation. This is considering that the Indonesian legal system tends to be positivistic, where the dominance of written texts in regulations is more dominant..⁴

According to the explanation of the 1945 Constitution, a Perppu needs to be enacted so that the safety of the state can be guaranteed by the government in a critical situation. Thus, the stages of issuing a perppu are carried out in the following:

1. There is a dangerous situation or emergency situation.
2. This situation can threaten the safety of the state if the government as the community's representative does not immediately take concrete action.
3. As a result of this situation, immediate government action is needed because waiting for the mechanism by the DPR will take a long time. However, the provisions that regulate in detail regarding the conditions of urgency that compel in the legislation do not exist so that the Perppu can be misused at any time by the incumbent President for the benefit of his power shortly before the discussion at the DPR level..⁵

Based on the Constitutional Court Decision No. 138/PUU-VII/2009, there are three conditions as parameters for the existence of a “forceful urgency” for the President to stipulate a Perppu, namely:

1. The existence of circumstances, namely an urgent need to resolve legal issues quickly based on the Act;
2. The required law does not yet exist so that there is a legal vacuum, or there is a law but it is not sufficient;
3. The legal vacuum cannot be overcome by making laws procedurally because it will take quite a long time while the urgent situation requires certainty to be resolved.

³ Maruarar Siahaan, Uji Konstitusional Peraturan Perundang-undangan negara kita: Masalah dan Tantangan, Jurnal *Konstitusi* Vol.VII No.4 Tahun 2010, hlm.36

⁴ Jimly Asshiddiqie. 2006. Sengketa Kewenangan Konstitusional Lembaga Negara. Jakarta: Konstitusi Pers, hlm. 163.

⁵<https://law.uad.ac.id/menilik-pasal-kontroversi-pada-perppu-nomor-1-tahun-2020-dalam-perspektif-hukumpidana/>

B. Focus Of Problems

Based on the background described above, the problems in this research are:

1. What is the basis for the issuance of Perppu No.1 of 2020 concerning “State Financial Policy and Financial System Stability for Handling the 2019 Corona Virus Disease (Covid-19) Pandemic and/or in Facing the Threats Endangering the National Economy and/or Financial System Stability” complies with the Indonesian legal system?
1. What are the policy steps taken by the government in overcoming the economic crisis during the pandemic?

C. Methode of Research

To guarantee a truth, a research must use the right method, because it is a guideline in order to analyze the research data. The following are some of the methods used in this research.

Research approach. The approach used in this study, the authors use an approach that includes:

1. The statute approach, which is an approach method that is carried out by reviewing all laws and regulations related to the legal issue being studied. The results of the study are an argument for solving the issues at hand.⁶
2. Conceptual approach, this is because in research like this, an approach is used that departs from a theory, the ideas of experts, as well as the understanding of researchers based on their experiences, which are then developed into problems and their solutions that are proposed to obtain justification. (verification) in the form of empirical data support.⁷

Secondary sources of legal materials, namely legal materials that provide instructions or explanations for primary legal materials in the form of written literature relating to the subject matter of this study, either in the form of books, papers, research reports, articles, newspapers and so on. related to Perppu No.1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease (Covid-19) Pandemic and/or In Facing Threats That Endanger the National Economy and/or Financial System Stability.

⁶ Soemitro, Ronny Hanitijo, 1994, *Metodologi Penelitian Hukum dan Yurimetri*, (Jakarta: Ghalia Indonesia);

⁷ *ibid*

D. Finding & Discussion

1. Basis for Issuing Perppu No.1 of 2020 concerning “State Financial Policy and Financial System Stability for Handling the 2019 Corona Virus Disease Pandemic (Covid-19).

Law as a tool to achieve state goals, apart from being based on the five principles (Pancasila), must also function and always be based on the four principles of legal ideals (rechtsidee).⁸, are :

- a. protect all elements of the nation (nation) for the sake of integrity (integration);
- b. realizing social justice in the economic and social fields;
- c. realizing people's sovereignty (democracy) and the rule of law (nomocracy);
- d. creating tolerance on the basis of humanity and civility in religious life.

The four principles of legal ideals must always be the general principle that guides the realization of the ideals and goals of the state, because legal ideals are a normative and constitutive belief framework. The ideal of law is normative because it functions as the base and ideal prerequisite that underlies every positive law, and is constitutive because it directs the law and the goals to be achieved by the State. Based on the aspirations of the people to be achieved which are crystallized in the goals of the state, the basis of the state, and the ideals of the law, it is necessary to have a national legal system that can be used as a platform or foothold and framework for national legal politics. In this case, an understanding of the Indonesian national legal system or the Indonesian legal system needs to be developed.

The system is a unit consisting of parts that depend on each other to achieve certain goals. Many give a definition of the term system. Some say that the system is a whole consisting of many parts or components that are intertwined in a relationship between one component and another on a regular basis. Meanwhile, national law is a law or statutory regulation that is formed and implemented to achieve the goals, principles, and legal ideals of a country. In this context, Indonesian national law is a legal entity or statutory regulation that was built to achieve the goals of the state which are based on the Preamble and the Articles of

⁸ Jimly Asshiddiqie. 1994. *Gagasan Kedaulatan Rakyat dalam Konstitusi dan Pelaksanaannya di Indonesia*. Jakarta: Ghalia Indonesia, hlm. 59-62

the 1945 Constitution. Because, in the Preamble and the Articles of the Constitution, the objectives, basis and ideals are contained. Indonesian law. It contains the distinctive cultural values of the Indonesian nation that have grown and developed in the awareness of social life for centuries.

Thus, the Indonesian national legal system is a legal system that applies throughout Indonesia which includes all legal elements (such as content, structure, culture, facilities, statutory regulations, and all sub-elements) which are mutually dependent and sourced from one another. from the Preamble and the Articles of the 1945 Constitution. The issues at issue in the legal system include five things, namely:

- a. Elements or elements of the legal system;
- b. Consistency of the legal system; basic notions of the legal system; and completeness of the legal system.

Five basic principles to achieve or realize the four goals of the state. The five basic principles of Pancasila (redefined by Jimly Asshidqy: 2003) include the precepts or principles of (i) Belief in One God; (ii) Just and Civilized Humanity; (iii) Indonesian Union; (iv) Democracy Led by Wisdom in Deliberation/Representation; and (v) Social Justice for All Indonesian People. The five precepts are used as the philosophical-ideological basis to realize the four ideals or ideals of the state, namely: (i) protecting the entire Indonesian nation and the entire homeland of Indonesia; (ii) improve general welfare; (ii) the intellectual life of the nation; and (iv) participate in carrying out world order based on freedom, eternal peace, and social justice.⁹

Currently, the Corona Virus Disease 2019 (COVID-19) pandemic that afflicts countries in the world has resulted in a global economy shrinking. Indonesia took the decision to establish large-scale social restrictions (PSBB) and PPKM (enforcement of restrictions on community activities) for certain areas. Of course, the restrictions on community activities in the context of breaking the Covid-19 chain have implications for weakening the activities of the business world. It is undeniable, as a result of this pandemic, many business actors have had to go out of business and were forced to lay off their workers.

⁹ Pembukaan UUD NRI 1945

The government has responded to this situation as a matter of urgency, based on a statement by the World Health Organization (WHO), by establishing regulations to regulate the financial stability of countries affected by the pandemic. The regulation is stated in Government Regulation in Lieu of Law of the Republic of Indonesia Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the 2019 Corona Virus Disease (Covid-19) Pandemic and/or In Facing Threats That Endanger the National Economy and/or Financial System Stability, which was subsequently implemented into Law No. 2 of 2020 concerning Stipulation of Government Regulations in Lieu of Law No. 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 (Covid-19) and/or Pandemic In the Context of Facing Threats That Endanger the National Economy and/or Financial System Stability, it becomes a law.¹⁰

Since its issuance, this Perppu has received various responses from all levels of society, from legal observers, economics, politics, and the general public. Some people gave positive responses because this perppu became a strong basis for the government to restore national economic instability.

However, not a few experts, legal experts, and constitutional observers have criticized the existence of this perppu, especially the provisions of Article 27 which seem to give impunity to the Financial System Stability Committee (KSSK). In fact, the concern over the perppu was presented through the submission of a judicial review to the Constitutional Court.¹¹

This is because Article 27 of the Perppu confirms several provisions. First, regarding the provisions on state losses. Second, KSSK cannot be prosecuted criminally or civilly. Third, the action/decision based on the Perppu is not the object of the State Administrative Court.

2. Policy Steps Taken By the Government in Overcoming The Economic Crisis During The Pandemic

¹⁰ Undang-Undang No.2 Tahun 2020 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 1 Tahun 2020 tentang Kebijakan Keuangan Negara dan Stabilitas Sistem Keuangan Untuk Penanganan Pandemi *Corona Virus Disease* 2019 (Covid- 19) dan/atau Dalam Rangka Menghadapi Ancaman Yang Membahayakan Perekonomian Nasional dan/atau Stabilitas Sistem Keuangan menjadi Undang-Undang

¹¹ <https://mediaindonesia.com/politik-dan-hukum/305638/judicial-review-perppu-nomor-1-tahun-2020-diapresiasi>

At the end of March 2020 the President announced Perppu 1/2020 and the DPR gave approval for Perppu 1/2020 to become a law on May 12, 2020. Based on this Perppu, the government refocused and relocated the budget in the 2020 APBN in accordance with the provisions in Article 2 attachment of Law 2/2020, and The change in the posture of the 2020 APBN was ratified through a Presidential Regulation referring to Article 12 of the attachment of Law 2/2020. So in 2020, the government issued Presidential Regulation 54/2020 concerning Posture and Details of the 2020 State Budget, and it was changed again through Presidential Regulation 72/2020 concerning Amendments to Presidential Regulation 54/2020.

In the consideration in Law Number 2 of 2020 are:

- a. that the spread of Corona Virus Disease 2019 (COVID-19) which is declared by the World Health Organization (World Health Organization) as a pandemic in most countries around the world, including in Indonesia, shows an increase from time to time and has caused fatalities, as well as material losses that are getting bigger, so that it has implications for social, economic, and community welfare aspects;
- b. that the implications of the Corona Virus Disease 2019 (COVID-19) pandemic have had an impact on, among other things, a slowdown in national economic growth, a decrease in state revenues, and an increase in state spending and financing, so that 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 for the business world and affected communities;
- c. that the implications of the Corona Virus Disease 2019 (COVID-19) pandemic have also had an impact on the deterioration of the financial system as indicated by a decrease in various domestic economic activities, so that the Government and the Financial System Stability Committee (KSSK) need to jointly mitigate them to take anticipatory actions (forward looking). in order to maintain financial sector stability;
- d. that based on the considerations as referred to in letters a, b, and c in order to overcome the pressing urgency, the President in accordance with his authority based on the provisions of Article 22 paragraph (1) of the 1945 Constitution of the Republic of Indonesia has stipulated a Government Regulation in Lieu of Law No. 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 (COVID-19) Pandemic and/or in the context of dealing with Threats that endanger the National Economy and/or Financial System Stability on March 31, 2020;
- e. that based on the considerations as referred to in letters a to d, it is necessary to enact a Law concerning Stipulation of Government Regulations in Lieu of Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 (COVID-19) Pandemic. and/or in the context of dealing with Threats that endanger the National Economy and/or Financial System Stability, it becomes a law;

The issuance of Law (UU) Number 2 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Covid-19 Pandemic is intended to provide protection for people's lives which are very seriously threatened by the spread and spread of Covid-19, both from the aspect of life safety because threats to health and safety, as well as to the social and economic life of the community. All policies in Law Number 2 of 2020, especially policies in the field of state finance that have been implemented at this time, have been based on assessments and using factual data on the impact of the Covid-19 threat to society and the state.

The explanation was revealed by the Minister of Finance (Menkeu) Sri Mulyani Indrawati who was present to convey the President's Preliminary Statement on the Request for Judicial Review of Law Number 2 of 2020 concerning the Stipulation of Government Regulation in Lieu of Law (Perppu) Number 1 of 2020 in the Constitutional Court Session which was held online. on Thursday (08/10).¹²

"The government is of the opinion that Law Number 2 of 2020 does not at all harm the constitutional rights of the petitioners. Thus, the applicant cannot fulfill the five cumulative conditions related to the loss of constitutional rights and or authority to file a judicial review by the Court. On the contrary, the enactment of Law Number 2 of 2020 is an effort to fulfill the constitutional rights of the petitioners to receive protection and a decent living during an extraordinary disaster due to the Covid 19 pandemic," explained the Minister of Finance..¹³

On this occasion, the Minister of Finance explained the background of the issuance of Perppu No. 1 of 2020. Extraordinary conditions prompted various countries to take extraordinary steps in order to save society and their economy, such as carrying out fiscal expansion policies, monetary policies that are loose, lowering Central Bank interest rates, accompanied by pumping liquidity or quantitative easing measures, as well as relaxing regulations in the financial sector. These various efforts are made to be able to maintain and protect people's lives and the economy.

"The Indonesian economy has been under heavy pressure even with the start of the Large-Scale Social Restrictions (PSBB) in mid-March. This step causes

¹² <https://nasional.sindonews.com/read/25893/18/lima-catatan-untuk-perppu-nomor-1-tahun-2020-1589277954>

¹³ <https://nasional.sindonews.com/read/25893/18/lima-catatan-untuk-perppu-nomor-1-tahun-2020-1589277954>

economic growth in the first quarter to drop to only 2.97 percent from the usual range of five percent," said the Minister of Finance.

In fact, the global financial market turmoil caused capital outflows from the Indonesian financial markets amounting to Rp. 148.8 trillion, an increase in the yield of 10-year government securities by more than eight percent, a weakening of the JCI by almost 28 percent, the rupiah exchange rate touching Rp. 16 thousand per US dollar, and depreciation. 17.6 percent year to date at the end of March 2020.

"The quarterly economic conditions which were followed by a strict and full PSBB led to a sharp decline in our economy in the second quarter to minus 5.3 percent. Where all economic components from household consumption, investment, export-import activities experienced a very sharp contraction. To deal with the spread of "Covid-19 and the very large impact that threatens socio-economic conditions, the impact that can cause a domino effect that can also pose a threat to financial system stability. The government and the financial sector authorities see the need to take extraordinary or extraordinary steps quickly and significantly," said the Minister of Finance.

The implementation of extraordinary steps is intended to create preventive actions and carry out the handling of Covid-19 which requires adequate legal products as the basis for policy making. The government together with the financial sector authorities believe that the most adequate legal product to overcome the coercive urgency of Covid-19 is in the form of a Perppu based on the provisions of Article 22 paragraph 1 of the 1945 Constitution regarding the urgency of coercion..¹⁴

" By the conditions, the purpose of establishing Perppu Number 1 of 2020 is actually a form of state presence in order to deal with the problems of the Covid-19 pandemic. Perppu Number 1 of 2020 provides a legal basis for the Government in setting extraordinary policies and measures in the field of state finances as well as forward-looking anticipatory actions against the threat of a deteriorating economy and threats to financial system stability in line with uncertainty and the unfinished spread of Covid-19 .

What is interesting to learn is that in Perpu Number 1 of 2020 in Article 27 are :

¹⁴ Undang undang dasar 1945

1. Costs that have been incurred by the Government and/or KSSK member institutions in the context of implementing state revenue policies including policies in the field of taxation, state expenditure policies including policies in regional finance, financing policies, financial system stability policies, and national economic recovery programs, are part of the economic costs to save the economy from the crisis and not a loss to the state.
2. Members of the KSSK, Secretary of KSSK, members of the KSSK secretariat, and officials or employees of the Ministry of Finance, Bank Indonesia, the Financial Services Authority, and the Deposit Insurance Corporation, and other officials, related to the implementation of this Government Regulation in Lieu of Law, cannot be prosecuted. both civilly and criminally if in carrying out the task it is based on good faith and in accordance with the provisions of the legislation.
3. All actions, including decisions taken based on this Government Regulation in Lieu of Law, are not objects of a lawsuit that can be submitted to the state administrative court.

E. Conclusions

Perppu Number 1 of 2020 and Law No. 2 of 2020 provide a legal basis for the Government in setting extraordinary policies and measures in the field of state finances as well as forward-looking anticipatory actions against the threat of a deteriorating economy and threats to financial system stability in line with uncertainty. and the spread of Covid-19 is not over. The role played by the government in overcoming saving the country's economy during the pandemic is quite extraordinary. We give a thumbs up, because with good coordination, finally, in 2021, the Indonesian state will be able to stabilize the country's economy due to massive budget refocusing.

Costs that have been incurred by the Government and/or KSSK member institutions in the context of implementing state revenue policies including policies in the field of taxation, state spending policies including policies in regional finance, financing policies, financial system stability policies, and national economic recovery programs, are part of the economic costs to save the economy from the crisis and not a loss to the state.

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<https://mediaindonesia.com/politik-dan-hukum/305638/judicial-review-perppu-nomor-1-tahun-2020-diapresiasi>

<https://nasional.sindonews.com/read/25893/18/lima-catatan-untuk-perppu-nomor-1-tahun-2020-1589277954>

Sumber bahan hukum tersier, yakni bahan hukum yang memberikan petunjuk atau penjelasan terhadap bahan hukum primer dan bahan hukum sekunder, seperti Kamus

Hukum, dan Ensiklopedia.