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Reconfiguring Indonesia's Economic Policy: A Comprehensive Analysis of the COVID-19 Pandemic Response and the Transition to Post-Crisis Policy Equilibrium

Moch. Fauzie Said
Political Science Study Program, Faculty of Social and Political Sciences,
Universitas Brawijaya, Indonesia
mfauziesaid@ub.ac.id

Novy Setia Yunas
Political Science Study Program, Faculty of Social and Political Sciences ,
Universitas Brawijaya, Indonesia
novysetiayunas@ub.ac.id

Mochammad Alexander Mujiburrohman
Government Science Study Program, Faculty of Social and Political Sciences,
Universitas Brawijaya, Indonesia
malexanderm@ub.ac.id

Abstract

As COVID-19 reshaped fiscal policy boundaries globally, Indonesia's policy response offers a critical case for understanding crisis-driven structural transformation. This study evaluates the effectiveness and adaptability of Indonesia's fiscal, monetary, social, and digital policies from 2020 to 2024, examining how emergency measures evolved into sustainable governance configurations. This study employs a qualitative design using a systematic literature review and policy analysis, supported by policy tables, a risk matrix, and macroeconomic data, the study applies policy design and policy feedback frameworks as its analytical strategy. Findings reveal that National Economic Recovery (PEN), cash social assistance, the Omnibus Law, and accelerated digitalization directly cushioned economic contraction and expanded social protection. Indirectly, these measures institutionalized deficit flexibility and digital governance as enduring institutional arrangements. However, burden-sharing risks to monetary credibility, targeting inaccuracies, and persistent digital divides require structural correction. These findings imply that resilience-oriented governance demands not only responsive instruments but also inclusive institutional design. Grounded in Punctuated Equilibrium Theory and the Advocacy Coalition Framework, this study contributes a "new policy equilibrium" framework, demonstrating how cross-domain fiscal, monetary, and social interactions produce structural policy transformation, an analytical approach underrepresented in Indonesian pandemic policy literature.

Keywords: *economic policy, COVID-19 pandemic, new policy equilibrium, fiscal-monetary, social protection, digitalization.*

Corresponding author:
Moch. Fauzie Said, Universitas Brawijaya, Indonesia
mfauziesaid@ub.ac.id

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INTRODUCTION

The COVID-19 pandemic, which emerged in early 2020, became a multifaceted crisis that caused significant disruptions to the global economic order, including in Indonesia. This crisis forced the government to make a fundamental policy shift, from a long-term development orientation toward responsive and flexible emergency policies. Indonesia's economic growth, which in 2019 still reached 5.02%, dropped dramatically to -2.07% in 2020, marking the first recession since the 1998 monetary crisis (Lativa, 2022). This illustrates that the pandemic constituted not only a health crisis but also a policy crisis. The state is forced to formulate ad hoc strategies that have far-reaching implications for national development.

According to public policy theory, this situation aligns with Punctuated Equilibrium Theory (Baumgartner & Jones, 2009), which suggests that a crisis can lead to a significant shift in the policy agenda. The Indonesian government, which had previously emphasized physical infrastructure development and industrialization, had to immediately shift budget priorities to maintain people's purchasing power, mitigate economic contraction, and provide stimulus to the business sector. As noted by Madani and Hartaman (2022), the pandemic catalyzed the birth of emergency policies that had never been imagined before, both in terms of the scale of fiscal spending and the government's decision to relax deficit constraints (Romer, 2021).

This policy trajectory becomes even more significant as we enter the post-pandemic period. Since 2022, Indonesia's economic policies have shifted toward recovery, emphasizing sustainable development, digitalization of the economy, and structural reforms. The government began to restore the state budget deficit to the statutory limit below 3% of GDP 2023, while maintaining social protection programs and subsidies for vulnerable groups (Latifah & Rosyadi, 2024). This indicates that the 2020-2025 period is a unique timeframe: on the one hand, it is marked by emergency policies, but on the other hand, it lays the groundwork for the reform and repositioning of national leadership in managing the economy.

The Indonesian context demonstrates the range of policies implemented by the government. In the fiscal sector, the government issued the National Economic Recovery Program (PEN) in 2020 with an initial allocation of IDR 695.2 trillion, which later increased as the crisis progressed. This program includes health support, social protection, business incentives, MSME financing, and SOE support. Perppu No. 1/2020 became the legal basis for a budget deficit policy above 3% of GDP, which the State Finance Law previously prohibited. This reflected a paradigm shift toward aggressive fiscal expansion to contain the recession (Madani & Hartaman, 2022).

Meanwhile, in the monetary sector, Bank Indonesia took quantitative easing measures, lowered the benchmark interest rate, and carried out a burden-sharing scheme with the Ministry of Finance to buy government bonds in the primary market (Saputro & Fakhri, 2024). This policy demonstrates fiscal-monetary coordination, which is rare in normal practice but becomes a necessity in the face of a crisis.

These policies had direct socioeconomic impacts. Ridhwan et al. (2023) demonstrated, through a high-frequency data survey, that although the lockdown suppressed household economic activity, social assistance programs successfully contained the surge in extreme poverty. However, issues related to targeting accuracy and limited coverage of assistance remain serious concerns in the field. On the other hand, Maghfuriyah, Dewi, and Antono (2024) highlighted that the informal sector and MSMEs are the most severely affected groups, so incentive policies need to be directed more specifically.

Entering the 2022-2025 period, the government emphasized the agenda of fiscal consolidation, digital transformation, and transition to a green economy. Puriyati (2025) emphasized that Indonesia's economic recovery strategy is now oriented toward greater inclusivity and environmentally friendly, aiming to create sustainable development that not only recovers from the pandemic but is also prepared to face climate challenges and technological disruptions. Thus, the specific context of this research shows the real transformation of Indonesia's economic policy from emergency to recovery, with various social, political, and structural implications.

The above policy phenomenon raises important academic questions. From a policy theory perspective, the effectiveness of countercyclical policies in developing countries such as Indonesia remain to be tested (Elgin, 2025). Is massive fiscal stimulus truly effective in promoting long-term growth, or does it merely serve as a temporary shock absorber? Malahayati, Masui, and Anggraeni (2021) demonstrate that while fiscal intervention mitigates contraction, its impact on structural improvement is limited.

From a practical standpoint, concerns exist about policy imbalances. Distributed social assistance is often not well targeted, while MSMEs, which are the backbone of the national economy, still face limited access to financing (Ridhwan et al., 2023). In addition, post-pandemic recovery policies are increasingly macro-structural in orientation, thereby risking the exclusion of vulnerable groups who still need long-term protection (Putri et al., 2024). These concerns highlight the importance of evaluating policies from economic, leadership, and governance standpoints.

Although many studies have examined the impact of the pandemic on the Indonesian economy, significant knowledge gaps remain. First, most research has focused on macroeconomic analysis, while the leadership dimension of economic policy has been largely overlooked. Second, literature tends to emphasize the emergency phase of the pandemic, with relatively minimal comprehensive studies on the post-pandemic phase (2023-2025). Third, policy evaluations often lack adequate integration of fiscal, monetary, and social aspects. To understand the dynamics of policy as a whole, a study connecting all aspects within an integrated governance framework is needed.

This study is important for at least three reasons. First, the transition from emergency to consolidation policy has not been widely documented academically (Suryana et al., 2024). Second, the pandemic has created new socioeconomic inequalities, especially among vulnerable groups, in the informal sector, and among MSMEs. This requires policy evaluations to be more inclusive (Maghfuriyah et al., 2024). Third, without systematic reflection and documentation, Indonesia risks losing valuable lessons in crisis policy governance. This research is significant for the development of policy science and government practice in addressing similar crises in the future.

Based on these phenomena and concerns, this study asks: How were the Indonesian government's economic policies formulated, implemented, and evaluated during and after the 2020-2024 pandemic? This research aims to answer this question through a qualitative approach based on a literature study with an exploratory and interpretive perspective. Through this approach, the research is expected to present a reflective evaluation of Indonesia's economic policy practices and contribute to the theory of economic policy in developing countries.

LITERATURE REVIEW

Many studies have examined Indonesia's economic policies during and after the pandemic. Initially, research focused on the short-term effects of the pandemic on the national economy. For example, Malahayati, Masui, and Anggraeni (2021) arguethat the significant economic downturn in 2020 affected not only GDP growth but also resulted in environmental problems. These findings suggest that recovery efforts should incorporate ecological considerations. Meanwhile, Lativa (2022) highlighted Indonesia's recession, demonstrating the limited resilience of its economic structure in the face of global shocks.

Regarding fiscal policy, Madani and Hartaman (2022) emphasized that the National Economic Recovery Program (PEN) is the primary means of maintaining people's purchasing power and supporting business sector sustainability. Latifah and Rosyadi's (2024) study then analyzed post-pandemic fiscal policy by highlighting the shift from emergency measures to fiscal consolidation. Their analysis reveals the dynamics of policy change from large-scale expansion toward fiscal consolidation, in line with the mandate of the State Finance Law. Besides the fiscal aspect, many studies have also pointed out the monetary aspect. Saputro and Fakhri (2024) demonstrate that Bank Indonesia plays an active role through low-interest-rate policies, quantitative easing, and burden-sharing schemes with the Ministry of Finance. These monetary policies proved important in maintaining financial market stability and strengthening fiscal-monetary coordination.

At the micro socioeconomic level, Ridhwan et al. (2023) examined the effects of lockdowns on household income and consumption using high-frequency data. Their findings confirm that social assistance can reduce poverty spikes, but its effectiveness is limited due to targeting issues. Consistent with these findings, Maghfuriyah, Dewi, and Antono (2024) emphasized that MSMEs are the most vulnerable sector, so economic stimulus needs to be directed more inclusively.

In the post-pandemic phase, the focus of research began to shift. Purniyati (2025) emphasized the importance of recovery policies that prioritize inclusiveness and environmental sustainability. Meanwhile, Suryana et al. (2024) showed significant changes in Indonesia's economic development planning, especially in promoting digitalization and energy transition. Research by Putri et al. (2024) also indicates that the dynamics of recovery are influenced by the global governance framework that links national recovery with integration into the international economy.

Based on these studies, it seems that much of the existing scholarship on Indonesia's economic policies during the pandemic have highlighted short-term effects on both the macroeconomy and vulnerable sectors. However, most research centers on the technical details of fiscal, monetary, and social policies without paying enough attention to the leadership aspect in shaping and implementing policies. In fact, public policy theory emphasizes that the success of a policy heavily depends on the interaction of actors and leadership styles that foster consensus (Sabatier & Weible, 2014).

While most studies have focused on the early phase of the pandemic (2020-2021), few provide detailed assessments of the post-pandemic transition period (2022-2025). This period is crucial for understanding how emergency policies transform into long-term development goals such as fiscal consolidation, digitalization, and the energy transition. In other words, research favors the crisis phase over the recovery phase, creating a temporal bias.

Furthermore, previous studies have tended to be limited in scope. For example, the study by Madani and Hartaman (2022) focused solely on fiscal recovery, while Saputro and Fakhri (2024) concentrated on monetary policy, and Ridhwan et al. (2023) examined the household level without linking it to the broader policy context. This analytical fragmentation hinders a comprehensive understanding of how Indonesia's economic policies for the 2020-2025 period were formulated and implemented in an integrated manner. From this critical review, at least three substantive gaps have been identified: the leadership dimension in Indonesia's economic policies during and after the pandemic has not been explicitly examined; the post-pandemic phase (2022-2025) has received relatively little attention, even though this period is crucial for assessing policy sustainability; and the integration of fiscal, monetary, and social policies has not been thoroughly analyzed because the existing literature remains sector-specific.

Leadership as a Critical Analytical Dimension in Crisis Governance

While existing literature has addressed technical aspects of Indonesia's pandemic policies, the leadership dimension remains underexplored analytically. Leadership in economic policymaking during crises extends beyond formal decision-making authority and encompasses three interrelated dimensions: (1) strategic vision, the capacity to articulate long-term goals amid uncertainty (Ansell, Boin, & 't Hart, 2014); (2) adaptive coordination, the ability to orchestrate multi-stakeholder coalitions and resolve inter-institutional conflicts (Crosby & Bryson, 2017); and (3) legitimacy building, maintaining public trust through transparent communication and inclusive governance (Boin et al., 2016).

In the Indonesian context, presidential leadership during 2020-2024 operated across these three dimensions simultaneously. Strategic vision was manifested in the transition from immediate crisis containment (PEN Program) to structural transformation agendas (Omnibus Law, downstream industrialization). Adaptive coordination appeared in the unprecedented fiscal-monetary burden-sharing scheme, requiring negotiation among the Ministry of Finance, Bank Indonesia, and Parliament, an institutional arrangement that challenged conventional central bank independence norms (Indrawati et al., 2024). Legitimacy building faced challenges, particularly in social protection targeting, where data inaccuracies undermined public confidence despite substantial budget allocations (Ridhwan et al., 2023).

This study operationalizes leadership through policy outputs (what decisions were made), process analysis (how coalitions formed and conflicts were resolved), and outcome evaluation (whether policies achieved stability and inclusiveness). By integrating leadership analysis with PET and ACF frameworks, the research reveals how individual agency (presidential directives, ministerial coordination) interacts with structural forces (fiscal constraints, institutional path dependencies) to produce Indonesia's specific policy trajectory.

The novelty of this research is that it presents an analysis that combines public policy theory, namely Punctuated Equilibrium Theory (Baumgartner & Jones, 2009), to explain drastic changes due to the crisis, and the Advocacy Coalition Framework (Sabatier & Weible, 2014) to analyze actor and leadership dynamics, with the evaluation of Indonesia's 2020-2024 economic policy. Thus, this research not only describes policies but also evaluates them from a leadership and governance perspective.

The theoretical framework of this study is based on two main theories. First, Punctuated Equilibrium Theory (PET) highlights that a major crisis can initiate sudden shifts in policy agendas (Baumgartner & Jones, 2009). The COVID-19 pandemic served as a "triggering event" that compelled the Indonesian government to implement expansionary fiscal policies and coordinate fiscal and monetary strategies. According to this theory, policy systems generally operate in a stable state (equilibrium), where existing policies are maintained with minimal incremental changes. However, when a significant crisis like the COVID-19 pandemic occurs, it causes a punctuation or disruption that prompts rapid and substantial policy reforms. PET also explains why, after the pandemic (2022-2025), the government returned to fiscal consolidation. Once the crisis phase eased, the policy system aimed for a new point of stability. The effort to lower the state budget deficit below 3% in 2023 (Latifah & Rosyadi, 2024) reflects an attempt to establish a new equilibrium in fiscal governance. Therefore, this theory helps explain the shift from emergency response policies to more stable recovery strategies.

Second, the Advocacy Coalition Framework (ACF) views policy as the outcome of interactions among a coalition of actors, with leadership functioning as a key coordinating force (Sabatier & Weible, 2014). In Indonesia's case, the pandemic required coordination among various actors within the economic policy framework. The central government, through the Ministry of Finance, is the primary actor shaping fiscal policies, while Bank Indonesia plays a significant role on the monetary side through burden sharing and quantitative easing (Saputro & Fakhri, 2024). The policy coalition also includes the DPR as the legislative body that approves emergency measures, along with interest groups like business associations and MSMEs that press the government to expand stimulus measures (Maghfuriyah et al., 2024).

Integrative Framework: PET and ACF as Complementary Lenses

PET and ACF should be understood not as competing frameworks, but as complementary analytical lenses in analyzing Indonesia's policy transformation. PET provides the macro-temporal logic: explaining when and why radical policy shifts occur (the punctuation triggered by COVID-19) and how systems seek new equilibria after disruption. ACF supplies the micro-political logic: explaining who drives policy changes, how coalitions form around competing beliefs, and what mechanisms translate crisis windows into concrete policy outputs (Weible & Sabatier, 2017).

The integration operates across three analytical levels. At the systemic level, PET identifies COVID-19 as an exogenous shock that disrupted policy equilibrium, while this disruption simultaneously opened a policy window (Perry & Kingdon, 1985), disrupting Indonesia's fiscal orthodoxy (3% deficit ceiling) and central bank convention (no direct monetization). At the coalition level, ACF maps how this window was exploited by different actor groups: technocrats in the Ministry of Finance advocated aggressive stimulus, while Bank Indonesia initially resisted burden-sharing on credibility grounds, while Parliament demanded expanded social protection. At the outcome level, the synthesized framework explains how the resulting policies (PEN, Perppu 1/2020, burden-sharing scheme) represent both punctuated institutional change (through temporary suspension of fiscal rules) and coalition compromise (limiting burden sharing to specific instruments and sunset clauses).

Empirically, this integration allows the study to trace policy evolution through distinct phases: punctuation phase (2020: emergency measures driven by crisis urgency), coalition contestation phase (2021-2022: debates over stimulus extension vs. consolidation), and re-equilibration phase (2023-2024: institutionalizing selective reforms while restoring fiscal discipline). Neither framework independently captures this policy trajectory in full: PET would miss the intra-government negotiations that shaped specific policy instruments; ACF would miss the temporal rhythm dictated by crisis severity and recovery stages.

By combining PET and ACF, this research positions Indonesia's economic policy from 2020 to 2025 as the outcome of the interplay between structural factors (crisis and transition) and actor factors (leadership and coalition). This framework will guide the analysis in addressing the main question: how the Indonesian government's economic policies during the pandemic and afterward are formulated, implemented, and evaluated within the context of national leadership. The following framework (conceptual diagram) links Punctuated Equilibrium Theory (PET) and Advocacy Coalition Framework (ACF) with the economic policy process (formulation, implementation, evaluation) in Indonesia from 2020 to 2025.

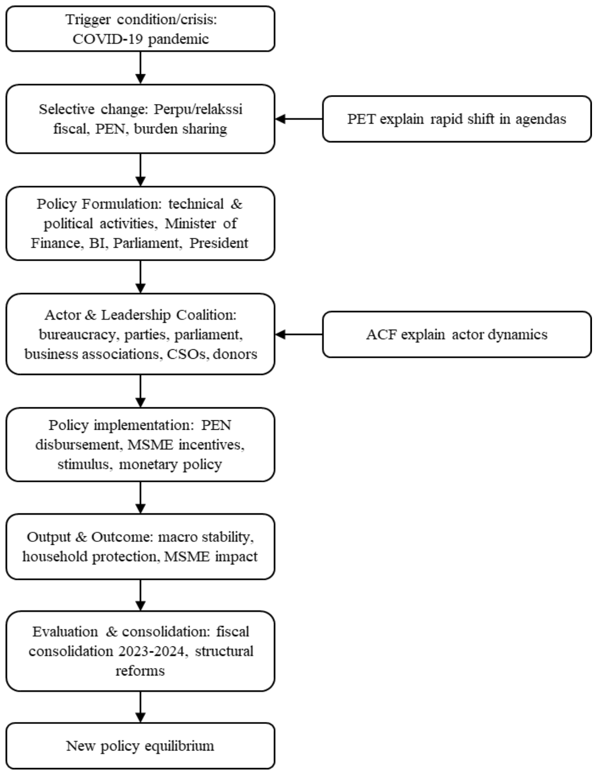

Figure 1: **Conceptual Framework for Evaluating Indonesia's Economic Policy (2020-2025)**

Source: Compiled by the author (2025)

Figure 1 explains how Indonesia's economic policy shifted during the COVID-19 pandemic by using various public policy analysis frameworks. The pandemic acts as a trigger or crisis that prompts rapid and major policy changes. From the perspective of Punctuated Equilibrium Theory (PET), this pandemic causes punctuated change through actions like issuing Government Regulation in Lieu of Law (Perppu), relaxing fiscal policies, implementing the National Economic Recovery Program (PEN), and establishing a burden-sharing scheme between the government and Bank Indonesia. These sudden shifts eventually lead to the formation of a new policy equilibrium.

To understand the actors' dynamics, the Advocacy Coalition Framework (ACF) is also used. In this context, the policy formulation process involves both technical and political activities of various actors, including the Ministry of Finance, Bank Indonesia, the House of Representatives, and the President. The coalition of actors and leadership includes not only the bureaucracy and political parties but also business associations, civil society organizations (CSOs), and international donor agencies. This demonstrates that the pandemic created opportunities for cross-actor collaboration in policy development.

At the policy implementation stage, policy implementation included the disbursement of PEN funds, providing incentives for MSMEs, offering fiscal stimulus, and regulating monetary policy. All these measures aim to sustain macroeconomic stability while protecting households and MSME players, who are the most affected groups.

Furthermore, as Indonesia enters the evaluation and consolidation phase in 2023-2024, its economic policy focuses on fiscal consolidation and structural reforms. This review is crucial to ensure that emergency policies created during the crisis can evolve into more sustainable and adaptable strategies.

Overall, the results and effects of the policy can be seen in achieving macro stability, protecting households, and mitigating the adverse impacts on MSMEs. The PET framework explains why there is a quick shift in the policy agenda, while the ACF describes the interactions between actors during policy formulation, implementation, and evaluation.

METHOD

This study employs a qualitative research design using a literature-based analytical approach. A qualitative design was selected because it enables an interpretive and reflective examination to understand the phenomenon of the Indonesian government's economic policy during the COVID-19 pandemic and post-pandemic in an interpretative and reflective manner. As emphasized by Creswell & Poth (2018), qualitative research allows researchers to capture the meaning behind texts, documents, and policy narratives that cannot be adequately captured through quantitative analysis alone. A literature-based method was adopted because the study focuses on comparative and evaluative analysis of scientific publications, official policy documents, and academic literature published between 2020 and 2025.

Literature Selection Protocol

The literature selection followed a systematic four-stage process adapted from the PRISMA 2020 guidelines (Page et al., 2021). Stage 1 (Identification): The initial search was conducted across five databases, Scopus, Web of Science, Google Scholar, Indonesia OneSearch, and the Garuda Portal, using keywords: (“Indonesia”) AND (“COVID-19” OR “pandemic”) AND (“economic policy” OR “fiscal policy” OR “monetary policy” OR “social protection”). Timeframe: publications from January 2020 to December 2024. This yielded 487 documents. Stage 2 (Screening): Applied inclusion criteria: (a) published in peer-reviewed journals or reputable institutional reports (World Bank, IMF, OECD, Bank Indonesia); (b) focus on Indonesia's economic policy responses to COVID-19; (c) provide empirical data or policy analysis (excluding pure opinion pieces); (d) available in English or Bahasa Indonesia. Exclusion criteria: (a) studies focusing solely on health/medical aspects without economic analysis; (b) policy advocacy documents without analytical rigor; (c) news articles or non-academic media. This reduced the corpus to 143 documents. Stage 3 (Eligibility): Full-text review assessed relevance to research questions. Documents retained must discuss at least one of the following: policy formulation process, implementation mechanisms, fiscal-monetary coordination, social protection outcomes, or leadership / governance dimensions. Grey literature (government reports, policy briefs) was included only if cited in academic publications or issued by authoritative institutions. This yielded 67 core references. Stage 4 (Synthesis): Final selection prioritized: (a) comprehensiveness (covering multiple policy domains); (b) methodological rigor (clear data/methods); (c) temporal coverage (addressing 2020-2024 period); (d) theoretical contribution (linking to policy frameworks). Supplementary sources included official documents (Perppu 1/2020, PEN Program Reports, Ministry of Finance Budget Statements 2020-2024, Bank Indonesia Annual Reports) and macroeconomic datasets from BPS and World Bank Open Data.

Quality assurance: For journal articles, priority is given to Scopus/WoS-indexed publications and nationally accredited journals (Sinta 1-2). For grey literature, cross-validation is performed by comparing data across multiple institutional sources. Disagreements in data interpretation were noted and addressed through triangulation.

The final dataset consisted of both academic and policy-oriented sources, including peer-reviewed journal articles, government regulations, official policy reports, and international institutional publications. These sources were selected based on relevance, analytical rigor, and alignment with the study's thematic focus.

Data were analyzed using thematic analysis, which emphasizes the identification and interpretation of recurring patterns across the literature. First, literature, including journals, reports, and documents, that met the inclusion criteria were collected and selected, followed by open coding of text segments relevant to the analytical categories relevant to the analysis categories, including policy changes (PET), actor coalitions (ACF), leadership, implementation, and evaluation. The coded data were then grouped into major themes, such as emergency policies, fiscal consolidation, social protection, the role of leadership, and post-pandemic dynamics. Subsequently, an interpretive synthesis was conducted by linking the literature findings to the theoretical frameworks of Punctuated Equilibrium Theory (Baumgartner & Jones, 2009) and the Advocacy Coalition Framework (Sabatier & Weible, 2014). The final stage involved an evaluation of the study's novelty, which underscored its contribution to addressing gaps in the literature, particularly regarding the role of leadership in Indonesia's economic policies.

To maintain validity, the research used the principle of source triangulation, by comparing findings across different sources from international journals, national journals, and official government documents. In addition, this study also applies critical analysis by examining inconsistencies between studies, for example, between the effectiveness of social assistance programs (Ridhwan et al., 2023) and the issue of policy inequality (Maghfuriyah et al., 2024). Credibility was maintained through transparency in the literature selection process and consistent source tracking.

RESULTS AND DISCUSSION

The multidimensional crisis caused by the COVID-19 pandemic in the 2020-2025 period has become a stress test for state capacity, economic resilience, and the quality of national leadership. In this context, President Joko Widodo's strategic leadership emerged as a central factor in determining the direction and response of economic policy. Strategic leadership requires not only adaptive and responsive capacities to crisis dynamics, but also the capacity to design long-term solutions that are integrated and oriented towards structural transformation (Indrawati et al., 2024). Table 1 summarizes the main economic policies taken by the Indonesian government in the 2020-2024 period as a reflection of national strategic leadership:

Table 1 shows that the COVID-19 pandemic triggered fundamental changes in Indonesia's economic policy. In 2020, the economy contracted by -2.07%, the state budget deficit widened to 6.14% of GDP, and poverty increased to 10.19%. The government responded through the IDR 695.2 trillion National Economic Recovery Program (PEN) and the issuance of Perppu No. 1/2020, which removed the deficit limit of 3% of GDP. This policy marked a major shift from a conservative fiscal pattern towards expansion.

As the economy began to recover in 2021, economic growth rose to 3.69%, and the deficit fell to 4.65%, while poverty declined slightly to 9.71%. This momentum was used to advance strategic agendas, such as the Omnibus Law on Job Creation and digitalization of MSMEs, with the narrative of accelerating recovery and job creation.

In 2022-2023, growth stabilized at around 5%, the deficit was controlled at around 2.4%, and poverty decreased to

Table 1: **Indonesia's Major Economic Policies under President Joko Widodo (2020–2024)**

Year	Key Economic Policies	Strategic Objectives	Reflected Forms of Leadership
2020	PEN Program (Rp 695.2 trillion).	Macroeconomic stability and social safety net.	Responsive, adaptive, and visionary in crisis management.
2020	Perppu No. 1/2020, Law No. 2/2020.	Fiscal flexibility in emergencies.	Courageous and transformative in regulatory aspects.
2021	Omnibus Law on Job Creation.	Structural reforms and job creation.	Inclusive and transformative.
2021	MSME Digitalization Program.	Digital economic transformation and financial inclusion.	Progressive and collaborative.
2022	Nickel & Bauxite Downstream Strategy.	Value-added natural resources and industrialization.	Visionary and long-term.
2022-2023	Increased infrastructure spending (PSN).	Regional economic recovery and connectivity.	Pragmatic and result-oriented.
2023-2024	Fiscal incentives for the manufacturing and energy sectors.	National industry competitiveness.	Strategic and calculative.

Source: From various sources processed by the author, 2025

9.36%. The government took advantage of this condition to strengthen the downstreaming of natural resources, accelerate National Strategic Projects (PSN), and encourage infrastructure investment. Policies are directed toward the establishment of a new equilibrium through long-term industrialization .

Entering 2023-2024, the focus shifts from fiscal rescue to fiscal consolidation through fiscal incentives for the manufacturing and energy sectors, with the narrative of "energy independence" and strengthening industry. Overall, economic policy for 2020-2024 is divided into three phases: (1) emergency crisis response (PEN, Perppu 1/2020), (2) utilization of reform momentum (Omnibus Law, digitalization of MSMEs), and (3) long-term transformation policies (downstream, PSN, fiscal incentives). Macro stability has been maintained, but challenges remain regarding inclusiveness, benefit distribution, and social sensitivity.

The COVID-19 pandemic became a triggering event that forced the Indonesian government to make policy leaps outside the normal pattern. Before the pandemic, Indonesia's fiscal policy was relatively conservative, with the budget deficit kept below 3% of GDP as mandated by the State Finance Law. However, the pandemic triggered an extraordinary development: the government issued Perppu No. 1/2020, which allowed the deficit to exceed 3% of GDP. This enabled large-scale financing of the National Economic Recovery Program (PEN), which reached hundreds of trillions of rupiah.

Madani and Hartaman (2022) emphasize that the scale of fiscal spending launched was unprecedented in Indonesia's modern history. Bank Indonesia also took extraordinary steps in the monetary sector, such as burden sharing with the Ministry of Finance and quantitative easing (Saputro & Fakhri, 2024). This policy set an important precedent, marking a major shift in fiscal-monetary relations. Elgin (2025) argues that aggressive countercyclical policies were a logical response to the global recession.

Thus, from a PET perspective, the COVID-19 pandemic explains why there has been a fundamental shift in economic policy: from a conservative, stable pattern to an expansionary emergency policy.

Drastic policy changes cannot be separated from the dynamics of leadership and the interaction of policy actors. According to ACF, public policy is formed through a coalition of actors who have different beliefs and interests, with political leadership playing an important role as a consensus binder (Sabatier & Weible, 2014).

In the Indonesian context, the President and the Ministry of Finance led the fiscal policy direction, while Bank Indonesia provided support from the monetary side. The House of Representatives, as the legislative body, approved the emergency policy, albeit with intense debate regarding the potential for moral hazard. Business associations, the MSME sector, and civil society groups pressed for the stimulus to be expanded, while international organizations such as the IMF and World Bank provided policy recommendations.

Ridhwan et al. (2023) found that although social assistance was proven to curb the surge in poverty, the debate on targeting accuracy revealed contestation among policy actors. On the other hand, Maghfuriyah, Dewi, and Antono (2024) highlighted the weak protection for the MSME sector, which shows the limitations of government leadership in embracing all actors in the policy coalition.

However, post-pandemic, government leadership seems more focused on long-term agendas, such as energy transition and digitalization (Purniyati, 2025). This shows that the role of leadership is not only responsive to the crisis, but also normative in directing policies towards a vision of sustainable development.

Table 2 illustrates Indonesia's economic conditions from 2020 to 2023 through three main indicators: economic growth, state budget deficit, and poverty rate. In 2020, the COVID-19 pandemic had a very significant impact. Indonesia's economic growth contracted to -2.07%, which is one of the weakest performances in the last two decades. At the same time, the state budget deficit widened to 6.14% of GDP as the government had to spend heavily on economic recovery and health programs. The social impact was also evident as the poverty rate increased to 10.19%, reflecting the vulnerability of households due to job losses and declining incomes.

Table 2: **Indonesia's Economic Indicator (2020–2023)**

Year	Economic Growth (%)	State budget deficit (% of GDP)	Poverty Rate (%)
2020	-2.07	6.14	10.19
2021	3.69	4.65	9.71
2022	5.31	2.49	9.54
2023	5.05	2.38	9.36

Source: From various sources processed by the author, 2025

Entering 2021, economic conditions began to show recovery. Economic growth returned to positive 3.69%. The state budget deficit gradually decreased to 4.65% of GDP, signaling fiscal consolidation even though spending on economic recovery remained high. The poverty rate also declined to 9.71%, although it has not returned to its pre-pandemic position.

The year 2022 marked a stronger recovery phase. Economic growth reached 5.31%, indicating that economic activity returned to near-normal levels. Fiscal consolidation became more visible as the state budget deficit fell sharply to 2.49% of GDP. The poverty rate also declined slightly to 9.54%, as employment and purchasing power improved.

In 2023, economic growth remained solid at 5.05%, albeit slightly slower than the previous year. The state budget deficit is increasingly under control at 2.38% of GDP, reflecting stronger fiscal discipline in the post-crisis period. The poverty rate also continued to decline to 9.36%, signaling a slow improvement in household welfare.

Overall, these data show that Indonesia was able to emerge from the pandemic-induced economic contraction in 2020, then gradually recovered with steady growth above 5% in the last two years. Fiscal consolidation managed to reduce the state budg-

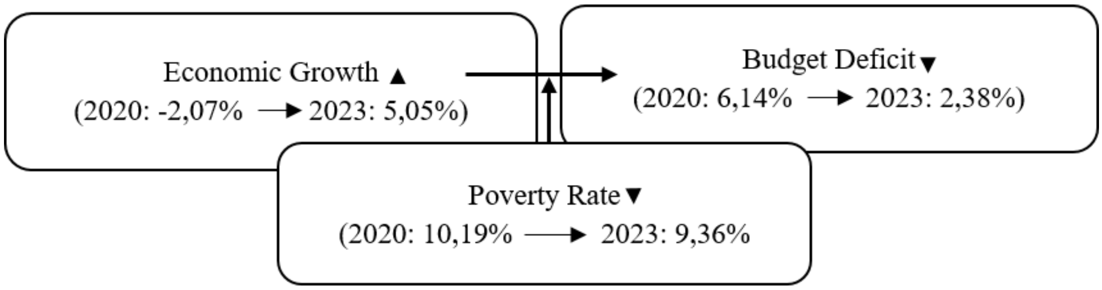

Figure 2: **Interrelation of Indonesia's Economic Indicators (2020-2023)**

et deficit, while social protection policies and economic recovery contributed to a reduction in the poverty rate despite structural challenges.

Figure 2 illustrates the interrelationship of Indonesia's economic indicators over the 2020-2023 period. It further shows that economic growth appears to support fiscal consolidation, and both contribute to poverty reduction. While challenges of cross-sector coordination and limited bureaucratic capacity remain, this pattern shows that the post-pandemic policy direction is relatively consistent in pursuing stability and long-term development.

Critical Interpretation Beyond Macroeconomic Stabilization

While the macro indicators in Table 2 and Figure 2 demonstrate successful stabilization, GDP growth rebounding to above 5% and deficit controlled below 2.5% by 2023, this apparent stability masks three structural tensions that raise concerns about the sustainability of the new equilibrium.

First, the fiscal-monetary credibility dilemma. The burden-sharing scheme, while effective in financing immediate stimulus, has created moral hazard expectations. As Freitag and Kramarz (2023) demonstrate in cross-country analysis, once central banks engage in quasi-fiscal operations, political pressure to repeat such measures during future downturns may intensify, eroding monetary independence.

Second, the targeting paradox in social protection. Table 4 shows that BST helped vulnerable communities, yet Ridhwan et al. (2023) found that 30-40% of recipients did not meet vulnerability criteria, while significant exclusion errors left eligible households unassisted. This reflects not merely a technical data problem but reflects deeper institutional fragmentation: Indonesia operates at least four separate social registries (DTKS, P3KE, e-Warong, and provincial systems) with limited interoperability (TNP2K, 2023). The apparent success in preventing poverty spikes thus came at high fiscal cost; had targeting been accurate, similar outcomes could have been achieved with 25-30% less spending, freeing resources for productivity-enhancing investments (Alatas et al., 2024).

Third, the inclusiveness gap in digitalization gains. While aggregate MSME digitalization rates increased (Table 4), distributional analysis reveals stark divides. Java-based MSMEs showed 68% e-commerce adoption by 2023, compared to only 31% in Eastern Indonesia (Nurarifin et al., 2024). The digital divide appears to correlate strongly with infrastructure access: areas with 4G coverage above 80% saw 3.2x higher digital transaction growth than sub-60% coverage regions. This means the "normalized digitalization" in the new equilibrium primarily benefits already-connected urban/peri-urban businesses, potentially widening regional inequality. Without targeted infrastructure investment, digitalization risks becoming an exclusionary rather than an inclusive growth driver (Nguyen & Paczos, 2020).

These critical findings reveal that Indonesia's policy equilibrium is stabilized but not yet sustainable. Macro stability has been purchased through institutional arrangements (burden sharing, expanded deficits) whose long-term viability remains unproven; social protection coverage has been expanded but inefficiently, and digital transformation has progressed unevenly. The policy challenge for 2025 onward is not maintaining current configurations but reforming them toward genuine inclusiveness and institutional resilience.

Government Policy Fluctuations and Their Implications for Policy Implementation

One of the main challenges is the suboptimal coordination between institutions. As stated by Ayuningtyas et al. (2021), the weak synergy between the central and local governments has led to disagreements in policy implementation, especially regarding social assistance and health protocols. The second challenge lies in bureaucratic capacity. Many government agencies are not prepared to respond to emergency policies in a timely and flexible manner. A study by Indrawati et al. (2024) shows that the bureaucracy in Indonesia still tends to be procedural and less adaptive to dynamic needs during the crisis. Third, fiscal constraints are a structural challenge that constrains the government's fiscal space in issuing economic stimulus. Although the state budget deficit was widened above 3% of GDP as stipulated in Law No. 2 of 2020, financing the deficit through public debt has long-term consequences for national fiscal sustainability.

Since 2022, the government has gradually shifted its focus from emergency pandemic measures toward fiscal consolidation and long-term development. According to Latifah and Rosyadi (2024), one of the key commitments has been to bring the state budget deficit back below 3% of GDP by 2023, a step seen as essential for maintaining fiscal credibility and investor confidence. At the same time, the direction of post-pandemic development is no longer just about economic recovery but about building a more resilient foundation. Purniyati (2025) highlights that the new vision of national development emphasizes inclusivity and environmental sustainability, reflecting a shift toward structural transformation. This change is consistent with Punctuated Equilibrium Theory (PET), which suggests that after a period of crisis, policy systems tend to seek a "new equilibrium".

Still, this transition has not been without its hurdles. Suryana et al. (2024) point out that despite having a more forward-looking agenda, development planning after the pandemic continues to struggle with weak coordination across sectors and the limited capacity of the bureaucracy. In other words, the government may have set ambitious goals, but translating them into effective action remains a significant challenge.

Table 3 provides a snapshot of the key challenges Indonesia faced in managing crisis policies during the pandemic period. It illustrates several implementation challenges in Indonesia during the crisis and recovery period. First, in terms of interagency coordination, there remains a lack of communication among the central government, regional governments, and vertical agencies. This has led to unsynchronized policies and duplicate programs, reducing the effectiveness of policy implementation.

Second, bureaucratic capacity is an important constraint. The lack of flexibility and adaptability of the bureaucracy has resulted in slow program implementation and unresponsiveness to changes in the situation, especially in dealing with emergency conditions.

Third, problems with the data system also stand out. The inconsistency of social and economic data means that social assistance and subsidies are often misdirected. This reduces policy effectiveness and increases dissatisfaction among beneficiaries.

Fourth, fiscal constraints pose a serious challenge. High budget deficits and reliance on debt pose long-term fiscal risks and sustained pressure on the state budget. This situation limits the government's fiscal space to respond to public needs and undertake structural reforms.

Finally, political fragmentation slows down the policy process. The political contestation in parliament and the regions often hinders the ratification and implementation of urgent policies. This shows that political factors remain a determining variable in the effectiveness of policy implementation in Indonesia.

Overall, these policy fluctuations illus-

Table 3: **Fluctuations in Indonesia's crisis policy during the pandemic period**

Challenge Aspect	Problem Description	Impact on Policy Implementation
Interagency Coordination.	Weak communication between the central, regional, and vertical government agencies.	Policy inconsistency, program duplication.
Bureaucratic Capacity	Low bureaucratic flexibility and adaptability	Program implementation is slow and unresponsive
Data System.	Inconsistency of social and economic data.	Misdirection of social assistance and subsidies.
Fiscal Limitations.	High budget deficits and debt dependency.	Long-term fiscal risks and state budget pressures.
Fragmentation Politics.	Political contestation between Parliament and regional governments.	Slow policy approval and implementation.

Source: From various sources processed by the author, 2025

trate that policy success is not only determined by program design but also by bureaucratic capacity, data synchronization, fiscal conditions, and the political dynamics surrounding it.

This makes the effectiveness and adaptability of government policies a key element in responding to highly dynamic economic changes during the COVID-19 pandemic. The success of a policy is not only judged by how quickly it is formulated and implemented, but also by its ability to adjust its direction according to the needs of the field and its impact on economic stability and recovery.

The National Economic Recovery Program (PEN) was a prime example of an adaptive policy that was successfully implemented in a relatively short period of time. An evaluation by Pangaribowo et al. (2022) shows that PEN contributed significantly to arresting the pace of Indonesia's economic contraction, especially through the social protection component and support for the micro, small, and medium enterprise (MSME) sector. However, the effectiveness of this program faces obstacles in the distribution and accuracy of aid.

Policy adaptability is also reflected in the revision of the social assistance implementation mechanism, such as the transition from cash-based to non-cash distribution schemes and the adjustment of recipient targets. Policy adjustments are made based on field evaluations and input from non-state actors such as non-governmental organizations and academics (Haliim & Muhammad, 2025). This shows the existence of policy learning in adaptive governance.

However, a number of studies show that policy effectiveness is uneven across regions. According to Kemenangan and Setiawan (2021), the implementation of PEN policies at the regional level is largely dependent on local government capacity and access to information technology. Inequalities in digital infrastructure and the quality of human resources are barriers to ensuring policy effectiveness across regions. The following table presents an analysis of the effectiveness and adaptability of Indonesia's economic policies during the pandemic:

The table 4 shows that various government policies during the pandemic, such as the National Economic Recovery Program (PEN), Cash Social Assistance (BST), tax incentives for MSMEs, People's Business Credit (KUR), and digitization of public services, show variations in effectiveness, adaptability, and implementation challenges.

The PEN program has proven effective in reducing the impact of economic contraction and maintaining household consumption. The program is also adaptive because it is adjusted to crisis developments and stakeholder input. However, the main obstacle is

Table 4: **Analysis of Effectiveness and Adaptability of Indonesia's Economic Policies during the Pandemic**

Policy	Effectiveness	Adaptability	Challenge
PEN Program.	Mitigate the impact of economic contraction and maintain household consumption.	Adapted to crisis developments and stakeholder input.	Slow and uneven distribution.
Cash Social Assistance.	Help ease the burden on vulnerable communities.	Moving from cash to digital with evaluation.	Inaccurate recipient data.
Tax Incentives for MSMEs.	Improve liquidity and business resilience.	Extension of the incentive validity period.	Uneven socialization.
People's Business Credit Support.	Maintain access to financing for MSMEs.	Expanded and extended schemes.	Inequality in access to banking.
Digitalization of Public Services.	Administrative efficiency and aid distribution.	Use of digital apps and online platforms.	Unequal access in 3T areas.
Fragmentation Politics.	Political contestation between Parliament and regional governments.	Slow policy approval and implementation.	

Source: From various sources processed by the author, 2025

the slow and uneven distribution. This shows the limited capacity of the bureaucracy, which is slow to adapt in emergencies, so that policy effectiveness is strongly influenced by institutional responsiveness, not just policy design (Haryaningsih et al., 2024).

BST helped ease the burden on vulnerable communities and was transformed from cash-based to digital mechanisms as a form of adaptability. However, inaccurate data on recipients means that assistance is often misdirected. This criticism reinforces the view that Indonesia's weak integrated data system reduces the effectiveness of social policies (Salsabila et al., 2024). From an academic perspective, the effectiveness of redistribution policies is highly dependent on the quality of governance and data integration.

Tax incentives for MSMEs improve business liquidity and resilience, with adaptability in the form of extended validity periods. However, challenges arise due to uneven socialization. This condition indicates asymmetric information between the government and MSME actors. According to the policy feedback theory (Harimurti & Rispantyo, 2024), a limited recipient awareness can reduce the sustainability of policy benefits.

KUR serves to maintain access to financing for MSMEs with an expanded and extended scheme. However, inequality of banking access makes it difficult for some small businesses, especially in remote areas, to obtain this facility. This reflects institutional inequalities that have implications for low policy inclusiveness.

Digitalization of public services provides administrative efficiency and facilitates the distribution of aid through online platforms. However, unequal access in 3T region indicates a digital divide that widens the socioeconomic gap (Husaini et al., 2026). Technological adaptability does not necessarily guarantee inclusiveness if basic infrastructure is uneven.

Overall, these policies have proven effective in reducing the impact of the pandemic and are relatively adaptive to changing conditions. However, implementation challenges in the form of a slow bureaucracy, inaccurate data, limited socialization, inequality of access, and the digital divide show that policies remain predominantly reactive rather than transformational. Here, structural reforms in data governance, bureaucratic capacity building, and equitable distribution of digital infrastructure are key to making similar policies in the future more inclusive and sustainable.

Indonesia's New Policy Equilibrium (2020–2024)

In the 2020-2024 period, Indonesia's fiscal-monetary policies and recovery packages transformed from an emergency response to a new policy equilibrium structured around four main pillars: (a) more flexible fiscal-monetary coordination; (b) expanding social protection architecture; (c) pro-investment deregulation (Omnibus Law); and (d) accelerating the digitization of public services and MSMEs. Emergency policies (PEN, Perppu 1/2020, Law No. 2/2020) managed to contain the 2020 contraction and stabilize household consumption, while post-emergency consolidation (2022-2024) brought down the deficit to approximately ~2.4% of GDP and positioned industrial downstreaming and infrastructure development as the linchpins of growth.

However, the transition to the new equilibrium faces four structural weaknesses: (1) risks to monetary credibility and normalization of burden sharing if there is no clear exit strategy; (2) weaknesses in data governance and mis-targeting of social programs; (3) unequal access and capacity among MSMEs (information & banking); and (4) the digital divide that hampers the inclusiveness of digitalization. In practical terms, the sustainability of the equilibrium depends on three priority efforts: clarifying the path of fiscal consolidation and the limits of monetary operations; strengthening data governance and integrated social registration; and increased investment to close the gap in digital infrastructure and MSME capacity.

Based on the table 5, Indonesia's 2020-2024 policy package establishes a new policy equilibrium, that is, a relatively stable post-crisis policy configuration, supported by four main pillars: fiscal-monetary coordination, expansion of the social protection framework, deregulation of the labor and investment markets, and acceleration of digitalization.

In the fiscal-monetary sphere, there has been a transition from "extraordinary" governance toward more institutionalized coordination. Perppu 1/2020, which was subsequently enacted as Law 2/2020, provides a legal basis for expanding the deficit beyond 3%, while Bank Indonesia's (BI) involvement in purchasing Government Securities (SBN) creates a a broader policy mix than under normal conditions. BI emphasized that Law No. 2 of 2020 allows the government to increase the fiscal deficit above 3% until 2022, and in 2020, BI purchased SBNs worth IDR 473.42 trillion through a combination of primary market offerings, private placements, and a burden-sharing scheme, a practice that expands fiscal space without disrupting short-term price stability (Bank Indonesia, 2021). BMEB research indicates that stimulus coordination across the ASEAN region, including Indonesia, mitigated volatility and improved market sentiment, though with the caveat of potential risks to monetary credibility if the burden-sharing arrangement is extended (Suryahadi et al., 2021). Thus, the post-crisis equilibrium institutionalizes fiscal–monetary coordination mechanisms, more flexible deficits, and more active SBN operations, but requires a clear exit strategy to prevent an excessive shift toward fiscal dominance. The financial policy literature emphasizes the need for governance safeguards, such as the Basel prudential standards, when quasi-fiscal policies are implemented through the central bank (Ibnu, 2024).

In terms of social protection, there has been a shift from ad hoc responses toward a structurally embedded framework. During the 2021 Delta wave, the government expanded testing, vaccination, PPKM, and social assistance through the expansion of the PKH, BPNT, and BST programs. An analysis by BIES confirms that COVID-19 remained the greatest challenge for the Indonesian economy in 2021, and that the expansion of social programs played a significant role in mitigating poverty, although issues of data accuracy and targeting still limited their impact (Suryahadi et al., 2021). From a macrosocial perspective, evidence across studies points to sharp shocks to household income in 2020-2021, reinforcing the argument for making an integrated digital-based social registry a permanent component of the policy framework (Malahayati et al., 2021).

In terms of labor market and investment deregulation, the Job Creation Law (Omnibus Law) serves as the cornerstone of reform by streamlining licensing procedures, revising labor regulations, and aiming to accelerate investment. Academic literature notes the potential for expanding employment opportunities for the younger generation, while highlighting controversies surrounding institutional quality and law enforcement; While supporters argue that the Omnibus Law may expand employment opportunities for younger generations, critics question the institutional readiness required for these benefits to materialize (Malahayati et al., 2021). The implication for the new equilibrium is that pro-investment regulations become institutionalized, but social legitimacy and legal certainty in labor relations are prerequisites to ensure this equilibrium remains stable as political and economic cycles shift.

In terms of digital acceleration, the digitalization of payments, the distribution of social assistance, and the integration of MSMEs into e-commerce platforms have become permanent features in the post-crisis era. Empirical evidence from the post-pandemic period shows that the adoption of digital marketing tools by small businesses has increased and has become a pillar of business resilience, although gaps in digital literacy and infrastructure have resulted in uneven benefits (Djajalaksana & Edi, 2021).

This new policy equilibrium reflects a structural shift in which public services and the MSME ecosystem increasingly rely on digital channels; the next policy agenda is to close the digital divide to ensure that these benefits are distributed inclusively.

CONCLUSION

The Indonesian economy has successfully transitioned out of the crisis phase, entering a policy equilibrium characterized by coordinated fiscal-monetary policy , expansion of the

Table 5: **Key Risks and Policy Strategies in the New Policy Equilibrium**

New Equilibrium Pillar	**Key Performance Indicators (KPIs)**	**Key Risks**	**Exit Strategy / Actions**
Fiscal Monetary Coordination.	State budget deficit (% of GDP); purchase of SBN by BI.	Risks to monetary credibility; fiscal dominance, tax dominance.	Set sunset clause for SBN purchase; roadmap for deficit consolidation.
Protection Social.	Coverage of assistance (% of vulnerable households); targeting accuracy; timing of distribution.	Misdirection, waste of budget, politicization of social assistance.	S*ingle registry implementation*; periodic data audits; real-time monitoring dashboards.
Deregulation & Investment (Omnibus).	FDI/Domestic investment realization; job creation.	Weak public legitimacy; industrial conflict.	Strengthen enforcement, periodic review, and worker protection.
Digitalization Services & MSMES.	Percentage of MSMEs digitalized; broadband access 3T; digital transactions by MSMEs.	Digital divide, exclusion of 3T regions, cybersecurity risk.	3T infrastructure investment; literacy program; digital security regulation.
Infrastructure & Downstream.	Manufacturing value added (% GDP); PSN realization; environmental impact.	Local conflicts, environmental issues, and inequality of benefits.	Local benefit sharing mechanism; strict environmental impact assessments (EIAs); social mitigation.
Fragmentation Politics.	Political contestation between Parliament and regional governments.	Slow policy approval and implementation.	

Source: From various sources processed by the author, 2025 social protection framework, pro-investment deregulation, and the digitalization of public services. However, the 2025 agenda requires strengthening policy credibility through a clear path of fiscal consolidation, permanent automatic stabilisers based on an integrated social registry, the strengthening of labour market institutions, and the bridging of the digital divide to foster inclusive growth (Bank Indonesia, 2021; Suryahadi et al., 2021; Sanders et al., 2024).

Theoretically, this study advances the crisis policy literature by demonstrating that post-crisis equilibria in developing countries are institutionally hybrid. They combine orthodox fiscal discipline with normalized burden-sharing, aspirations for universal social protection with persistent targeting inaccuracies, and digital transformation rhetoric with fragmented infrastructure. This challenges linear transition models that assume crises merely restore pre-crisis orthodoxy or produce a complete paradigm shift (Hall, 1993).

The Indonesian case demonstrates a third path: a third path: selective institutionalization, whereby emergency measures such as digital payment infrastructure and fiscal-monetary coordination are made permanent, while deficit expansion is rhetorically abandoned yet remains institutionally ready to be reactivated. In terms of policy implications, three strategic recommendations are formulated as follows: firstly, crisis preparedness requires pre-negotiated institutional flexibility with clear activation thresholds and sunset clauses, as demonstrated by Indonesia's rapid response in 2020, which utilized the fiscal flexibility provisions under Law No. 17/2003; secondly, data governance must be treated as a political priority, given that persistent mis-targeting amid digital investments indicates that integrated registries can reduce bureaucratic fragmentation and weaken patronage networks, thus requiring strong executive leadership alongside legislative enforcement (Puri & Zaidi, 2024); thirdly, inclusive digitization requires redistributive infrastructure policies, which can be achieved through explicit cross-subsidisation from urban centres to 3T regions. This, in turn, requires the establishment of a coalition between central and local governments, to prevent market-driven expansion from exacerbating spatial inequalities (Warschauer & Matuchniak, 2023).

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