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Government Strategies for Post-COVID Economic Recovery in Indonesia (2019–2024)

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ABSTRACT
The Covid-19 pandemic, which began at the end of 2019, has posed a global challenge, severely impacting economies worldwide, including Indonesia. This study analyzes the efforts and programs implemented by the Indonesian government to accelerate post-Covid-19 economic recovery. Using a qualitative descriptive approach, the research relies on secondary data from official and reputable online news sources between 2019 and 2024, along with relevant prior studies. Findings reveal that structural domain indicators encompassing economic, legal, political, and social factors play a dominant and influential role in driving economic recovery during this period. In response, the Indonesian government has taken significant measures by adopting various strategies and policies aimed at speeding up national economic recovery. The study's outcomes are expected to inform and support the development of more effective and sustainable policy initiatives to strengthen Indonesia's post-pandemic economic growth.

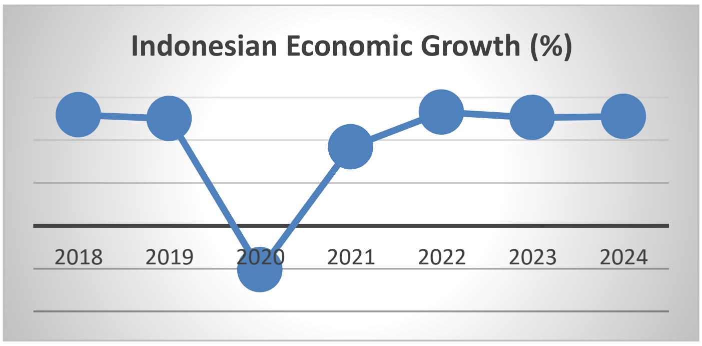
Keywords
Covid-19 pandemic, Economic Recovery, Government Strategies

Introduction

Since the coronavirus pandemic first emerged in the Chinese city of Wuhan in late 2019, it has spread to 185 countries and regions around the world, affecting an estimated 4,254,800 people overall and killing more than 287,293 people. To stem the wider spread of the virus, communities around the world are implementing various measures to cut off their countries and territories from the spread of the pandemic. This includes closing borders, closing schools and workplaces, and limiting interactions between individuals. Taking these restrictions, also known as the "Great Lockdown", the covid-19 pandemic sent a huge shock to economic activity around the world, causing a sharp contraction in GDP, an increase in unemployment, a slump in the service industry, and a decline in manufacturing activity including in Indonesia (Marginingsih, 2021).

Therefore, based on data released by the Central Statistics Agency (BPS), the Indonesian economy has officially reached a period of recession since the third quarter of 2020, showing a decline of around 3.49% compared to the third quarter of the previous year, namely 2019. Based on this data, it can be concluded that Indonesia's economic growth from the first quarter to the third quarter of 2020 experienced an annual decline of 2.03%. As a result of these two consecutive minus results, it can be said that the Indonesian economy is experiencing a recession (Muhyiddin, 2020). However, in 2021-2024 there has been an increase with existing data. Where the results of the increase in the Indonesian economy after the covid-19 pandemic for the 2019-2024 period can be seen in Figure 1.

Figure 1. Diagram of Indonesia's Economic Growth 2018-2024



Source: Central Bureau of Statistics, 2024

From the data above, following up on the entry of the covid-19 pandemic into Indonesia which caused a decline in economic growth to minus -2.07 in 2020, the government finally carried out economic recovery with the aim of reducing the impact of the Covid-19 pandemic on the Indonesian economy which was experiencing a recession. The government must carry out economic recovery in response to community actions that have an impact on the economy, especially in the formal and informal sectors. For this reason, every country, including Indonesia, must take economic recovery actions for the better sustainability of Indonesia in the future. The government responds with a comprehensive set of policies to take the necessary steps so that economic recovery can be realized immediately. Thus, the government must take various strategic steps and comprehensive policies (Saputra & Ali, 2022).

Efforts aimed at the government to prioritize the economy due to the Covid-19 pandemic for the 2019-2024 period. Through proper policy coordination and increasing international cooperation between Indonesia and other countries can improve Indonesia's ability to deal with crisis situations and increase access to global resources as well as monitoring of strategic sectors, and active participation of the community, the Indonesian economy is expected to recover and may even grow stronger after the Covid-19 pandemic (Cheisviyanny, 2020). However, to achieve this goal, the government must also adjust to changing circumstances and coordinate with businesses and the public. Businesses must be able to adjust to government policies, and the public must understand the need to comply with health protocols to stop the spread of Covid-19

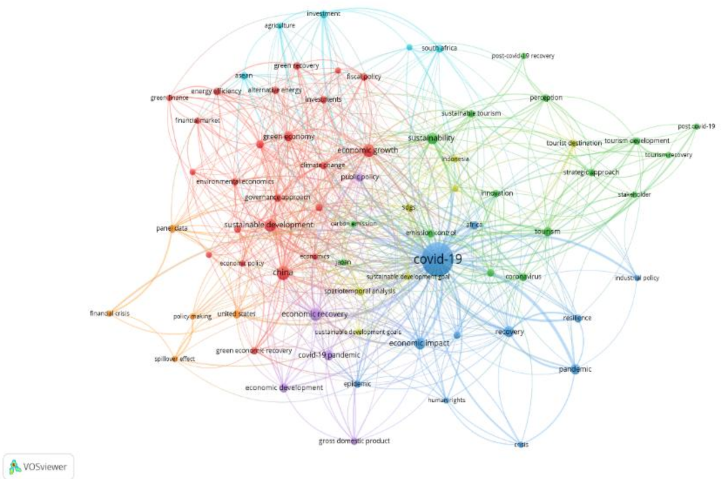
This research uses the institutional economic theory cited in Dudi (2012). In general, institutional economics is a school of economics that argues that the economic behavior of individuals or organizations is influenced by certain institutions. In this case, the institution itself has a broad meaning and in short can be characterized as formal and informal "rules of the game" that are deliberately designed to limit or control interactions between members of certain groups. Formal institutions can take the form of laws, rules and regulations, while informal institutions can take the form of customs, trends and culture. As a result, these institutions are different from organizations (Priyono & Ismail, 2016). The original purpose of Institutional theory was as a refutation of the neo-classical school of economics, which argued that the only factor influencing individuals' economic behavior was their desire to maximize profits. Walton Hamilton coined the term "institutional economics" in 1919.

And in several previous studies that have been conducted and are relevant to this research topic according to (Mayasari, 2023) that the impact of the pandemic on the MSME sector has not been fully optimized by the policies implemented by the Pangkalpinang City government in reviving the MSME sector. This is partly because production and distribution losses during the COVID-19 pandemic have not subsided. However, looking at the current conditions, the policy is heading in a positive direction, because there are relevant relaxation programs such as funding assistance, MSME product festival programs and other socialization initiatives. Based on the analysis of the Quantitative Strategic Planning Matrix (QSPM), it was concluded that the main strategy that needs to be carried out more aggressively by the Pangkalpinang City government is to encourage product promotion by creating a marketplace platform, increasing branding and providing access to capital for MSME actors in Pangkalpinang City.

Furthermore, research (Aulia et al., 2021) shows that there are two components related to problems related to the Covid-19 outbreak for MSME actors in the culinary subsector, namely human resources and goods/service products. The government has the authority to issue actions or directives to address these issues, such as addressing the diversion of the outbreak and tax exemptions for affected business actors, especially MSMEs.

Finally, research (Utami et al., 2020) revealed that during the COVID-19 pandemic, the economic recovery strategy of the Tamansari tourist village was aggressive (SO strategy). One of the aggressive strategies implemented was to increase the number of cultural events held through collaboration with universities and local governments and improve the local community and cultural heritage including the customs of Tamansari Village. In addition, it also involves improving the quality of processed products while encouraging innovation, creating opportunities for village digitalization, expanding the reach of tourism support products and improving service standards for tourists. This shows that the Tamansari tourist village has greater strengths and potential compared to its weaknesses and threats. This makes the Tamansari tourist village a village that has strong potential and can contribute to improving the local economy in efforts to recover the economy during the Covid-19 pandemic.

Figure 2. Network Vizualization



Source: Data Analyzed Using VOSviewer Bibliometrics, 2024

And based on the analysis results from Vosviewer in Figure 1 shows the results of the post-covid-19 economic study with a total of 142 articles in the period from 2020 to 2024. The most discussed cluster in the post-covid-19 economy is in the blue cluster with the keyword covid-19, then followed by the red cluster which discusses China, sustainable development, economic growth, green economy. Followed by the green cluster with the keyword's sustainability, sustainable tourism and innovation. Then in the purple cluster with the keyword's economic recovery, economic development and the covid-19 pandemic.

Most of the research and policies analyzed still focus on efforts to recover the economy during the pandemic, not on the recovery phase after the pandemic ends. Bibliometric analysis shows that the topic of post-covid-19 economic recovery is still rarely explored, while research discusses more about the government's rapid response during the crisis and not many have highlighted the medium-long term strategy after the pandemic to achieve sustainable development targets (SDGs). Research that systematically examines the effectiveness of the government's strategic steps in accelerating economic recovery, especially in the context of Indonesia, is still very lacking. Most studies only describe policies or programs without conducting a critical evaluation of the success or failure of their implementation in various economic sectors, such as MSMEs, tourism, and the informal sector. The existing literature is also still limited in discussing how the synergy between government policies, business actor adaptation, and community participation can lead to inclusive and sustainable economic recovery. And referring to the background mentioned above, this study aims to look at the efforts that have been made by the Indonesian government in economic recovery after the Covid-19 pandemic for the period 2019-2024. This is because research on this topic is still relatively new, making this research still rarely found, thus the novelty of this study is applying the steps that have been taken by the Indonesian government in the context of the country's economic recovery from the Covid-19 pandemic. The focus of the problems stated above are of course problems that need to be fixed immediately, so that it is necessary to emphasize new effective policies from the government that can provide other alternatives so that each economic sub-sector can recover from existing problems. Therefore, this study identifies and analyzes several initiatives that have been carried out by the Indonesian government to support economic recovery from the Covid-19 pandemic with existing indicators and parameters.

Method

This type of research is descriptive research using qualitative research methodology. Qualitative research aims to gain an in-depth understanding of the subject matter through inductive reasoning. In this study, comparing data from various sources, online news from various media and academic literature, and using various data collection techniques to ensure the accuracy and depth of information. This approach helps increase the validity and reliability of data by analyzing phenomena from various perspectives and sources.

This descriptive research does not discuss hypotheses but only describes information that is in accordance with the conditions of the object or field being studied. Researchers are also directly involved in the situation and setting of the phenomenon being studied (Gregorio, 2001). This study aims to obtain a comprehensive and in-depth picture of the role of the Indonesian government in seeking economic recovery after the COVID-19 pandemic which previously experienced a certain economic downturn. The focus of the study is the role of the Indonesian government in restoring the economy after COVID-19, using the basic theory of institutional economics by Walton Hamilton as quoted in Dudi (2012), which consists of three indicators, namely the Real Domain, Structural Domain, and Empirical Domain.

The data collection technique used is qualitative by utilizing secondary data. Source validation was carried out using news from official and trusted online news sites, as well as relevant previous studies, so that the data obtained has high credibility and accurately reflects field conditions. The following are the results of data collection through online media:

Table 1. Data Sources from Online News

Online Mass Media	Intensity
tribunnews.com	10
liputan6.com	10
republika.co	10
kompas.com	10
tempo.co	10

Source: Processed By Author, 2024

This study also uses the Nvivo 14 program for qualitative analysis, which helps in organizing very diverse unstructured data, such as news texts and literature. Nvivo facilitates the process of coding, categorizing, and visualizing data systematically, and supports triangulation by separating data based on its source, thereby increasing the validity and credibility of the research results. The use of Nvivo makes it easier for researchers to manage complex data and present the results of the analysis in the form of tables, graphs, or visual models that clarify the reader's understanding.

In addition, bibliometric tools are used to categorize and analyze literature from the Scopus and Google Scholar databases, so that relevant previous research can be identified systematically and objectively, supporting a strong and valid literature review. Data analysis in this study uses an interactive model consisting of three stages: data reduction, data presentation, and drawing conclusions (Miles et al., 2014). Data reduction aims to focus the analysis according to needs and present it systematically (Purnamasari & Afriansyah, 2021). The data reduction process is carried out using tables, graphs, or other visual aids.

Results and Discussion

The Covid-19 pandemic has had a far-reaching economic impact across the world, with a global GDP decline of nearly $22 trillion through January 2021 and a global average economic contraction of 3.6% in 2020 (Niermann & Pitterle, 2021). However, the severity of the impact and the speed of recovery vary widely across countries and regions, including Indonesia, making Indonesia's economic recovery post-Covid-19 a critical and strategic process aimed at achieving economic stability and growth. The Covid-19 pandemic has also posed major challenges to the Indonesian economy, including an economic recession. The impact of the Covid-19 pandemic on the economic sector can be seen from the decline in Indonesia's economic growth. The Covid-19 pandemic has contributed significantly to the decline in public welfare. The income of many people has decreased, productivity has decreased, and poverty rates have increased because many companies have experienced financial difficulties and have been forced to lay off or even send employees home without pay. Poverty rates have also increased due to layoffs and reduced household incomes. Based on BPS data, the number of poor people increased to 27.55 million in September 2020. Thus, economic recovery can be achieved by creating new jobs, increasing household income, and reducing the existing poverty rate. With effective economic growth, people can again access their basic needs, such as food, education, and health services. The pandemic has also increased social and economic inequality among communities. Therefore, economic recovery is necessary to ensure that every layer of society can benefit from economic growth (Kasna, 2022).

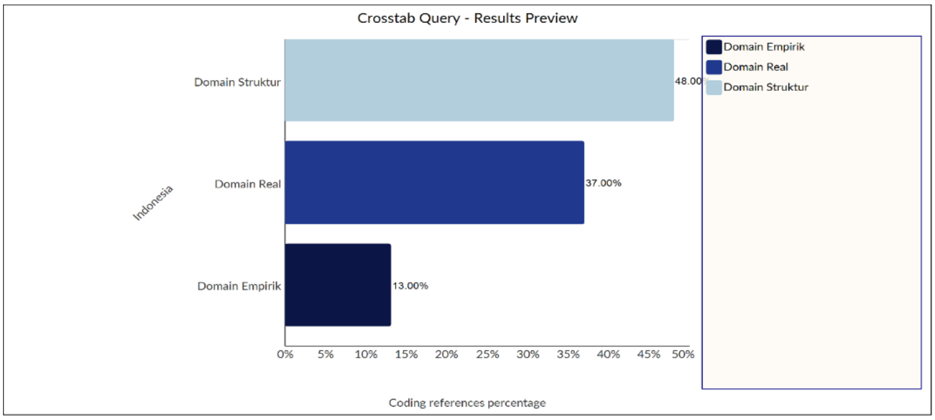
Indonesian government has developed several policies, such as fiscal and monetary, macroprudential, and emergency liquidity policies to support sustainable economic growth. This economic recovery also requires a multi-stakeholder approach in order for the economic recovery to be fast and robust.

Figure 3. Wordcloud Analysis with Keyword Economic Recovery Post COVID-19 Pandemic

Source: Nvivo 14, 2024

Based on the word cloud figure 3 above, it shows the results of data processing using Nvivo 14 software. Source data traced with the keyword “Post-Covid-19 Pandemic Economic Recovery”. The dominant word seen in the processed news through Nvivo is the economy. Then followed by Indonesia, society, recovery, pandemic, government and so on. The words above influence each other and can be interpreted that with the economic recovery after the Covid-19 pandemic there are various strategies that have been carried out with several effective steps, including the development of digitization and technology, developing the quality of human resources, developing economic growth through tourism and creative industries, developing fiscal and monetary policies for economic growth, developing transition policies, investment and developing social policies.

Figure 4. Crosstab Analysis of Indicator Query with Keyword Economic Recovery Post COVID-19 Pandemic



Source: Nvivo 14, 2024

The figure 4 above shows that the indicators that determine the acceleration of economic recovery after the Covid-19 pandemic based on institutional economic theory, namely, the "structural domain" indicator that dominates the most with a percentage of 48% which is the determinant of economic recovery after the Covid-19 pandemic. This structural domain consists of economic, legal, political and social. The results above show that the "structural domain" is very influential on the post-pandemic economic level. Furthermore, the "real domain" indicator is the second largest indicator with a percentage of 37% which affects economic recovery after the Covid-19 pandemic which focuses on the creative economy, MSMEs, creative tourism, emulation, and socio-culture. Then the "empirical domain" indicator is the less dominating indicator in post-pandemic economic recovery with a percentage of 13%. In this case, it states that national government actors and organizations ranging from the president to ministries, the private sector, international organizations, educational and research institutions, civil society and NGOs and the media are less influential in the economic recovery after the Covid-19 pandemic. Collaboration between actors and organizations themselves is essential to overcome post-pandemic economic challenges and accelerate Indonesia's economic recovery.

1. Structural Domain

In this structural realm, four components influence the acceleration of economic recovery after the Covid-19 pandemic, namely economic, legal, political, and social components. With the interaction of the four elements above, the framework that influences economic behavior in a society becomes increasingly complex (Wijaya et al., 2023). The economic component must be supported by the performance and quality of the institutions that support it, so that the gross domestic product (GDP) shows that the economic sectors can function normally again.

The Indonesian government has made many efforts to improve the economic system to make it better, including by launching the National Economic Recovery (PEN) program, which is an integral part of the country's recovery program. The aim is to encourage domestic consumption, support business activities, and maintain economic and financial stability. The budget for the program is quite large, reaching IDR 699.43 trillion (USD 49.3 billion) in 2021, and targets eight main areas: health, social protection, labor-intensive projects, food security, information and communication technology (ICT) investment, tourism, MSMEs, and corporate financing. The enactment of Law No. 2/2020 and Government Regulation No. 23/2020 quickly allowed the government to go beyond the usual budget deficit limits, allowing for larger fiscal stimulus. This legal flexibility reflects global best practice, as developed countries with temporarily relaxed budgetary rules to allow for extraordinary spending. However, these measures are necessary in a crisis, but they also carry long-term risks, including potential fiscal imbalances and increased public debt if not carefully managed. On the economic front, the broad focus of the PEN program which encompasses health, social protection, MSMEs, and digital infrastructure demonstrates an understanding of the interconnectedness of economic drivers. The Indonesian government's support for MSMEs and the digital economy aligns with successful regional strategies, such as in Singapore and Vietnam, where targeted digitalization and MSME support accelerated recovery. However, the effectiveness of these interventions depends on the quality of implementation, transparency, and institutional capacity to reach vulnerable groups. Reports of slow disbursements and bureaucratic hurdles have sometimes limited the impact of stimulus measures, a challenge that is not unique to Indonesia but is also seen globally.

Monetary and macroprudential policies by Bank Indonesia, such as lowering interest rates and easing liquidity requirements, have been critical in maintaining financial system stability and supporting credit flows to businesses. This mirrors the actions of central banks worldwide, but the transmission of these policies to the real sector—especially to MSMEs—remains uneven. Many small businesses, especially those outside the digital ecosystem, struggle to access support, highlighting the ongoing digital divide and the need for more inclusive policy design (The Jakarta Post, 2024)

In addition, the government's recovery efforts mainly focus on fiscal policy, accounting for about 62% of total policies, followed by macroprudential (20%), monetary (9%), and emergency liquidity (6%) policies (Madani & Hartaman, 2022). To support the flow of credit to businesses, Bank Indonesia eased its monetary policy by lowering interest rates and providing liquidity to the banking sector. Macroprudential policies, including easing regulations and credit requirements, support financial system stability. Key fiscal policies include providing direct cash transfers (BLT) and expanding social protection programs (e.g., conditional cash transfers, basic food assistance). Incentives and tax breaks for businesses to retain jobs and support liquidity. Increased health spending on medical supplies, hospital capacity, and vaccine procurement. The Pre-Employment Card program provides training and benefits to millions of unemployed and informal workers. And the government develops business and investment by providing fiscal and non-fiscal incentives to attract foreign or domestic investment (Nansi et al., 2024). The Indonesian government has also examined the economy through natural resources (SDA), with village and district governments continuing to increase socialization to the community about SDA's development, improving the acceleration of economicc recovery. The recovery of natural resources involves processing and increasing the added value of natural resources (Okafor et al., 2022).

Bank Indonesia took strategic steps in easing monetary policy during the Covid-19 pandemic, maintaining the smooth flow of credit to businesses and ensuring financial system stability. One crucial step was the gradual reduction of the benchmark interest rate (BI7DRR), which cumulatively reached a reduction of up to 100 basis points in 2020, so the benchmark interest rate was 4 percent. This rate cut aims to lower the cost of funding for banks and encourage banks to lend more cheaply to the real sector, especially micro, small, and medium enterprises (MSMEs) that are particularly affected by the pandemic (Jannah, 2023).

In addition, Bank Indonesia provided ample liquidity to the banking sector through various instruments, such as reducing the Rupiah and foreign exchange reserve requirement ratios, extending the tenor of open market operations (repo and reverse repo) to 12 months, and increasing the frequency and volume of foreign exchange swap auctions. This policy aims to strengthen banking liquidity, so that banks have sufficient capacity to provide credit to businesses and maintain the stability of money and foreign exchange markets amid pandemic pressures (Estomihi et al., 2024).

On the macroprudential policy side, Bank Indonesia implemented easing regulations that focus on reducing the burden on banks in extending credit. Examples are the easing of the Loan to Value Ratio (LTV), Macroprudential Intermediation Ratio (RIM), and the reduction of reserve requirements specifically for export-import financing and MSMEs. In addition, the Countercyclical Capital Buffer (CCB) ratio was maintained at 0% to allow banks to manage credit risk without significantly increasing capital. This policy supports financial system stability by maintaining banking health while encouraging an increase in lending, which is urgently needed for economic recovery.

Thus, overall, Bank Indonesia's accommodative monetary policy, which includes lowering interest rates, providing adequate liquidity, and easing macroprudential rules, played an essential role in maintaining smooth credit flow and financial system stability during the crisis. These measures helped ease the burden on businesses, maintained market confidence, and prevented a more profound economic turmoil due to the Covid-19 pandemic.

While resilient during the crisis, the legal and regulatory environment still faces structural issues. Legal certainty and contract enforcement remain concerns for investors and businesses, potentially hampering long-term recovery and competitiveness. The dominance of regulations that reduce competition rather than foster innovation is a recurring criticism and underscores the need for regulatory reform beyond crisis management. Indonesia recovery strategy is characterized by rapid institutional adaptation, particularly in the legal and fiscal areas. The legal component also encompasses the various regulations and legislation affecting economic activity. Legal certainty means clear, consistent, and predictable main rules so businesses can confidently make business decisions (Faozi & Megawati, 2021). Investigating the role of the legal system and regulations in shaping economic behavior. Legislation can also be done by optimizing the role of law in facing financial challenges (Nasution, 2016). Rapid adaptation of fiscal rules and regulatory frameworks to allow for extraordinary spending and interventions. This includes analyzing the impact of business regulation, intellectual property protection, contract enforcement, and the judicial system on investment, innovation, and trade, and includes formal and informal rules. However, most regulations only have the effect of reducing or eliminating competition rather than eliminating monopolies. And through these legal steps, the Indonesian government aims to create a stable business environment, encourage more sustainable economic growth, and increase economic competitiveness (Mardiana & Tampubolon, 2021).

Politically, the pandemic has reinforced the importance of stable and responsive institutions. The Indonesian government's ability to coordinate across ministries and with the legislature was tested. While improvements have been made, the crisis has also exposed inter-agency coordination and public trust gaps. The political component must also demonstrate that institutions in the post-pandemic era must survive and adapt to the crisis. Institutions must be able to respond quickly and effectively to the pandemic. The government must also ensure that its fiscal and monetary policies can accelerate economic recovery. The Covid-19 pandemic has changed the political landscape in Indonesia and strengthened the relationship between the executive and legislative branches (Wahyudi, n.d.). Examining the role of political institutions, such as the political system, government structure, and political decision-making processes, in shaping economic policy. With politics, a political system significantly impacts the formation and implementation of financial institutions (Sriyono et al., 2021). A strong and stable political system gradually creates an essential environment for the growth of more efficient and sustainable economic institutions (Malik, 2022). Efforts made by the government include creating a stable political environment by ensuring the democratic process runs smoothly, increasing transparency and accountability in handling the budget and public funds through strict audits and monitoring, strengthening regional autonomy by providing more resources and expertise to local governments to support regional development and economic growth.

Socially, Indonesia's recovery benefited from strong community solidarity and mutual aid initiatives, which complemented formal government support. However, rising inequality and the uneven impact of the pandemic on informal workers and marginalized groups remain pressing issues. The efforts to support SMEs and provide social protection are steps in the right direction but ensuring that recovery is inclusive and does not exacerbate pre-existing disparities is a continuing challenge. The social component during the post-COVID-19 pandemic can be seen as a society that is more solidarity, with cooperation, and many community initiatives that help those affected by the pandemic (Bahri, 2022). This form of solidarity and collaboration between individuals, groups, and communities is essential to help economic recovery (Altig et al., 2020). Cooperation between government agencies, non-governmental organizations, businesses, and the general public can accelerate economic growth (Wang & Zhang, 2023). Social support and social networks can also help individuals or groups overcome the pandemic's challenges and remain economically productive (Devianto et al., 2023).

In sum, the real domain institutional economics, encompassing creativity, emulation, and culture, provides a comprehensive framework to understand and facilitate economic recovery in the aftermath of the Covid-19 pandemic. While each component individually contributes to revitalizing economic behavior and outcomes, their interdependence and the broader institutional context ultimately determine the effectiveness and sustainability of recovery strategies. Therefore, policy interventions must holistically address these components, ensuring supportive institutional frameworks, equitable access to resources, and culturally sensitive adaptations to foster inclusive and resilient economic growth.

By combining creativity as a source of innovation, emulation as an informed adaptation strategy, and culture as a socio-economic foundation, Indonesia can build a model for economic recovery that is not only rapid but also sustainable and inclusive. This approach allows for financial development rooted in local strengths while being open to global learning so that it can face future uncertainties with greater resilience and adaptability. The synergy of these three components also supports achieving sustainable development goals (SDGs) by creating jobs, reducing poverty, simultaneously and preserving culture and the environment.

2. Real Domain

One of the crucial ideas in institutional economics is the real domain, which shows how the scope of creative ideas or thoughts affects existing economic behavior and outcomes. This concept emphasizes that economic activities and results are not solely determined by material resources or formal institutions but are significantly shaped by the intangible realm of human creativity, social learning, and cultural norms. Within this real domain, three components—creativity, emulation, and culture play crucial roles in accelerating economic recovery after the Covid-19 pandemic. The creativity component highlights the capacity of individuals to generate novel ideas and practical solutions to emerging challenges, either through innovative simulations or actionable strategies that must be nurtured and strengthened (Setyawati, 2022). In economic recovery, creativity rooted in human resources (HR) is positioned as a pivotal driver, as noted by the Opus: Creative Economy Outlook (2019). Post-pandemic, creativity becomes indispensable for individuals to adapt and thrive amid shifting economic landscapes. This adaptation can be facilitated through enhanced training and education programs to upgrade workforce skills, alongside labor-intensive initiatives designed to create temporary employment opportunities, thereby mitigating unemployment pressures.

The emulation component complements creativity by focusing on strategically adopting and adapting successful practices observed in other contexts. In the post COVID-19 economic transition, emulation has manifested in government policies prioritizing revitalizing sectors with high value addition and employment potential, such as agriculture, manufacturing, and the digital economy. Accelerated investments in digital transformation and infrastructure acknowledge the pandemic's role in altering consumption patterns and business models. Targeted support for tourism and micro, small, and medium enterprises (MSMEs) address their vulnerability and critical role in employment generation. Strategies to boost sales and production during the New Normal period illustrate practical emulation applications (Rusmini et al., 2023).

Furthermore, the Indonesian government's approach to learning from and adapting strategies successfully implemented by other countries exemplifies proactive emulation (Zenrif & Mustofa, 2022). The National Economic Recovery Strategy (PEN) integrates infrastructure and technology development with the emulation of best practices from developed nations, aiming to accelerate economic recovery and enhance the capacities of informal and formal business sectors. However, it is essential to consider that emulation must be context-sensitive; effective strategies in one country may require significant adaptation to fit Indonesia's unique institutional, social, and economic conditions to avoid inefficiencies or mismatches.

The cultural component reflects the profound socio-cultural transformations induced by the Covid-19 pandemic, which have reshaped lifestyles and social interactions, often challenging individuals' ability to adjust to new norms (Widyatwati, 2022). Rapid societal changes have influenced almost every aspect of daily life, including economic activities, contributing to widespread declines in income and financial stability (Prasetyo et al., 2021). The sustained use of virtual media platforms for social gatherings, religious activities, commerce, and cultural events illustrates the integration of digital culture into everyday life, helping maintain social cohesion and cultural continuity despite physical distancing constraints. Efforts by the government to develop digital platforms for promoting cultural and creative products, alongside preservation programs for historical sites and local traditions, underscore the recognition of culture as both a social asset and an economic resource. This cultural adaptation supports economic recovery and fosters resilience by reinforcing identity and community ties. Nonetheless, it is critical to acknowledge that such cultural shifts may exacerbate digital divides and social inequalities if access to technology and digital literacy are unevenly distributed, potentially limiting the inclusivity of recovery efforts.

3. Empirical Domain

In the empirical realm, the actor and organizational components emerge as key drivers in accelerating post-pandemic economic recovery. These components are not limited to state actors but include non-state actors such as private companies, civil society organizations, and international institutions. The emphasis on multi-actor collaboration highlights the need for synergistic partnerships in institutional mechanisms, which can benefit governments and bilateral institutions (Jose & Putri, 2021). The actor and organization sub-domain provides an analysis of how economic actors, such as individuals, organizations, and governments, behave and interact in an economic system that includes individual habits, preferences, and knowledge that can influence markets, investment decisions, or business strategies (Puspitasari Gobel, 2020). according to Blakely and Bradesaw's theory of actors in significant economic development with physical, human, market, management, and budget approaches. Economic institutions such as laws, regulations, public policies, and financial systems influence economic behavior and outcomes.

In the economic recovery efforts, the Indonesian government has collaborated with many actors or organizations in organizing various initiatives covering various sectors. To ensure stable and efficient economic growth, better coordination is needed between the central government and local governments, as well as providing authority and support to local governments to implement economic recovery programs that meet the needs of their regions. Encourage the private sector to participate in infrastructure projects to increase investment and provide jobs. The government must also encourage the community to actively participate in economic recovery initiatives and improve economic diplomacy to promote foreign investment and boost international trade.

Thus, it is revealed that although the Indonesian government has made efforts to collaborate with various actors in various sectors, significant challenges still exist. For example, coordination between the central and local governments is often hampered by bureaucratic inefficiencies and overlapping authorities. Decentralization, although intended to empower local governments, sometimes leads to inconsistent policy implementation and resource allocation, slowing recovery efforts. Strengthening coordination and providing the necessary autonomy and resources for local governments is essential to tailoring recovery programs to regional needs.

Another strategic step is encouraging private sector participation, especially in infrastructure development. Private investment can supplement public funds and drive innovation and job creation. However, the effectiveness of such partnerships depends on clear regulations, ease of doing business, and transparent and corruption-free processes. Indonesia's track area is mixed; despite successful public-private partnerships, regulatory uncertainty and bureaucratic red tape continue to deter some investors.

Public engagement is equally important. Government efforts to involve the public in economic recovery initiatives can foster a sense of ownership and improve the effectiveness of such programs. However, participation requires more than top-down direction; it requires inclusive consultation processes and mechanisms to incorporate feedback from grassroots stakeholders, which are often lacking.

Economic diplomacy is another area where Indonesia has sought to leverage international partnerships to attract foreign investment and boost trade. While these efforts have yielded some positive results, competition for foreign investment is fierce, and Indonesia must continue to improve its business environment and international image to remain attractive.

Conclusion

The 2019–2024 period is crucial for the government in addressing the economic impact of Covid-19. Economic recovery is influenced by two main domains: the structural domain (economic, political, legal, social institutional structures) and the real domain (creativity, emulation, culture) that encourage innovation and adaptation. Government policies focusing on strengthening affected sectors and accelerating digital transformation have made positive short- and long-term contributions. However, challenges such as inter-sectoral coordination and the need for inclusive policies still exist. Policy implications emphasize the importance of sustainable structural reforms, synergy between the government and the private sector, and encouragement of innovation based on local creativity and adaptation of best practices from abroad. Strengthening human resource capacity through training is also a priority. This study is limited to secondary and qualitative data, so further research with primary and mixed methods is needed. The following policy recommendation is to improve cross-sectoral coordination and refine policies so that community participation in economic recovery is more optimal, fair, and sustainable.

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