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Impact of large-scale social restriction policy on the economy in Depok City, West Java province

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ABSTRACT

A Large-Scale Social Restrictions (PSBB) are restrictions on certain activities of residents in an area suspected of contracting disease and/or polluted in such a way as to prevent the possibility of spreading disease or pollution. The President of the Republic of Indonesia, Joko Widodo announced the establishment of PSBB as a decision taken by the government in responding to the Health Emergency due to the Coronavirus Disease 2019 (COVID-19) pandemic. The purpose of this study is to describe the economic impact of the implementation of PSBB policies, especially in Depok City, which is carried out as an effort to overcome COVID-19. This research was conducted with a qualitative approach with descriptive-analytical methods. Activities in data analysis are data reduction, data presentation, and conclusion drawing or verification. The results of this study show that the implementation of PSBB has a significant impact on the economic sector in Depok City, including the tourism, MSME and employment sectors. The impact of the pandemic on the tourism sector due to the closure of tourist destinations. In addition, the impact of PSBB is a decrease in people's income which has an impact on decreasing purchasing power. The strategy carried out by the government to overcome the impact of the implementation of this PSBB is through social assistance programs and the right to a social safety net for the community. So the government needs to consider the impact and risk that will be received by the target group. The government also needs to prepare solutions in case of unwanted negative impacts.



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Introduction

Coronavirus Disease 2019 (COVID-19) is an infectious disease on humans caused by the SARS-CoV-2 virus. COVID-19 initially emerged at the end of 2019 in the city of Wuhan, China and quickly spread in many countries in the world, including Indonesia. The World Health Organization (WHO) has determined COVID-19 as a pandemic, due to the globally transmission of this disease only in the lapse of a few months. The effects felt due to Covid-19 in the form of mild flu to very serious flu equivalent to or even more severe than MERS-CoV and Sars-CoV (Kirigia & Muthuri, 2020). The COVID-19 pandemic that is currently occurring throughout the world is the most influential factor on all aspects of people's lives today. Almost all sectors of life, ranging from economic, political, social, to cultural have been affected by the Covid-19 pandemic (Fernandes, 2020). Meanwhile, the economic sector is one of the sectors most affected by the Covid-19 pandemic ((Abdi, 2020); (Maital & Barzani, 2020))

From an economic point of view, it is certain that this pandemic has a significant effect on the collapse of the economic system that has been built (Cindrakasih, 2021). According to (Damuri dan Hirawan, 2020), the situation of the dissemination of COVID-19 may be analyzed from two distinct economic viewpoints: supply and demand. Consumption, travel, and transportation will all suffer as a result of the COVID-19 epidemic, and as a result, transportation and trade expenses will rise. However, supply-side factors including the rise of contract labor, falling investment and finance, and hiccups in global supply chains are expected to reduce output (global value chains).

On March 2, 2020, two Indonesian citizens were confirmed positive for COVID-19. The emergence of the COVID-19 virus outbreak has forced a change in people's behavior which is currently mostly active from home. The outbreak has affected all sectors and joints of life, including the Islamic banking financial system (Sumadi, 2020). Since its emergence at the end of 2019, the Covid-19 virus has spread throughout the world. With the rapid spread of Covid-19, the impact of the global economic slowdown has begun to be felt domestically (A. Amri, 2020). This pandemic has forced countries in the world to make various efforts to suppress the spread of COVID-19 and its impacts. Some of them are implementation of social distancing or lockdown policies. As a country that also imposed by COVID-19, Indonesia had taken the same steps to implement social policies; social distancing and lockdown. The policy of social distancing has been regulated in Law No. 6 of 2018 regarding Health Quarantine (Republik Indonesia, 2018). Various policies carried out by the Indonesian government are expected to significantly reduce Covid-19 cases and reduce the negative impact of Covid-19 on the community (Ridwan & Damayanti, 2022).

According to the Health Quarantine Law, lockdown is defined as a regional quarantine which is stated in Chapter 1 subsection (10) which reads: "Regional Quarantine is a restriction of residents in an area including the entrance area and its contents which suspected of being infected by a disease and/or contaminated in such a way as to prevent possible spread or contamination". Whilst, social distancing is defined as a Large-Scale Social Restrictions which is stated in Chapter 1 subsection (11) as: "Large-Scale Social Restrictions (LSSR) are certain activities restriction of residents in an area which suspected of being infected by a disease and/or contaminated in such a way as to prevent possible spread of disease or contamination".

On March 31, 2020, President of The Republic of Indonesia, Joko Widodo, announced to establish LSSR as a decision taken by The Government in response to a Health Emergency. This is based on Government Regulation No. 21 of 2020 concerning Large-Scale Social Restrictions in the Context of Accelerating the Handling of Coronavirus Disease 2019 (Peraturan Pemerintah, 2020). The Indonesian Government has chosen social distancing or LSSR to be applied in areas of Indonesia in an effort to overcome COVID-19.

The Depok City Government is one of the regions that has implemented LSSR in the context of suppressing the spread of COVID-19. Various efforts were made such as limitation of outside community activities (closure of entertainment venues, tourist attractions, cinemas, sports facilities and infrastructure, as well as other public places). The implementation of PSBB with restrictions imposed has an impact on, first, income, market closure causes business actors to be unable to trade, so they do not get any turnover at all. Business actors complain that income has not increased even though the market has reopened, because the policies implemented make business actors only have a limited time to market their merchandise. Second, impact 4 on economic activity, market closure causes economic activity to be paralyzed, market reopening has also not been able to generate economic activity. During the implementation of the PSBB, buying and selling activities were still far from normal when compared to pre-pandemic conditions. Third, the impact on expenses, the difficulty of business actors increases when income decreases during the pandemic, but still has the responsibility to pay operational costs. So this pandemic requires government movements and policies that must be carried out to stabilize the national economy (Umatin, 2021).

This economic impact threatens the sustainability of business actors. Many business actors have gone out of business / went bankrupt, because they were no longer able to finance operational costs. This has made the Government make efforts to overcome the impact of PSBB on the economy of business actors, including providing cash transfers and basic food assistance. Business actors are trying to reduce spending due to the PSBB by reducing the burden of expenditure. In addition, business actors also strive to keep their businesses that manage survive through the pandemic by continuing to sell both offline and online.

Research conducted by (N. F. Amri & Laming, 2020), resulted in the COVID-19 pandemic and PSBB policy actually weakening the economy of ojol drivers. However, this weakening economy actually strengthens the social capital of the ojol community, where fellow ojol drivers have the same fate so that fellow ojol drivers strengthen each other. Furthermore, research conducted by (Bukhari & Ramadhan, 2020) stated that the net income received by Go-jek and Grab drivers who work full-time, the majority is above the amount of UMR applicable in Bekasi City, and dropped dramatically to reach below the Regional Minimum Wage

during the Covid-19 pandemic. Based on the description above, this study is intended to describe the LSSR policy in Depok City which implemented as an effort to overcome COVID-19. In this study, the focus of the analysis is the economic impact caused by LSSR policy implementation in Depok City. Thus, the results of this analysis, revealed the impact caused by the implemented policies.

Method

The method of this study conducted by a qualitative approach with descriptive-analytics methods. The reason for applied this method is based on the existence of conformity with the purpose of the research which wants to describe the effect of LSSR policy implementation on the Depok City Government economic condition. The qualitative approach in this study is intended to define reality which emphasizes more on describing phenomena conducted in a natural setting, formed with words, instead of statistical calculations or elaboration of numbers, this understanding is in line with expert opinion which states that a qualitative approach is a research that presents a description of words, and not a description of statistical data ((Creswell & Tashakkori, 2007); (Silalahi, 2009)). Thus, the results of this study are in the form of an illustration of the extent to which the LSSR (Indonesian: Pembatasan Sosial Berskala Besar or PSBB) policy is implemented and how it affects the economy which explain in details of the economic conditions faced by the city of Depok after the implementation of this LSSR policy. Activities in data analysis are data reduction, data presentation, and conclusion drawing or verification.

Results and Discussions

Large-Scale Social Restriction (Lssr) Policy in Depok

The first case of Coronavirus Disease (COVID-19) spread in Indonesia occurred in Depok City, West Java Province in April 2020. The response of the Depok City Government in dealing with health emergencies that come about was to issue Depok Mayor Regulation No. 22 of 2020 on April 12, 2020 which regulates the Implementation of Large-Scale Social Restrictions in Handling COVID-19 in Depok City (Peraturan Walikota Depok, 2020a). This Mayor Regulation aims to: (1) limiting certain activities and movement of people and/or goods in suppressing the spread of Coronavirus Disease (COVID-19); (2) increase anticipation of the development of Coronavirus Disease (COVID-19) spread escalation; (3) strengthen efforts to handle health due to Coronavirus Disease (COVID-19); and (4) controlling social and economic impact of Coronavirus Disease (COVID-19) spread.

During the LSSR, everyone is obliged to: (1) implementing Clean and Healthy Life Behavior (PHBS); (2) wearing a mask outside the house; (3) report guests who come to visit within 1x24 hours to the Coronavirus Disease (COVID-19) Alert Village Task Force; and (4) self-reported if you are leaving the house for urgent needs within 1x24 hours to the Coronavirus Disease (COVID-19) Alert Village Task Force. Restrictions on activities outside the house in the implementation of LSSR carried out by everyone who is domiciled and/or has activities in Depok City include: (1) implementation of learning in schools and/or other educational institutions; (2) work activities at work; (3) religious activities in houses of worship. The implementation of religious activities carried out in houses of worship turned into their respective homes. During the implementation of LSSR, the person in charge of the house of worship is obliged to provide education or understanding to their respective congregations to continue carrying out activities at home.

Activity in Public Places or Facilities;

For the implementation of activities in public places or facilities, the community is prohibited from carrying out activities with a number of more than five people in public places/facilities. Managers of public places/facilities are required to temporarily close residents' activities during the LSSR. This prohibition is excluded for residents' activities to meet basic or daily needs and carry out sports activities independently, not in groups and limited to the area around the residence.

Socio-cultural Activities;

Restrictions on social and cultural activities are activities that gather or bring people together in politics, sports, entertainment, academics and culture. Meanwhile, circumcision activities, weddings and funerals or funerals for non-COVID-19 deaths are excluded with the provisions, for circumcision and marriages to be carried out at health service facilities or KUA, attended in a limited manner, eliminating celebratory events that invite crowds and maintaining a distance from those present.

People and Goods Movements Using Transportation Modes

The use of transportation modes unless to meet basic needs and activities that are permitted during the LSSR. Exceptions to the prohibition also apply to private vehicles, public transportation and rail transportation.

Application-based two-wheeled transportation or online motorcycle taxis are limited to transporting goods only.

Because it was considered no longer consistent with the conditions and needs of the community, on June 2, 2020, Depok Mayor Regulation No. 37 of 2020 was stipulated which regulates the implementation of Proportional LSSR in the Framework of Preparation for Adaptation of New Habits (Peraturan Walikota Depok, 2020b). Adaptation to New Habits (AKB) is an effort to accelerate the handling of COVID-19 in which supports the sustainability of the community's economy that synergizes health, social and economic aspects. The first case of Corona Virus Disease spread in Indonesia, occurred in Depok City, West Java Province in April 2020. The response of the Depok City Government in handling health control that occurred was to issue Depok Mayor Regulation No. 22 of 2020 on April 12, 2020 which regulates the Implementation of Large-Scale Social Restrictions in Handling Coronavirus Disease 2019 in Depok City (Peraturan Walikota Depok, 2020a).

In Depok Mayor Regulation No. 37 of 2020, restrictions on community activities are adjusted to the existing level or grade in the Depok City area (Peraturan Walikota Depok, 2020b). Level/or grade includes: (1) level 1, i.e. low or no positive cases of COVID-19; (2) level 2, i.e. moderate, or found sporadic COVID-19 cases, which can be caused by imported cases or local transmission; (3) level 3, i.e. quite severe or COVID-19 cases found in a single cluster; (4) level 4, i.e. severe or found cases of COVID-19 in one or more clusters with an increase in; and (5) level 5, i.e. critical or found cases of COVID-19 with community transmission. The community will receive social restrictions according to the existing level in the Depok City area. These treatments include: (1) level 1, normal; (2) level 2, application of the provisions of physical distancing; (3) level 3, partial implementation of LSSR; (4) level 4, full implementation of LSSR; and (5) level 5, implementation of total lockdown.

The Impact of Large-Scale Social Restrictions (LSSR) on The Economy in Depok City

The implementation of LSSR in cities has had an impact on various aspects of life, range of the health, economic and even social sectors. Since the first case of COVID-19 infection was discovered in March 2020 until the implementation of the LSSR policy, Indonesia's macro development performance has decreased, as well as Depok City. The impact of the COVID-19 pandemic on macro development performance is reflected in the achievement of economic growth, the Human Development Index (IPM), and employment conditions. Depok City's economic growth in 2020 experienced a contraction or negative growth and the IPM achievement in 2020 experienced a slowdown in growth compared to previous years. Economic growth is an important factor in reducing poverty and generating resources necessary for human development and environmental protection (Junaedi & Salistia, 2020). Meanwhile, employment conditions in 2020 showed that the number of unemployment and the open unemployment rate increased compared to the previous year.

According to (Dwi Prasetyo & Hauff, 2015), "The economic impact consists of the impact on income, the impact on economic activity, the impact on spending." Economic impact as a result of a change that occurs in the environment. The implementation of LSSR with complementary supporting policies will certainly have an impact on the economic sectors in Depok City, including the tourism sector, MSMEs and employment. The impact of the COVID-19 pandemic on the tourism sector due to the closure of tourist destinations. Based on data from the Department of Youth, Sports, Culture and Tourism (Disporyata) of Depok City in 2020, there are 2 recreation areas and 1 restaurant are closed, while the arts and cultural workers operate as many as 306 people. Meanwhile, based on data from the Depok City Cooperatives and Micro Business Office in 2020, as many as 565 micro-enterprises surveyed experienced a decrease in average income of 68.37 percent. Business actors who experienced the most decline in income were in the fashion sector, followed by handicrafts and culinary.

On the other hand, the implementation of the LSSR policy also received mixed reactions in the community. Society complained about the impact they experienced such as the economic difficulties because they could not work as usual so all the necessities of life could not be met properly, especially for the lower class. Physical declines due to limited movement space and psychological effects due to excessive restlessness about this virus. The efforts of Depok City Government in anticipating Coronavirus development are precisely enough to worry the public. Not only anxiety about being infected with the Coronavirus, yet the government's policy to impose LSSR for several areas of Depok City. These circumstances will make it difficult for the community to carry out their activities and mobility. Even though this is highly risk, it must be done in order to break the chain of Coronavirus spread.

Policies that limit community activities are indeed uneasy to implement, especially for people whose livelihoods are in the informal sector. People in the informal sector will find it difficult to meet the needs of daily life. For example, online motorcycle taxi drivers, besides having to fulfilling their daily needs, also have a

motorcycle credit burden. LSSR conditions automatically reduce their income. Another economic problem followed post-enactment of LSSR is the problem of declining people's income, which leads to a decrease in purchasing power as well. This means people cannot afford to buy their daily needs. Instead paying off credit or debit instalment, merely buying rice is already hard. If the LSSR is carried out strictly in order to successfully prevent the epidemic from spreading, community mobility will be increasingly limited, which can further complicate economic conditions. The short-term economic problem which has to overcome through mitigation strategy of government is the ability of community to access food, especially the staple ones, become very weak and even run out. Even though some people are feeling secure in terms of income, for instance civil servants or employees of surviving-strong enough company, it cannot be ignored that some are dependent on businesses and the informal sector which had to close their businesses lately, as well as people who work in the formal sector which was later dismissed.

Government Strategies to Overcome The Impact of LSSR

The undertaker of economic impacts is carried out through the provision of Cash Transfers (BLT) or Social Aids to affected communities. Social Aids is the provision of assistance in the form of money/goods to individuals, families, groups and/or communities that are non-continuous and conditional, which aims to protect against possible social risks. Recipients of Social Aids are poor and vulnerable poor families based on the 2020 DTKS who do not receive Cash Transfers from the Central Government and/or West Java Provincial Government. The aids only provided to affected communities out of the 2020 DTKS or non, under the requirements, whom has verified by the PD in charge of Social Affairs, subsequently submit it to the mayor for determination. The provision of Cash Transfers for the affected community aims to: (1) minimize the risk of social and economic vulnerability in order to fulfilled their survival; and (2) to meet the basic needs and access basic services fairly in accordance with the provisions.

The results of this study are in line with research conducted by (Bukhari & Ramadhan, 2020) stating that the net income received by Go-jek and Grab drivers who work full-time, the majority is above the amount of UMR prevailing in Bekasi City, and dropped dramatically to reach below the Regional Minimum Wage during the Covid-19 pandemic. The community has the right to get a social safety net so that their survival is guaranteed. The Social Safety Net is a form of protection to ensure that all people who are economically affected by the Coronavirus Disease 2019 (COVID-19) pandemic can meet their basic needs properly. The recommendations given include the government needs to provide business capital assistance and provide social assistance to the community and continue the Covid-19 vaccination program, implement public health protocols, and encourage business actors to master information technology to be able to innovate in marketing products through e-commerce and still maintain the quality of products marketed. In addition, the researcher recommends that before making policies in addressing COVID-19 prevention, the government needs to consider the impact and risks that will be received by target groups. The government also needs to prepare solutions in case of unwanted negative impacts.

Conclusion

From the discussion above regarding the impact of LSSR on the economy in the city, the policy that can be concluded is that the implementation of LSSR in Depok has an impact on various aspects of life, both health, economy and even social. The implementation of LSSR with complementary supporting policies will certainly have an impact on the economic sector in Depok City, including the tourism, MSME, and employment sectors. The implementation of the LSSR policy also drew mixed reactions in the community. The majority of people complain about the impact they experience such as economic difficulties because they cannot work as usual so that all the needs of life cannot be met properly, especially for the lower class. The implementation of LSSR causes a decrease in people's income which leads to a decrease in purchasing power as well. The strategy taken by the Government based on Mayor Regulation Number 38 of 2020 is the provision of Social Assistance to the community, and the community has the right to a social safety net. So the government needs to consider the impact and risk that will be received by the target group. The government also needs to prepare solutions in case of unwanted negative impacts.

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