



Impact of Fiscal Stimulus on Economic Output and Labor Income in Indonesia

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ABSTRACT

The Covid-19 pandemic affected many sectors, one of which was the economic sector, so the government released three fiscal stimulus policy packages to deal with the impact of the Covid-19 pandemic on the economy. Starting on February 25, 2020 for the first volume, then for the second volume on March 21, 2020 and then the third volume of the fiscal stimulus package was released on March 31, 2020. The purpose of this paper is to identify the impact of the fiscal stimulus on economic output and labor income. in Indonesia. The research method uses input output analysis model in identifying the impact of fiscal stimulus on economic output and labor income. The results of the analysis of the impact of the fiscal stimulus volume 1 show that the increase in fiscal stimulus in 2020 on the output of the Accommodation and Food and Drink Provision sector; Real Estate; and Other Services sectors cause changes in economic output. There are three sectors that are most affected by their output with the increase in fiscal stimulus, namely the Manufacturing Industry sector; Agriculture, Forestry and Fisheries; and Wholesale and Retail Trade; Car and Motorcycle Repair. The impact of the fiscal stimulus volume 2 in the form of tax incentives, especially on PPh 21 in the Manufacturing Industry, has proven to have an impact on changes in total income in all sectors. The results of the analysis of the impact of fiscal stimulus volume 3 show that the increase in fiscal stimulus in 2020 on the output of the Agriculture, Forestry and Fisheries sector; Processing industry; and Health Services and Social Activities cause changes in economic output. There are three sectors that are most affected by their output with the increase in fiscal stimulus, namely the Manufacturing Industry sector; Health and Social Activities; and Agriculture, Forestry and Fisheries.

1. INTRODUCTION

The Covid-19 pandemic that has hit Indonesia to date has affected many sectors, such as the health sector, tourism sector, social sector, manufacturing sector, transportation sector and also the economic sector. Apart from these several sectors, the economic sector is one of the sectors most affected by the Covid-19 outbreak. These impacts include affecting economic growth, decreasing people's purchasing power, and the financial sector experiencing various obstacles. The impact of the COVID-19 pandemic on the economy in Indonesia can also be seen from the decline in several macroeconomic indicators such as contraction in GDP growth. Therefore, the government needs to think of ways to make the economic sector in Indonesia recover, one of which is by setting a fiscal stimulus policy. Fiscal stimulus is one of the government's efforts to stabilize and increase economic growth in Indonesia during the Covid-19 pandemic. As stated in "Law Number (2) of 2020" concerning state financial policy and financial system stability for handling the coronavirus disease 2019 (Covid-19) pandemic and/or in the context of dealing with threats that endanger the national economy and/or financial system stability to In dealing with the impact of Covid-19, the government is tasked with formulating extra strategies in an effort to maintain public health and the effects of Covid-19 on the domestic economy. The government's focus in this regard is health spending, national economic recovery, and social safety nets. In general, Fiscal stimulus can be provided through tax instruments and or government spending, although each of these fiscal stimulus instruments has a different multiplier effect and impact on the economy. The government with fiscal stimulus policies seeks to contribute to economic growth, employment opportunities and household income, but has the potential to cause prices to rise. (Wardhana & Hartono, 2012). The Ministry of Finance of the Republic of Indonesia stated that the provision of stimulus policies still needs to consider the financing capacity of the government. Based on this, the government needs to provide flexibility to facilitate potential changes in budget allocations in the State Budget, including changing the posture of the State Budget if necessary, which is adjusted to the dynamics of economic development. The formulation of fiscal policy in the form of incentives and subsidies, especially on the production side, needs to pay attention to legal rules related to universal business

activities such as Business Competition Law and Trade Law, as well as agreements in international agreements, such as the WTO and GATTs. This is necessary so that domestic policy steps related to the handling of the COVID-19 pandemic do not cause other implications that injure the principles of market openness and business competition that have been applied and have been agreed upon. The fiscal policy taken by the government at this time is an expansionary fiscal policy. According to a report from the Central Statistics Agency, the percentage of economic growth in Indonesia at the beginning of August 2021 in the second quarter of 2021 jumped to 7.07 percent on an annual basis. The spike occurred due to the government's fiscal stimulus policy, one of which was an increase in government spending through social assistance funds for people affected by Covid-19 (Su'aidy, 2020). Therefore, there is a need for an analysis of the impact of the fiscal stimulus policy implemented by the government on economic development in Indonesia, whether the fiscal stimulus policy can overcome the impact of Covid-19, especially in the economic sector.

Fiscal Stimulus Package Volume I

The Fiscal Stimulus Package Volume I consists of 7 policies, including the addition of basic food benefits of 4.56 T, additional assistance for subsidies with housing interest of 1.56 T, Incentives to bring in foreign tourists of 298.5 billion, Incentives for domestic tourists of 433,3 M, TKDD support to the tourism sector of 3.4 T, Acceleration of pre-employment card program, Acceleration (front loading) and optimization of state spending with a total expenditure of Rp. 10.2 T (Su'aidy, 2020).

Fiscal Stimulus Package Volume II

The Fiscal Stimulus Package Volume II consists of 4 policies, including Relaxation of Article 21 Income Tax of 8.60 T, Relaxation of Article 22 Import Income Tax of 8.15 T, Reduction of Article 25 Income Tax by 30% by 4.20 T, accelerated VAT refunds by 1,97 T, with a total expenditure of Rp. 22.9 T (Su'aidy, 2020).

Fiscal Stimulus Package Volume III

The Fiscal Stimulus Package Volume III consists of 12 policies, including Health at 75 T, Social Safety Net at 110 T, Tax Incentives at 70.1 T, Family Hope Program for Economic Recovery of 150 T, Family Hope Program at 37.4 T, Card Program Basic staples of 14 T, Smart Indonesia Program of 20 T, Ministry of Agriculture of 1.6 T, Ministry of Transportation of 1.87 T, Ministry of Maritime Affairs and Fisheries of 95.58 T, Ministry of PUPR of 10.2 T, with a total expenditure of of Rp. 601.51 T (Su'aidy, 2020).

2. LITERATURE REVIEW

2.1 Fiscal Policy

Fiscal policy is a policy designed by the government which is expected to influence the economic development of a country. Conceptually, the notion of fiscal policy includes several aspects, namely government revenues and expenditures to improve the economy, which will not always be stable, there will be times when there will be obstacles or problems, this is where the role of the government in stabilizing the economy in Indonesia by making or issuing fiscal policies where fiscal policy is government steps to make changes to the budget or expenditure system that aims to overcome the economic problems being faced (Sukirno, 2003). According to the Keynesian view, there is a relationship between government intervention in the economy and government spending which has theoretical foundations in the identity of the national income balance, namely $Y = C + I + G + (XM)$. From this equation, it can be seen that the decrease and increase in government spending can increase or decrease national income. This is a consideration on the basis of government decision-making in regulating its expenditure (Dumairy, 2006). Adiningsih (2012) explains that the main objective of fiscal policy is to focus on increasing economic growth which indicates an increase in people's welfare. However, economic growth that continues to be pushed excessively will result in macroeconomic stability due to a fiscal deficit. Fiscal policy consists of revenue components which include tax and non-tax and expenditure components. However, in the revenue component, it is necessary to pay attention to the effectiveness and efficiency of the management of state financial management (Mayssara A. Abo Hassanin, 2014). Fiscal policy is divided into two groups, namely expansionary fiscal policy and contractionary fiscal policy. Expansive fiscal policy is carried out when the economy is experiencing a downturn and the government is trying to boost the economy by increasing government spending and lowering taxes. Meanwhile, contractionary fiscal policy is a policy that is carried out when inflation occurs and the government seeks to put pressure on inflation through this policy by reducing government spending and increasing taxes (Bappenas.go.id). Fiscal policy can also be categorized based on the pattern of the business cycle consisting of pro-cyclical fiscal policy that follows the pattern of the business cycle, where this policy is applied when the economy is experiencing a recession followed by low government spending. As for the counter-cyclical fiscal policy which is contrary to the business cycle, this policy is also applied when the economy is in recession but is followed by increased government spending. Where the counter cyclical policy which is part of the fiscal stimulus policy plays an important role in economic stability when it is experiencing a crisis/recession (kemenkeu.go.id). Expansive fiscal policy, such as fiscal stimulus, will be able to increase aggregate demand through investment and domestic consumption. Under conditions of price constancy, short-run real output will increase. In the midst of weak global demand due to the Covid-19 pandemic crisis, fiscal stimulus can catalyze the domestic economy. Furthermore, increasing aggregate demand will have a multiplier effect so that it can increase aggregate supply in the real sector, in accordance with an undercapacity economy, and will ultimately increase output in the short term (Simorangkir &

Adamanti, 2010). In Indonesia, fiscal policy is illustrated by the increase in the state budget from year to year and is the main driver for achieving economic growth. according to Surjaningsih et al. (2012), in the long run there is a relationship between government spending and taxes on output where the implementation of taxes has a positive impact on economic growth but not for government spending. An increase in government spending has a positive impact on output when applied in the short term, but if a tax increase is implemented it will have a negative impact. So in the short term, the existence of policies to increase government spending on output is more effective than increasing taxes to stimulate economic growth during a recession. In addition, an increase in government spending causes a decrease in inflation, but on the contrary, an increase in taxes has an impact on an increase in inflation.

2.2 Fiscal Stimulus

There are many studies and views that explain the fiscal stimulus policy needed to support the acceleration of a country's economic development which is one of the efforts made by the government. Fiscal stimulus is also important to stabilize the economy during a recession as a counter cyclical policy. Generally, fiscal stimulus is provided through taxes and/or government spending with different impacts on the economy (Wardhana & Hartono, 2012). Siswanto (2010) said that the main objective of the fiscal stimulus policy was to increase household consumption to maintain the level of people's purchasing power, to keep the business sector afloat in the face of crises and to increase job opportunities. In addition, according to Simorangkir & Adamanti (2010), the objective of fiscal policy is to reduce the excessive output gap. According to the classical view, fiscal stimulus has a neutral nature in real output which results in a budget deficit from increased government spending and tax cuts. Therefore, it is necessary to increase taxes in the long term to reduce the deficit. However, the consequences will have an impact on the community, which requires reducing spending due to anticipating an increase in taxes. With an increase in expenditure which is offset by a decrease in expenditure, which will not have a significant effect on output (Simorangkir & Adamanti, 2010). According to Wardhana & Hartono (2012), it is important for the government to identify the impact of fiscal stimulus instruments so that the use of these policies can be effective and efficient and can achieve maximum results for the economy and in line with targets. There are macroeconomic indicators to measure the impact of fiscal stimulus policies on the economy, namely GDP, household income, consumer price index, labor and sectoral output.

2.3 Economic Performance

Improving the Quality of Human Resources is believed to be able to improve economic performance in a country. Indonesia's economic performance continues to show a recovery direction and is on track (on-track). Economic performance in 2021 is also expected to move towards the positive zone, better than 2020, although it has not yet fully recovered. The 2021 State Budget is still a very important instrument for handling Covid-19 and accelerating economic recovery. In the future, this direction of recovery will be accelerated, especially with the start of measured and well-planned vaccinations. Fiscal policy support that has been strong in 2020 will continue and remain countercyclical in 2021. Overall, the national economic performance throughout 2020 recorded a growth of -2.07% (YoY).

2.4 Relationship of Fiscal Stimulus with Economic Output

Quoted from Benczes (2009) according to Keynesian economists, a substantial increase in aggregate demand is due to fiscal stimulus and thus economic activity increases, so when there is a decrease in economic output, the unemployment rate increases and vice versa. Fiscal stimulus in the health sector in the form of providing benefits to medical personnel can increase demand in the economy. Likewise, the social safety net that is given to the lower class will be able to affect consumption and demand in the economy. By considering the Marginal Propensity to Consume (MPC) per group of people who receive the stimulus, the amount of additional income used for consumption can be calculated. Meanwhile, the stimulus in the taxation sector for the industrial sector and MSMEs has more influence on production activities or the supply of goods in the economy. By identifying the effect of each stimulus on demand or supply, this will affect the types of shocks given in the IO table (Mayssara A. Abo Hassanin, 2014). With a fiscal stimulus of Rp405.1 trillion, an output in the economy of Rp649.3 trillion will be created. Meanwhile, the added value and income of workers will increase by Rp355 trillion and Rp146.9 trillion, respectively. With the creation of output, added value, and income in the economy, the fiscal stimulus that is launched will absorb an additional 15 million people or 11.84 percent of the total workforce.

2.5 Relationship of Government Expenditure and Economic Growth

Various sectors in the economy are influenced by government spending, but also directly or indirectly will affect the production sector of goods and services. The goods and services needed by the government are directly influenced by government spending on the procurement of goods and services. while in the education sector, government spending does not have a direct effect, because good education can produce higher quality human resources and can increase production (Azwar, 2016). Quoted from Tatahi, Cetin, & Cetim (2016) according to the theoretical approach of Wagners Law, the development of the industrial economy will be followed by an increase in the share of public spending in GNB (Gross National Gross). Ranival, Taufik, & Imelda (2016) in their research put forward a theory from Peacock and Wiseman

which argues that when the government tries to increase spending, people are reluctant to pay higher taxes in financing government spending, but in this theory, people have a the level of tax tolerance, that is, the public can understand the tax increase required by the government to finance government spending. The taxes paid by the community can achieve the target in economic growth.

3. METHODOLOGY

3.1 Analysis Techniques

Input Output Analysis or IO analysis is a comprehensive analysis of the country's economy which looks at the interrelationships between economic sectors in the country as a whole. For example, so that other products or inputs for further production can be produced, these require inputs. Therefore, it can be seen that the sectors in the economy are interrelated either directly or indirectly. This relationship can be seen using the Input-Output analysis method. Input-Output Table introduced by Prof. Wassily Leontief (1930) and his analysis. The IO table is a tool to analyze the regional economy and is useful in planning the development of a region.

Input-Output Analysis can be used to:

- [1] Calculating the Impact of Final Demand on Output
- [2] Calculating the Impact of Final Demand on Labor Income
- [3] Calculating the Impact of Final Demand on Changes in Employment Opportunities
- [4] Calculating the Impact of Changes in Primary Inputs on Changes in Output
- [5] Backward Linkage Analysis
- [6] Forward Linkage Analysis
- [7] And so forth.

This study analyzes the Impact of Final Demand on Output and Labor Income. Where the steps are as follows:

3.1.1 Calculating Technology Coefficient/Input Coefficient

Technology Coefficient/Input Coefficient is a number that indicates the amount of input required to produce one unit of output (output). The technological coefficient is obtained by the following equation(Cahyono & Sumargo, 2005).

$$I_i = \frac{L_i}{X_i}$$

I_i = Sector input coefficient i

L_i = Number of input sectors i

X_i = Output sector i

3.1.2 Calculating the Identity Matrix

The identity matrix is a square matrix with the number 1 on the main diagonal. The identity matrix is also called the unit matrix and is symbolized by I.

$$I = \begin{bmatrix} 1 & 0 & 0 \\ 0 & 1 & 0 \\ 0 & 0 & 1 \end{bmatrix}$$

3.1.3 Calculating the Matrix (IA)

A matrix is a rectangular array of numbers arranged in rows and columns, written in brackets. Matrix (IA) is a subtraction of the identity matrix with the input coefficient matrix for all sectors.

3.1.4 Calculating the Inverse Matrix $(I - A)^{-1}$

The inverse matrix, also known as the Leontief inverse matrix, describes the output multiplier effect $(I - A)^{-1}$ (Malba & Taher, 2016).

3.1.5 Calculating the Impact of Final Demand on Output

The rise and fall of output in a sector will affect the rise and fall of the number of inputs in that sector. The relationship between input and output has been explained in the formula for calculating the input coefficient. In this equation, the input coefficient is calculated by the formula $I_i = L_i/X_i$ so in this case $L_i = I_i \times X_i$. If this last equation is described for each sector, the following formula is obtained (Malba & Taher, 2016).

$$LI = I I XI \quad :$$

$$L_i = l_i X_i \quad :$$

$$L_n = l_n X_n \quad :$$

In matrix form, the above equation can be written as follows.

$$L = \hat{L} X$$

with

L = Input number matrix

$$\hat{L} = \text{input coefficient diagonal matrix} \begin{bmatrix} I_i & 0 & 0 \\ 0 & I_i & 0 \\ 0 & 0 & I_i \end{bmatrix}$$

X = Output

It has also been stated that the output formed as a result of final demand can be calculated by . With the calculation results, the impact of final demand on inputs can be calculated by the following formula (Malba & Taher, 2016): $X = (I - A^d)^{-1} F^d (I - A^d)^{-1} F^d$

$$L = \hat{L} (I - A^d)^{-1} F^d$$

with

L = Input requirements affected by final demand

\hat{L} = input coefficient diagonal matrix

$(I - A^d)^{-1} F^d$ = Output affected by final demand

3.2 Types and Sources of Data

The data used in this study are dor secondary. The data used is the Indonesian Input Output Table of Domestic Transactions on the Basis of Producer Prices (17 Business Fields) in 2016 (Million Rupiah), data on fiscal stimulus in an effort to deal with the Covid-19 pandemic obtained from the website of the Ministry of Finance and the Central Statistics Agency.

4. RESULT AND DISCUSSION

With the Covid-19 pandemic causing the Indonesian economy to stall, the government issued a fiscal stimulus policy to deal with the problem. The fiscal stimulus is divided into 3 volumes. The first volume focuses on the sector Provision of Accommodation and Food and Drink; Real Estate; and Other Services. Volume two focuses on the relaxation of Article 21 Income Tax, relaxation of Article 22 Import Income Tax, reduction of Article 25 Income Tax and accelerated VAT refunds. Volume 3 focuses on the Agriculture, Forestry and Fisheries sectors; Provision of accommodation and food and drink; real estate sector; education services sector; and the health services sector and social activities.

4.1 Fiscal Stimulus Volume I

Based on the calculation results of the Input Output Table, the table of Output Changes Due to Final Demand Changes is obtained as follows:

Table 1. Changes in Output Due to Changes in Final Demand, Fiscal Stimulus Volume I (Billion Rupiah)

Sector	Government Expenditure	Sector	Output Change G
1n	0	1n	8031
2n	0	2n	4.340
3n	0	3n	20.986
4n	0	4n	4.744
5n	0	5n	104

Sector	Government Expenditure	Sector	Output Change G
6n	0	6n	2,543
7n	0	7n	6.670
8n	0	8n	4.648
9n	4,560	9n	5.771
10n	0	10n	5.636
11n	0	11n	5.864
12n	1,500	12n	3,608
13n	0	13n	4.662
14n	0	14n	839
15n	0	15n	332
16n	0	16n	281
17n	4.189	17n	5.257
		Total	84,317

Source: processed data

The results of the analysis show that the increase in fiscal stimulus in 2020 to the output of the 9n, 12n, and 17n sectors, namely the Accommodation and Food and Drink Provision sector, amounted to 4,560 billion rupiah; Real Estate of 1,500 billion rupiah; and Other Services amounting to 4,189 billion rupiah, causing the creation of an overall economic output in 2020 of 84,317 billion rupiah. The creation of such a large economic output, in detail occurred in each sector, which amounted to 8,031 billion rupiah in sector 1n, amounted to 4,340 billion rupiah in sector 2n, amounted to 20,986 billion rupiah in sector 3n, amounted to 4,744 billion rupiah in sector 4n, amounted to 104 billion rupiah in sector 5n, amounting to 2,543 billion rupiah in sector 6n, amounting to 6,670 billion rupiah in sector 7n, amounting to 4,648 billion rupiah in sector 8n, amounting to 5.771 billion rupiah in sector 9n, amounting to 5,636 billion rupiah in sector 10n, amounting to 5,864 billion rupiah in sector 11n, amounting to 3,608 billion rupiah in sector 12n, amounting to 4,662 billion rupiah in sector 13n, amounting to 839 billion rupiah in sector 14n, amounting to 332 billion rupiah in the 15n sector, 281 billion rupiah in the 16n sector and 5,257 billion rupiah in the 17n sector. There are 3 sectors that are most affected by their output, namely the 3n sector (Processing Industry) of 20,986 billion rupiah; sector 1n (Agriculture, Forestry and Fisheries) amounting to 8,031 billion rupiah; and sector 7n (Wholesale and Retail Trade; Car and Motorcycle Repair) amounting to 6,670 billion rupiah. Meanwhile, there are 3 sectors that are least affected by their output, namely the 5n sector (Water Supply, Waste Management, Waste and Recycling) amounting to 104 billion rupiah; sector 16n (Health Services and Social Activities) amounting to 281 billion rupiah; and sector 15n (Education Services) amounting to 332 billion rupiah. The average increase in output for each sector is 4,960 billion rupiah. The sector that was most affected by the first volume of fiscal stimulus policy was the Manufacturing Industry sector, with an increase in output of 20,986 billion rupiah. Meanwhile, the sectors least affected by the fiscal stimulus policy in the first volume were the Water Supply, Waste Management, Waste and Recycling sectors, with an increase in output of only 104 billion rupiah. The magnitude of the impact of the government's fiscal stimulus in the agricultural sector was due to the large allocation of stimulus aimed at encouraging economic activity in the agricultural sector, such as additional basic necessities and meeting people's food needs. The agricultural sector is also a source of supply of raw materials for the growth of the manufacturing industry. The growth in the trade sector was mainly driven by the Wholesale and Retail Trade sub-sector, not Cars and Motorcycles, which amounted to 1.71 percent (YoY). Cumulatively, wholesale and retail trade, car and motorcycle repairs in 2019 reached Rp1,440.5 trillion, or grew by 4.6 percent (YoY). Positive growth in the trade sector was in line with increasing sales of motorcycles and spare parts. Other than that, general election campaign activities also increase the demand for goods for logistics needs. Overall, sales of goods in the country have increased and the need for retail goods such as clothing and so on has increased due to the higher demand for these goods.

4.2 Fiscal Stimulus Volume II

The impact that we want to see from the fiscal stimulus volume 2 focuses on PPh 21, because it is felt that this is the most possible thing for the government to do in order to maintain the economy in Indonesia. PPh 21 is easy to implement and quite effective and its impact is directly felt by beneficiaries, namely by increasing income which is expected to increase consumption and also people's purchasing power in the midst of hampered economic activity.

Table 2. Changes in Income Due to Changes in PPh 21, Fiscal Stimulus Volume II (Billion Rupiah)

Sector	Government Expenditure	Change in G . Income
1n	0	
2n	0	
3n	8,600	
4n	0	
5n	0	
6n	0	
7n	0	
8n	0	
9n	0	35,488
10n	0	
11n	0	
12n	0	
13n	0	
14n	0	
15n	0	
16n	0	
17n	0	

Source: processed data

With the policy of providing tax incentives, especially on PPh 21 which focuses on the Manufacturing Industry sector, it has an impact on a change in income of 35,488 billion rupiah in total in all sectors. In addition, the government's goal to relax PPh 21 is to help liquidity for workers in the related sector as additional income for workers to maintain purchasing power. Based on the analysis results show that the fiscal stimulus policy is proven to be effective in increasing labor income in all sectors.

4.3 Fiscal Stimulus Volume III

Based on the calculation results of the Input Output Table, the table of Output Changes Due to Final Demand Changes is obtained as follows:

Table 3. Changes in Output Due to Changes in Final Demand, Fiscal Stimulus Volume III (Billion Rupiah)

Sector	Government Expenditure	Sector	Output Change G
1n	1,695	1n	77.606
2n	0	2n	48.232
3n	0	3n	226.586
4n	0	4n	55,482
5n	0	5n	1,294
6n	0	6n	25,625
7n	0	7n	72,700
8n	0	8n	54.009
9n	14,000	9n	28,501
10n	0	10n	62,545
11n	0	11n	62.745
12n	10,200	12n	30,780
13n	0	13n	58,436

Sector	Government Expenditure	Sector	Output Change G
14n	0	14n	9,288
15n	15,760	15n	20,171
16n	75,000	16n	81,097
17n	0	17n	10,620
		Total	925,717

Source: processed data

The results of the analysis show that the increase in fiscal stimulus in 2020 to the output of the 1n, 9n, 12n, 15n and 16n sectors, namely the Agriculture, Forestry and Fisheries sector, amounted to 1,695 billion rupiah; Provision of Accommodation and Food and Drink in the amount of 14,000 billion rupiah; Real Estate of 10,200 billion rupiah; Education Services in the amount of 15,760 billion rupiahs; and Health Services and Social Activities amounting to 75,000 billion rupiah; led to the creation of overall economic output in 2020 amounting to 925,717 billion rupiah. The creation of such a large economic output, in detail occurred in each sector, which amounted to 77,606 billion rupiah in sector 1n, amounted to 48,232 billion rupiah in sector 2n, amounted to 226,586 billion rupiah in sector 3n, amounted to 55,482 billion rupiah in sector 4n, amounted to 1,294 billion rupiah in the 5n sector, amounting to 25,625 billion rupiah in sector 6n, amounting to 72,700 billion rupiah in sector 7n, amounting to 54,009 billion rupiah in sector 8n, amounting to 28,501 billion rupiah in sector 9n, amounting to 62,545 billion rupiah in sector 10n, amounting to 62,745 in sector 11n, amounting to 30,780 billion rupiah in sector 12n, amounting to 58,436 billion rupiah in sector 13n, amounting to 9.288 billion rupiah in sector 14n, amounting to 20,171 billion rupiah in sector 15n, amounting to 81,097 billion rupiah in sector 16n and amounting to 10,620 billion rupiah in sector 17n. There are 3 sectors that are most affected by their output, namely the 3n sector (Processing Industry) of 226,586 billion rupiah; sector 16n (Health Services and Social Activities) amounting to 81,097 billion rupiah; and sector 1n (Agriculture, Forestry and Fisheries) of 77,606 billion. Meanwhile, there are 3 sectors that are least affected by their output, namely the 5n sector (Water Supply, Waste Management, Waste and Recycling) of 1,294 billion rupiah; sector 14n (Government Administration, Defense and Mandatory Social Security) of 9.288 billion rupiah; and sector 17n (Other Services) amounting to 10,620 billion rupiah. The average increase in output for each sector is 54,454 billion rupiah. Thus, it can be concluded that the impact of the third volume of fiscal stimulus policy was greater than the impact of the first volume of fiscal stimulus policy due to a larger increase in the average sector output. The sector most affected by the third volume of fiscal stimulus policy is the Manufacturing Industry sector, with an increase in output of 226,586 billion rupiah. Similar to the first volume of fiscal stimulus policy, in the third volume of fiscal stimulus policy, the manufacturing sector was the sector most affected. Meanwhile, the sectors least affected by the third volume of the fiscal stimulus policy were the Water Supply, Waste Management, Waste and Recycling sectors, with an increase in output of only 1,294 billion rupiah. Similar to the first volume of the fiscal stimulus policy, in the third volume of the fiscal stimulus policy, the sectors of Water Supply, Waste Management, Waste and Recycling were the least affected sectors. The large economic impact of the government's fiscal stimulus in the agricultural sector was caused by the economic recovery stimulus program, the government budgeted Rp150 trillion to help MSMEs, most of whom work in the agricultural sector. The agricultural sector is also a source of supply of raw materials for the growth of the manufacturing industry. Likewise, the Health Services sector, which is the most important sector in handling Covid-19 cases, grew by 3.71 percent (yoy). Health services that are increasingly accessed by the public during this pandemic are in line with the case of the spread of Covid-19. Meanwhile, in the midst of the Covid-19 outbreak, Health Services as the most important sector in providing health services to the community experienced a positive growth of 1.09 percent.

5. CONCLUSIONS

The government released three fiscal stimulus policy packages to deal with the impact of the Covid-19 pandemic on the economy. Starting on February 25, 2020 for the first volume consisting of 7 policies focused on subsidies and also tourism, then for the second volume on March 21, 2020 consisting of 4 policies focused on maintaining people's purchasing power and facilitating export-import through fiscal policies and policies The non-fiscal policy was then released for the third volume of the fiscal stimulus package on March 31, 2020, consisting of 12 policies and focusing on health, social safety nets for the community, and support for the business industry. The main objective of the fiscal stimulus policy is to increase household consumption to maintain the level of people's purchasing power, maintain the business sector in order to survive in the face of crisis and increase employment opportunities. In addition, the objective of fiscal policy is to reduce the excessive output gap. The fiscal stimulus substantially causes an increase in aggregate demand and thus economic activity increases, so when there is a decrease in economic output, the unemployment rate increases and vice versa. The results of the analysis of the impact of the fiscal stimulus volume 1 show that there will be an increase in the fiscal stimulus in 2020 for the accommodation and food and drink provision sector; Real Estate; and Other Services; causing changes in overall economic output in 2020. There are 3 sectors that are most affected by their output, namely the 3n sector (Processing Industry) of 20,986 billion rupiah; sector 1n (Agriculture, Forestry and Fisheries) amounting to 8,031 billion rupiah; and

sector 7n (Wholesale and Retail Trade; Car and Motorcycle Repair) amounting to 6,670 billion rupiah. Meanwhile, there are 3 sectors that are least affected by their output, namely the 5n sector (Water Supply, Waste Management, Waste and Recycling) of 104 billion rupiah; sector 16n (Health Services and Social Activities) amounting to 281 billion rupiah; and sector 15n (Education Services) amounting to 332 billion rupiah. With the policy of providing tax incentives, especially on PPh 21 which focuses on the Manufacturing Industry sector, it has an impact on total income changes in all sectors. The results of the analysis of the impact of fiscal stimulus volume 3 show that there will be an increase in fiscal stimulus in 2020 for the Agriculture, Forestry and Fisheries sectors; Processing industry; and Health Services and Social Activities; causing changes in overall economic output in 2020. There are 3 sectors that are most affected by their output, namely the 3n sector (Processing Industry) of 226,586 billion rupiah; sector 16n (Health Services and Social Activities) amounting to 81,097 billion rupiah; and sector 1n (Agriculture, Forestry and Fisheries) of 77,606 billion. Meanwhile, there are 3 sectors that are least affected by their output, namely the 5n sector (Water Supply, Waste Management, Waste and Recycling) of 1,294 billion rupiah; sector 14n (Government Administration, Defense and Mandatory Social Security) of 9.288 billion rupiah; and sector 17n (Other Services) amounting to 10,620 billion rupiah. The large economic impact of the government's fiscal stimulus in the agricultural sector was due to the large allocation of stimulus aimed at encouraging economic activity in the agricultural sector, such as additional basic necessities and meeting people's food needs. The government has also budgeted Rp150 trillion to help MSMEs, most of whom work in the agricultural sector. The increase in the agricultural sector is also a source of supply of raw materials for the growth of the processing industry. Likewise, the Health Services Sector, which is the most important sector in handling Covid-19 cases, can grow by 3.71 percent. Positive growth in the trade sector was followed by increased sales of motorcycles and spare parts. In addition, general election campaign activities have an impact on increasing demand for goods for logistics needs.

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