

The COVID-19 pandemic has exerted a significant influence on global economic policy, economic conditions, and international trade. This necessitates that governments possess the capacity to adapt, particularly in the economic sphere. During the COVID-19 pandemic, there is a potential for a significant disruption in the world economy. The global health crisis precipitated a notable surge in public debt as a consequence of heightened expenditures and diminished tax receipts. Furthermore, it caused significant disruptions to worldwide supply chains, particularly those involving products that rely on components sourced from other countries. The aforementioned vulnerabilities in just-in-time supply chain models have brought attention to the need for a reevaluation of supply chain tactics (Rai et al., 2021).

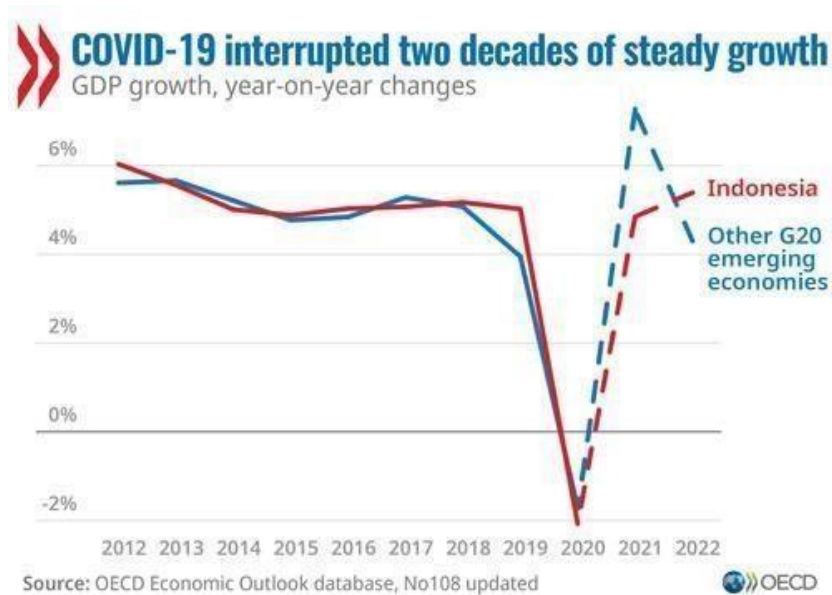


Figure 1: Indonesia Economic Performances

Before the onset of the COVID-19 pandemic, Indonesia itself had experienced instability in various aspects which can be said when the outbreak occurred, it can be seen that Indonesia experienced very poor economic performance which below zero% performances. Indonesia, which previously had problems in managing human resources, is getting worse in the sector and losing control over it. The Indonesian government has put significant effort into reviving economic activities in Indonesia,

starting with many relaxations of the limitations on economic activity. This is also followed by renewal and creating new rules and policies that are implemented domestically and internationally, which can be seen from the diagram above the economy is starting to return to normal (OECD, 2021).

Indonesia, akin to numerous other nations, has adopted a variety of economic and trade measures in reaction to the COVID-19 outbreak. The measures were designed with the objective of reducing the economic consequences of the pandemic, protecting the well-being of the general population, and bolstering the nation's trade endeavors. The significance of updating and adjusting policies in response to a crisis situation can greatly contribute to a country's ability to achieve substantial recovery. This study aims to provide a comprehensive analysis of Indonesian trade policies in the post-pandemic era, with a particular focus on their role in fostering strong economic resilience (Charina et al., 2022).

A. Research Question

Based on the background that has been described above, the research question is as follows: “**How can Indonesia’s economic policy build economic resiliency post-pandemic?**”

B. Theoretical Framework

The writer uses “Rational Choice Theory” and “Institutional Resiliency Concept” as theoretical frameworks on answering the research question above. This theoretical framework will analyze the fundamental factors influencing the decision-making process of the Indonesian government in formulating economic policies. It will also classify the existent policies that define economic resilience in Indonesia.

Rational Choice Theory

The action of a nation or institution is likely to be explained by the Rational Choice Theory, however the behaviour of a state is likely to be explained by the use of their own rational indicator to achieve their goal that is linked with their own subjective objective (Ganti, 2023). Both the "Invisible Hand" and the rational choice theory were initially presented by Adam Smith with their respective introductions. "An Inquiry into the Nature and Causes of the Wealth of Nations" was the title of the document that saw publication in the year 1776. According to Levin and Milgrom (2004), the term

"Invisible Hand" refers to the hidden motivations that are observed in economic activity, such as the pursuit of one's self-interest (Levin & Milgrom, 2004). To put it another way, that phrase emphasises the need of taking into account information, prospective costs, and advantages, and selecting the option that results in the most utilisation of these factors.

In addition, Nicholeas B. Creel explained that Rational Choice Theory is individuals will carefully evaluate all decisions, weighing the cost and benefits of each potential path forward, and then choosing what they believe will maximize the benefit to themselves (Creel, 2022). Further, the principles try to actively maximize their advantage in any situation and, therefore, consistently try to minimize losses. The theory assumes people complete and transitive preferences. This means they can rank all the option and their choice are consistent (Abell, 2003).

Furthermore, the Rational Choice Theory will be utilised in this investigation to offer a thorough explanation of how Indonesia's perspective of the COVID-19 events has impacted the economic resilience of the region, as well as how it is incorporated into the framework of economic policy. This research will use the Rational Choice Theory to solve the issue by offering a comprehensive personal purpose of Indonesia, which includes economic preferences that serve as Indonesia's target. In addition to the three scholars who have provided explanations on rational choice, this research will use rational choice to address the issue. In addition to this, this will be assessed by analysing the advantages that Indonesia has obtained as a result of the implementation of economic policy.

Economic Resilience Framework

In understanding the Economic Resilience framework, there are two economic conditions that need to be reviewed, namely: Static Economic Resilience, and Dynamic Economic Resilience (Rose & Krausmann, 2013).

The concept of Static Economic Resilience refers to the capacity of a system to continue functioning normally while being subjected to shocks. The concept of dynamic economic resilience, on the other hand, refers to the potential of a system to recover quickly after experiencing a shock. This component of resilience places an emphasis on capacity building. As a result of its ability to lessen the likelihood of a disruption to business operations following the occurrence of physical damage to

structures, resilience is improved. The capability and efficiency of a system will be the subject of discussion within this paradigm moving forward.

After all, economic terms It is possible to define resilience as the intrinsic and flexible responses to disasters that enable individuals or communities to lessen the impact of losses. Resilience can be attributed to both the influence of private or public policy acts as well as the influence of one's own fundamental inclinations. The term "resilience" refers to the circumstances and actions taken in response to a disaster, and it is distinct from pre-disaster activities that are done with the intention of minimising potential losses (Rose, 2004). To what extent, at the country level, this economic resilience is highly applicable in recognizing any potential challenges and being prepared to adapt quickly with effective post-action measures. Furthermore, Rose in his work entitled 'Defining Resilience and its Scope' (Rose, 2004), also describes the Economic Resilience Framework in three aspects, namely;

1. Reduce failure probability
2. Reduces consequences from failure
3. Reduce time to recover

In his articles, Rose discusses the economic resilience, which is characterized by two conditions and three aspects. This concept holds significant importance at both the national and international levels, as it addresses the mitigation of economic disasters and the subsequent rapid recovery.

Economic resilience focuses on an economy's ability to absorb shocks and bounce back from crises. The pandemic highlighted vulnerabilities in Indonesia's economy, such as dependence on certain sectors or global markets. This period of global uncertainty underscored the importance of developing a robust economic framework capable of withstanding future disruptions (Tim Blog Amarta, 2024). However, this crisis also provided an opportunity to identify and strengthen areas of resilience within the economy. It highlighted the need for diversification, innovation, and self-reliance.

To enhance economic resilience, it is crucial to implement policies that promote diversification and reduce dependency on vulnerable sectors. Investing in education, infrastructure, and technology can drive innovation and create new growth opportunities. Strengthening local industries and encouraging sustainable practices will also help build a more resilient economic foundation. Ultimately, the writer believes that undergoing analysis process within the Rational Choice Theory brought by Adam

Smith and Nicholeas B. Creel along with using the Economic Resilience Framework by Rose will bring this issue as comprehensive discussion in International Relations.

C. Hypothesis

The efforts made by Indonesia in building economic resilience, through policy adjustments throughout the time, are urge to:

1. By analyzing economic trends, including domestic consumption and export capabilities in the post-pandemic period, Indonesia can make informed decisions that optimize economic outcomes and national welfare.
2. The implementation of adaptable economic policies has been prioritized in order to proactively address any potential crises that may arise

D. Research Purposes

This research is carried out in the form of efforts to complete final project obligations as a student of international relations, which aligned in it is the goal to contribute to the development of international issues. Further, this research will give the readers understanding of how the economic challenges shifted national capability to manage and handle crisis through targeted policy making at the root of the problem.

E. Research Scope

In working on this undergraduate thesis, the writer provides research limitations from 2020 where the Herd Immunity order was issued as a new stage or relaxation of activities during the pandemic in this case called "New Normal".(Kementerian Koordinator Bidang Perekonomian Republik Indonesia, 2021) Until 2023, it is in line with the statement of the Indonesian government which has lifted the status of the COVID-19 pandemic on June 21.(Menteri Kesehatan Republik Indonesia, 2023)

F. Research Methodology

In conducting the research above, the author uses qualitative methods by explaining and interpreting the social phenomena. For developing data and conducting deeper research, the writer utilizes case study research and qualitative observation. The data obtained and included in this paper is used library research, through books, journals, and other official documents obtained from electronic library platform.

G. Writing System

Chapter I is an introductory chapter that contains the background of the problem, research question, theoretical framework, hypothesis, research methods, research objectives, and system of research.

Chapter II presents the development of background history experienced by the Indonesian economy before the pandemic to after the pandemic.

Chapter III provides an elaboration on the application of theory with the development and adaptation of Indonesia's efforts in the form of economic policy as a way towards an Indonesia that has good resilience.

Chapter IV is a conclusion chapter which will sum up the Indonesian effort on maintaining the economic resiliency post pandemic.