

Social Welfare Factors during Covid-19 in Indonesia in 2019-2021



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ABSTRACT

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In general, the progress made by the state has the same goal of improving the welfare conditions of its citizens. An increase in the well-being of people in a region can be seen in the increase in wages received by that region. Unfortunately, at the end of 2019, in December to be exact, a catastrophe believed to be caused by an unknown pneumonia shook the world. The incident occurred in Wuhan, China. China recognized pneumonia as a separate novel coronavirus strain on January 7, 2020. The research method used is qualitative with panel data regression analysis using the 2020-2021 time series and cross-sections of her 34 provinces in Indonesia. The dependent variable in this study is average consumption, and independent variables include gross domestic product (GDP), average wages, number of poor people, and open unemployment rate (TPT). The results of this study are that several independent variables are relevant, the variable GDPP has a positive effect on median consumption, median wages have no effect on median consumption, the number of poor people has a negative effect on median consumption, and TPT has a positive effect on median consumption.

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1. Introduction

Poverty has left many young people unable to get quality education, no reserve funds and no business, difficulty in financing medical care, no business opening, no access to public administration, strengthening urbanization to the city, no managed pension government and guarantees for families, and what is more extreme is that necessity deprives large numbers of individuals of being able to overcome their problems for food, clothing, and shelter unconditionally. Poverty makes people able to do anything to fulfill their needs (Sukirno, 2016). The progress made by a nation has the same goal of improving the welfare conditions of its people. The increase in the welfare of the people in an area can be seen from the level of salary increase that the area receives. A salary increase is needed to increase individual readiness to meet daily needs, especially fundamental needs, especially essential needs. The capacity of the local area to deal with important issues will in turn affect the number of individuals or residents in need (Amanda et al., 2021).

Efforts to reduce the level of need can be completed if the local progress can make uniformity in all angles and the level of significant monetary development in a reasonable way, this will affect the economy (Haughton & Shahidur, 2009). High monetary development in an area can empower the manufacture of labor and products that are made in enormous quantities and will build profitability. Increased efficiency due to an expanded workforce and products produced, with the aim that it will energize the need to work and have the option to make a big position (Todaro and Smith, 2020). But unfortunately, towards the end of 2019, in December to be precise, the world was shocked by the disaster which is believed to be a case of pneumonia whose etiology is unclear, this case originated in the city of Wuhan, China. China recognized pneumonia on 7 January 2020 as another type of Covid (Hanaotaubun, 2020). This infection can spread to humans like living things, which usually attacks the respiratory tract in people with early influenza side effects so that it can cause an intense respiratory condition (SARS). The spread of this infection is through respiratory drops from cracks or colds (Ren et al., 2020). This infection shows an exceptionally large rapid spread and has caused many deaths, both in China itself and in various parts of the world, so that on 30 January 2020 WHO designated this Covid as a Public Welfare Crisis a Public Welfare Problem, and on 11 March 2020 WHO declared that the current outbreak is a Worldwide Pandemic (Ren et al., 2020).

During the COVID-19 Pandemic in 2020, the number of cases in Indonesia continues to increase over time. The COVID-19 Pandemic caused Indonesia's growth to experience a decline due to the government's PSBB policy, causing several economic activities to stop so that the people did not have wages so they could not make ends meet. Apart from that, the COVID-19 Pandemic has also caused an increase in unemployment because of layoffs from several companies, so that the wages that workers should receive have disappeared. People who still get wages but whose consumption is higher than wages will face poverty gradually. Based on several previous research results, the COVID-19 Pandemic has affected the economic level of the community. This is because, there are policies implemented by most companies, including layoffs, or reducing the income of their workers in order to reduce the effects of bankruptcy because of the COVID-19 Pandemic (Fahri et al., 2020; Indayani & Hartono, 2020; Olivia et al., 2020; Sayuti & Hidayati, 2020).

With the increase in the number of unemployed and the decrease in the amount of income received by workers, it will increase the poverty rate in Indonesia again and henceforth will reduce the level of welfare of its people because people's consumption decreases. But in fact, there are still many people who can still consume to meet their daily needs. Thus, there is a research gap that will be studied in more depth in this study. Researchers are interested in

adding variables to the average consumption of the Indonesian people during the COVID-19 Pandemic, and henceforth the level of welfare of the people can be determined.

If the income level of a group of community members is insufficient to meet basic needs such as food, clothing, and shelter, it can be assumed that the needs of the group members are below the poverty line. Of the four factors above, this study uses economic growth, number of responses, and average wages to estimate the impact on national consumption levels during the 2020-2021 COVID-19 pandemic. In general, the purpose of this study is to estimate the impact of economic growth, number of responses, average wages and number of poor on average public consumption during the 2020-2021 COVID-19 pandemic.

2. Literature Review

Research conducted by Fahri et al. (2020) related to an increase in unemployment in the middle of Pandemic COVID-19. The research method used is literature study. The type of information used is additional information from books and reading from the web. The results showed that Pandemic COVID-19 had an impact on increasing unemployment, even expected to continue to expand if this Pandemic was not immediately passed or resolved. The fundamental factor of increasing unemployment during this Pandemic is the amount of reduction, the existence of unofficial laws related to security, PSBB, and social transfer. Then there is research conducted by Sayuti & Hidayati (2020) on the influence of Pandemic COVID-19 on the economy of individuals in NTB. This research is descriptive research which shows that most of the respondents felt the impact of the COVID-19 Pandemic from an economic perspective. This is indicated by the appropriate responses from respondents, most of whom stated that the salary earned had decreased but they were still able to meet their daily needs, opened limited jobs, increased consumption, and were overwhelmed with the acquisition of basic commodities. Purchases that are completed online are the selection of respondents. The results of this study indicate that this pandemic has significantly affected the lives of individuals, both those who have government and non-government employee foundations and those who live in rural and urban areas.

Furthermore, Indayani & Hartono's research 2020 regarding unemployment analysis and economic growth due to Pandemic COVID-19. This study uses subjective exploration methods to deal with library research fans. The results showed that financial development in Indonesia could be estimated through expansion or decline (GDP) given by a country, considering the indicator identified with the quantity of unemployment was GDP. During Pandemic COVID-19, Indonesia's monetary development has decreased. Congestion in monetary development when the Covid outbreak struck was 2.97% (year to year). Meanwhile, unemployment is increasingly widespread because of the end of business. 212,394 workers were laid off. With the decline in the rate of financial development, the unemployment rate in Indonesia also increased. Furthermore, an increase in the number of unemployment can increase the lack of state spending. The increase in deficiency experienced by the 2020 State Budget (APBN) is estimated to reach 6.27% of (GDP). Research conducted by Baker & Meyer (2020) in his research explores how household consumption responds to Pandemic. The data used is transaction data identified from a non-profit fintech company. As the number of cases increases, the household starts radically to change their expertise into various main categories. Initially, spending had a sharp increase, especially in retail and food, followed by a sharp decrease in overall expenditure. Some categories can be seen according to some political categories, there is a significant heterogeneity in society that is leaning to Republican and Democrats.

Research conducted by Han et al. (2020) concerning Revenue and Poverty in Pandemic COVID-19 United States with the results of research there is a decrease in poverty and rising income in the months beginning with Pandemic. Without stimulus payments and expansion of unemployment insurance, poverty will increase sharply even though the expanded government program helps prevent an increase in poverty. Other results show the extent to which families who meet the requirements to receive government allowances, the comparison of aggregate payments shows that most families who meet the requirements to receive benefits in June. The value of income is estimated to approach change in a shorter period than the nominal reference period of one year. Research conducted by Ram & Yadav (2021) who analyzed the impact of COVID-19 on poverty in India using a simple headcount ratio method to measure poverty. The number of poor people increased by 150-199 million people into poverty because of the COVID-19 crisis. Further analysis shows that the gap between the villages is more prominent, and the impact is spread unevenly in both sectors, where the urban sector has a smaller impact on poverty and results in the widening of the gap between the villages. Equivalent results are estimated from the religious sector, namely Muslim communities have high potential to fall into poverty, followed by Hinduism, Christianity, and others. Among the types of houses of freelance workers in the urban sector are the most different impact groups, which are followed by independent workers and permanent workers.

Research conducted by Bukari et al. (2021) Adopting a positivist research paradigm with post-event design, I studied the impact of COVID-19 on poverty and living standards in Ghana from a microscopic perspective. The results showed that the food shortage situation at home was worse during COVID-19 than before COVID-19. During the COVID-19 epidemic, not only the food problem but also the domestic water problem has worsened. In addition, due to the impact of the new coronavirus infection, access to medicines and medical care in local communities is becoming increasingly difficult. In addition, there were times when it was difficult to get the fuel needed for cooking, and about 60.72% of households did not have enough funds to meet their needs at least a few times. Next, research conducted by Laborde et al. (2021) The research team used IFPRI's global balance model in combination with epidemiological and household models to conduct a study of the impact of COVID-19 on global poverty, food security and dietary habits. Based on this assumption, we can conclude that COVID-19 caused a severe global recession, reducing GDP by 5% in 2020. The number of poor people in rural areas was 15%, compared to 44% in urban areas. This is due to accidents in rural areas due to low disease transmission and relative strength of food demand and supply. Many people are also suffering from lost income, and social distancing may explain the drop in overall consumption.

Research conducted by Graham & Ozbilgin (2021) We conducted a study on the risks of old age, industry and unemployment during the lockdown pandemic in New Zealand. Young workers in the service sector have been disproportionately affected by the lockdown caused by the pandemic. A sharp drop in productivity in the service sector will lead to a large increase in labor segregation, making younger workers more likely to be employed. Counterfactual model results show that the wage subsidies provided by the New Zealand government during the 2020 lockdown prevented many jobs from becoming unemployed, indicating that this disproportionately benefits secretarial services and young workers. Young workers can do better when they take action to increase unemployment benefits, as unemployment insurance is worth more to those who are more likely to lose their jobs during the lockdown. There is also research conducted by He & Wang (2022) conducted a study on the macroeconomic impact of COVID-19 in South Korea using the Impulse Response feature. The study found that COVID-19 has more short-term impacts than long-term impacts. Gross demand in South Korea has

contracted due to the impact of COVID-19, reflected in rising inflation and unemployment pressure, as well as lower consumer and investment demand. In addition, once the government's investment spending through monetary policy reaches a certain level, the consumption allowance will increase, reducing the labor pressure to increase production.

In addition, Ena et al. (2021) conducted research on the impact of COVID-19 on macroeconomics in Indonesia using secondary data from the Global Trade Analyst Project (GTAP) version 8 and literature studies. There was a significant decline in economic growth in the first quarter of 2020 recorded at 2.97% y-o-y, this achievement is lower than Bank Indonesia's projection of 4.4%. In addition to economic growth, private consumption is also declining in various areas, and even the real sector contraction has already been seen before the emergence of COVID-19, recording a contraction of 0.3% in January 2020. The Covid-19 pandemic has diminished, purchasing power has increased in some regions, and price dynamics for various raw materials have shown a slight uptick. Fulfillment of investment increased by 8% or Rp 210.7 trillion in Q1 2020. The processing industry remains positive in the middle of COVID-19, this is because the food and beverage industry still experiencing by 3.94%, and the chemical, pharmaceutical, and drug industry Traditionally managing by 5.59% because it is supported by an increase in output of chemicals and medicines due to demand from abroad and increasing medical demand.

Therefore, there is a research gap that will be studied in more depth in this study. In general, the variable used to assess the level of community welfare used is GDRP per capita, but in this study, the variable used is the average public consumption. With standards the higher the average public consumption, the higher the level of welfare of the people, this means that the community can meet their daily needs during the COVID-19 pandemic in Indonesia from 2019-2021.

3. Research Method

Panel data or pooled data is an examination by combining information between cross-sectional and time series information. Cross-area information is information collected at one time for many units, while information across time is information collected over time for one unit. The unit of analysis used can be an individual, area (local, city, region, country), business sector, family, or industry. If the various factors for various panel data appear over a certain period of time, then the information collected will be obtained (Gujarati and Porter, 2012). There are several assumptions or possibilities in determining the estimation model in panel data regression, namely if the blocks and slopes are consistent in the long term and are independent, while the rest is between time and units; the slope is fixed, but the beam produces contrast between units; the slope is constant, but blocks contrast between units and over time; all coefficients (slope and beam) of contrast between units; and all coefficients (slope and blocks) contrast across units and in the long run

Baltagi in Gujarati & Porter (2012) An advantage of using panel data is that differences can be explicitly addressed by the estimated patterns used in the panel data. Combining time series and cross-sectional data provides more information, variability, d.f (degrees of freedom), and reduces the risk of collinearity. By repeating cross-sectional studies, panel data are well suited to study variability in change. Panel data are ideal for detecting and measuring effects that are not readily apparent from regular time-series data or regular cross-sectional data. Analysis with panel data makes complex things easy to learn. The more samples used in the panel data, the lower the bias. This study uses average public consumption data to analyze the well-being of Indonesian citizens during the COVID-19 pandemic. The independent variables in this study consist of economic growth, published unemployment rate (TPT),

average wages, and number of poor people. The estimation model in this study is shown by the formula.

$$\log C_{it} = \beta_0 + \beta_1 \log Growth_{it} + \beta_3 \log W_{it} + \beta_4 \log P_{it} + \beta_2 Un_{it} + \varepsilon_{it} \dots\dots\dots (1)$$

Where β_0 is a constant, $\beta_1, \beta_2, \beta_3$ is a regression coefficient, P is Poverty, $Growth$ as economic growth, Un is unemployment, W is the average wage, C is the average consumption, i is the i th observation, t as the t -year, and ε as the residual. In estimating panel data, there are three approaches used, namely the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) approaches. Then in selecting the best model there are three kinds of tests that can be used, namely the Chow Test, the Hausman Test, and the Lagrange Multiplier Test.

4. Results and Discussion

In estimating panel data, three tests were performed to determine which estimation model is better. Chow's test is a statistical test to determine which model is the best between CEM and FEM and which is most appropriate for use in estimating panel data. Chow test results are shown in Table 1.

Table 1. Chow Test Result

Effect Test	Statistic	d.f.	Prob.
Cross-section F	14,542	(33,64)	0,000
Cross-section Chi-square	218,268	33	0,000

Source: data processed.

Based on Table 1, the Prob.F value is 0.000. This means Prob.F value $< \alpha$ (0.05), H_0 is rejected, so we can conclude that FEM is superior to CEM. The condition means that if the Prob.F value $> \alpha$ (0.05), H_0 is not rejected and CEM is used. However, for Prob.F values $< \alpha$ (0.05), H_0 is discarded. This means that FEM is used. Then you can run the Hausmann test. The Hausman test is a statistical test that determines whether the FEM or REM model is best for estimating panel data. The Hausman test results are shown in Table 2.

Table 2. Hausman Test Result

Test Summary	Chi-sq. Stat	Chi-sq. d.f.	Prob.
Cross-section random	15,103	4	0,0045

Source: data, processed.

The condition is that values of Prob.Chi-sq $> \alpha$ (0.05) do not reject H_0 . This means that a random effects model will be used. However, if the value of Prob.Chi-sq is $<$ then H_0 is discarded if α (0.05). This means that a fixed effects model is used. Table 2 shows that the Prob.Chi-sq value is 0.015. This means that the Prob.Chi-Sq value is $< \alpha$ (0.05), which rejects H_0 , so we can conclude that FEM outperforms REM. Therefore, the panel data model chosen is FEM. Results of the fixed effects model regression are shown in Table 3.

Table 3. Fixed Effect Model Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12,67241	2,257027	5,614646	0,0000
GROWTH	0,030280	0,159921	0,189346	0,8504
WAGE	-0,038897	0,046674	-0,833367	0,4077
POV	0,259529	0,128875	2,013804	0,0482
TPT	0,018667	0,048492	0,384940	0,7016
R-Squared		0,964727		
Adj R-Squared		0,944335		
F-Statistic		47,30920		
Prob.F		0,000000		
DW-Stat		2,004248		

Source: data, processed.

Based on Table 3 the probability value is above the value of α for all variables, meaning that the variables per capita GDRP, average wages, number of poor people and TPT have no effect on average consumption. Thus, this FEM model is not a good model to use in research. According to Ekananda (2018) if the panel data you have has a small amount of time (t) compared to the number of individuals (n), then Random Effect (REM) should be used. So, it can be concluded that the model used in this study is the Random Effects (REM) model. The results of the Random Effects (REM) model regression are shown in Table 4.

Table 4. Random Effect Model Regression Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11,44630	0,605468	18,90487	0,0000
GROWTH	0,247995	0,037711	6,576203	0,0000
WAGE	-0,001441	0,036930	-0,039016	0,9690
POV	-0,039096	0,018439	-2,120340	0,0365
TPT	0,132388	0,032931	4,020198	0,0001
R-Squared		0,449842		
Adj R-Squared		0,427156		
F-Statistic		19,82829		
Prob.F		0,000000		
DW-Stat		1,339534		

Source: data, processed.

Table 4 shows that the constant value from the results of the regression equation is 11.446, which means that the average consumption has a value of IDR 11.446 when the GDRP per capita value, the average wage, the number of poor people, and the open unemployment rate (TPT) are zero (0). R^2 value of 0.44. This figure means that together, changes in PDRP per capita, average wages, number of poor people, and TPT can explain changes in average consumption of 56%, On the other hand, the remaining 53% are explained by variables outside the model.

An F-test was performed to see if all the independent variables in the model affect the dependent variable at the same time. By comparing the value of Prob.F with α , we can see whether the variables GDP per capita, average wages, number of poor people, and TPT affect the average consumption of each Indonesian province. Based on Table 4, we can see that the Prob.F value is 0.000, which is less than α (0.05). In that case, H_0 is rejected. From this we can conclude that the variables GDP per capita, average wages, number of poor and TPT all have a large impact on average consumption. A t-test was performed to test the validity of the effect of the independent variables on the dependent variables. By comparing the probability value of t to α , you can determine whether each independent variable influences the dependent variable. H_0 in the t-test indicates that the i-th independent variable has no effect on mean consumption and H_a indicates that the i-th independent variable does have an effect on mean consumption. The t-test results are shown in Table 5.

Table 5. Effect Validity Test Results (t test) Independent Variables

Variabel	Prob.t	Kriteria	Kesimpulan
GROWTH	0,000	< 0,01	Significant on $\alpha = 0,01$
WAGE	0,969	> 0,10	Not significant
POV	0,036	< 0,05	Significant on $\alpha = 0,05$
TPT	0,000	< 0,01	Significant on $\alpha = 0,01$

Source: data, processed.

Table 5 shows that the variables that affect the average consumption of people in Indonesia during Pandemic COVID-19 are per capita GDRP, the number of poor people, and open unemployment (TPT), this can be seen based on a significance value lower than α . While the average wage variable has no effect on the average consumption of people in Indonesia

during the COVID-19 Pandemic, this can be seen based on a significant value that is higher than α .

Effect of Per Capita GDRP on The Average Consumption

The results of the brake estimation show the per capita GDRP coefficient of 0.247. The pattern of relations between the per capita GDRP variable and the average consumption of the public is log-log, so that if the per capita GDRP increases by 1%, it will increase the average percentage value of consumption by 0.247%. Vice versa, if the per capita GDRP value drops by 1%, it will reduce the average percentage of consumption by 0.247%. The results of this estimation are in line with the first hypothesis, namely, the per capita GDRP positively affects the average community consumption. When the number of PDRB per capita has increased, meaning that the number of workers and awareness will work among the community increases, so that the population receiving income also increases and is accompanied by an increase in the average consumption. Thus, the number of people who can meet their needs increase and increase the level of community welfare based on the amount of consumption increases. The results of this study are consistent with a study by Baker & Meyer (2020). Communities are purchasing a variety of long-lasting materials, both food and non-food, to reduce the risk of COVID-19 infection due to reduced out-of-home behavior and interaction with other communities. During the COVID-19 pandemic, Indonesia continued to increase internet usage to meet people's needs for education, work and entertainment. This is one of the drivers of GDP growth in the communications and information sector as people buy loans and quotas to access the social media they need. Moreover, many MSMEs are choosing to switch to the world of online shops to keep MSMEs in operation (Amalia & Melati, 2021). Furthermore, the existence of a creative economy should be able to support the sustainability of MSMEs and is expected to bring positive value to the development of innovative firms, increased gross domestic product (GDP) and employment (Lokantara et al., 2022).

The Effect of The Average Wage on The Average Consumption

Based on the results of the brake estimation, the average wage does not affect the average consumption of the public. In general, it is indeed a decrease in the level of community income during the Pandemic period, but not all people make changes to consumption patterns. The community makes some adjustments to the needs or eliminates several types of family expenses that are still possible. For food patterns there is no drastic change, such as replacing rice staple food with other carbohydrate sources. They only replace certain types of side dishes by choosing to find other sources of income to maintain a long spending pattern rather than changing the family expenditure pattern. Other savings made by bringing lunch expenses because they have not yet bought lunch at a stall, buying a monthly credit to be more frugal for what is important. Some people reduce expenses to buy cigarettes and make savings, there are also people who choose to fish at sea to add side dishes. Although expenditure for food consumption is reduced by 40%, the community still eats as usual, and only adjusts side dishes to the income earned (Kurniasih, 2020). According to Ram & Yadav (2021), research conducted in India states that overall, there has been a decrease in employment conditions. Allocated workers do not produce results compared to work in the time before Pandemic existed. Workers experienced a decrease in the number of hours of work and cutting income in the work they get back. Work informality and vulnerability have increased.

The Effect of The Number of Poor People on Average Consumption

REM's estimation results show a coefficient of -0.039 for the number of poor people. The pattern of the relationship between the variable number of poor people and the average public consumption is log-log, so that if the number of poor people decreases by 1%, then the average percentage value of public consumption will increase by 0.039% on the contrary if the number of poor people increases by 1%, then the average percentage value of public consumption will decrease by 0.039%. The estimation results are in line with the fourth hypothesis, namely the number of poor people affects average consumption. Amartya Sen (1981) stated that food insecurity and hunger are often related to people's ability to obtain food rather than physical deficiencies. Some people earn little or no income at all. This is a direct result of diseases such as: B. Reduced working hours for workers, the remaining hours are due to government measures to reduce community transmission, such as: PSBB (Laborde et al., 2021). According to Ram & Yadav (2021) the inherent nature of fixed income streams means that households receiving fixed income belong to wealthier groups, whereas the absolute nature of fixed income households is They want more poverty due to massacres and unemployment. Patel et al. (2020) found in a study that people belonging to lower socioeconomic status groups tended to have precarious working conditions and incomes, making it difficult to meet their needs.

The Effect of Open Unemployment (TPT) on The Average Consumption

The brake estimation results show a TPT coefficient of 0.132. The relationship pattern between the TPT variable and the average public consumption is log-linear so that if TPT increases by 1% then the average percentage value of consumption will increase by 0.132%. Conversely, if the value of TPT decreases by 1% then the average percentage value of public consumption will increase by 0.132%. The estimation results are not in line with the second hypothesis, namely, TPT has a negative effect on average public consumption. As a result of the pandemic, PSBB policies were implemented in the community, resulting in some people who had jobs losing their jobs, being laid off, changing jobs, having their working hours restricted, and inheriting wages. On the other hand, new jobs such as mask sales were also created. Convection manufactures medical/cloth masks and connectors, PPE, sells hand sanitizers or sanitizers, sells hand soap, and procures other medical equipment (Dewia & Melati, 2021; Kurniasih, 2020). According to Han et al. (2020), most people who have been laid off receive unemployment benefits or retirement benefits from their previous employers, allowing them to continue earning a living, setting up their own businesses, and purchasing medical equipment (masks and PPE). Sell to society to survive and meet the needs of society.

5. Conclusion

This study aims to estimate the effect of GDRP per capita, average wage, number of poor people, and open response rate (TPT) on average public consumption in Indonesia during the 2019-2021 COVID-19 pandemic. Based on the results of panel data regression with Random Effect, the effect validity test shows that GDRP per capita has a positive effect on average consumption, the average wage has no effect on average consumption, the number of poor people has a negative effect on average consumption society, and the level of response has no positive effect on the average public consumption.

Several independent variables are related to one another, in the sense that these variables can affect the level of welfare of the people in Indonesia during the COVID-19 pandemic. Suppose that a massive layoff by many companies results in a decrease in the average wage and an increase in the open action rate. Then subsequently resulted in a decrease in the average public consumption because the community did not have the money to meet

their needs. Despite company layoff policies in place, victims of layoffs at work are still receiving severance pay, with some even starting their own businesses to survive the COVID-19 pandemic. For example, selling and/or manufacturing masks and personal protective equipment can meet your daily needs, even if your income is not as high as when you work for a company. Companies that create new jobs can not only meet their own needs, but also help the surrounding communities by attracting new workers to start their businesses.

One of the efforts to improve people's welfare can be done by improving the quality of human resources so that they are more able to compete in the job market because there will be more and more competitors looking for work due to massive layoffs carried out by companies to reduce production costs. For example, by attending existing training, or by taking part in the Pre-Employment Card program, you can increase your knowledge and self-specifications in preparation for re-entering the workforce. The limitation of this research is that there has been no discussion of the level of community welfare during the 2019-2021 COVID-19 pandemic in every province in Indonesia. In addition, there are still many variables that can affect the level of welfare of the Indonesian people that have not been included in this study. The level of community welfare can also be measured using the per capita GDP variable.

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