Exploring Strategy And Innovation To Improve Economic Recovery Performance

Jomon Hasiel Wojciech

Abstract: This study aims to analyze various strategies and innovations that can be implemented to accelerate the recovery of the economic sector. With a focus on identifying key factors that influence economic recovery performance, this research investigates effective strategic approaches and innovative policies that can be implemented by governments and economic actors. It is hoped that this in-depth analysis of the impact of strategies and innovations can provide valuable insights for planning and implementing appropriate policies to support a sustainable economic recovery process.

Keywords: Economic Recovery, Economic Performance, Policy, Economic Actors.

BACKGROUND

In recent years, the economic sector has experienced significant challenges, especially as a result of global events such as the COVID-19 pandemic, geopolitical uncertainty and changes in global market dynamics. The pandemic has caused far-reaching and profound impacts on the global economy, including economic recession, reduced economic growth, and increased unemployment rates.

At the national level, the economy has also been hit by the pandemic, and recovery is the government's main focus. The government has implemented various policies and measures to respond to this crisis, such as economic stimulus, financial support for affected sectors, and other economic recovery initiatives. While these measures provide immediate relief, long-term challenges remain in economic recovery. In this context, analysis of strategic plans and innovation is needed to accelerate the recovery of the economic sector. It is important to detail concrete steps that can be taken to accelerate economic growth, increase competitiveness and create new jobs. Strategic innovation is the key to creating competitive advantage and ensuring the sustainability of economic recovery in the long term.

Apart from that, digital transformation and adaptation of new technologies are also an integral part of the economic recovery strategy. The use of information technology, artificial intelligence and industrial revolution 4.0 can be a driver of significant economic growth. Therefore, it is necessary to carry out in-depth analysis regarding investment in digital infrastructure, workforce training to face technological change, and regulations that support innovation.

Through analysis of strategic plans and innovation, it is hoped that new opportunities can be identified, overcome challenges, and build a strong foundation for the recovery of the economic sector. This can also create a solid foundation for sustainable, inclusive and adaptive economic development to global change.

WORK IMPLEMENTATION METHODS

A. Innovation Development

Innovation is research, development and/or engineering activities aimed at developing practical applications of new scientific values and contexts, or new ways to apply existing science and technology to products or production processes. To emphasize the difference from updates/improvements that are just «ordinary creativity», some parties sometimes call «innovations that are adopted» or proven to be «successful» commercially/economically as «productive innovations».

In the «technocratic sense,» innovation is often emphasized as the process in which ideas for new products, processes or services are developed and commercialized on the market. The «widely known» definition is that of a «technocratic» nature, which prioritizes technological innovation with an emphasis on perspective. technical.

B. Creative Economy Development

The definition of the Creative Economy according to Law Number 24 of 2019 concerning the Creative Economy is the embodiment of added value from intellectual property originating from human creativity based on cultural heritage, science and/or technology. The meaning of creativity contained in the definition of the creative economy can be seen as the capacity or effort to produce or create something unique, create a solution to a problem or do something different from the norm. Innovation and discovery are an inseparable part of creativity. Creativity is a driving factor for the emergence of innovation or the creation of creative works by utilizing existing discoveries. Creativity will give birth to innovation and discovery which can not only double productivity but can also increase added value.

OVERVIEW OF REGIONAL CONDITIONS

Geographic conditions

The city of Surakarta is located between 110° 45' 15" and 110°45' 35" East Longitude and between 7°36' and 7°56' South Latitude. The city of Surakarta is one of the big cities in Central Java which supports other cities such as Semarang and Yogyakarta, and other districts

in the Subosukawonosraten region (Surakarta, Boyolali, Sukoharjo, Karanganyar, Wonogiri, Sragen, and Klaten). The administrative boundaries of the City of Surakarta are as follows:

- North   : Boyolali and Karanganyar Regencies.
- East   : Karanganyar Regency.
- South side   : Sukoharjo Regency.
- West Side   : Sukoharjo and Karanganyar Regencies.

Demographic Conditions

The population of Surakarta City in 2020 was 522,364 people. Of this number, the male population is lower than the female population. The male population is 257,043 people, while the female population is 291,935 people. Meanwhile, the sex ratio in Surakarta City is 0.969, this shows that the male population is less than the female population. Judging from the population development trend from 2016 to 2020, there has been an increase every year with a growth rate of 0.44% in 2020.

The population density of Surakarta City in 2020 was 11,861.13 people/km2, a decrease compared to the previous year of 13,061.53 people/km2. The distribution of the population of Surakarta City in 2020 based on the sub-district with the highest population is Banjarsari District, reaching 168,770 people, while the sub-district with the lowest population is Serengan District, namely 47,778 people.

ANALYSIS OF ECONOMIC CONDITIONS AND REGIONAL ORIGINAL INCOME AND THE ROLE OF REGIONAL EQUIPMENT IN HANDLING COVID-19

A. Economic Conditions of Surakarta City

The GRDP calculation is carried out on the basis of current prices and on the basis of constant prices to be able to see the income generated from the business field and from the usage side. The GRDP value based on current prices for the city of Surakarta in 2020 reached IDR 47,644,563.66. In nominal terms, the GRDP value has increased compared to 2016, amounting to IDR 37,791,266.18. The increase in GRDP value is influenced by increased production in all business fields and inflation.

The largest role in the formation of GRDP at Current Prices for the City of Surakarta in 2020 was generated by the construction business field, reaching IDR 12,883,929.92. The contribution from the processing industry category was IDR 4,024,918.64. Next, the educational services business field is IDR 2,688,467.54. One of the sectors that contributed the lowest GRDP at Current Prices in 2020 was the role of Agriculture, Forestry and Fisheries

amounting to IDR 242,559.89, one of the main causes was the reduction in land area in these business fields.

GRDP at Constant Prices in 2020 also increased from IDR 29,966,373.01 in 2016 to IDR 34,827,188.29 in 2020. The three biggest contributing sectors were the construction business field, reaching IDR 8,913,264.95. The largest role in the formation of GRDP at Current Prices for the City of Surakarta in 2020 was generated by the construction business field, reaching 12,883,929.92 million rupiah or 27.04 percent. The contribution from the processing industry category was 4,024,918.64 million rupiah or 8.45 percent.

Next, the education services business sector amounted to 2,688,467.54 million rupiah or 5.64%, an increase from 5.51% in 2019. One of the business fields that contributed to the lowest GDP at current prices in 2020 was Agriculture, Forestry and Fisheries amounting to 242,559.89 million rupiah or 0.51%, one of the main causes is the reduction in land area in this business field.

B. Condition of Original Regional Income of Surakarta City

The realization of Surakarta City Regional Original Income in 2020 was IDR 492,776,208,640.00, a decrease from 2019 of IDR 546,020,008,117.00, then the realization in 2021 only reached IDR 205,130,300,444.00, as seen in the picture the following. The decline in PAD realization was influenced by the conditions of the Covid-19 Pandemic in 2020 with the policy of limiting socio-economic activities to prevent the spread of the Covid-19 virus, causing many economic businesses to not run or have reduced income. Apart from that, during the Covid-19 Pandemic, there was also a tax reduction policy that was implemented during the Covid-19 Pandemic. The contribution of PAD to the total regional income of Surakarta City shows a decline.

In 2019 the PAD contribution reached 28.06%, then in 2020 it decreased to only 26.91%, and in 2021 up to July 31 it reached 23.10%, as can be seen in the following figure. Realized regional tax income experienced a significant decline from IDR 360,053,930,720.00 in 2019 to IDR 279,273,759,740.00 in 2020, then in 2021 until July it only reached IDR 153,856,431,768.00. The realization of regional levy income experienced a significant decline from IDR 55,288,238,663.00 in 2019 to IDR 46,513,877,526.00 in 2020, then in 2021 until July it only reached IDR 26,992,275,896.00.

STRATEGIES AND POLICIES AND DEVELOPMENT PROGRAMS
Strategy and Policy

Increased intensification and extensification of Regional Taxes and Levies. Improved services and payment mechanisms for taxes and levies including «pick-up-the-ball» services for potential taxpayers. Management development and increasing professionalism as well as asset revaluation and exploring new BUMD businesses. Improved Management and Utilization of Regional Assets. Utilization and cooperation related to increasing the value of asset income.

CLOSING

The Strategy and Innovation Study of Regional Apparatus Activity Programs in Accelerating the Recovery of the Economic Sector and Increasing PAD Affected by Covid in the City of Surakarta emphasizes two aspects, namely the Economic Recovery Aspect and the Aspect of Increasing Regional Original Income.

In the future, economic recovery related to health management can be pursued with a strategy to increase promotive, preventive, curative and rehabilitative health efforts. Economic Recovery is related to Handling Economic Impacts by a) Improving Management of the attractiveness and competitiveness of community-based tourism (eco socio-tourism). b) Strengthening and developing small and medium industries (IKM), micro-businesses and creative economy-based cooperatives. c) Increased attractiveness and ease of investing. Meanwhile, Economic Recovery is related to Providing a Social Safety Net with Socio-Economic Protection and Empowerment.

In the aspect of increasing local original income, future strategies and policies that can be carried out by the Surakarta City Government are formulated, namely a) Increasing the intensification and extensification of Regional Taxes and Levies. b) Optimizing the performance and governance of healthy and independent BUMDs. c) Improved Management and Utilization of Regional Assets and d) Improved accountable governance of BLUD.

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