

Increasing Public Understanding Of Early Detection Of Post-Covid-19 Economic Weakness

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Abstract

This research aims to improve the Hero Village Community's understanding of the post-Covid-19 economic situation, especially the impact of the post-Covid-19 economic downturn. The people of Pahlawan Village still need to understand the causes of the post-Covid-19 economic downturn, the factors that influenced it, and the negative impacts of the post-Covid-19 economic downturn. In their lessons, there needs to be a discussion about how weakening can be detected early. Therefore, this service is carried out to understand the Hero Village Community about early detection and the models used to detect weakening such as rising prices and falling people's purchasing power. The results of the service prove that after being given an understanding of the post-COVID-19 economic outlook, people will take into account consumption, both household consumption and fuel consumption, for purchasing ship oil.

Keywords: *Economic Weakening, Covid-19*

INTRODUCTION

The location of this research is in Pahlawan village, which is located in Tanjung Tiram District, Langkat Regency, a village located in a seaside area with 95% of the people working as fishermen and the majority of fishermen are only sea workers. Pahlawan Village has an area of 173.79 km² and a population of 5567 with details of 1,452 heads of families, 2649 men and 2918 women, of which more than 50% are classified as low-income families.



Source: Google photos of Pahlawan village, Tanjung Tiram District, 2022



Source: Photos of initial observations of Pahlawan village, 2022

The phenomenon is that people's consumption patterns are unbalanced, unplanned, ineffective, and inefficient. People have income that tends to be spent within the next day or two and lasts up to a week at most. Fishermen need to understand consumption patterns and the benefits of saving in supporting a better generation.



Source: Initial observations of Pahlawan village, 2022

In detecting post-Covid-19 economic outlook, which is more effective between the capabilities of Multifactor APT, contagion theory, and early warning systems in detecting post-Covid-19 economic outlook. Then, the data obtained were analyzed using VAR analysis with the stationary test, causality test, cointegration test, structural lag stability test, log length test, VAR test, IRF test, and FEVD test. Before the economic crisis occurred in 2008, the history of

the European Union was almost full of success. In 1995, almost all Western European countries joined. In 1998, the European financial system was integrated into a single currency: the Euro. In 2004, 10 new member countries were added. They are ex-communist Eastern European countries. This makes the European Union a significant economic power and an example of the best regional organization in the world. It is only natural that its existence is admired by regional organizations anywhere in the world. Even in 2012, the European Union received the Nobel Prize for its role in uniting the blue continent (Reuters, 2012).

However, optimism for the European Union turned around, and made these hopes shaken with the economic crisis that began to hit the European Union in 2008. Its impacts are still being felt today. The economic crisis has made the European Union begin to enter difficult phases. The crisis experienced by European countries had a 'domino effect' on other European countries. If we look back at the stages of integration according to Ballasa (1963), the European Union has gone through various stages until the creation of EMU and a single currency. It indicates that Europe is in a process of economic integration that continues to increase, even with the issuance of the Stability Growth Pact (SGP)¹ agreement in 2003 and the signing of the Fiscal Compact in early 2012. This stage of economic integration has fully occurred.

After that, Britain's decision to leave the European Union rocked world financial markets. The London stock market plunged more than eight percent, while the value of the pound sterling fell to its lowest level in thirty years. Other European markets also began to fall sharply, while Asian stock markets were also shaken, as seen in the Tokyo stock market, which fell more than eight percent. Low. People involved in financial markets say they have not seen anything as dramatic as this since the 2008 financial crisis.

The subprime mortgage crisis mid-2008 in the US triggered a global economic crisis. In line with the fall of the Dow Jones, the prices of shares in Asia, such as Hang Seng Hong Kong and IHSG, also fell. JCI, which at the beginning of 2008 entered its golden age at level 2,830 due to investor panic, JCI also fell to level 1,174 on October 30, 2008, or was corrected by 59% (Rusiadi, 2009). In this study, the DJIA (Dow et al.) stock index was chosen, which represents the United States Stock Exchange, ATX which represents the British Stock Exchange; HSI (Hang et al.), which represents the Hong Kong Stock Exchange; JKSE, which represents the Indonesian stock exchange and ASX which represents Australian stock exchange.

The reason for choosing DJIA is because America is a superpower country which is the motor of the world economy. Furthermore, ATX was chosen because England represents a developed Western country. JKSE was chosen because it is the country where this research was

conducted, while HSI was chosen because Hong Kong is a country with advanced stock exchange development. Its geographic location is close to Indonesia. It is to look at global economic conditions after the global subprime mortgage crisis in the United States.

Since 2007, almost every country has reported a decline in the debt-to-GDP ratio. Debt, including government debt, corporate debt, and household debt increased significantly. There were 14 countries that, during that period, reported an increase in total debt to GDP of 50%. Moreover, more than 20 countries in the world currently have total debt to GDP of more than 200%. Government debt (bonds and loans) has increased by over 100% since 2007, from USD 25 trillion to USD 58 trillion. Government debt to GDP has exceeded 100% in 10 countries, including Japan, which has reached 240%. With the combination of low economic growth, low-interest rates, disinflation, and unsynchronization between state revenues and state spending, it is feared that government debt has reached an unhealthy level (unsustainable).

In the case of Indonesia, even though Indonesia's economic fundamentals are better (inflation is low, economic growth is improving, the exchange rate is stable and strengthening, the current account deficit is at a safe level, foreign exchange reserves are safe), the government needs to be wary of the primary balance which has continued to be harmful since 2012. primary balance has become negative since 2012 in the range of IDR 52.8 trillion to IDR 98.6 trillion per year. It is undoubtedly unhealthy because some debt interest payments are made by issuing new debt. Apart from that, this certainly impacts increasing debt interest payments. Government debt interest rose from IDR 100.5 trillion in 2012 to IDR 184.9 trillion in the 2016 APBN, or an increase of IDR 84.4 trillion (84%) since 2012. In percentage terms, the ratio of debt interest payments to central government spending rose from 10% in 2012 to 14% in 2016. (www.infobank.com, accessed October 2016).

Partner Problems

The partner problems are:

1. The people of Pahlawan Village do not yet know in depth the concept of post-Covid-19 economic understanding
2. The people of Pahlawan Village still need to understand the causes of the post-Covid-19 economic downturn.
3. The people of Pahlawan Village do not yet understand the models used to detect post-Covid-19 economic changes

SOLUTIONS AND OUTCOMES TARGET

Solution to Partner Problems

Priority partner problem solutions are as follows:

1. Provide an understanding of the concept of post-Covid-19 economic understanding.
2. Explain the causes of the post-Covid-19 economic downturn
3. Provide a model used to detect post-Covid-19 economic outlook

Type of Output

The targeted output plans are:

1. The Hero Village community understands the concept of post-Covid-19 economic development
2. The Hero Village community understands the causes of the post-Covid-19 economic downturn
3. The Hero Village community understands the early detection model for post-Covid-19 economic development

Achievement Target Plan

The planned targets for achieving this service are as follows:

Table 2.1. Outcome Target Plan

No	Type of Achievement	Indicator Output
1	Scientific Publications in Journals/proceeding	Draft
2	Publications in mass media (print/electronic)	None
3	The public understands the concept of economic understanding after Covid-19	√
4	The public understands the causes of the post-Covid-19 economic downturn	√
5	The public understands that there is a model for early detection of post-Covid-19 economic understanding	√

IMPLEMENTATION METHOD

Approach Methods Offered

The approach in this service The approach methods offered include:

1. Exposure/presentation to provide understanding.
2. Discussion, questions, and answers to the community.
3. Provide various alternative solutions for investing
4. Evaluate the accuracy of service targets

The series of approach methods offered are described as follows:

Evaluate results by observing people's mindsets and knowledge.

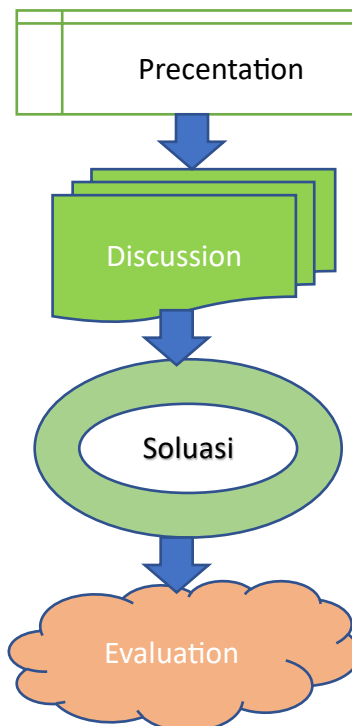
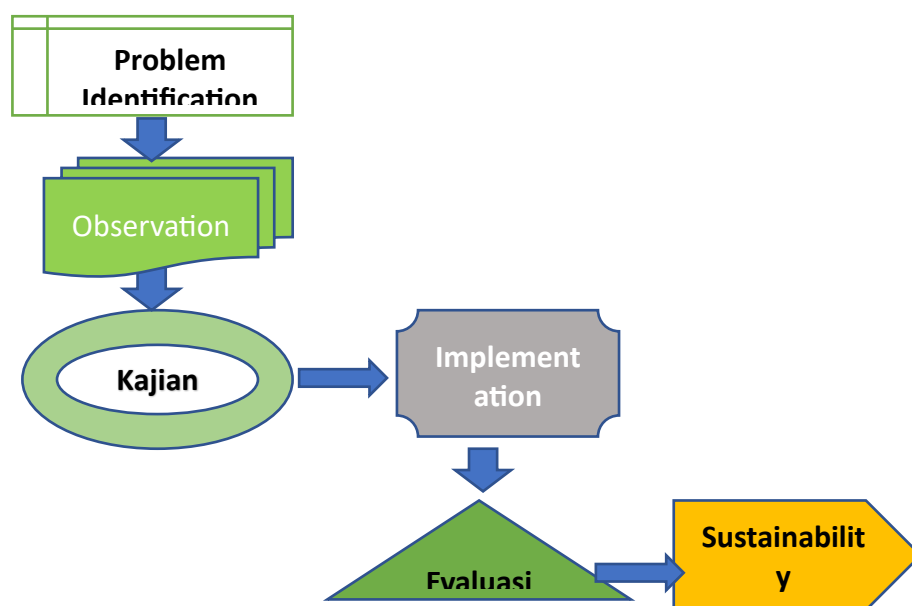


Figure 1. Service Approach Model

Work Procedures

This research is carried out by various processes, starting from problem identification, observation, study, implementation, evaluation, and sustainability. Here are the steps:



Activity Plan

The activity plan that shows the solution steps is:

Table 3.1. Activity Plan

No	Day to	Activity	Number of implementation	Activities	Target	Number of Participant	Responsible
1	Day 1 (March)	Field Observations, interviews, and Finding Problem Phenomena	1 x	PkM team	Society	25	team leader
2	Day 2 (March)	Examining problems and finding solutions that will be offered	1 x	PkM team	PkM team	3	team leader
3	Day 3 (March)	Drafting Implementation Stages	1 x	PkM team	PkM team	3	team leader
4	Day 4 (March)	Performing Community Service by Providing Motivation, Information and Direction	1 x	PkM team	Society	25	team leader
5	Day 5 (March)	Evaluate Results with Re-Observation and determine sustainability	1 x	PkM team	Society	25	team leader

Description of Partner Participation

In this case, the description of partner participation in the implementation of the service is as follows:

Table 3.2. Description of Work Participation

No	Related Partners	Role
1	Desa Pahlawan's community	The first object of service

Description of the Evaluation of the Implementation of the Community Service Program

Evaluation of the implementation of the service program and its sustainability after completion of service activities in the field, where the results will be evaluated by re-observing the mindset of the Hero Village Community and their knowledge regarding early detection of post-Covid-19 economic changes.

Type of Expertise Required

The type of expertise needed to solve all partner problems or needs is as follows:

Table 4.2. Type of Expertise Required

NO	Type of Expertise	Problem solving
1	Monetary Economics	Analyzing post-Covid-19 economic outlook
2	Macro economics	Analyzing the impact of the crisis on macroeconomic variables

Implementation Team

No	Name	Position	Type of Expertise	Originating Institution	Time Allocation (Hours / Week)
1	Dr.E.Rusiadi, S.E., M.Si	Chairman	Monetary and Financial Economics	Universitas Pembangunan Pancabudi Medan	4 hours
2	Dr.E.Ade Novalina, S.E., M.Si	Member 1	Macro economics	Universitas Pembangunan Pancabudi Medan	3 hours
3	Wahyu Indah Sari, S.E., M.Si	Member 2	Microeconomics	Universitas Pembangunan Pancabudi Medan	2 hours
4	Jiker Pohan	Kaur LPPS	-	Universitas Pembangunan Pancabudi Medan	2 hours
5	Vivi Adianti	Student	-	Universitas Pembangunan Pancabudi Medan	2 hours

CONCLUSION

The results of the research prove that after being given an understanding of the post-COVID-19 economic outlook, people will take into account consumption, both household consumption and fuel consumption, for purchasing ship oil.

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