

# The Impact of the Covid-19 Pandemic on the Development of Economic Regionalism in South East Asia

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**Abstract.** The purpose of this research is to examine the impact of the Covid-19 Pandemic on the dynamics of the development of economic regionalism in Southeast Asia. The Methods used in this research is qualitative and descriptive research with data collection techniques of literature study was strengthened by interviewees. This study uses qualitative analysis to explain sub-discussions in the context of issues in international relations. The results of this study indicate that the COVID-19 pandemic has had a major impact on the economy in the Southeast Asian region as seen from the decline in various macroeconomic parameters in Southeast Asian countries. In the financial sector, this pandemic put considerable pressure on the stock market in the region, especially during the period from January to March 2020. Meanwhile, the repression of the financial sector from foreign capital outflows caused the short-term yield on government securities from various regions to increase. in February to March 2020. The conclusion reached is that the COVID-19 economic recovery can be enhanced by greater efforts to increase resilience and long-term sustainability in ASEAN, including coordinated and targeted responses to increasing climate risks and measures to tackle poverty and inequality.

**Keywords:** Pandemic, Covid-19, Southeast Asia, Economic Regionalism

## 1. Introduction

Coronavirus belongs to the superdomain of the biological group. Corona viruses are a group of mega microbes in the nidoviral sequence. Viruses were originally classified by serology, but are now grouped by phylogeny. For a better description, the Sarbecovirus subgenus includes BatSLCoV, SARSCoV, and 2019nCoV [1]. BatSLCoV was initially found in the Chinese provinces of Zhejiang, Yunnan, Guizhou, Guangxi, Shaanxi and Hubei. Another group is the coronavirus group: bat coronavirus (BcoV), porcine blood-aggregating encephalomyelitis virus (HEV), mouse hepatitis virus (MHV), human coronavirus OC43 (HCoVOC43), human coronavirus HKU1 (HCoVHKU1), which has been shown to include severe acute respiratory syndrome. critical. SARSCoV) (Schoeman, Fielding (2019). Many countries, especially Southeast Asian countries, have been affected by COVID 19 [2].

Since the outbreak of the disease, it has become a major non-traditional security threat in the Southeast Asian region. To respond to this, both China, the source of the pandemic, even though the countries that are members of the Southeast Asian community have determined their behavior and strategy. Some of their national policies are tolerant, supportive and mutually supportive, while others appear to be more selfish and show national interest. Given their mutual influence, each policy determines the failure or success of efforts to fight the pandemic effectively at regional and global levels. The guidelines that were immediately set by countries in Southeast Asia as the Covid-19 pandemic spread was to close sovereign regions [3].

Many ASEAN member countries lack effective information about the epidemic, creating uncertainty about the policies of all ASEAN member countries. If WHO recommends that all people diagnosed with COVID19 be traced, then national action can finally be taken and the number of people infected with COVID19 can be reported. Singapore and Malaysia reported that their citizens were infected with COVID-19, followed by Thailand and the Philippines. At the same time, Indonesia needs time to identify cases of COVID 19 among its citizens. Various policies have been adopted by ASEAN member countries, such as the implementation of regional blockades and the implementation of large-scale social distancing.

The field of study of international relations is another area that needs attention. This is indicated by the increasingly complex discussion of regionalist studies. Regionalism is a topic that cannot be separated from general area studies. Several experts interpret regionalism from various fields of discourse, such as geography, economics, politics, and the environment. It is specifically included in a region and is used to actually establish universally different norms, trends, or values [4]. Regionalism cooperation in each international affair can be divided into two concrete and abstract approaches. Edward D. Mansfield and Helen V. Milner cut regionalism into two types: First, Regionalism is based on geographical proximity. This can be interpreted as coordination of cooperation and regionalism in the economic and political fields by countries that are close to one another. Second, regionalist cooperation or coordination by state administrators is based on non-geographical causes. The cooperation is in the form of economic and political improvement between non-neighboring countries. The Regional Comprehensive Economic Partnership has created a symbol of geographic collaboration between countries that are not geographically adjacent [5].

Economic regionalism is a place of interaction in the form of institutional arrangements that facilitate the free movement of goods and services, with the aim of coordinating economic policies in a particular area. The region comprises both or more than two countries that are geographically close together. Regions are then regionalized into units called regionalism, which is indicated by increasing economic dependence or interdependence with clear boundaries. Regionalism is very similar to collaboration, reconciliation and consolidation, which are usually incorporated within a geographic framework. However, as the world order changes, the concept of regionalism is somewhat difficult to interpret because it implies geographic proximity and a sense of cultural, economic, political and organizational cohesion.

Several articles and studies were taken as a literature review in this article, namely the first was written by Ziyad Falahi and Poltak Partogi Nainggolan [6] entitled ASEAN Regionalism in Responding to the Covid-19 Pandemic, this study was to find out how ASEAN responded to or overcome economic regionalism during a pandemic covid-19, and the result of this study is that covid 19 is a bullying problem from the non-traditional security sector where the impact is not limited to health matters. The onslaught of the pandemic also revealed new security dilemmas in the region during the Post-Cold war era. Policy will remain crucial in its existence and function in making Southeast Asia or ASEAN to create, improve and reconstruct cooperation frameworks, because the issue of national sovereignty remains strong and does not decrease.

Next is a study made by Muhammad Rum and Randy Nandyatama, with the title From Regional Studies to Southeast Asian Regionalism in International Relations Studies [7] where this study aims to determine economic regionalism in the Asian region as a landmark in international relations studies. The method used in this journal is a method with world economic and political analysis. The sample used in this journal is countries in the Southeast Asia region.

The next study is from Siti Amalia Tanjung with the title Impact of Covid-19 in International Political Economy Stability [8]. The purpose of this study is to find out how the impact of Covid-19 has had on international political economic stability. The method used in this study uses descriptive qualitative methods, with a type of literature study from several educational journals or books. The result of this research is that the covid outbreak has a unified international relationship, making economic plans regulated by the government. Second, new co-workers and friends who are influenced

from (the health sector).

The difference between this article and previous articles, the previous journal examines the economic impact and policy implications of the COVID-19 pandemic in the region. Part I focuses on the macroeconomic impact and the disproportionate negative economic impact of the pandemic on low-income households and micro, small and medium enterprises in Asia and the Pacific, particularly in least developed and vulnerable countries. The next section examines the implications of COVID-19 for long-term structural changes in the regional economy, including accelerating digitalization and the effects of automation on the labor market. Final. This article provides a comprehensive analysis and description of Indonesia's economic diplomacy strategy in dealing with the Covid-19 pandemic. activity marketing, business advocacy, network building, business negotiation, service intelligence, as well as problem solving mechanisms.

Then the articles in this study also aim to: (1) examine the impact of the pandemic on the development of the capital market (IHSG) in Indonesia; (2) analyzing the influence of externalities and social distancing policies on the dynamics of capital market development in Indonesia. The research uses case study method with a quantitative analysis approach using dummy variable multiple regression. JCI is the dependent variable, while the independent variables are the number of Covid-19 cases in Indonesia, China and Spain, then the FTSE100 (London), Hangseng (Hongkong) and NASDAQ (New York) stock indices, as well as differences in social distancing policies in Indonesia (Satgas, WFH and PSBB). The results of the study concluded: the JCI movement is influenced by internal and external conditions. Internally, the condition of the Covid-19 pandemic and social distancing policies affected the Indonesian capital market. Externally, the Covid-19 pandemic in China and Spain also affected the ISHG index. Likewise the stock market dynamics in Hong Kong, London and New York.

## **2. Methods**

This article was created through document-based and internet-based research based on a literature review of relevant findings and qualitative data. This study uses qualitative analysis to analyze the discussion in the context of international issues. Qualitative research is a study that is used to create, explain, study, and explain the quality or characteristics of social effects or causes that cannot be explained, explained, or measured with a quantitative approach according to Sugiono [9].

This journal also uses data collection methods through literature study to collect various data and from various news, books, official websites, magazines, official reports, articles, articles, and sources from the internet. Some of the sources mentioned above hope to help the author investigate the steps in this article and analyze the problem. The literature search in this article uses qualitative analysis to describe the issues discussed in document-based and Internet-based methods based on relevant contemporary research.

## **3. Results and Discussions**

### **3.1 Southeast Asian Regionalism Towards Economic Integration**

Southeast Asian Regionalism for Economic Integration According to Mansbach, regions are identified based on "regional groups namely geographic proximity, cultural, trade, mutually beneficial economic dependencies, communication and participation in international organizations. Meanwhile, according to Colombis and Wolf [10] his book is " International Relations , Power, Introducing Fairness" Can be used to define and name an area or areas that are actually very strictly defined for the purposes of analysis or standards.



The Four Standards are:

- a. Geographical Standards: Group countries according to location such as continents, subcontinents, islands, such as European and Asian Countries.
- b. Military or Political Standards: Grouping of countries based on participation in various federations or based on the direction of thought and politics. For example the socialist bloc, the capitalist bloc, NATO and the non-aligned movement.
- c. Economic Standards: Dividing countries based on selected standards in the development of economic growth, such as Gross National Product and company performance. For example, developed or developing or developing countries.
- d. Transaction Standards: Group countries based on the frequency of goods and services such as immigrants, immigrants, foreign visitors, trade. Examples can be found in regions such as the US, Canada, as well as the European single market. Regionalism is a political designation in which national and non-state actors compromise to coordinate strategy within a given area. In other words, regionalism refers to the policies and projects developed by the state in the context of the Region

The goal of regionalism is to achieve and promote a common cause on one or more topics. This understanding works on sub-regional groups that are formalized through bilateral agreements, from mild regionalism, which refers to strengthening a sense of unity between regions and people, to integration of regional groups and networks and regionalism. The organization proves that there is a process of deepening and expanding regionalization. Regionalism has the effect of reducing national authority, but does not completely eliminate the nation. Regionalism can offer group building and various forms of economic, political, social and security cooperation. In addition, regionalism can integrate the process of national development or national construction and democracy, increase transparency, and increase national and institutional accountability. Therefore, according to Faucette, regionalism can work better in democratic areas where ordinary citizens can function more actively. With the formation of SEATO (Southeast Asia Treaty Organization), Southeast Asian countries for the first time agreed on a regional organization. This organization was founded by America, to shackle the influence of communism in Southeast Asia, especially Soviet influence through China. The essence of their training comes from outside the Southeast Asia region, not from the region itself, and is included in the alliance category. The first regional organization established by countries in the region was the ASA (Southeast Asian Association) in 1961. Its member countries are the Philippines, Malaysia and Thailand. However, the organization did not last long due to the controversy over the status of the Sabah region which is claimed by the Philippines and Malaysia. The conflict led to the establishment of Maphilindo (Malaysia, Philippines, Indonesian countries). However, Maphilindo was disbanded due to disputes between Indonesia and Malaysia.

### 3.2 The Main Objectives of the Formation of ASEAN

Increasing the speed of regional economic development, social development and cultural development through concerted efforts and a spirit of unity and relations to strengthen the community foundations of the countries that are Southeast Asia. Second, promote regional reconciliation and balance by supporting justice and the rule of law in interactions between regional countries and respecting the principles of the UN Charter. Third, increasing active and mutually supportive collaboration in shared concerns in the fields of business, society, technology, science and government. Fourth, mutual support in the form of training and research institutions in the fields of education, professions, engineering and management. Fifth, work more effectively to increase agricultural and industrial use, expand trade, study international raw material issues, improve transportation and telecommunications equipment, and improve living standards. Sixth, encouraging research in the Southeast Asian region. and seventh, managing very close and fruitful cooperation by means of various organizations at the international level as well as regional levels that have the same goals as well, and to

try various possibilities for close cooperation. Berdasarkan *Friendship Agreement and Cooperation* (TAC) 1976 di Asia Tenggara [11]

1. *First*, Respect for independence, equality, sovereignty, national identity and regional integrity. *Second*, the state organizes the existence of a state without outside interference, destruction or coercion. *Third*, do not interfere or meddle in the affairs of other parties' countries. Fourth, resolve disputes and conflicts resolved in a peaceful way. Fifth, urge to use intimidation or abuse. Sixth, which collaboration is more effective between member countries.
2. Even if multilateral supply chain trade rules are considered to be faster, in the 20th century the WTO only focused on trade issues, besides the burden of the Doha Round.

Offshore policy is essentially bilateral. Free trade agreements are the main route of economic integration leading to regionalism. After the major powers sponsored mega-regional projects, the choice of the regionalist route to economic integration has received increased attention. For example, the United States sponsored the creation of the Trans-Pacific Partnership (TPP) and the Transatlantic Partnership (TAP). In the Asian region, it is planned to form (RCEP) or Regional Comprehensive Economic Partnership which is being promoted from China [12]. Then the unification of Europe (European Union) formed the ASEAN Free Trade Area (AFTA), and the relationship between regionalism and globalization is an open area intended for consolidation projects against global markets or rebellion against domination of forces in global markets. It is modeled in principle form. Various sources describe open regionalism as a government project that answers the needs of economic actors to increase competitiveness in global markets and handle the global economy. In short, regionalism aims for the state to be deeply involved in the globalization process. Like globalization, regionalism also requires extensive domestic political deregulation and trade liberalization is intended to remove state involvement in global economic activities. In short, regionalism aims for the state to be deeply involved in the globalization process. Like globalization, regionalism also requires extensive deregulation of domestic politics and trade liberalization intended to remove state involvement in economic activity.[13]

In addition, free trade activity agreements often aim to expand and review trade plans beyond what has been agreed upon by the WTO, for example by implementing environmental standards, investment budgets, and TRIPS plus discipline. Free trade agreements have already been strengthened because developed countries want to retain conflict-prone countries or potentially controversial commitments in multilateral negotiations. This is known as the "Third Generation Agreement" and extends this issue to domestic politics. This type of free trade agreement replaces the traditional form of free trade agreement, which was previously based on a unilateral priority on trade in goods with developing countries, into a collective agreement that provides steps for deeper integration. The FTA approach can basically be interpreted as an experimental effort to move the budget-making process from the multilateral level to the regional and bilateral levels. Economic integration efforts started in the 1970s in ASEAN.

Carry out tests to introduce trade liberalization through the implementation of PTA or Preferential Trade Agreements. These efforts had no impact on increasing intra-industry trade in ASEAN. These Preferential Trade Agreements were mainly implemented in the 1970s. The next stage, in the 1990s, or more precisely in 1992, was the establishment of the ASEAN Free Trade Area (AFTA) as a focus plan and discussed at the 4th Summit in Bangkok. AFTA's main goal is to remove all customs barriers which remain after 15 years. AFTA was introduced in January 1, 1992 under the CEPT or Common Effective Priority Tariff.

In growth, the implementation of the ASEAN Free Trade Area or AFTA 2001 for former member countries was accelerated. AFTA can be seen as a kind of pedestal for ASEAN nations towards economic consolidation in a system that eliminates trade tariffs. The process of economic integration is not limited to dismantling trade and tariffs. Since then, ASEAN has paid special attention to this issue. In short, it is a matter of the slow integration process caused by the large differences in economic levels between ASEAN countries. In response, ASEAN has launched the ASEAN Integrated Initiative (IAI) programme. IAI's main goal is to close the development gap and make ASEAN more

competitive as a consolidated region. The aim of this IAI is to close the growth gap between CLMV and ASEAN countries.

Because of this, IAI is more focused on its efforts to enable CLMV to improve education, skills development, and employment research. In subsequent developments, ASEAN added services and investment to cooperation agreements other than trade in raw materials. In 1995, a cooperation agreement for the service sector was signed. This is known as the ASEAN Framework (AFAS) for Service Contracts. In the investment sector, the ASEAN Investment Region (AIA) was signed as a cooperation agreement and was signed in 1998. The process of ASEAN's economic integration began with the planned establishment of the ASEAN Economic Community (AEC) in 2015 and is now entering new stage. MEA is not an integrated program that is completely new and off the agenda.

What distinguishes MEA from its predecessor program is that the MEA Blueprint serves as a guide to go through the stages and requirements that must be met to achieve AEC 2015. After the previous plan, there was no blueprint to guide the application to achieve the goal. Therefore, regional cooperation and the creation of local communities within ASEAN are often open. This is because ASEAN is basically a voluntary organization and these agendas are not binding. Since ASEAN is not a supranational community, changes can only be made based on the actions of countries themselves. • Growth Gaps in member countries One of the aims of the formation of ASEAN in 1967 was to increase the speed of economic growth in the Southeast Asian region. But even now, more than 30 years later, economic growth in the region is not accelerating as hoped.

The foundation of economic collaboration in ASEAN consists of two main components. On the one hand, there is an assumption that the welfare of countries in this region is below the maximum if development only relies on the national level, supported by theoretical and empirical evidence. All nations and entire countries will enjoy the fruits of prosperity from the international division of labor. On the other hand, work solutions based on multilateralism face various obstacles. Countries may have special relations with other countries because of their unity, cultural unity, or unity with certain enemies. Because of this sense of unity, these countries tend to have a special relationship in the economic arena. The reasons for avoiding total dependence on the supply of a particular product or service vary from country to country. For example, in the agricultural staple food sector, all countries struggle to achieve a certain level of independence, even though these foods can be imported cheaply.

From the cost of domestic production. The basic principles of ASEAN economic cooperation are still being implemented and strengthened in several ways. Already much larger than in 1967, the domestic market of each member country within ASEAN is limited to the size of the market required for certain activities to be efficient. The non-ASEAN markets worked on by each member country are in line with the general transition from industrial development based on import substitution to industrial development based on expanding exports of manufactured goods, which tend to be more closed, so that the ASEAN market becomes increasingly closed, which becomes important.[14]

Similarly, there is a common approach to dealing with international economic problems. For the first decade, ASEAN economic cooperation was still valued and activities were more diplomatic. This is done primarily through the Standing Committee as well as the Special Committee created at the conclusion of the 1967 Bangkok Declaration, as well as through the Rendezvous Standing Committee & Special Committee since 1970, on trade, industry, agriculture, shipping and civil aviation, transport, tourism and various economic topics. discussed. Due to the dominance of political issues, it took a long time for ASEAN to formulate economic cooperation and turn the 1967 Bangkok Declaration into a program. at the end of February 1967, Economic cooperation began to form, 9 years after this organization was founded. The growing enthusiasm for achieving economic collaboration was triggered by concerns about the impact of the close relationship between the United States and China on the local economy. Concerns about ASEAN increased as the Communists took control of Saigon and Phnom Penh. In carrying out cooperation in the economic field, ASEAN cooperates with various stakeholders, especially the United Nations and Western countries. The committee of experts from various United Nations organizations formed in 1969 with the blessing of the ASEAN Foreign Ministers' Meeting played a crucial role in its formulation. In 1969, the ASEAN Foreign Ministers



Meeting followed the formation of a committee to investigate ASEAN economic cooperation. The Council comprises scholars from ASEAN countries with expertise in various international economic organizations, including the United Nations. Various attempts have been made to strengthen economic cooperation, but progress has not been encouraged. Various factors have been found to hinder this cooperation, including different historical reasons, different economic developments, and structures within member countries' economies that are more competitive than complementary.

### **3.3 The Influence of COVID-19 on the Dynamics of Economic Regionalism**

Community participation is a means to assess the degree of regional consolidation and collapse. Mansfield and Milner [15] Explain that integration can occur between complementary areas. For example, the European Union has a long history of correlation before being integrated into the spirit of economic cooperation. But unless the blockade policy at the local level lasts long and forever, society will also determine the development of economic dynamism that develops in the region. The existence and development of the three pillars of ASEAN will not be significantly affected. Refusing to oppose the blockade policies of several countries, including airports and seaports, countries in the region have shown that they do not want to ignore the importance of regionalism. And the synergy in the further development of the integrated development paradigm reflects how member countries within ASEAN want to secure regional cooperation.[16] Increased social interaction and cooperation will strengthen the integration of Southeast Asia. In addition to the government's role, the dominant role of the community in development is needed to maintain regional integration.

Following the initial blockade policies of Singapore, the Philippines and Malaysia, and more recently Indonesia, contributed to the distortion of the industrial sector. Southeast Asia has been a market destination for decades since the 1970s. Exports of oil and gas and non-oil and gas commodities on a large scale to member countries from other ASEAN and China's main regional power. down 23.1%. the world bank warns, at best, that economic development in the region could decline dramatically. China's own economic growth slowed from 2.3 to 6.1% in 2019 Until the Covid-19 pandemic, efforts continued to create conflict and influence between the two superpowers in the region, the United States and China [17]. In November 2019, the United States government received an invitation to the ASEAN Summit in Bangkok to hand over ministerial-level representatives (Ministry of Foreign Affairs Mike Pompeo). This will have an impact on the absence of the ASEAN Summit, the US proposed by Trump in Las Vegas in March 2020. Meanwhile, the US government is promoting "buying American products" in Southeast Asia. The counterproductive attitude of the US can be seen when it is increasingly moving away from its close partners, the Philippine government, and China is actively initiating mask diplomacy, helping ASEAN fight the Covid-19 pandemic. Meanwhile, Thailand wants to prioritize cooperation with the two superpowers.

The blockade policy to deal with the Covid-19 pandemic was strictly enforced in Wuhan Province, Country of China, through strict inspection supervision [18]. This policy is a boomerang against China because it has been plagiarized or complied with by ASEAN member countries such as Singapore, the Philippines and Malaysia because of its effective consequences. Please note that this policy is neither fixed nor restrictive. It's not legal for all of the greater China except for Wuhan, but for parts of Hubei Province. The same thing also happened in several ASEAN countries. Therefore, politics will negate regionalism and its relationship with the Chinese state in just a few months. Indeed, Chinese national and non-state actors play an active role in supporting ASEAN with humanitarian and masquerade diplomacy. Singapore, the Philippines and Malaysia's own or unilateral provisions to close airports to Chinese tourists cannot be construed as dire solidarity with China. The solution chosen is a medical solution, not a political solution.

This is different from the steps of Cambodia, Laos and Myanmar which did not impose a blockade. Indeed, they are heavily dependent on China's foreign aid, especially the economy, and are still facing minimal impact from the pandemic. On the other hand, Indonesia's attitude of not

immediately attracting Chinese tourists, especially from Bali, is purely humane. There are various policies in the ASEAN EU environment. The decisions taken are responsive because Southeast Asian and European countries are not yet ready to respond to the corona.

The president of the US, who first mocked the Chinese nation after the Covid-19 tragedy, turned to China because of the urgent need for masks and ventilators after the death toll was much higher. With the outbreak of the Covid19 pandemic, ASEAN's regionalism is questioned and its very existence is questioned. China's major regional commitments except for Wuhan, but for parts of Hubei Province. The same thing also happened in several ASEAN countries. Therefore, politics will negate regionalism and its relationship with the Chinese state in just a few months. Indeed, Chinese national and non-state actors play an active role in supporting ASEAN with humanitarian and masquerade diplomacy.

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As a result of the COVID19 coronavirus pandemic, economic growth has slowed in many countries around the world. Malaysia and Singapore have decided to inject large sums of money to stabilize the economy. The COVID19 pandemic has had a negative impact on the global economy, including the ASEAN region, by pushing up key factors from both the supply and demand sides. From the supply side, workers' health has declined, production of the dead has stopped, and logistical disruptions have occurred due to movement restrictions (quarantine). On the demand side, increased uncertainty, rising costs and lower wages can create confusion while reducing purchasing power, company closures and furloughs.

The impact of COVID 19 on the ASEAN regional economy is also reflected in the decline in various macroeconomic parameters such as self-confidence. In the financial and financial sector, the pandemic put considerable pressure on the stock market in the region, especially during the January-March 2020 period. On the other hand, pressure from the financial sector due to foreign capital outflows caused short-term government bond yields. This will increase in several regional countries from February to March 2020. This will be decided at the ASEAN+3 Conference (APT SOM). 14 As one of the founding initiators of ASEAN, Indonesia is involved in controlling the spread of the COVID 19 virus and predicting its impact in the Southeast Asian region. In the Southeast Asian economic region, Indonesia itself provides regional trade facilities based on Protocol 1, namely designation of routes and means of transportation, as well as control of route I and ALK III trade in the Indonesian archipelago. Route and establishment of the ASEAN Economic Community. The Covid-19 incident has again made Indonesia the initiator to strengthen synergies in the Southeast Asian region.

In order to contain and control the negative economic impact of the COVID-19 epidemic, governments in ASEAN have various financial, financial and financial capabilities to contain, provide for and enhance the virus epidemic, take measures of the health care system, protect vulnerable people and groups businesses affected by revenue volatility, building trust and demand, limiting unfavorable volatility in the supply chain. State financial facilities in the ASEAN region are tax incentives and government spending. Tax cuts directly reduce production costs, but demand disruptions do not necessarily lead to increased production by producers. In this case, the role of government spending becomes important in stimulating demand and helping consumers restore their confidence in consumption. This eliminates the economics of production.



#### 4. Conclusion

The economic recovery from COVID-19 can be enhanced by greater efforts to increase resilience and long-term sustainability in ASEAN, including coordinated and targeted responses to increasing climate risks and measures to address poverty and inequality. Leveraging digitalization to drive sustainable economic growth, productivity, human capital development and financial inclusion will be critical post-pandemic policy priorities. The Covid-19 pandemic has brought profound changes in international affairs, especially political economy and international development. These changes require the state to be more resilient and make efforts to overcome cross-border problems that directly impact the people (people) and the nation. Emerging global polarization, populism and protected trade threaten global altruistic universalism. Multilateral diplomacy currently tends to be shaped by regional interests, so setting norms will be directed at non-traditional development issues, namely human securitization. The Bretton Woods economic order required regional economic integration and the search for political and economic aspirations to achieve a sustainable development agenda.

This agenda helps maintain the sustainability of a world that is no longer state-centric, and the international political situation continues to be challenged by the current heat of US-China peace. The emergence of new actors as great powers will turn the development agenda into a new carrot or stick rather than military security. International affairs have changed and are no longer state-centered, but we are in an era where humans are at the center of international diplomacy by actors on various topics. COVID-19 Impact and Policy Options: An Asean Perspective, provides important insights into the economic impact and policy implications of the COVID-19 pandemic in the region. Part I focuses on the macroeconomic impact and the disproportionate negative economic impact of the pandemic on low-income households and MSMEs or micro, small and medium enterprises in Asia and the Pacific, particularly in less developed and vulnerable countries. It then examines the implications of COVID-19 for long-term structural changes in the regional economy, including the acceleration of digitalization and the effect of automation on the labor market. Finally, the following Sections focus on the key needs of post-pandemic recovery in Asean, including promoting green investment and strengthening commitments to achieve the UN's development goals. The Covid-19 outbreak has caused a multi-sectoral global crisis in the health, social, economic and leadership aspects. Indonesia, as one of the Asia-Pacific countries that has experienced significant economic growth over the last decade, is also facing a large economic and social decline due to this pandemic. To face these challenges, the Indonesian government has changed its economic diplomacy strategy by issuing several policies regarding supporting national export-import performance and holding back the economy that was negatively impacted by the epidemic.

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