ANALYSIS OF THE FATE OF INDONESIA'S ECONOMY IN THE FUTURE

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ABSTRACT
State courts that are developing tend to experience inflation, countries with inflation below 3% are still on the normal threshold for a country, but conversely countries with high and unstable inflation are a reflection of economic instability which results in an increase in the price level of goods and services in general. Common and continuous in a country and result in higher levels of poverty and unemployment. In this study we used a quantitative method using time series data from 2015 to 2021 and carried out statistical calculations using SPSS. Results According to the study, the inflation rate is 3532 > 2306. The significance level is 0.039 <0.05, which means that inflation affects Indonesia's economic growth/gross domestic product (GDP). Even though the management of the state's economy cannot be separated from that of the state, including Indonesia from countries affected by the state. However, the monetary and fiscal policies implemented in each country vary depending on economic conditions, direction and development goals to be achieved. The economic growth of a country, including Indonesia, is inseparable from the monetary and fiscal policies implemented by each country. However, monetary and fiscal policies differ from country to country. Actual economic conditions, development trends and goals that can be achieved. An important function of financial management and financial management is to control inflation rates, cash flows and control additional costs in the company. The purpose of this study is to analyze the situation of the Indonesian economy for the next five years and to analyze the government's role in controlling inflation, monetary policy and fiscal policy and their impact on the economy. Macro - for near and far legal economic analysis. The method used is a literature survey methodology and the data used is secondary data which is consistent with various relevant literature. To overcome inflation, monetary policy, and
taxation, the government must implement performance-related macroeconomic policies. Measures of inflation and economic growth. Therefore, all countries must maintain economic stability is threatened. Inflation is one of the most important factors in the economy.

**Keywords:** Sharia Banking, Prudential Principles, Risk Management

**INTRODUCTION**

Developing countries often experience economic problems in one area. High inflation and slow economic growth. Inflation is an important economic measure because growth is always low and must stabilize to prevent further macroeconomic damage. This causes economic instability. Inflation has both positive and negative impacts on the economy. Indonesia's central bank can implement accommodative monetary policy by lowering interest rates in line with the country's economic slowdown. High and unstable inflation is an unstable economic condition that causes the price of goods and services to continue to increase thereby increasing poverty in Indonesia. As a result of the price increase,

**Table 1**

Inflation Rate in Indonesia in 2016-2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3.02</td>
</tr>
<tr>
<td>2017</td>
<td>3.61</td>
</tr>
<tr>
<td>2018</td>
<td>3.13</td>
</tr>
<tr>
<td>2019</td>
<td>3.72</td>
</tr>
<tr>
<td>2020</td>
<td>1.68</td>
</tr>
</tbody>
</table>

Data source: [www.bps.go.id](http://www.bps.go.id)

Shows that inflation in Indonesia was 3.02 in 2016, increased to 3.61 in 2017, increased to 3.13 in 2018, and prices increased again in 2019. Economic development is a long-term problem that needs to be solved. Which markets have the greatest growth potential? save very fast. The goal of all nations is the same: accelerating economic growth. Economic growth is the process of increasing output per capita steadily.
over a long period of time. Economic growth tells us that a healthy economy creates the conditions necessary to stimulate economic growth for the country's development. If the government does not promote economic growth it creates new economic and social problems, such as extreme poverty.

Table 2
Gross Domestic Product

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>5.03</td>
</tr>
<tr>
<td>2017</td>
<td>5.07</td>
</tr>
<tr>
<td>2018</td>
<td>5.17</td>
</tr>
<tr>
<td>2019</td>
<td>5.02</td>
</tr>
<tr>
<td>2020</td>
<td>-2.50</td>
</tr>
</tbody>
</table>

Source: www.bps.id

In Table 1.2 shows Indonesia's economic growth rate in 2016. Recession in Indonesia in 2020 Uncertainty in the global economy and economic problems such as trade deficits, inflation and currency devaluation. Due to the challenges of the pandemic, Indonesia's GDP is expected to reach 2.50 in 2020 and public interest is expected to decrease. Many unemployed in Indonesia. All these elements combine to create harmony. All of these social and economic factors are influenced by age, society and government. Therefore, efforts to fight inflation must start with stronger growth. The most important part of this process is gaining economic equity.

Because today's economy assumes an equal distribution. The existence of high inflation can cover or even eliminate these indicators and affect the resulting results. This complicates planning and discourages businesses and people from saving and investing. for the better of social welfare is the main goal of fair and honest economic development. Income per capita is an indicator to assess the level of social security, because it can clearly explain the success of economic development and the level of community dependence. The level of success and economic growth of a country can be measured from the capacity of its human resources. In a
modern financial system, Inflation is the goal or target that Bank Indonesia and the government must work together to promote economic growth. The decision to increase the price target was based on PP 23 of 1999. Bank Indonesia is state-owned. According to the Memorandum of Understanding with the Government and Bank Indonesia, inflation for the last three years was the Minister of Finance (PMK) in politics. According to Minister of Finance Regulation no 124/PMK.010/2017 concerning economic development plans for 2019-2021, namely 3.5%, 3.0% and 3.0%, respectively ± 1% (BI, 20197). Inflation, on the other hand, can be affected by other events. Disturbances or shocks such as rising international oil prices, crop failures or floods. According to the weight of the consumer basket, the weight of inflation that is affected by shocks is represented by food prices and control cannot be changed, which accounts for about 40% of the customer rating weight. Financial management is very important to the attention of the government for many reasons. Inflation can have a negative impact on unequal income, causing a decrease in domestic saving which is a source of capital for developing countries. Inflation can also cause trade and exchange rate deficits. A good rule of thumb for correcting country stability mistakes depends on economic policy. Economic stability The country is still worried about price stability, meaning that there will be no problem. This is a huge cost that can hurt consumers and producers will destroy the economy. Inflation can have a negative impact on unequal income, causing a decrease in domestic saving which is a source of capital for developing countries. Inflation can also cause trade and exchange rate deficits. A good rule of thumb for correcting country stability mistakes depends on economic policy. Economic stability The country is still worried about price stability, meaning that there will be no problem. This is a huge cost that can hurt consumers and producers will destroy the economy. Inflation can have a negative impact on unequal income, causing a decrease in domestic saving which is a source of capital for developing countries. Inflation can also cause trade and exchange rate deficits. A good rule of thumb for correcting country stability mistakes depends on economic policy. Economic stability The country is still worried about price stability, meaning that there will be no problem. This is a huge cost that can hurt consumers and producers will destroy the economy. Inflation can have a negative impact on unequal income, causing a decrease in domestic saving which is a source of capital for developing countries. Inflation can also cause trade and exchange rate deficits. A good rule of thumb for correcting country stability mistakes depends on economic policy. Economic stability The country is still worried about
price stability, meaning that there will be no problem. This is a huge cost that can hurt consumers and producers will destroy the economy.

Price increases causing inflation can be isolated, and if price increases are slow, the resulting financial situation is called “Creep Inflation”. If prices rise very quickly, the disease is called "Hyperinflation" or more than 50 percent inflation per month or more than 1 percent per day (Mankiw, 2003). Keeping inflation under control through the use of various appropriate instruments will result in good macroeconomic stability. This is how prosperity and health for many people and justice are created economically and socially feasible. The problem that will be studied further is how to manage inflation, money and money and their effects on the economy in an Islamic macroeconomic perspective? Inflation is an important variable in the economy and can affect many things such as economic growth, poverty and unemployment. That's why inflation stability is important from the government's economic point of view as an effort to regulate the economy to run smoothly.

Table 3
Inflation Figures for the 2008-2018 Period

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>9.65</td>
</tr>
<tr>
<td>2009</td>
<td>3.62</td>
</tr>
<tr>
<td>2010</td>
<td>6.96</td>
</tr>
<tr>
<td>2011</td>
<td>4.09</td>
</tr>
<tr>
<td>2012</td>
<td>4.5</td>
</tr>
<tr>
<td>2013</td>
<td>7.59</td>
</tr>
<tr>
<td>2014</td>
<td>7.77</td>
</tr>
<tr>
<td>2015</td>
<td>3.08</td>
</tr>
<tr>
<td>2016</td>
<td>2.72</td>
</tr>
<tr>
<td>2017</td>
<td>4.04</td>
</tr>
<tr>
<td>2018</td>
<td>2.86</td>
</tr>
</tbody>
</table>

In Table 1.3 it can be seen price trends between 2008 and 2018 in East Java look different. The East Java Central Bureau of Statistics (BPS) (2009) explains that one of the main causes is the policy of changing oil prices. oil (BBM) in 2008, 2013, 2014, 2016 and 2018. This price change became controversial because it increased the price of other goods. Some products
also make food products a source of inflation in East Java. Rother (2004) reported that the results were negative. Inflation is a special issue that needs attention. Large fluctuations in inflation lead to expectations about future prices and thereby cause long-term risks and uncertainties in the distribution of wealth (Rother, 2004). Choi & Loungani (2015) explains that when a business is in an uncertain situation, plan to delay or reduce investment and change work schedules. Uncertainty due to inflation is also related to economic factors, such as gross domestic product (GDP) growth. Hossain and Arvachanacarn (2016) In their research, they said that inflation has a negative effect on economic growth, that inflation causes the difference between real interest rates and real exchange rates to become blurred. It affects savings, investments, business and investments. It also has an impact on economic growth. The fact that inflation is falling must be measured against the behavior of inflation leads to long-term economic growth. Stable inflation comes with fast inflation back to work later. The central bank has the right to control inflation through monetary policy as part of monetary policy. Be prepared to manage and mitigate stable and minor financial risks. In addition to financial needs, the financial response is also determined by the effectiveness of inflation. In addition, inflation will determine the magnitude and timing of the monetary policy response. We need to do this to meet our inflation target (Arimurti and Tristanto, 2011). Various financial studies are underway that are being exported to many countries such as Turkey (Czech Republic). Inflation will determine the magnitude and timing of the monetary policy response. We need to do this to meet our inflation target (Arimurti and Tristanto, 2011). Various financial studies are underway that are being exported to many countries such as Turkey (Czech Republic). Inflation will determine the magnitude and timing of the monetary policy response. We need to do this to meet our inflation target (Arimurti and Tristanto, 2011). Various financial studies are underway that are being exported to many countries such as Turkey (Czech Republic).

& Bilici, (2020), USA (Granville & Zeng, 2019), Brazil (Gaglianone et al., 2018) and Nigeria (Tull et al., 2020). Retrieved January (2007). that inflation in Indonesia was stable, still rising, but poverty was certain in 1997-1998. The result is the same for all classes,
inflation is also proven to be persistent in Indonesia, Alamsia (2008). Meanwhile, Harmantha et al. (2009) found that stable inflation response behavior reduces the intergenerational targeting framework (ITF) transport time, which Assoc has the advantage of then continuing. Theoretically, stability can be explained as follows:

Inflation quickly returns to the previous level of the Equilibrium induced by shock (Marques, 2005; Willis, 2003). Inflation trend indicator A higher rate indicates less higher inflation and vice versa. Also Bartin (2002).

There are three types of inflation:
1) The serial correlation of inflation is positive;
2) Lagged wage systems and from their (higher) impact on inflation;
3) The delayed response of inflation caused by unstable policies. Based on previous data and various studies on inflation risk, it can be said that research related to inflation risk is important to predict inflation, to create a clear picture of its impact.

Changes in price shocks (external prices) and additional information and monetary policy adjustments. Also to find out the probable outcome of various periods of inflation under government conditions. Political differences in inflation. Therefore, research on the nature of inflation is very important in achieving sound monetary policy. In addition, this research also discusses the causes of financial risk and how patterns will emerge, whether in the future or not, look or look back.

The purpose of this study is to identify economic risks in East Java in various cities/regencies where inflation is also measured and to examine the causes of financial risk.

Inflation and unemployment have two causes that can explain the country's economy. The relationship between two variables is a matter of macroeconomics. There's a lot to talk about in this guide. Many scientific studies have been carried out in recent decades. The relationship between inflation and unemployment in theory and practice. The impact of the relationship between inflation and unemployment is also valid for mixed rules in each country to have better business. Unemployment is a major problem for the economy of a country, both
developed and developing countries. Low job performance is still the biggest problem, especially in this country with a large population. Reducing unemployment as one of the president's duties to create a fair and just society requires mixed policies. Mixed policies are divided into financial and non-financial. Financial policy Plan made by Bank Indonesia to use and monitor stable income. Bank Indonesia has implemented this policy since 1 July 2005 Monetary Inflation Target (MIT). In this context, inflation is an indicator of employment. Also along the path of change in migration and the financial crisis, Bank Indonesia and the government worked together to support their good work. However, there are challenges that must be overcome to achieve both goals. The leading indicators - inflation and unemployment - are the problem. Excerpt from AW Phillips: 1999. When the recession hit the United States in 1929, the issue emerged. There is a strong correlation between inflation and unemployment. Created by: negative means inflation When the ground is high, unemployment will fall. The economy falling between inflation and unemployment is called the Phillips curve. Establishment of the ASEAN Free Trade Area (AFTA) The establishment of a free trade area reflects ASEAN's intention to strengthen relations, especially in trade. This is the relationship. This will affect the economic growth of ASEAN countries. The decline in economic growth due to global economic uncertainty is also a big problem in ASEAN. Economic recovery continues in many countries. The decline in economic growth due to global economic uncertainty is also a big problem in ASEAN. Economic recovery continues in many countries. The decline in economic growth due to global economic uncertainty is also a big problem in ASEAN. Economic recovery continues in many countries.

Uncertainty continues around the world. This decline was due to the deteriorating economic situation around the world, especially in China. There is also a trade war between China and the United States. This poses a big risk to business growth. Let's continue the good business, together the State must look at other macroeconomic parameters. economic growth, inflation and unemployment 3. Among the most important
The macroeconomic parameters are the 7 ASEAN countries, namely: These are the 7 ASEAN countries with the largest economies. These countries are Indonesia, the Philippines, Thailand, Malaysia, Vietnam, Laos, and Singapore.

**RESEARCH METHODS**

The data in this study used secondary research data from the 2016-2020 Indonesia Inflation and Gross Domestic Product (GDP) Report. Secondary data is data obtained from sources accessible to researchers. Additional data in the form of attendance, salaries, accounting offices, government documents, information, etc. (Muhajirin & Panorama, 2017: 201). The data used in this study comes from archival data. The type of data used in this study depends on the time of collection. Survey data is available from the 2016-2020 survey data using SPSS. In this study, data was collected through document process reference. The information method is to look for something or various information in the form of notes, texts, books, newspapers, magazines, prints, minutes of meetings, minutes, processes, etc. If there is an error in this form. The data source remains unchanged, unchanged and invalid data on living things, but not living things (Arikunto, 2014: 274). Data can be in the form of text, images, or other data. The information in the records must be reliable. By using this method, researchers can use large samples. In addition, the information requested is irrelevant because the researcher has an interview process (Abdullah & Saebani, 2014: 213). The data used in this study are published data on inflation and Indonesia's GDP for the 2016-2020 period. This work uses descriptive analysis and optimization techniques. These methods and techniques are used to study inflation, currency and financial management and their impact on the economy from an Islamic macroeconomic perspective. The initial process and data were obtained from research papers and other documents related to the disease being studied. Using deductive and inductive data analysis, discover conceptual models related to inflation, monetary and financial management and their impact on the economy from an Islamic macroeconomic perspective.
RESULTS AND DISCUSSION

1. Inflation

Inflation is a symptom of an increase in the price level. A gradual increase in the price of one or two goods cannot be called inflation if it does not spread to (or cause) an increase in the price of other goods (Boediono, 2014: 161). Inflation is an increase in the price of goods sold, mainly because there is no synchronization of the program to obtain goods (production, prices, printing money, etc.) as prices for other goods. Bank Indonesia and the government continue to strive to achieve the goal of raising money through policies to meet these financial goals. Low and stable inflation rate This creates and guides public expectations of inflation in accordance with pre-planned fiscal plans. UU no. 23 In 1999, Bank Indonesia set Bank Indonesia's financial goals. In addition, the government has set an inflation target to increase confidence in Bank Indonesia after this policy. Bank Indonesia's monetary policy aims to control price pressures caused by overall demand. In this case, monetary policy is not designed to deal with high inflation caused by other factors, temporary shocks that occur over time.

According to Gregory Mankiw's perspective (2003) which says that one of the causes of inflation is the emergence of Community Fundraising, Government Publications and/or converting more money to lower the value of money. In simple terms, inflation refers to a general increase in the prices of goods and services. There are two important words in the definition of inflation, namely the price increase and the second extension. In inflation, there must be a part of price inflation (Suseno, 2009). Inflation is a process of rising prices and is often associated with economic mechanisms, which can be caused by many factors, including increased government spending, excess water in the system of doing business leading to consumption or even demand, and the result of unequal distribution. goods (Astiyah, 2009). An increase in the price of as little as one to two goods cannot be called inflation. As long as the supply of goods expands (or prices rise) Another indicator that is often used to measure inflation is the Consumer Price Index (CPI). Changes in the CPI reflect changes in the price mix of goods and services.
consumed by the public from time to time. The idea of goods and services in the CPI basket is managed under Cost Analysis System (CSL) Managed by the Central Bureau of Statistics (BPS). The BPS then monitors changes in the prices of goods and services in each city every month. The normal and usual business of goods or services varies from city to city. When we talk about inflation, we must think about what inflation is, like it or not. We are talking about inflation and inflation, which are studied all the time.

The danger is how the government will deal with inflation if it exceeds the 5% threshold. Zero inflation or zero percent inflation is the government's hope and support for overcoming the problems necessary to achieve a country's economy. To ensure the country's stability in the economy, the government must ensure that the inflation rate does not exceed 5%. One of the government's efforts to overcome the problem of inflation is to apply monetary policy and monetary policy. Follow the budget policy by cutting government spending controlling monetary and fiscal policies managed by Bank Indonesia.

Monetary policies and monetary policies used by these two different institutions should not conflict with each other because both institutions must follow their own rules. One of the steps taken by Bank Indonesia to overcome this inflation problem is to reduce income and increase interest rates, namely monetary policy that will reduce investment and domestic spending. Here too, policies are determined by the Ministry of Finance. Tax policies, reductions and increases in taxes for individuals and companies. These two steps can reduce government spending, reduce investment and reduce domestic spending (Sukirno, 2016). To control inflation, one of the monetary policies is: Bank Indonesia will receive BI fees, not interest or other legal fees, and send them to BI. 7-day (return) buyback rate, starting August 19, 2016. Money laundering is a common practice in various central banks and international best practice is currency exchange. Financial operations continue to improve. Effective policies that strengthen efforts to achieve financial goals are ready. The BI 7-day repo rate (inverse) can directly affect financial markets, banks and real projects, because it is an indicator.
of the BI 7-day repo rate. New fees related to money market fees for business or business transactions and financial transactions deepen, especially when the repo option is exercised.

According to the revision process, these changes do not change monetary policy, because the BI interest rate and the BI 7-day repo rate are the same (standard model), so it is recommended to adjust for inflation. The difference is only seen in the maturity of the instrument, the BI interest rate is in accordance with the 12-month index, excess water in the system does business leading to consumption or even demand, and the result is unequal distribution. goods (Astiyah, 2009). An increase in the price of as little as one to two goods cannot be called inflation. As long as the supply of goods expands (or prices rise) Another indicator that is often used to measure inflation is the Consumer Price Index (CPI). Changes in the CPI reflect changes in the price mix of goods and services consumed by the public from time to time. The idea of goods and services in the CPI basket is managed under Cost Analysis System (CSL). Managed by the Central Bureau of Statistics (BPS). BPS then monitors the changes in prices of goods and services in each city on a monthly basis. The normal and usual business of goods or services varies from city to city. When we talk about inflation, we have to think about what inflation is, like it or not. We are talking about inflation and inflation, which are studied all the time.

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Its use should have at least three main implications 7-day (mirror) BI Instruments predict prices based on new prices, namely (BI, 2019): (Back) Repo Rate

a. Strengthening Monetary Policy Signals The most important information on financial markets today; Thus, the delivery of monetary policy is more effective Changes in financial markets and bank interest rates

b. Deep financial market developments, especially the economy and action on bank interest rates (PUAB) in the third quarter. 1 to 12 months.

c. Create a business with in-depth and specialized business for standard
interest banks (PUAB) for Period 3. This is 12 months.

Bank Indonesia's ability to control inflation is very limited. There's a big jolt, like the extra fuel. In 2005 and 2008, this led to further inflation. Since these shocks also affect inflation, achieving the inflation target requires cooperation and coordination between the government and BI through various macroeconomic policies, including finance, finance, and policy. In addition, Indonesia has very low inflation. Special rights must be guaranteed. Regarding this question, central bank policy or monetary policy. Maintaining macroeconomic stability through monetary policy.

Financial Policy
This means that business liquidity is reflected in prices. This can accelerate economic activity without triggering a crisis. Several indicators commonly used in economics to evaluate monetary policy include income, inflation, interest rates, exchange rates, and public expectations. Interest rates affect the company's investment, thereby increasing profits.

At the same time, this exchange rate includes the cost of goods and production. These interest rates and exchange rates are financial instruments that affect the economy of domestic and foreign products. If it happens to raise funds, the government should adopt a policy such as financial expansion. Conversely, if the payment is low, the government will adopt a contractual monetary policy (Budiyanti, 2014). Currently, the government's monetary policy if it happens to raise funds, the government should adopt a policy such as financial expansion. Conversely, if the payment is low, the government will adopt a contractual monetary policy (Budiyanti, 2014). Currently, the government's monetary policy if it happens to raise funds, the government should adopt a policy such as financial expansion. Conversely, if the payment is low, the government will adopt a contractual monetary policy (Budiyanti, 2014). Currently, the government's monetary policy.

From the perspective of the Islamic business sector, no financial measures were never used in the early period of Islam because there was no banking system from now on (Aravik, 2017). Another tool now is to do business through secure buying and selling. Even this open market did not exist in the history of Islamic economics at its infancy. When the system is used Government perceptions about consumption, conservation, investment...
and business there only create a tool for implementing financial policies (Karim, 2004).

In macroeconomic theory, monetary policy is economic policy that makes business better the way government is received and used has changed. Important policy tool fiscal is government revenue and spending, it is made by the government compared income and expenses for financial stability. Financial instruments used by the government to maintain macroeconomic stability, including:

a) increase or decrease internal taxes;
b) managing government debt from various types of investors;
c) Financial support (incentives or rewards) for some entrepreneurs

Regarding the direction of financial policy, Bank Indonesia intends to achieve and maintain stability in the value of the Indonesian rupiah. Purpose as stated in Section 7 of the Act. Bank Indonesia No. 23 of 1999, Amended by Law No. 1 of 2004 No. 3, last update payment number. No.6 of 2009. Rating Stability has two dimensions of Indonesian wages, the first, the security of the value of the Indonesian rupiah is commodity security. The development of the service industry is associated with inflation. At the same time, two-dimensional. This is caused by changes in the value of the Rupiah compared to other currencies. have Indonesia carry out this process based on developments in the value of the rupiah against other countries. Floating exchange rate system (free floating). Effect of exchange rate stability on price stability and the financial system. Therefore, Bank Indonesia is also suitable. Keep exchange rates stable so that they are consistent with our core values. Put business dynamics to work. To achieve this goal, Bank Indonesia has implemented a construction trade policy since 1 July 2005. Framework (ITF). Policies are defined by rules and functions. General school inflation under this framework is the main goal. Bank Indonesia Continue to improve fiscal policy; Due to the ever-changing business environment and competition, build economic strength (BI, 2019). General school inflation under this framework is the main objective. Bank Indonesia Continue to improve fiscal policy; Due to the ever-changing business environment and competition, build economic strength (BI, 2019). General school inflation under this framework is the main goal. Bank Indonesia
Continue to improve fiscal policy; Due to the ever-changing business environment and competition, build economic strength (BI, 2019).

2. MSMEs

Micro, small and medium enterprises play a role in absorbing labor and increasing income, so that it has an impact on poverty alleviation. According to Martín et al. (2017) SMEs play an important role in developing countries because they can provide jobs, as a source of social income, including disadvantaged groups (unskilled women and poor women). The MSME sector absorbs 87.73% of the workforce and contributes more than 60% of the country's GDP (Kemenkop UMKM, 2019). Therefore, increasing the efficiency of the MSME sector is always a matter for the government to come first. The sustainability and growth of MSMEs is the most important thing for the government to reduce inequality in the country (Falentina & Budy, 2019). 13 MSMEs are also rated as a stronger sector facing economic problems compared to larger economies. This proves that the MSME sector is running well. Bull r. & Triantafyllopoulos (2014) show that South Korea after the 1997/1998 crisis SMEs grew faster because they were also more marketable for technological change. As in Europe, SMEs are more appreciated. The stock market survived 2008 due to agile investment and business strategy. SMEs see less, see more have to adapt to changes in the business environment because it has no impact on Volatility, low volatility, more business friendly, focuses on agglomeration rather than individual investors, no good credit so no debt.

3. Foreign Debt

Indonesia is a third world country. before the crisis Indonesia's economic development in the Southeast Asia region was pretty cool. This is in line with economic development, then the government announced that it would increase. Economic growth as the main goal of national economic development was very high. Indonesia's economic growth has been good since the 1970s. Poor people's income leads to the goal of economic growth Equality is high, justice alone is not enough, but necessary It is supported by the use of foreign resources. The problem of foreign debt has become more
common since the global crisis of the 1980s. The third world including Indonesia is increasing these countries.

Despite preferences, the deeper foreign debt these countries have development or trade. Rising per capita income or high rates of economic growth These countries also mean themselves in a sense can be classified as developing countries. The business model has shifted to a commercial and industrial model. Foreign trade is stable, because of its small size. The amount of foreign debt owned by many developing countries. Most of this comes from current account deficits, lack of development financial capital that cannot be covered by domestic resources, high prices and poor operating performance. So even technically the national government is perfect. Efforts to manage foreign debt and achieve development goals Useless unless the country is really strong economically, eg. National income can go directly to the payroll Repayment of foreign loans and interest in foreign currency (debt repayment). For foreign borrowers, because foreign debt is always included in foreign reimbursement regulations. paying back Interest rates are the primary foreign exchange rate in many countries' national debt.

One of the ways to measure foreign debt is to analyze the ratio. Current Account Absorption of Foreign Exchange Export Revenue All services are carried out with interest and debt payments. According to the relationship between export income and borrowing costs or lower borrowing costs (amount of interest paid on long-term foreign debt divided by the cost of funds and export earnings), it is greater than foreign debt. It's getting heavier and heavier. However, The significance of this DSR number is not absolute. That's because some countries' DSR of 40% is not a problem in the national economy. Alternatively, countries that may have a DSR of less than 10% have this serious problem with businesses providing creditor (investor) statements of confidence. The economy of the debtor's country is doing well, and the payment is made. The state must properly repay the loan in debt.

CONCLUSION
Indonesia's foreign debt grows every year increasing. Of course, this has various Indonesian ramifications, short and long lines. Issued short-term foreign debt must be recognized as an important factor in the country's economic growth. Therefore, income levels change as the economy develops. Population growth per capita in the three years before the business crisis. The financial crisis in Indonesia before the East Asian currencies, which has broken many joints of the country's economy. Conducted during the PJP I and early PJP II. the significance of the economic crisis Indonesia, along with several ASEAN countries, is unequal in international Payment Equality. The current deficit will end up with remaining budget money, especially short (portfolio), relatively unstable. Therefore, if there is a rush, it will threaten the place where foreign exchange is stored, which will eventually lead to a crisis in the exchange rate of the country's foreign currency. This is what makes Indonesia's foreign debt, including the government's, even more difficult to calculate.

Based on the value of the Indonesian rupiah currency. The more foreign debt the government has, the more important this debt is. It is a burden on the state budget of the Republic of Indonesia, because foreign debt must be repaid with interest. Ironically, during the economic crisis, foreign debt had to be paid with money from abroad, which of course meant that new debts, such as ordinary revenue during an economic crisis, could not increase the government's financial needs, especially the tax department. In the long term, the accumulation of national debt remains unchanged. It must be paid with the state budget, which means it is the responsibility of the taxpayer. Therefore, the payment of the Indonesian Government's long-term foreign debt equally reduces the level of success and the future health of the Indonesian nation. Yes, if foreign debt can be financed Economic development in the third world including Indonesia increases the prosperity and welfare of its people. However, with debt relief, foreign countries are not doing well, and there is no principle of good faith. In the long run, foreign debt will make debtor countries in long-term foreign debt. It is very difficult for this country to be destroyed by foreign debt.
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