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Global Investment Policy Issues During The Covid-19 Pandemic And Policy Employment On Investment

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Abstract

The important role of significant investment in developing the country's economy, it is not surprising that in various countries, especially in the last period, both developed and developing countries are trying their best so that their country can be used as a destination for investment. On the other hand, investors who want to invest their capital in the era of global market openness become their own opportunity to invest in various countries. The goal is of course profit, while the recipient country hopes that there will be participation from investors in its national development. The emergence of an industry on a fairly large standard or an industrial benchmark that still doesn't appear to be an impact, such as the impact on society, in supporting the economy, and the culture of the community in the area of an industry, there are several economic impacts that arise after the existence of a company, such as increasing business community, more jobs. even though there are companies that are quite important in the economic growth that exist in our society today. The recent covid-19 outbreak is a very big problem for the whole world because of a growing problem. There are so many difficulties because of the covid-19, like our current economy is one of the impacts and is experiencing a decline, existing economic development even though the goal is to achieve prosperity and community welfare because of the economy that is quite up and what is produced is parallel. So this is a problem because of the crisis that started with the value of sales rising because of the urgency, because of the spread of the crisis to the people.

Keywords: Investment Policy, Covid-19, community economic resilience.

I. INTRODUCTION

I.1 Background Of The Problem

Over time, COVID-19 has spread widely, to several countries, causing an impact on the economy, including in the trade sector in markets and services. Income from the excise/tax sector and from sales has a fairly large attraction. As for the data that has been obtained for gas exports and no oil and gas, the decline is caused by China, because China is a large oil supplier. And also the spread of Covid-19 has also decreased quite drastically, because China is the source of the goods production center, around the world,

there is a lot of dependence in supplying goods from China such as textiles, plastics, and electronics, covid-19 also has an impact on investment because our society will be more vigilant and careful when buying an item.

Investment or investment gives a very important role to carry out national development in this regard, especially in the field of economic growth. Investment is one component of the formation of national income, so investment growth will have an impact on national income growth. In the field of microeconomics, investment plays a role as a component of national income

in the form of Gross Domestic Product (GDP) or Gross Domestic Product (GDP). Simply put, investment will increase if GDP also increases, and vice versa if investment decreases, GDP will also tend to decrease.

If you look at the important role of significant investment in building the country's economy, it is not surprising that in various countries, especially in the last period, both developed and developing countries are trying their best so that their country can be used as a destination for investment. On the other hand, investors who want to invest their capital in the era of global market openness become their own opportunity to invest in various countries. The goal is of course profit, while the recipient country hopes that there will be participation from investors in its national development. With the difference in interests between investors and recipients of capital, it is necessary to have a norm that is able to accommodate both interests.

Economics is one of the foundations in human life. It can be checked in the daily life of the community, which is always related to economic needs. the existence of an economy can help provide opportunities for humans to fulfill all their lives such as food, drink, clothing, shelter, and much more. It is very important to have an economy in human life, it requires the state to make policy rules regarding the economy and guarantee the economy in society. In a concept of a welfare state, the state has the right to interfere in all aspects that include life, including from the economic field.

Therefore, economic growth is also one of the factors that support national development in a country. (one) The growth of a good economy will be able to increase a national development.

The emergence of an industry on a fairly large standard or an industrial benchmark that still does not appear to be an impact, such as the impact on the community, in supporting the economy, and the culture of the community in the area of an industry, there are several economic impacts that arise after the existence of a company, such as increasing business community, more jobs. even though there are companies that are quite important in the economic growth that exist in our society today.

The economic resilience of the community will be achieved through a social capital strategy. Social capital is a set of values or norms carried by group members in the community that allows cooperation between them. Social capital provides community strength in dealing with difficult conditions through the implementation of collective norms that can foster trust among community members so that social networks can be formed. If community members believe that other members are trustworthy and honest, then they will trust each other. Trust is like a lubricant that makes a community or organization run well. The norms that produce social capital include the value of honesty, fulfilling obligations, and taking place mutually beneficially.

Recently, Covid-19 is a very big problem for the whole world because of a growing problem. There are so many difficulties because of the Covid-19,

like our current economy is one of the impacts and is experiencing a decline, the existing economic development even though the goal is to achieve prosperity and community welfare because of the economy that is quite up and what is produced is equal. So this is a problem because of the crisis that started with the value of sales rising because of the urgency, because of the spread of the crisis to the people. The increase in changes at that time made the public fall towards the purchase of goods, especially those who tended to fall further. Changes in the amount of money could cause an increase in interest rates, the need for services became an increase in money which caused a decrease in the overall sector.

Harmonious and conducive communication. This means that social capital gives strength or power in some social conditions in society. This concept is carried out by the community, both individuals and groups to meet each other's needs but still in an area that is not too far from their homes (near each other). For example, from an economic perspective, people collaborate with each other to produce quality self-produced goods while maintaining normal prices in general. The target market for this production activity is the surrounding community. So this will create a network and a strong sense of trust between each other. This will also encourage people to be more creative in innovating because there are opportunities to do business.

An easy marketing strategy is through internal and external means.

Internal marketing through neighbors or slightly utilizing existing technology, such as using WhatsApp which consists of several residents from an area that is not too far away. Meanwhile, the external strategy can optimize technology to the maximum through the platform. Thus, the implementation of social capital through economic practices can be realized in the form of cooperation among community members to produce quality self-produced goods while maintaining prices. The target market of this production activity is the surrounding community so that it will create a network and a strong sense of trust between community members. Conditions like this will encourage people to stay creative, innovative and productive during the COVID-19 pandemic. The pandemic made the economic market plummet, which was reflected in weak demand and sales, declining business revenues and many goods and service companies suffering losses.

Let's take an example of a merchant who is selling his wares in a place that is quite crowded, for example, the market is not allowed to sell due to covid-19, for now the market closure is a regulation to anticipate the increasing spread of covid-19. traders do not have an income because, humans are led to be able to do and are also required to live within the scope of providing a living for their families, because of the Corona Virus, people are very difficult to achieve all desires to be able to live, so from this, so we as citizens The state is required to help

each other so we as a society whose wealth is more in terms of the economy are required to help our families who are not enough to meet their needs, it has become the support of society "humans cannot live alone, they definitely need other living creatures" Covid-19 make an impact which is very bad for the community's economy.

I.2 Research Objectives

1. What is the impact of the Covid-19 pandemic on the capital market?
2. How is the implementation of government policy regulations in the capital market sector after the Covid-19 pandemic?

I.3 Research Method

Research is a process, which is a series of steps that are carried out in a planned and systematic way in order to get problem solving or get answers to certain questions. The steps taken in the research must be compatible and mutually support each other, so that the research carried out has adequate weight.

Legal research is directed to have normative-normative characteristics, namely legal research that directs its study to norms, in relation to values. Normologically shows that legal research remains normative. Legal research will be related to various policy products, or laws and regulations.

II. DISCUSSION

II.1 Impact of the Covid 19 Pandemic on the Capital Market

The COVID-19 outbreak has had an impact on the economies of countries around the world. The impact of Covid 19 is estimated that in the short term it

will cause a global economic slowdown. Economic growth in early 2020 showed a decline in economic growth in developed countries, even developing countries. 80 countries have implemented export restrictions. During the Covid 19 pandemic, stock markets in several countries experienced a decline. Investors held back their funds first by not investing in the capital market, even though many issuers had lowered their share prices.

Issuers' conditions are greatly affected by the COVID-19 pandemic, this is triggered by the decline in people's purchasing power due to income cuts and even layoffs. As a result, production goods cannot be sold and even pile up in warehouses, so that the circulation of funds stops. There are also companies that have to stop their production because many of their employees are infected with Covis 19 (Work Clusters), and have to pay for treatment for their employees.

The stock market has not fully recovered because fundamentally the majority of issuers recorded depressed performance in 2020, so that the results of the Composite Stock Price Index (CSPI) have not shown the actual conditions. , and this is able to affect the increase in the JCI. On the other hand, foreign investors tend to wait and see to return to the capital market.

On the other hand, the COVID-19 pandemic has pushed the number of investors in the capital market to grow. According to the Director of the Indonesia Stock Exchange (BEI), that digital transformation during the pandemic has allowed various levels of

society to reach the stock exchange. Noted investors in the capital market rose 26 percent to more than 3.1 million. The capital market relies on information technology in providing services to all stakeholders. The capital market develops internal stock exchange capabilities through the use of information technology, which can support capital market literacy and investor protection.

II.2 Government Policy Regulations in the Capital Market sector after the Covid 19 Pandemic

The government has issued various policies in responding to economic growth in order to keep it running in the midst of this pandemic crisis. Self Regulatory Organization (SRO). In the Capital Market throughout 2020, various policies have been issued to maintain resilience and control capital market volatility due to economic turmoil due to the COVID-19 pandemic. These various policies are in line with the government's efforts in carrying out the National Economic Recovery program.

According to the Chairman of the Board of Commissioners, he has issued various policies consisting of pre-emptive and extraordinary policies to maintain market confidence and stability, provide space for the real sector to survive and maintain the fundamentals of Financial Services Institutions. All policies that have been issued and implemented are able to maintain stability in the capital market and the resilience of the capital market can accelerate the recovery of the national economy. Throughout the

period March to December 2020, 35 capital market policies have been issued, which focus on 3 (three) things, namely:

1. Relaxation for industry players, including regulating the holding of the General Meeting of Shareholders (GMS) which can be conducted electronically based on POJK No.15/POJK.04/2020 and POJK No.16/POJK.04/2020, relaxation related to reporting obligations and relaxation of SRO stimulus policies to stakeholders related to changes and or discounts on levies or fees to industry players, and exceptions to the fulfillment of the principle of openness for issuers or public companies that are financial service institutions in the context of preventing and handling financial system crises based on POJK no.37/POJK. 04/2020
2. Control of volatility and maintain stability of the capital market and financial system, among others by prohibiting short selling for a while and allowing issuers to buy back shares without going through the GMS.
3. Ease of licensing and submission of documents as well as reporting, including the Implementation of Electronic Signatures in the Integrated Licensing and Registration System (SPRINT), Investment Manager Representatives and Mutual Fund Selling Agent representatives and ease of issuers/public companies

and other parties in submitting reports and correspondence to SPE-IDX.

These policies were able to reduce volatility and maintain market stability with the JCI strengthening again and increasing retail investor confidence in the capital markets during the pandemic. As of December 29, 2020, the number of capital market investors increased by 56 percent from December 2019 of 2.48 million to 3.87 million. The increase in the number of investors was dominated by domestic investors under the age of 30, which reached 54.79 percent of the total investors. In addition, the value of investment management in the capital market also continues to increase. Until December 28, 2020, there was an increase in the NAV of Mutual Funds by 6.85 percent from the previous year as of December 30, 2019 of Rp. 542.2 Trillion rose to Rp. 579.33 Trillion.

Accumulatively as of December 2020, the number of Asset Under Management (AUM) of Mutual Funds, Limited Participation Mutual Funds (RDPT), Collective Investment Contracts (KIK) Infrastructure Investment Funds (DINFRA), Asset Backed Securities KIK (EBA), and Fund Management Contracts (KPD) increased by 2.28 percent compared to 2019, from Rp. 802.65 trillion to Rp. 820.98 trillion. The total number of RDPT, KIK, DIRE, KIK DINFRA, KIK EBA, and KPD products as of December 29, 2020 was 597 with a total value of managed funds of Rp. 249.92 trillion. In 2020, has issued a Statement

of Effectiveness of Registration Statements in the context of a Public Offering for 169 Issues, consisting of 48 Initial Public Offerings of Shares, 7 Public Offerings of Debt Securities and/or Sukuk, Limited Public Offerings, 45 Continuing Public Offerings of Securities Debt and/or Sukuk Phase I and 53 Bidders

Continuing Public Offering Debt Securities and or Sukuk Phase II, with a total value of proceeds from the Public Offering of Rp. 118.70 trillion. Based on the 169 Public Offering activities during 2020, including 48 issuers of new equity securities and 6 issuers of debt securities and/or Sukuk. Based on the description of capital market developments during the 2020 pandemic and policy regulations, it can be seen that the ideal capital market law has substantive laws, namely rules that are stable, clear and reliable, predictable or certain and function well.

In order to achieve this, it must be done by exploring the existing rules in the country, based on local cultural practices or adopting the provisions of other countries. Capital market law must also regulate an effective, consistent, objective, reliable dispute resolution system, needed to guarantee rights and obligations. established by the rule of substantive law, in order to be enforceable.

Policies in dealing with the economic downturn, especially the capital market due to the COVID-19 pandemic, have produced encouraging results, so that the capital market can carry out its functions as a liquidation institution, financing, alternative

investment, increasing welfare as a forum for public participation/ownership, during the COVID-19 pandemic, increasing ownership. The share of issuers by the younger generation under the age of 30 as much as 54.79 percent, it shows that the capital market has gained trust as a fund-generating institution, alternative investors/investors, fundraisers and the capital market will encourage investment development so that investment as a catalyst for Activating the effectiveness of laws and regulations products in this case policy regulations in their implementation requires attention to the institutions and procedures needed in their implementation. Therefore, an adequate understanding of law does not only view the law as a set of rules and principles that regulate human life in a business community, but must also include the institutions and processes needed to demonstrate the law in reality. .

The existence of a law will not automatically run by itself, but must be followed by other legal institutions. Therefore, the thing that must be considered in order to promote Indonesia as a competitive investment destination compared to other countries is to guarantee the existence of legal certainty in investing to investors. The main factor for the law to be able to play a role in economic development is whether the law is able to create stability, predictability and fairness. The function of stability/stability is the legal potential to balance and accommodate competing interests. The law must be

able to predict (predictability) due to the steps that have been taken to develop the economy. Aspects of justice (fairness), such as equal treatment and standard patterns of government behavior are very necessary to maintain market mechanisms and prevent excessive bureaucracy.

III. CLOSING

III. Conclusion

1. The COVID-19 pandemic has resulted in a global economic slowdown. In 2020, the majority of issuers recorded a depressed performance and even decreased the value of their shares. But on the other hand, the Covid-19 pandemic has actually encouraged the growth of the number of investors by utilizing digital transformation, so that people can take advantage of the stock exchange and the capital market to provide excellent service to stakeholders and can support capital market literacy and protection for investors.
2. During the COVID-19 pandemic, the government issued regulations including: POJK No.15/POJK.04/2020 regarding reporting obligations, POJK No.16/POJK.04/2020 regarding relaxation of the SRO stimulus policy to Stakeholders regarding changes or discounts on levies/fees to industry players and POJK No.37/POJK.04/2020 regarding exceptions to the fulfillment of the principle of openness for issuers in the context of preventing and handling financial system crises.

Then there is the policy of prohibiting short selling and allowing share buybacks without the GMS. The implementation of these regulations has yielded encouraging results, as they were able to reduce volatility by maintaining market stability and the JCI strengthened again and increased retail investor confidence. In addition, there is an increase in the number of domestic investors, which are dominated by young people as much as 54.79 percent of the total investors.

III. Suggestions

1. The capital market should be able to carry out its function as an alternative investment institution for investors by making rules that can provide legal certainty even during extraordinary times/events such as the COVID-19 pandemic that affects the global economy.
2. The capital market together with the government must be able to make policies and carry out supervision so that it can increase public/investor confidence to participate in handling the economic crisis.
3. The government is expected to provide a stimulus that motivates young entrepreneurs to play an active role in investment so as to improve the economy.

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