Indonesia's Economic Policy to Anticipate Recession in Intelligence Perspective with *Modern Monetary Theory* (MMT) Approach

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Abstract

Recessions have resulted in demand shocks, supply shocks and financial shocks simultaneously. **The global financial crisis that occurred in 2007-2008 and** the COVID-19 pandemic are the biggest forms of recession that have occurred in recent decades. Some countries try to deal with the potential recession by using the *Modern Monetary Theory* (MMT) approach. This research uses a qualitative method with a literature study approach. This research will identify the potential and challenges of implementing *Modern Monetary Theory* (MMT) in Indonesia and provide relevant policy recommendations. This research shows that the implementation of the *Modern Monetary Theory* approach has great potential to improve economic and social development through increased government spending in various sectors. However, it also faces major problems, such as possible inflation, exchange rate instability, and the need for policy credibility and stronger institutional capacity.

Keywords: Modern Monetary Theory, Indonesia Monetary Policy, Indonesia Economy, Fiscal Policy

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