DIGITAL DIPLOMACY AND BUSINESS STRATEGY FOR THE REVITALIZING REGIONAL ECONOMIC AT PHILIPPINES IN ERA 4.0

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Abstract
The condition of the Covid-19 pandemic has paralyzed almost all aspects of peoples live. It also has an impact on the economic industry, especially in the Special Capital Region of Manila Philippines. Therefore, this condition needs special attention to rise the economic life of the community, especially in the economic industry, revitalization of the economic sector in the new normal era. This study aimed to explain the strategy of revitalizing regional economies from the perspective of digital diplomacy, in which digital technology was used as a means of digital reformation in realizing smart economic conditions for regional economic revitalization strategies from the perspective of the strategy government. using quantitave methods with SPSS version 25 tools, with the research location in Philippines, using 100 respondent using validity test, reliability tests, and regression analysis. Results of digital diplomacy results for the strategy business has positive prediction (0.821) and digital diplomacy for the economic sector 0.799 business strategy for the economic sector 0.740.

Keywords: Digital Diplomacy, Strategy Business, Sector Economic

1. Introduction

The Philippines' economic downturn in 1998 as a result of the 1997 Asian financial crisis was influenced by bad weather that hit several parts of the Philippines, economic growth fell by 4.4% in the span of a year (1997-1998) from data the ministry of state of the Philippines 5% to 0.6%, the increase in growth began to recover in 2000 with a large economic growth of 4%, the Philippines' slowing growth as a result of a fairly large state debt covering 77% of the total gross domestic product of the Philippines,

This state debt is shown for economic improvement, the state budget for education and military expenditure is reduced, the Philippines' economic decline is overcome by improving infrastructure, increasing state revenue through changing the tax system and deregulation as well as providing economic management to the private sector, the Philippine government also increases trade integration. In the surrounding area as a way to resolve the economic downturn in the Philippines, the Philippines' economic recovery is influenced by its trading partners, namely the United States and Japan.

The condition of the world economy that has been affected by the COVID-19 pandemic, it is extraordinary that this has also been experienced by almost the entire world community, for this reason a careful planning strategy is needed so that the economy can recover and rise normally, this also affects the economy, especially in the Philippines Manila, who also rose and fought from the adversity of this pandemic.

The Philippine government's strategy in dealing with this pandemic is very strict, especially in the health sector which actually implements health protocols, in the process of economic growth the Philippines experienced a growth of 7.1% during the 3rd quarter of 2021, this shows that the Philippine government has succeeded in growing the community's economy as seen from the income of the Filipino people. the average obtained from agricultural products has shown a significant development, this can be seen from the statistical data on the income of the Philippines community.

The geographical condition of the agrarian Philippines is almost the same as the life of the Indonesian people where most of the population lives from fishing and agriculture, Tagalog and English are the connecting languages and the majority of the population is Malay and most of the population is Catholic.

Based on the Philippines Statistics Authority, National Income and Gross Domestic Product in the agriculture, forestry and fisheries (AFF) sector decreased in the first quarter of 2021 by -1.2%.

Table 1. The decrease in AFF was caused by the construction of the following sub-industries:

Information	Prosentage
Farm	-2.3 %
Production poultry and Egg	-7.4 %
Agro industry	-4.1 %
Industry sugar muscovado	-4.5 %
Cassava	-7.4 %
Industry Expancy	
Agrycultur Suport	8.6 %
Agro industry	7.9 %
Corn	6.4 %
Farm industry	3.7 %
Banana	1.2 %
Sub Industry contribution positive	
Pineapple, coffe, mangoes, cacao, rubber, forest product	10,2 %

Based on Gross Domestic Product in the first quarter of 2021, this figure has increased by 9.9% over the same period the previous year.

The Philippines has been nicknamed the rice granary of Southeast Asia along with several other countries such as Thailand, Vietnam, Myanmar, Laos, to Indonesia. This country is also the place where the International Rice Research Center (IRRI) was established. Banos, apart from working in the agricultural sector, the Filipinos also live by developing cultural tourism objects for the traditional Tinikling dance, and like the Mount Mayon area, a volcano in Lazon which is still active today along with Mount Apo in Mindanao.
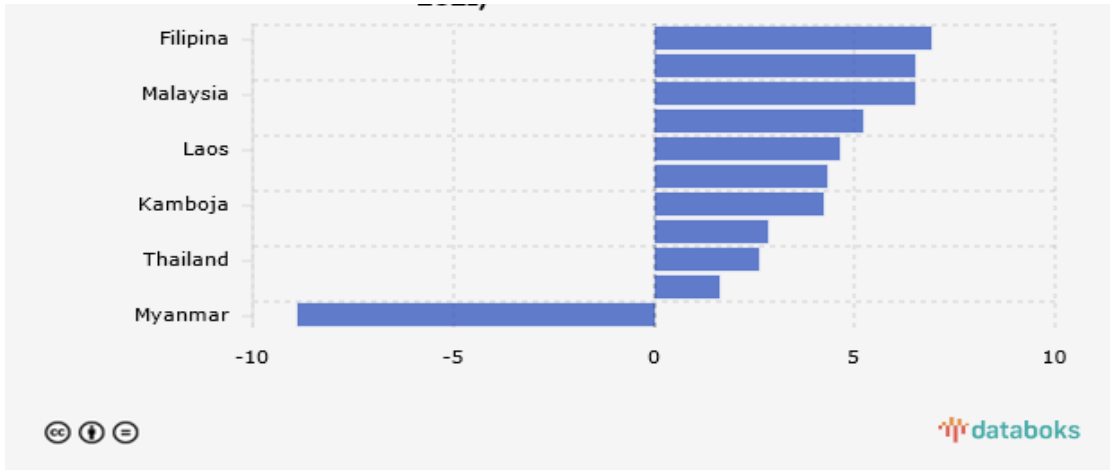
Figure 1. Proyection Growth Economic 2021 East Asia Version IMF (April 2021)

The Philippine Statistic Authority Releases the seasonally Adjusted National Accounts Publication Covering the Period Q1 2020, to Q2 2022. This includes both 16 industries and 12 expenditure components of the Gross Domestic Product (GDP), Net primary income and the Gross National Income (GNI), The SANA presents the economic performance of the country without the influence of predictable seasonal patterns, it also provides early signals to the economic planners through quarter 0n quarter changes that will serve as a guide for better plans and decisions in maintaining the economic stability of the country.

The SANA by major aggregates was released on 09 August 2022, this only includes the Total Agricultural, forestry and fishing, total industry, total services, total household fail consumption expenditure, GDP, and GNI. The PSA Board Resolution No.01, series of 2017 – 029: Designating the Generation and Release of Seasonally Adjusted series by Concerned agencies, to enhance the relevance and effectiveness of statistics as a tool for planning and decision making.

GDP expands by 74 percent in the second Quarter of 2022, Release Date : Tuesday, August 9, 2022.
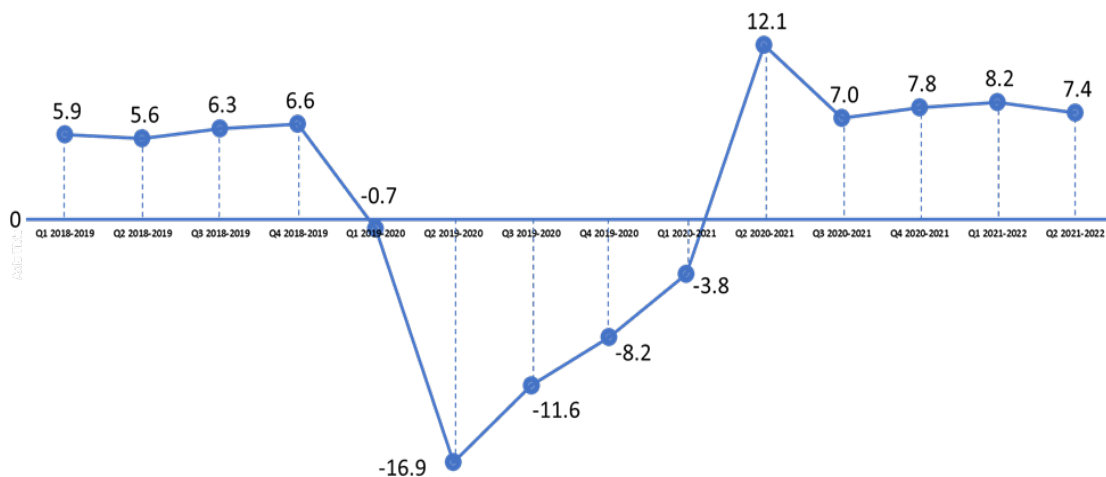

Figure 2. Proyection Growth Economic 2021 East Asia Version IMF (April 2021)
Source: Philippine Statistic Authority

The Philippine Gross Domestic Product (GDP) posted a growth of 7.4 percent in the percent in the second quarter of 2022. The main contributors to the second quarter 2022 growth were : who sale and retail trade , repair of motor vehicles and motorcycles, 9,7 percent, contraction, 19.0 percent and transportation and storage 27,1 percent, major economic sectors, namely : agriculture, forestry, and fishing, industry and services all posted positive growths in the second quarter of 2022 with 0.2 percent, 6.3 percent, and 9,1 percent respectively, On the demand side, Household Final Consumption Expenditure (HFCE) grew by 8.6 percent in the second quarter 0f 2022.

The following items also recorded growths: Government Final Consumption Expenditure (GFCE) 11.1 percent: Gross capital formation, 20.5 % : Exports of goods and services, 4.3 %, and imports of goods and services 13.6 %, Net Primary Income (NPI) from the Rest of the world grew by 64.8 % bringing the Gross National Income (GNI) to grow by 9.3 % in the second quarter of 2022.

2. Theoretical Background

Strategic is the science of planning and determining the direction of large-scale business operations, mobilizing all the company's resources that can actually benefit the business. John A. Bryne defines strategy as a fundamental pattern of goals and plans, deployment of resources and interaction of the organization with market, competitors, and environmental factor. Jauch and Glueck (2020) state that strategy is a unified, comprehensive and integrated plan that links the company's advantages with environmental challenges and which is designed to ensure that the company's main goals can be achieved through proper implementation by the company.

According to Hamel and Prahalad queted by Rangkuti (2002) "strategy is a tool to achieve company goals in relation to long-term goals, follow-up programs and resource allocation priorities". Based on various definition to achieve long-term goals through the integration of excellence, Jauch and Glueck (2000) state that strategy is a unified, comprehensive and integrated plan that links the company's advantages with environmental challenges and which is designed to ensure that the company's main goals can be achieved through proper implementation by the company. According to Hamel and Prahalad quoted by Rangkuti (2002) "Strategy is a tool to achieve company goals in relation to long-term goals, follow-up programs, and resource allocation priorities". Based on various definitions of strategy put forward by experts, it can be concluded that strategy is a planning formulation to achieve long-term goals through the integration of excellence and the allocation of existing resources in the company.

Government Policy is essentially a policy aimed at the public I the broadest sense (the state, society in various statuses and for the public interest), whether it is carried out directly, or indirectly , which is reflected in various dimensions of public life, therefore public policy is often referred to as public policy, policy in the sense of a choice to do or not to do implies the existence of a will to do or not to do, which will is stated based on the authority possessed to make arrangements and if necessary, coercion.

The statement of will by the authorities is associated with the concept of government which provides an understanding of the policies out by the government which are referred to as government policies, government policy can connote state policy when the government that does it is directed at the state government, if government policy is understood from the suggestions that will be achieved (regulated) where the target is the public not only in the sense of the state but in the sense of society and the public interest, then government policy can be categorized as public policy.

Lanifel Cortez Manalo expalined that the Philippine government has Executive Order No 27 which contains orders to local governments to implement the Philippine Development Program (PDP) 2017-2022 , there are three aspects to be achived in the PDP namely malasakit (concern), pagbabago (renewal) and patuloy na pag-unlad (sustainable progress), "The main goals is for people to have a settled, comfortable, and secure life", he said to support this, there are several programs promoted by the central government and local governments in the Philippines to achieve the SDGs (Sustainable Development Goals)

First, The Community- Based Monitoring System (CBMS) which is a data collection program by the local government to then be presented as graphs and maps, the data collection are in the form of health, poverty, nutrition, water availability, education, and income, Lanifel continued, this CBMS (, The Community- Based Monitoring System) will be very useful for local governments to paln various program and activities that will suport the participation of the surrounding community in the process, as is the case the regulations in the city of San Pascual Batangas were issued to provide sholarships to groups that were left behind in the educational aspect. "Those people are for example, single parents or children who drop out", explained the lecturer based in Batangas, Philippines.

Second, The Pantawid Pamilyang Philipino Program (4P) which is a program to provide social assistance, namaley health assistance in the form of 500 pesos per month and educational assistance in the form to very poor families and have children between the ages of 0-18 years, there are two types of assistance 300 pesos for each child per months in one year, in this program a maximum of three children per family can get assistance" added Lanifel.

Lanifel also stated that program was carried out to support the development of education and the national economy, by ensuring that no people are left behind of course, their country's big plas will be easily achieved " So we will ensure tahat inequality can be minimized to achieve the SDGs" He hoped in addition to supporting the 2017 – 2022 PDP and SDGs this program is implemented to support Ambisyon 2040 with the hope that the filipino people will have health and long life expectancy, be smart and innovative, and live in an enviroment with high trust , for this Pearl of the Orien Sea, achieving the SDGs will pave the way for the fulfillment of Ambisyon 2040" This is the long-term goal of our country", concluded this political science graduate in the Guest Lecture Series.

Sector Economic The Philippine economic suffered a setback in 1998 as a result of the asian Financial Crisis 1997, The Philippines' economic downturn was also affected by bad weather, that hit several parts of the Philippines, Economic growth fell by 4,4 % in the span of a year (1997 – 1998) from 5% to 6 %, the increase in growth began to recover in 2000 with a large economic , growth of 4%, the slowdown in the Philippines'economic growth is the result of the country's very large (debt) , government debt covers 77% of the Philippines' total gross domestic product, this state debt is intended for economic improvement, expenditure budget of the state for education and military is then reduced, the Philippines'economic downturn was overcame by the government through increasing State Revenue , through changing the tax and deregulation system , as well as providing economic management to private.

The Philippine Government has also implemented increased trade integration in the surrounding region as one way to resolve the Philippines'economic downturn, in economic recovery, The Philippines is influenced by its two largest trading partners, the United States and Japan.

3. Methods

In this study, using quantitave methods with SPSS version 25 tools, with the research location in philiphiness, using 100 responden using validity test, realibility tests, and regression analysis.

Table 2. Number of Respondents by Age

Age	Frequency	Percent
18-30 Years	10	2,0
31-40 Years	20	27,0
41-50 Years	50	31,3
51 Above	30	39,8
Total	100	100,0

Source: Research Results 2022

Statistical Treatment

This study uses the SPSS 25 application for hypothesis testing, hypothesis testing uses a t-test to test whether the independent variable policy government (X) through business strategy (Z) affects in the dependent variable sector economic (Y)

4. Results and Discussion

Result

Table 3. Instrument validity and realibility test variable policy government (X)

Dimension	Item	Correlation	Sig.	Information	Alpha Cronbach	Information
Legislation	X1.1	,918**	0,000	Valid	,912	Reliable
	X1.2	,806**	0,000	Valid		
	X1.3	,905**	0,000	Valid		
	X1.4	,942**	0,000	Valid		
Implementation	X2.1	,845**	0,000	Valid	,858	Reliable
	X2.2	,848**	0,000	Valid		
	X2.3	,880**	0,000	Valid		
	X2.4	,872**	0,000	Valid		
Clear division of authority	X3.1	,898**	0,000	Valid	,875	Reliable
	X3.2	,805**	0,000	Valid		
	X3.3	,801**	0,000	Valid		
	X3.4	,689**	0,000	Valid		

Source: Research Results 2022

Table 4. Loading Factor and Average Variance Extracted (AVE) Value

VARIABLE	INDICATOR	INDICATOR	LOADING	AVE	SQRT AVE
Policy government	Legalitation	X1.1	0,732	0,751	0,866603
		X1.2	0,756		
		X1.3	0,755		
		X1.4	0,761		
	Implementation	X2.1	0,752	0,7515	0,866891
		X2.2	0,75		
		X2.3	0,743		
		X2.4	0,761		
	Clear division of authority	X3.1	0,762	0,75325	0,8679
		X3.2	0,81		
		X3.3	0,721		
		X3.4	0,72		
Strategy business	Visions & mission	Z1.1	0,805	0,78975	0,888679
		Z1.2	0,793		
		Z1.3	0,756		
		Z1.4	0,805		
	Digital technology	Z2.1	0,756	0,7845	0,88572
		Z2.2	0,782		
		Z2.3	0,766		
		Z2.4	0,834		
	Marketing	Z3.1	0,804	0,71225	0,843949
		Z3.2	0,746		
		Z3.3	0,748		
		Z3.4	0,551		
Sector economic	Growth	Y1.1	0,817	0,754	0,868332
		Y1.2	0,825		
		Y1.3	0,698		
		Y1.4	0,676		
	Customer satisfaction	Y2.1	0,747	0,75825	0,870776
		Y2.2	0,799		
		Y2.3	0,768		
		Y2.4	0,719		
	Market share	Y3.1	0,706	0,72725	0,85279
		Y3.2	0,788		
		Y3.3	0,767		
		Y3.4	0,648		

Source: Research Results 2022

Table 5. Analysis regression of policy government variable to sector economic

		Model Summary		
Model	R	R Square	Adjusted R Square	Std. An error in the Estimate
1	,399ª	,159	,157	4,514
a. Predictors: (Constant), policy government				

Source: Process SPSS 25

ANOVA

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1532,747	1	1532,747	75,219	,000[b]
	Residual	8110,093	398	20,377		
	Total	9642,840	399			
a. Dependent Variable: sector economic						
b. Predictors: (Constant), strategy business						

Source: Process SPSS 25

Coefficients

	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	19,750	1,971		10,022	,000
	Policy government	,443	,051	,399	8,673	,000
a. Dependent Variable: sector economic						

Source: Process SPSS 25

Table 6. Standard Deviation of strategy business variable

VARIABLE/Dimension	SCORE	AVERAGE	STD.DEVICES
Vision & mission	4891	3,06	0,537
Strategy tactics	4816	3,01	0,500
Digital technology	4985	3,12	0,416
Strategy Business	14692	3,06	0,410

Source: Analysis data SPSS 25

Table 7. Standard Deviation of variable sector economic

VARIABLE/Dimension	SCORE	AVERAGE	STD.DEVIASI
Growth	5146	3,22	0,470
Customer satisfaction	5262	3,29	0,420
Market share	5118	3,20	0,441
Sector Economic	20920	3,27	0,370

Source: Analysis data SPSS 25

ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1532,747	1	1532,747	75,219	,000[b]
	Residual	8110,093	398	20,377		
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b. Predictors: (Constant), business strategy						

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Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
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1	(Constant)	19,750	1,971		10,022	,000
	Policy government	,443	,051	,399	8,673	,000
a. Dependent Variable: sector economic						

Source: Process SPSS 25

Reporting Resarch Results

Table 8. Contribution of policy strategy and strategy business to the sector economic

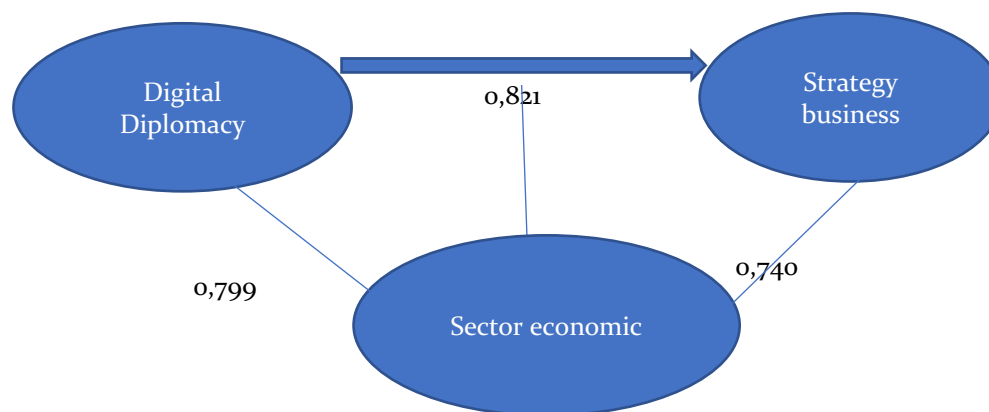| Variable	Direct effect	Indirect effect	Total effect
Policy Government → sector economic	0,799	-	0,799
Strategy business → sector economic	0, 740	-	0,740
Policy government & strategy business → sector economic	0,821	-	0,821

Figure 3. Policy government and strategy business for the sector economic

Discussion

While based on the above results it can be seen that government policy contributes 79,9 %, business strategy contributes 74%, and if combined between government policy and business strategy it will contribute 82%, to the economic sector, this means for in order to increase the economic growth of the sector, The Philippine government makes policies, laws and regulations that boost the growth of the private sector, and digital strategies to increase people's income.

From the results of the above calculations, it is found that government policy and business strategy have such a strong influence on the economic growth of the Philippines community, this means that the government must be more pro-active in maintaining and protecting underprivileged communities, especially to maintain health, improve

education, and try to open up wider job opportunities so that people can be more empowered to improve their welfare.

This is in accordance with what was stated by Lanifel Cortez Manalo where also stated that program was carried out to support the development of education and the national economic by ensuring that no people are left behind of course, their country's big plas will be easily achieved. First, The community Based Monitoring System (CBMS) which is a data collection program by the local government to the local government to then be presented as graphs and maps, the data collection are in the form of health, poverty, nutrion, water availability, education, and income, Lanifel continued, this CBMS in the Community Based Monitoring System will be very useful for local governments to pain various program and activities that will suport the participation of the surrounding community in the process, as is the case the regulations.

Second, The Pantawid Pamilyang Philipino Program (4P) which is a program to provide social assistance to very poor families and have children between the ages 0-18 yaers, there are two types of assistance, namely health assistance.

5. Conclusion

From the results of the research above, it can be concluded that government policies in relation to increasing economic growth are very important where with the existence of government policies, The Philippine's national economic growth can be increased this can be seen from the Philippine economic growth table, which government policies to reduce poverty, create jobs, improving public health can improve the quality of public education and improve the welfare of people's lives.

Business strategy has a strong enough influence on the growth of the economic sector where digital programs can improve marketing strategies to support community economic activities, Government policies and business strategies have a strong enough influence in increasing economic growth, with this the government can improve the welfare of people's live can be achieved more quickly supported by a system of security and public order works as expected.

In this case, this research is only limited to the influence of government policies and business strategies on the growth of the economic sector, the results of the study state that government policies and business strategies have a strong enough influence on the economic growth of the Philippines people if the variable and the number of respondents is multiplied it will be able to provide different research results, hopefully what I say can provide benefits for further research

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