

Tax Policy in Peru: A Post-Pandemic Analysis

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Abstract

Objective: To analyze the research production, both international and national, regarding tax policies in the post-pandemic framework, taking into consideration the different trends or orientations assumed by experts to reactivate the economy and, thus, guarantee the liquidity of companies in the current crisis situation.

Methodology: The SCOPUS and Scielo databases were consulted in order to extract the most updated information necessary. Articles published between 2020 and 2023 were used.

Results: The results of the analysis demonstrate the relevance of the application of an expansive tax policy to reactivate the economy in the medium and long term.

Discussion: It is discussed and concluded that, although the tax policies applied have been pertinent and necessary for some sectors, a rethinking of these policies is required in order to accurately channel a reactivation, focused mainly on micro and small enterprises, which have been the most affected by the current crisis generated by the COVID-19 pandemic.

Keywords: *fiscal policy, tax burden, crisis, pandemic, economic recession.*

1. INTRODUCTION

The Covid-19 pandemic is a crisis in the healthcare sector that has a ripple effect on the economic, social and community welfare sectors. The policy of limiting the mobility of the population in several regions in order to suppress cases of Covid-19 spread led to a significant decline in economic activity. Overall, Peru's economic performance during 2020 was the worst in the last 20 years (Huamán-Fernández, 2021). In total, the Peruvian economy during 2020 experienced negative growth or contracted by -11.1% (INEL, 2021). This economic downturn affected all economic agents, from households, businesses to the financial sector. A number of economic activities have also stagnated, such as hampering investment, shrinking exports and imports affecting the supply chain, and declining public consumption. The weak performance of the macroeconomy is in line with the decline in the well-being of the population. The imposition of restrictions on the activities and mobility of the community had an impact on the decrease in the operational activities of business agents, which led to the decision to reduce working hours and the number of active employees. As a result, the unemployment rate rose sharply in 2020 by 13% (El-Peruano, 2022).

The health crisis caused by the Covid-19 pandemic, which has an impact on the decline of the economy and public welfare, has prompted the search for a balance with respect to policies to restore health and reactivate the economy. On the one hand, efforts to reduce the curve of the spread of the virus led to a decline in the economic activities of the population, which in turn reduced national economic growth. Conversely, facilitating

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community mobility at certain times accelerated economic recovery, but increased the spread of the virus, which threatened public safety and health. Therefore, it was necessary to formulate government policies that were not only able to overcome the health crisis, but also to minimize the economic impact caused.

Efforts to control the spread of Covid-19 should have taken into account the economic costs incurred and vice versa, the economic recovery framework should also have been applied under conditions of a controlled pandemic (Borrego et al., 2022). Seeing Peru's current economic problems, various strategies were put in place to overcome these problems, one of which was fiscal policy (Arias, 2022). Fiscal policy is an adjustment of government revenues and expenditures to achieve previously set economic development goals (Bartra-Merino, 2021). Fiscal policy also has a major impact on national income, its distribution, employment opportunities, and domestic investment (Barlow & Peña, 2022).

The fiscal stimulus policy is one of the Government's efforts to support the acceleration of economic development. On the other hand, fiscal stimulus is also important as a countercyclical policy to restore stability to an economy that is experiencing a recession/crisis (Boysen-Hogrefe, 2022). The use of fiscal stimulus policies under these two conditions is based on the ability of government-owned fiscal stimulus instruments to influence economic activity, both to encourage an increase in economic output and to improve public welfare (Peňáková, 2021).

One of the pillars of national economic resilience is in the tax revenue sector. The dynamic and rapidly growing role of society should be harnessed in the context of enhancing national legal development and economic resilience. The dynamics of society's role, including as a contributor, plays an important role as a form of participation in national development (Embrett et al., 2021). Chakraborty (2023) It states that in the implementation of tax policy in the form of tax incentives, it still needs evidence for the application to be correct and in accordance with valid information. Through this research, the author intends to contribute by analyzing post-pandemic fiscal policy in Peru so that it can be a source of up-to-date information on related issues.

According to the above, it is worth asking: What studies have been carried out on the tax policies to be considered in the post-pandemic context of COVID-19, at the national and international level? and, from there, how is the current tax policy handled in Peru? The main objective of this article is to analyze the research production, both international and national, regarding tax policies in the post-pandemic framework, taking into consideration the various trends or orientations assumed by experts to reactivate the economy and, in this way, guarantee the liquidity of companies in the current crisis situation.

2. THEORETICAL FRAMEWORK

Keynes's theory has been the basis of this political philosophy that emerged as a reaction to the Great Depression that occurred in the American economic system in the 1930s (Astarita, 2012). Keynes's critique of the classical economists held that the economy would always reach full employment. However, the free market system proposed by Keynes does not automatically conform to the conditions of full employment, because it requires state intervention in the form of government policies, namely fiscal and monetary policies (Marcuzzo, 2019). This is because each additional state expenditure not only reallocates resources from the private sector to the government, but is followed by the multiplier effect of the expenditure (Gaaze, 2019). Keynes's fiscal multiplier theory is based on the idea that fiscal expansion can cause a multiplier effect on aggregate demand, that is, on the ability of aggregate supply to respond to increases in aggregate demand, so that price rises do not occur (Ghisellini et al., 2016). Fiscal policy is an adjustment in government revenues and expenditures as stipulated in the State budget to achieve better

economic stability and the desired pace of economic development that is usually stipulated in the development plan (Serikova et al., 2020).

Fiscal policy refers to the policies made by the government to direct a country's economy through expenditures (expenditures) and revenues (taxes). Fiscal policy is different from monetary policy, which aims to stabilize the economy's interest rate and money supply. The main instruments of fiscal policy are taxes and public expenditure (Bartra-Merino, 2021). Economic theory defines fiscal policy as government activity related to the efforts (collection) of government revenues and their expenditure (Lin et al., 2023). Meanwhile, fiscal stimulus policy itself can be interpreted as fiscal policy that is carried out in an expansionary manner through loose fiscal policy, which aims to boost the economy (Ullah et al., 2022).

In general, fiscal stimulus can be provided through tax instruments and/or government spending, although each of these instruments has a very different influence and multiplier impact on the economy. Typically, fiscal policy presents government options when it comes to determining the amount of spending and the amount of revenue that are explicitly used to influence the economy. These different options are practically materialized through the public budget (Zaman & Sarker, 2022). Fiscal policy is capable of increasing economic growth, due to the increase in domestic production encouraged by the government. In that context, it is carried out by the government to influence the state of the market for goods and services so that economic conditions improve. This fiscal policy has two characteristics, namely, expansionary and contractionary. Expansionary fiscal policy can be achieved by increasing spending, increasing transfer or subsidy payments, and reducing tax deductions. Contractionary fiscal policy, on the other hand, can be done by reducing government spending, reducing transfer or subsidy payments, and increasing tax deductions (Olsen & Woller, 2023). In this regard, taxes are contributions of the people to the state treasury based on laws as a manifestation of the people's devotion and participation in financing state and national development (Cagri Gurbuz et al., 2023).

Fiscal policy is a policy authorized by the government to adjust the state's revenue and expenditure budget to a predetermined state budget by introducing changes to the tax system. So it's only natural that fiscal policy is different every year (Abdullah et al., 2023). Taxes and state spending are instruments used by the government in fiscal policy. Fiscal policies can be grouped according to the theory and amount of income and expenditure (Andriani et al., 2022). First, fiscal policy is based on theory, which consists of functional, intentional, and unintentional fiscal policy. Functional fiscal policy, i.e., policy as a consideration for the government to determine budget expenditures and revenues by assessing the potential for revenue and employment opportunities to occur. Along those lines, Zaman and Sarker (2022) They assert that, deliberate fiscal policy, i.e., policy through deliberate change of the budget, takes three forms: 1) First, change government spending; (2) secondly, to change the system of tax collection; 3) Finally, change the management of the government's budget and the tax collection system simultaneously.

Meanwhile, unintentional fiscal policy is a policy of controlling the speed of the business cycle to make it more stable. This policy may take the form of a minimum price policy, a progressive tax, or a proposal (Kobbi-Fakhfakh & Bougacha, 2023). Second, as he points out Blanchard (2022), fiscal policy can also be grouped based on the amount of expenditure and revenue. These include balanced fiscal policy (Balanced Budget), contractionary/surplus, expansionary/deficit and dynamic:

Board 1: Types of Fiscal Policy to Consider

Type of Fiscal Policy	Characteristics
Balanced fiscal policy;	That is, policies that regulate to balance the budget of

		income and expenditure. This policy can have a positive impact because the country does not need to go into debt. However, when the country's economy is not in good enough shape, the situation can get worse.
Contractionary/surplus policy,	fiscal	That is, policies that regulate the amount of government revenue must be greater than the amount of expenditure. Contractionary policies are used when the country experiences inflation.
Expansionary policy/deficit.	fiscal	That is, this policy regulates that state spending/spending is greater than state revenues. The policy of expansion is one of the government's strategies when the country's economy is going through a depression.
Dynamic fiscal policy,		That is, policies aimed at providing the revenue the government needs over time.

Note: Taken from Andriani et al. (2022).

During the Covid-19 pandemic, which led to weakening economic activity, fiscal policy (in this case, taxes) served as a source of revenue for the government to continue developing (Arias, 2022). Based on this, taxes have several functions for the country's economy (Arias, 2022). First, the function of the budget, which is to finance all the needs or expenditures of the State. In relation to development, the costs incurred come from government savings. Savings money is derived from the household income formula minus routine expenses. Based on that, government savings must increase at the same time as development costs continue to rise. The increase is expected to come from the fiscal sector. Second, the regulatory function, i.e. taxes can be used to regulate economic growth. For example, if the government wants many investors to invest their capital, then the government must make tax exemptions.

Conversely, if the government wants to maintain the stock of domestic products, the government must provide high import duties on imported goods. Thirdly, the stability function, taxes make the government stabilize the economic situation so as not to reach inflation. The trick is to regulate the circulation of money as a form of monetary policy, collecting taxes and using them as effectively as possible. Finally, the function of redistributing income will be used in the public interest, including development, which will have an impact on opening up employment opportunities. Therefore, people's incomes will also increase.

Fiscal policy will greatly affect the functioning of the economy in a country. High tax rates will reduce investment, so economic growth will slow. Meanwhile, low tax rates will increase investment, and thus economic growth, thereby increasing state revenues (Kobbi-Fakhfakh & Bougacha, 2023). In addition, monetary policies must be developed that are aligned with fiscal policies, so that, in situations of global crisis such as the one experienced with the Covid-19 pandemic, an effort must be made to recover the economy due to the impact generated by the phenomenon. This monetary policy aims to maintain the currency's exchange rate, control inflation, and provide monetary stimulus for the business world (Pereira, 2021). An example of monetary policy that can be put in place is the provision of more hedging instruments against exchange rate risk, so that it is in line with fiscal policy in the form of import tax exemptions for business actors (Açikgöz & Günay, 2021; Dweck et al., 2022; Fuchs-Schündeln et al., 2023). With this alignment, stability can be achieved and the national economy can be improved.

3. MATERIALS AND METHODS

The author uses a quantitative approach for this study (Ñaupas et al., 2018; Palmar et al., 2020).. Quantitative research is based on the analysis of data obtained through the collection of information provided by statistical references of a bibliometric nature (Fernandes et al., 2019; Khalil et al., 2021; Sfindla et al., 2018). The author takes into account relevant previous research when choosing a research method. However, several previous studies consulted used a qualitative approach as a research method (Açikgöz & Günay, 2021; Embrett et al., 2021; Huamán-Fernández, 2021; Kobbi-Fakhfakh and Bougacha, 2023; Olsen & Woller, 2023).

The strategy for identifying keywords and search terms, as well as all the material that follows, is based on existing work on the methodology of review articles, in the first place, on the recognized protocol of bibliographic review following the guidelines of H. Snyder updated by Donthu et al. (2021) to generate a fairly complete list of articles on which to base a review in a rapidly developing field of knowledge related to the fiscal policies assumed by different countries in the framework of the current COVID-19 pandemic (Chakraborty et al., 2021).

The bibliography, composed only of journal articles, was retrieved from two sources, the Scopus and Scielo databases, on Wednesday 23/03/2023. For the SCOPUS database, the following search string was used: TITLE-ABS-KEY (tax AND policy AND covid) AND PUBYEAR > 2019 AND PUBYEAR < 2024 AND (LIMIT-TO (SUBJAREA , "ECON") OR LIMIT-TO (SUBJAREA , "BUSI") OR LIMIT-TO (SUBJAREA , "MULT") OR LIMIT-TO (SUBJAREA , "SOCI") AND (LIMIT-TO (EXACTKEYWORD , "Fiscal Policy") OR LIMIT-TO (EXACTKEYWORD , "COVID-19") OR LIMIT-TO (EXACTKEYWORD , "Pandemic") OR LIMIT-TO (EXACTKEYWORD , "Taxation") OR LIMIT-TO (EXACTKEYWORD , "Tax System") OR LIMIT-TO (EXACTKEYWORD , "Tax") OR LIMIT-TO (EXACTKEYWORD , "Covid-19") OR LIMIT-TO (EXACTKEYWORD , "Public Policy") OR LIMIT-TO (EXACTKEYWORD , "COVID-19 Pandemic") OR LIMIT-TO (EXACTKEYWORD , "Tax Policy") OR LIMIT-TO (EXACTKEYWORD , "Economic Growth") OR LIMIT-TO (EXACTKEYWORD , "Pandemics") OR LIMIT-TO (EXACTKEYWORD , "Coronavirus") OR LIMIT-TO (EXACTKEYWORD , "SARS-CoV-2") OR LIMIT-TO (EXACTKEYWORD , "Public Sector") OR LIMIT-TO (EXACTKEYWORD , "Policy Implementation") OR LIMIT-TO (EXACTKEYWORD , "Income Tax") OR LIMIT-TO (EXACTKEYWORD , "Economic Development") OR LIMIT-TO (EXACTKEYWORD , "Tax Evasion") OR LIMIT-TO (EXACTKEYWORD , "SME") OR LIMIT-TO (EXACTKEYWORD , "COVID") OR LIMIT-TO (EXACTKEYWORD , "SMEs") OR LIMIT-TO (EXACTKEYWORD , "Economic Recovery") OR LIMIT-TO (EXACTKEYWORD , "Tax Reform")) AND (LIMIT-TO (DOCTYPE , "ar")) AND (LIMIT-TO (OA , "all"))

The following criteria were used to establish the filtering of the Scopus database: (Article Title, Abstract, Keywords), while for the Scielo database, filtering by Topic was used. The primary search resulted in 712 records in Scopus and 28 records in Scielo. After the filtering process detailed in Table 1, the total number of records considered for this review is 58 records. The search was conducted in the Scopus and Scielo database, the sources were screened and their primary filtration as of April 10, 2023 (Borgohain & Singh, 2021; Purnomo et al., 2020).

Board 2: Item retrieval and filtration process

Process/Database	Scopus	Scielo
Primary search	712	28
Filter by period 2020-2023	654	25

Filter by English only	582	18
Limit to open access articles only	421	18
Filter by articles only	314	17
Filter only by open access	138	17
Filter by Title and Abstract	45	13
Total Records Retrieved		58
Total Records After Debugging Duplicates		58

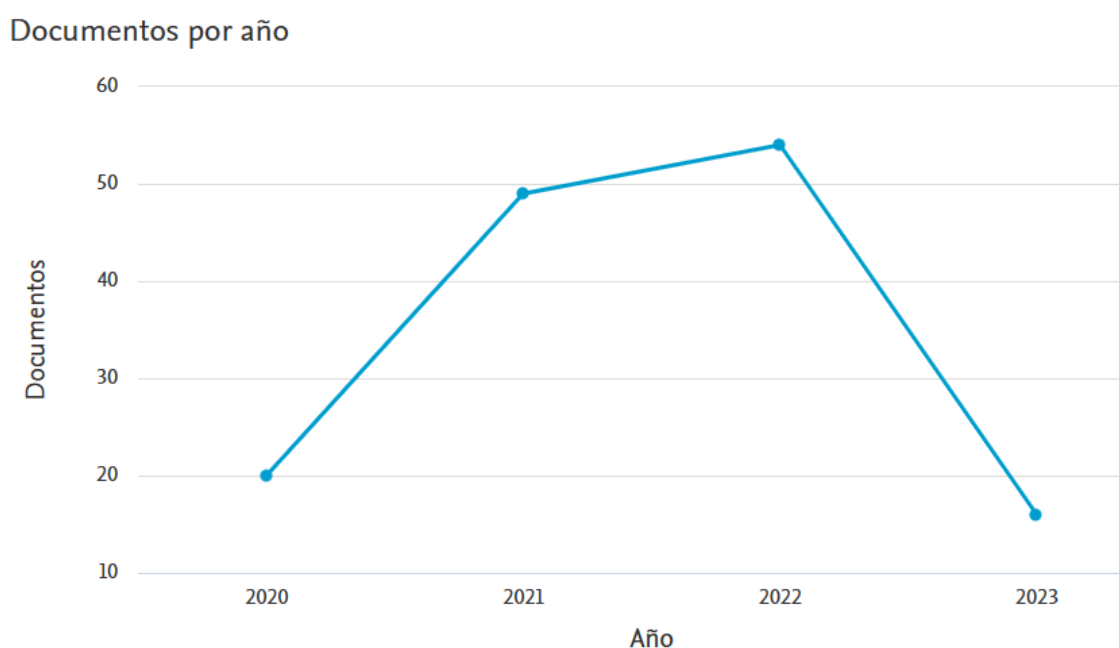
The filtering option adopted in Scopus was (Article Title, Abstract, Keywords), and for the Scielo Web the filtering option was (Topic). The primary search resulted in 712 records in Scopus and 28 records in Scielo. After the filtering process detailed in Table 1, the total number of records considered for this review was 45 de Scopus and 13 Scielo articles. The search was conducted in the Scopus and Scielo database, the sources were screened and their primary filtration as of March 22, 2023.

Only scientific and review articles between 2020 (the year in which the pandemic began) and the date (March 2023) have been considered as inclusion criteria, considering that this is the specific period in which the pandemic phenomenon manifested itself worldwide.

As exclusion criteria, articles appearing in subscription (paid) journals were not considered; Likewise, all types of documents that were not review or research articles were excluded. Finally, those articles that were not involved within the period of the COVID-19 pandemic, i.e., outside the 2020-2023 range, were excluded.

4. RESULTS AND DISCUSSION

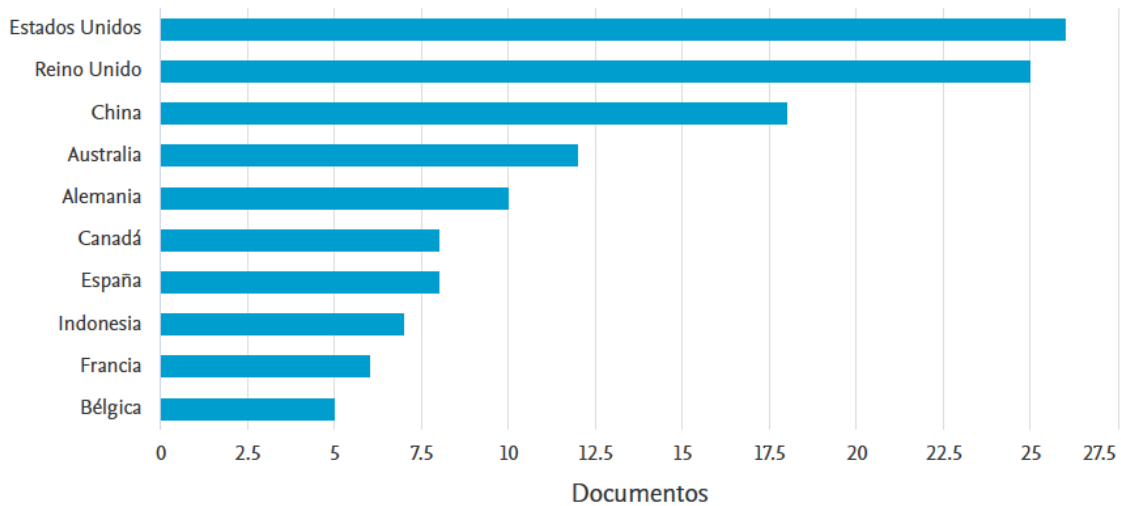
Figure 1: Research production per year



Note: Data retrieved from Scopus and Scielo March 22, 2023.

Figure 1 shows the productive volume of research per year, showing that the year with the highest production is 2022, where 46 studies identified in Scopus and 9 registered in Scielo were reached. In 2021, 43 studies were detected in Scopus and 7 in Scielo. For 2023, given that technically only the first quarter is reported, an average of 18 publications have been obtained, of which 16 are indexed in Scopus and 2 in Scielo.

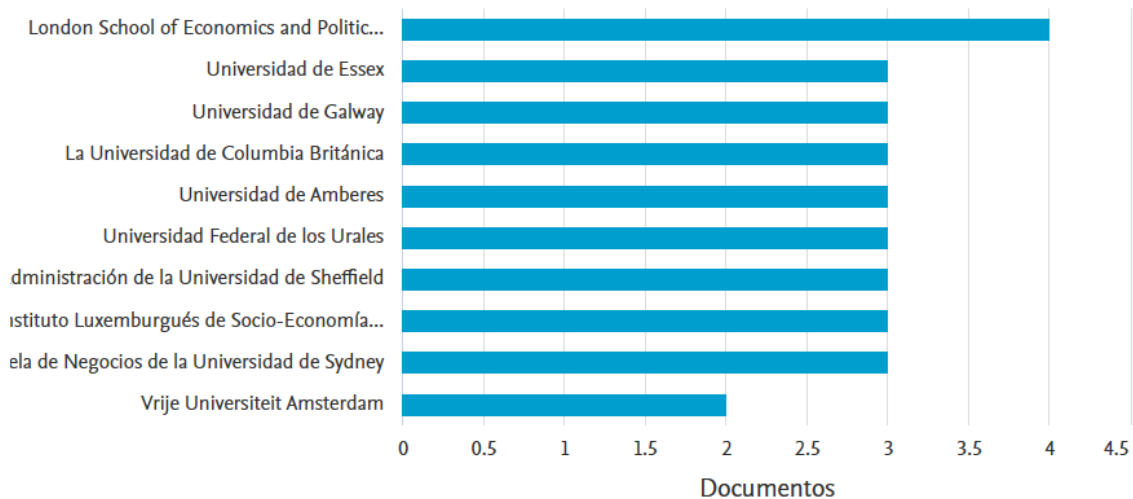
Figure 2: Research output by country



Note: Data retrieved from Scopus and Scielo March 22, 2023.

Figure 2 shows that the United States is the country that reports the highest number of studies carried out with 28 publications, closely followed by the United Kingdom with 25, then China with 18 publications, Australia with 12 documents, Canada and Spain with 8 studies respectively, Indonesia with 7 studies, France with 6 and, finally, Belgium with 5.

Figure 3: Research Production by Affiliation



Note: Data retrieved from Scopus and Scielo March 22, 2023.

Discussion:

Figure 3 shows the indicators of production by affiliation centre, mainly the London School of Economics and Politics with 4 publications, followed proportionally by the University of Esser, the University of Galway, the University of British Columbia, the University of Antwerp, the Ural Federal University, the Luxembourg Institute of Socio-

Economics, the University of Sydney, all of them with 3 publications and, finally, the University of Amsterdam with 2 publications.

From the review of the literature considered in this article, it has been possible to determine that there is a clear orientation towards an expansive tax policy in situations in which demand contracts in the face of greater production (Huesca et al., 2021; Kaneva et al., 2022; Bruckmeier et al., 2021; Jiang et al., 2022). Evidently, the COVID-19 pandemic and the effects of the restrictive social policies applied to curb its expansion, generated a very complex economic scenario that needs to be addressed progressively and based on planning for economic reactivation. All the authors consulted, according to the studies carried out in their respective realities, agree that the key to reactivating a country's economy in the context of a pandemic such as the one experienced requires a very well-structured and wisely applied tax policy (Collin et al., 2021; Desdiani et al., 2022; Mirza et al., 2023; Agrawal et al., 2021; Huesca et al., 2021; Kaneva et al., 2022).

Along these lines, the Peruvian State applied a series of strategic measures with the aim of reducing the impact generated by the Covid-19 pandemic. From the results of the study of government policies in the fiscal sector, especially the tax policies issued by the Government at the beginning of the Covid-19 pandemic, it can be said that in certain areas of the economy there has been evidence of a recovery. However, the emergence of new mutations of Covid-19 and the availability of vaccines pose new risks that could affect this trend, as has happened in most countries (Mirza et al., 2023; Țibulcă, 2022; Sologon et al., 2022).

For the year 2021, there was a growth of 5.6% compared to the negative indicators of 2020. This statistical optimism was supported by the continuation of the vaccination programme, which encouraged greater mobility, thereby improving household consumption. In addition, the report on economic growth in the second quarter of 2022 also showed that growth was projected at a good pace, despite international events such as the war in Ukraine that severely affected the International Market with the increase in the price of many inputs, including the price of wheat (Allen et al., 2022).

In the midst of the gradual improvement of the economic recovery, the Peruvian economy faces the latent risk of an increase in Covid-19 cases due to the fact that the new mutations of this virus present resistance to the vaccines applied, a situation that determines the future risk of the application of a mobility restriction policy. This policy would undoubtedly affect the achievement of economic growth in the coming quarters, as has been seen in some experiences, according to the studies consulted (Cantó et al., 2022)Çela et al., 2022; Gu et al., 2022; Srivastava et al., 2022; Dubey et al., 2023; Agrawal et al., 2021).

On the other hand, the preparation of the Public Budget is crucial to ensure that the economy can withstand the adverse effects of the Covid-19 pandemic still present. This type of experience has been applied in Indonesia, Mexico and Germany (Desdiani et al., 2022; Huesca et al., 2021; Bruckmeier et al., 2021). In this context, the 2022 State Budget was an instrument in the national economic recovery and a milestone to balance several objectives, among which those aimed at supporting the continuation of the management of the pandemic, promoting economic recovery and tax consolidation stand out. The Peruvian government adopted extraordinary political measures to overcome the impact of the Covid-19 pandemic, while taking advantage of this momentum to improve change, so the 2022 Public Budget aimed to strengthen the economic recovery and reinforce the reforms introduced in order to reactivate the economy. However, the political turbulence inherent in the change of government from the 2022 elections had a negative impact on the economy, mainly due to the rise of a government that was politically uncomfortable for certain productive and financial sectors (Arias, 2022; Cristeche, 2020; Santamaria & de Gómez, 2021).

The measures and strategies to accelerate the economic recovery revolve around the reforms in the 2021 State Budget focusing on health, economic and reform aspects. The health aspect is aimed at tackling Covid-19 and restoring public health through the provision of vaccines to control the spread of Covid-19 in its current variants and improve access to and quality of health services. The economic aspect is aimed at providing consolidated expansionary fiscal policies by supporting programs such as REACTIVA PERU in the affected sectors, expanding access to capital for MSEs through the FAE-MyPE and PAE-MyPE programs, the first with a general financing plan and the second, aimed at promoting financing for working capital or fixed assets. Meanwhile, the reform aspect is aimed at reinforcing structural reforms to build a solid foundation for economic recovery and a way out of the middle-income trap, a formula highly recommended in the studies consulted (Savin et al., 2022; Kovalenko et al., 2021; Malliet et al., 2020; Le et al., 2020; Andrew et al., 2020; Drews et al., 2022).

In fostering economic improvement during the Covid-19 pandemic, the central role of government in boosting the economy is clearly very important. This is due to the fact that consumption, investment and international trade activities are practically interrupted and tend to decline. Therefore, the government through various policies, especially of a tax nature, will be very decisive.

The impact of tax policy on production and inflation lies in the fact that an increase in government spending has a positive impact on GDP, while an increase in taxes has a negative impact on GDP (L. Chakraborty, 2023). The positive impact of government spending and the negative impact of taxes on GDP are in line with Keynes's theory of the role of government in boosting the economy and according to empirical research in several developed countries (de Oliveira & Souza, 2021; Zaman & Sarker, 2022). The more dominant effect of government spending on GDP compared to taxes indicates that this policy remains quite effective in stimulating economic growth, especially in times of recession compared to taxes. The effect of government expenditure on reducing inflation can be explained by the multiplier effect of government expenditure on investment (including infrastructure), which is greater than current expenditure. Public spending on infrastructure is expected to improve the distribution of goods and services, thereby helping to reduce inflation. According to Keynes's approach, fiscal policy can boost the economy because an increase in government spending or a reduction in taxes has a multiplier effect by stimulating additional household demand for consumer goods.

One of the government's political strategies to save health and the national economy was the launch of the REACTIVA PERU program. The government, through the Ministry of Finance as the fiscal authority, launched the stimulus package designed to protect, maintain and improve the economic capacity of companies to manage their businesses during the Covid-19 pandemic. In addition, this programme also aimed to protect the poor and vulnerable poor from worsening their situation. But, while it is true that some economic sectors have reflected an evident improvement, it must be taken into account that much of this improvement is due to the relaxation of tax policy, so it is necessary to refocus and reallocate the State Budget for the coming years, postponing or eliminating activities that are not a priority and are not relevant to current conditions.

5. CONCLUSIONS AND SUGGESTIONS

From the review carried out — and in response to the objective of this review article — it has been found, firstly, an overabundant research production regarding the effects of the COVID-19 pandemic on the different aspects of human activity, with the economic one of the most monopolized by the studies carried out. However, there are not many studies focused on analysing tax policies in the context of the pandemic scenario, since, apparently, it is considered that these policies have been essentially aimed at reducing the tax burden so that the most affected taxpayers, essentially in the business sector, can have

a greater margin for action mainly due to the recession caused in that context. In this sense, it has been possible to identify, after the respective filtering, 58 publications, of which 45 correspond to Scopus and 13 to Scielo. From the applied synthesis, it has been possible to deduce the following tendencies to be considered in a government fiscal policy in the post-pandemic scenario:

- 1) Focus on efforts to address public health issues. Fiscal instruments for the health sector should be a concern to prevent transmission, monitor, care, provide facilities and research treatments.
- 2) Fiscal instruments should help those affected by the economic downturn. Any sector or group of people whose economic activities are affected by the pandemic must be "saved" immediately.
- 3) The need to boost aggregate demand. The availability of demand in society will continue to guarantee the rotation of the economy.

For its part, the Peruvian government has seriously addressed the economic problems arising from the Covid-19 pandemic. To this end, it designed several tax policies to support the sustainability of the economy. One of them was to redirect the budget to prioritize all expenses related to the Covid-19 pandemic. It also offered opportunities for entrepreneurs to maintain and develop their businesses in the midst of the pandemic; One of them was to gradually reduce the tax burden, lengthening the deadlines.

The government also sought to reactivate the micro, small and medium-sized enterprise sector, offering economic incentives, both at the tax and financial levels. In addition, people whose economies were affected by the pandemic also received social assistance through various types of vouchers. However, in its application, the government still has to reevaluate its performance, as there were a series of irregular situations that cannot be admitted in a state of emergency such as the one experienced during the pandemic period. To this end, the government must improve its performance to ensure that the policy implementation process is conducted in a fair and transparent manner. There is also a need to re-examine and ensure that the assistance provided by the government can be adequate. Thus, abuses of position and various frauds will not occur again, especially in difficult times such as the Covid-19 pandemic.

It should be noted that this article was developed during the Covid-19 vaccination process, so the policies mentioned in it have not been adjusted to the post-Covid-19 vaccination situation. Therefore, the current situation needs to be investigated further. Therefore, more research is needed to explore the latest fiscal policies that are relevant to the post-Covid-19 vaccination situation.

Taking into consideration the reality generated after the various stages of vaccination against the Covid-19 virus, the government should continue to focus on fiscal policies that affect Peruvian economic growth, such as tax incentive programs to relieve taxpayers in paying taxes. Within such a framework, taxpayers can consume more goods and services. This can increase purchasing power, which has an impact on the growth of the economy. It should be remembered that, although the Covid-19 vaccine has met the proposed objectives, it does not mean that things have returned to normal. In addition, the budget reallocation that previously focused only on the procurement of goods and services for Covid-19 management should be distributed to other sectors such as education, social protection, food security, information and communication technologies and tourism. With this redistribution, the country's social and economic situation is expected to recover in the shortest term.

Conflict of Interest Statement

I declare that this publication is independent with respect to the funding and support institutions, and that during the execution of the work or the writing of the manuscript I

have not influenced interests or values other than those that the research usually has, so I declare that I do not have any type of conflict of interest.

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