

Strengthening MSMEs In The Context Of Post-Covid-19 Economic Development

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Abstract. The Corona virus pandemic is not just a health disaster, but also an economic disaster. Not only the big industry, the corona pandemic virus also makes MSMEs (Micro, Small and Medium Enterprises) suffer. If Covid-19 occurred in the long term, it would make Indonesia suffer a decrease in economic growth by 0.1% in 2020. In general, the following are the impacts that will be received, especially by the MSME sector in Indonesia. If the problems is not solved, then the Covid-19 outbreak will be a tremendous blow to Indonesia. MSMEs dominate the nation's economy up to 91% are the largest that affect the welfare of the community. If MSMEs collapse, it is tantamount to the destruction of Indonesian society. By using Google Trends Analysis, this paper find out which economic development model is suitable during the COVID-19. Economic concept oriented to the development of MSMEs with the direction of economic development to businesses that use labor-intensive. This research can be used as input for policy makers and economic activity actors to be able to ensure and the economy remains stable during the COVID-19 pandemic, apart from being an additional reference for developing economic concepts to improve people's living standards.

Keyword : *Economic Development, Productive Economy, Empowerment, MSMEs*

INTRODUCTION

The shattered economy caused by the health disaster, namely the Corona Virus Pandemic which has damaged the order of people's lives on all fronts.. Not just the big industry, the corona virus pandemic is starting to make MSME participants in Indonesia nervous. In addition, a recent study found that if Covid-19 persists for a long time, Indonesia's economic growth rate in 2020 will be reduced by 0.1%. Overall, the following practical impacts can be expected, especially through the MSME sector in Indonesia.

Unless we find a solution to the problems that have arisen, the Covid-19 pandemic will bring a huge wave of poverty to this country. Among them, MSMEs, which dominate the country's economic actors, account for the largest part, up to 91%, and they contribute to the well-being of the community. It can also be said that the bankruptcy of small, medium and micro enterprises means the destruction of Indonesian society. Therefore, we must attach great importance to helping small, medium and micro enterprises.

Tabel 1
Economic Growth Projection in 2020

Year 2019	Year 2020	Country
7.0	2.7	Vietnam
4.2	1.9	India
6.1	1.2	Tiongkok
5.9	0.6	Filipina
5.0	0.5	Indonesia
2.0	-1.2	Korea Selatan

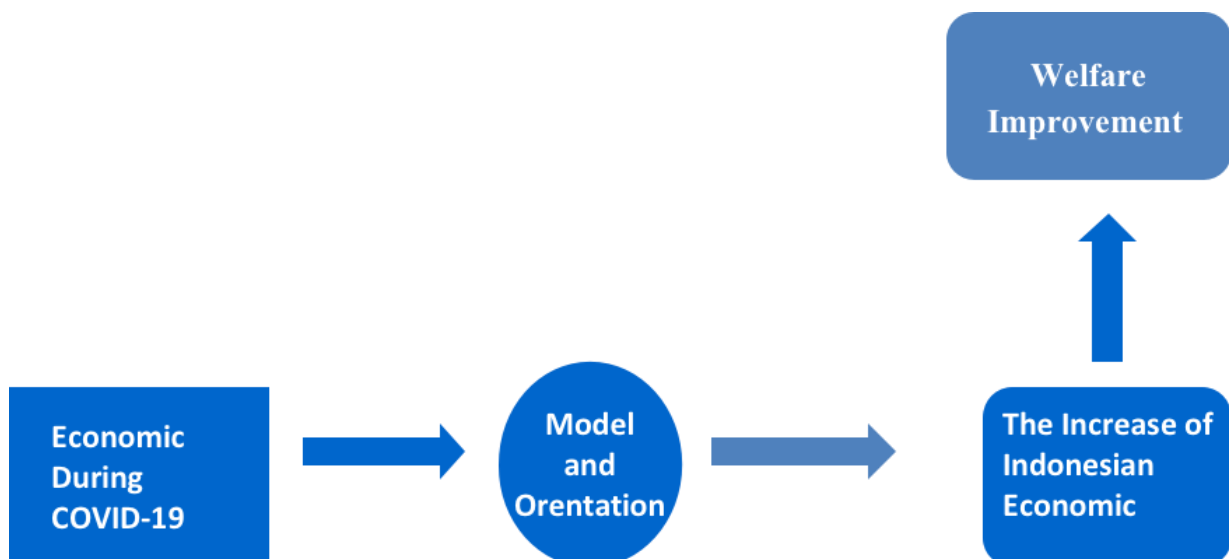
4.3	-1.7	Malaysia
2.9	-3.0	World
0.7	-3.5	Singapura
0.7	-5.2	Jepang
1.1	-5.3	Brasil
2.3	-6.1	Amerika Serikat
1.6	-6.2	Kanada
1.4	-6.5	Inggris
2.4	-6.7	Thailand
0.6	-7.0	Jerman
1.2	-7.2	Prancis
2.0	-8.0	Spanyol
0.3	-9.1	Italia

Source: International Monetary Fund (IMF), April 14, 2020

Dana Riksa Buana (2020) examines the behavior of people who violate government advice due to cognitive biases. The research method used in this study is the method of literature research combined with descriptive analysis.

Adityo Susilo et al. (2020) At the beginning of 2020, a novel pneumonia epidemic that shocked the world began in Wuhan, Hubei Province, and then quickly spread to more than 190 countries and regions. Known as coronavirus disease 2019 (COVID-19), the outbreak is caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The spread of this disease has profound social and economic impacts.

Fegi Merina (2020) Jember's online business is all types of online business activities Cheap Original Jember Products that are carried out online through the internet network. When the COVID-19 pandemic broke out and many people restricted their homes, media via the internet grew rapidly. Shopping for basic necessities is also often done online. Taking this as an opportunity, various online transactions have grown so fast.



The Hypotheses :

H01: It is suspected that the MSME-oriented economic development model during the COVID-19 pandemic is very suitable to increase the community's economic growth.

H02: It is suspected that the orientation of economic development is effective for economic growth in labor-intensive activities.

H03: It is suspected that the empowerment of MSMEs can increase economic growth and reduce economic inequality in the community.

METHOD

This study uses primary and secondary data. Primary data was obtained from field observations, namely by interviewing experts in the economic field, especially those related to MSMEs and the online sales process. Secondary data is obtained from scientific journals as well as from various sources, such as the Central Statistics Agency (BPS), and other relevant parties. Data collection method with non probability sampling using purposive sampling method. Data Analysis Method Data analysis in this study used the Analytic Network Process (ANP) method. In this study the software used for data analysis is Super Decision and Microsoft Excel.

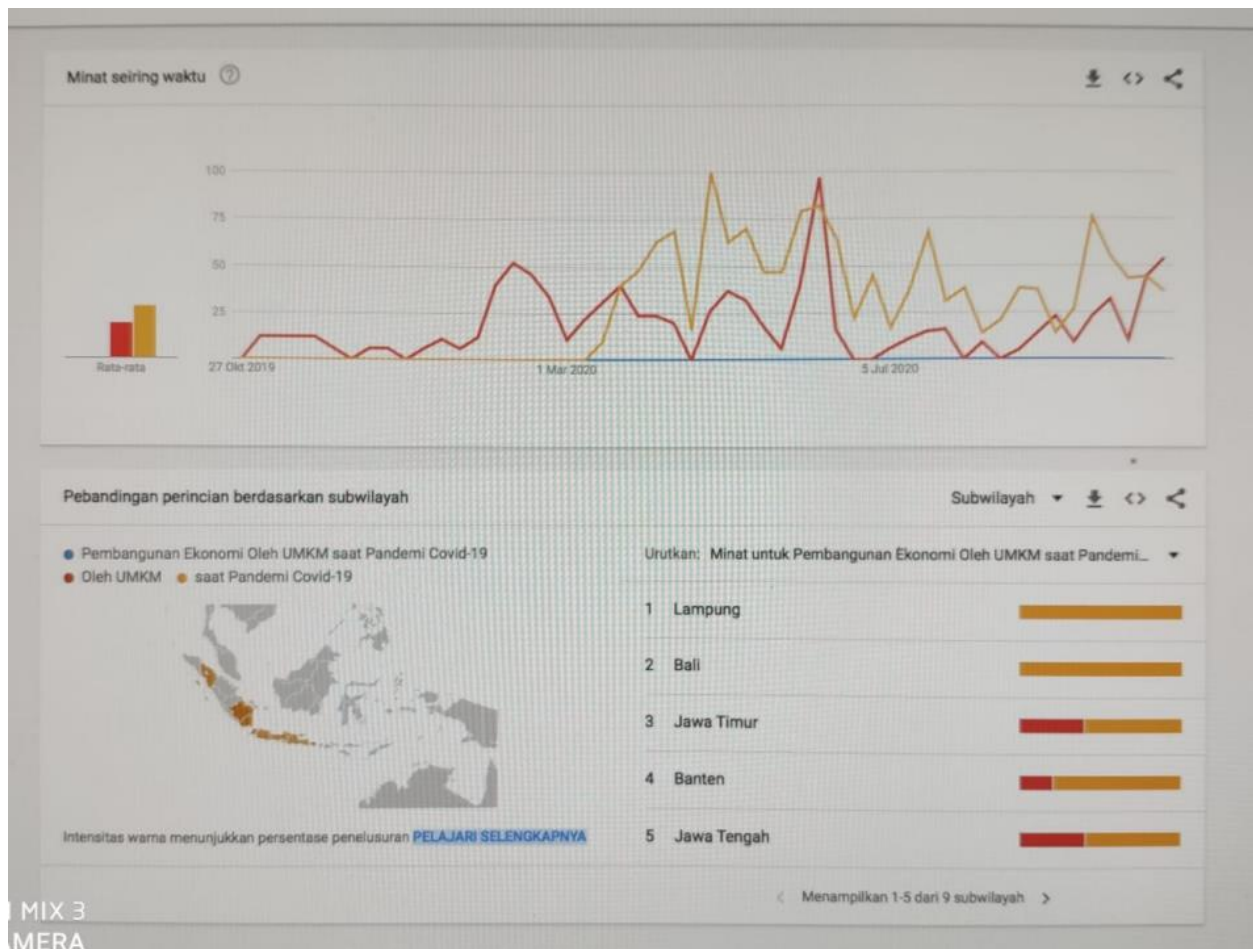
To analyze the data from the interviews conducted using the Google Trend Analysis Program. Where from the formulation of the problem in which there are various questions will be answered based on research data that has been collected and included in the data analysis program.

RESULTS AND DISCUSSION

It can be seen from the image that interest in MSME activities began to increase sharply. The increase was mainly contributed to the MSME BLT, Online MSME Assistance, MSME social assistance and others related to other MSMEs.

The overall registration of small, medium and micro enterprises is the second task of the community after supporting small, medium and micro enterprises. Next to also increase in the top 5 are single line MSME and MSME topics and MSME business itself.

There has been a significant increase in interest in MSME development at the national level across the provinces, followed by Bali in Lampung. East Java Province took third place and Banten Province took fourth place. Central Java ranks fifth. It is clear from the data obtained that the areas where MSMEs are growing means that people in these areas prefer to rely on their economic activities rather than on the creativity of more independent communities. The desire to become a public servant as a community profession is dwindling. The awareness to open a business independently even though it is small is more in demand by the public after the COVID-19 pandemic.



The impact of the Covid-19 outbreak on the global economy has also been devastating. In the first quarter of 2020, the economic growth of several trading partner countries of Indonesia turned negative: Singapore -2.2, Hong Kong -8.9, EU -2.7 and China fell to -6.8. Some countries are still showing positive growth, but it is down compared to the previous quarter. The United States dropped from 2.3 to 0.3, South Korea dropped from 2.3 to 1.3, and Vietnam dropped from 6.8 to 3.8. Indonesia dropped significantly from 4.97 in Q4 2019 to just 2.97 in Q1 2020. This sizable decline in Indonesia in the first quarter was unexpected considering social distancing rules and the PSBB came into force in April 2020.

Indonesia's economy In terms of annual growth rate, the largest source of Indonesia's economic growth in the first quarter of 2020 was the information and communication industry, with a growth rate of 0.53%. In line with this, the volume of PLN electricity sales to households increased. Based on a release from the Central Statistics Agency, the number of foreign tourists who came to Indonesia in the first quarter of 2020 also dropped dramatically to only 2.61 million visits, a decrease of 34.9 percent compared to last year. This is in line with the ban on flights between countries which came into effect in mid-February. The number of rail and air transport passengers also grew negatively in line with the enactment of the PSBB.

The Impact of Covid-19 on the MSME Sector

- 1) Decrease in Buying and Selling Activities. According to the chairman of the Nusantara Warteg Community (Kowantara), Mukroni, the Corona virus has reduced

the turnover of warteg entrepreneurs in Indonesia, especially Jabodetabek, by 50 percent.

- 2) Raw Materials Hard to Get. The production capacity experience extremely decline. Inevitably, this condition has caused raw materials for home industry production to become scarce, or to experience extreme price increases.
- 3) Blocking distribution. To prevent the spread of Covid-19, large-scale social restrictions were imposed, resulting in the cessation of sales activities that adversely affected SME companies. They are now confused about how to distribute their products, especially for SMEs who have started expanding their market reach beyond the region or even the islands.
- 4) Service providers are affected by Covid-19. Not only small and medium-sized enterprises engaged in household manufacturing, but also those engaged in service industries have reported a sharp drop in sales. For example, hairdressers who have been forced to lose income due to social distancing measures. Casual workers such as construction workers, makeup artists, wedding organizers, wedding photographers are reportedly struggling to earn income as many projects have to be postponed due to the coronavirus pandemic.

The Importance of Information and Communication Technology for MSMEs. In order to be able to grow MSMEs, especially during the Covid pandemic, it is important to use information and communication technologies such as smartphones to conduct business. Most importantly, in addition to business capital, MSMEs need continuous guidance from local governments to enable them to grow their businesses. MSMEs in particular need to prepare infrastructure for information technology so that they can use the web for digital transactions.

MSMEs urgently need sustainable development in order to be able to compete with large established companies from different angles. Special guidance is required, especially in marketing, to enable MSMEs to grow their business. When MSMEs gain a larger market share, it will be easy to increase their business activities. The increase in production from MSMEs that occurs gradually will certainly make the community's economy grow by itself. Where MSMEs are the community business sector, which amounts to more than 90 percent of the total entrepreneurs in the Republic of Indonesia. So the government should pay more attention to SMEs.

CONCLUSION

- 1) The economic development model that is suitable during the Covid-19 outbreak is economic development that is oriented to MSMEs by utilizing communication and information technology for MSMEs in carrying out their business activities.
- 2) The orientation and direction of economic development that is appropriate and effective in building the Indonesian economy is to sectors that absorb a lot of labor (Intensive Work).
- 3) The empowerment of MSMEs is very influential on the acceleration of economic turnover so that it can increase economic growth. With the rise of MSMEs, economic inequality is also getting smaller because more than 90 percent of economic implementers are included in the MSMEs category.

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