

## Impact of the Covid-19 Disaster on Small and Medium Micro Enterprises (MSMEs) in Mataram City, West Nusa Tenggara Province



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**ABSTRACT:** The purpose of this study was to analyze the impact of the COVID-19 disaster on MSME actors in Mataram City, West Nusa Tenggara Province. The approach used in this research is qualitative research. Data collection techniques used are observation, interviews and documents. Determination of informants in this study using purposive sampling. The informants in this study consisted of 4 key informants, 10 main informants and 3 additional informants. The technique of checking the validity of this research is using triangulation technique.

The results showed that the impact of the COVID-19 disaster on MSME actors in Mataram City was very influential and the business of MSME actors experienced a decline. This is because the businesses of many MSME actors have closed, due to restrictions on activities made by the government. So that many MSME actors reduce employees to reduce losses that occur. As a result, a lot of unemployment occurs due to Termination of Employment (PHK). The steps taken to develop a business during the Covid-19 era are by doing promotions online and by word of mouth (manually). Then the income of MSMEs during the Covid-19 period decreased compared to before Covid-19. The efforts made by the Mataram City government in increasing MSMEs during the COVID-19 pandemic are tax relaxation, providing Social Safety Nets (JPS), providing Social Assistance (Bansos) providing training and equipment, issuing pre-employment cards, providing funds or equipment, helping packaging, as well as helping to market the results of SMEs.

**KEYWORDS:** Covid-19, MSME Actors, Causes, Impacts, and How to Overcome PRELIMINARY

### PRELIMINARY

Disaster is an event or occurrence that threatens and disrupts people's lives and livelihoods caused by natural and non-natural factors, resulting in fatalities, environmental damage, property losses and psychological impacts that can affect the regional economy (BNPB, 2020). According to WHO (*Coronavirus*, n.d.) At the beginning of 2020 the world was in an uproar with the outbreak of a new virus, namely the corona virus (SARS-CoV) and this disease is called Coronavirus disease 2019 (Covid-19). Covid-19 is an infectious disease that is a large family a virus that causes mild to severe illness, ranging from colds to serious illnesses such as MERS and SARS. WHO states that covid-19 is transmitted through people infected with the corona virus. Corona virus is zoonotic in nature, namely a disease in animals that can spread to humans. However, it is known that SARS COV-2 can be transmitted from one person to another, the origin of this virus comes from Wuhan, China. Based on data at the end of December 2019 until now it has been confirmed that there are more than 65 countries that have been infected with this virus. including in Indonesia (Sarmigi, 2020).

One of them, West Nusa Tenggara Province, also felt the presence of the corona virus or covid-19. The impact of COVID-19 is felt by all walks of life. One of them is the business of SMEs. According to (Alfrian & Pitaloka, 2020) MSMEs contribute quite a lot to the Indonesian economy in general and the city of Mataram in particular. The existence of Micro, Small and Medium Enterprises (MSMEs) as the backbone of the national economy is also seriously affected not only in terms of total production and trade value but also on the number of workers who have lost their jobs due to this pandemic. When the economic situation is down due to the Corona Virus, business people must be really careful in making decisions and the right strategy is needed for MSMEs.

The life order has changed drastically, starting from workers working from home, students studying from home, students studying from home, investment has decreased, government spending has also fallen, even many factory sectors are closed. So

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that there is a lot of unemployment and an increase in the poor, which resulted in the rate of economic growth throughout 2020 experiencing a decline and even a minus. Because many economic activities and so on are limited or even not carried out. The city of Mataram is one of the cities in the West Nusa Tenggara (NTB) region and also as a center of activity in the economy. The city of Mataram also received the most Covid-19 impacts compared to other regencies/cities in NTB. According to NTB prov. 2021 MSMEs in Mataram City in NTB Province in 2016-2020 or from 58,026 people to 22,473 people continue to experience a decline. This is due to non-natural disasters such as COVID-19.

Several studies related to the COVID-19 disaster. As research conducted by (Widiastuti & Silfiana, 2021) explains that the impact of the Covid-19 pandemic on economic growth in Java has decreased and even has been negative. This is like research conducted by (Ryansyah & Tambunan, 2021) (Sarmigi, 2020) & (Sidik et al., 2020) explaining that the COVID-19 disaster can reduce the economy in the region even though the research uses different variables. Based on some of the studies above, there are still many different variables that can be included in this study, one of which is MSME actors. So that researchers are interested in conducting research with the title "The Impact of the Covid-19 Disaster on MSME actors in Mataram City, West Nusa Tenggara Province".

### **RESEARCH METHODS**

The research approach used is qualitative research. According to Moleong (2012:11) said that qualitative research is research that intends to understand the phenomenon of what is assessed by research subjects such as behavior, perception, motivation, action and others. Holistically and descriptively in the form of words and language, in a special natural context and by utilizing various scientific methods. This study aims to analyze "The impact of the COVID-19 disaster on MSME actors in Mataram City, West Nusa Tenggara Province. There are three types of informants used in this study, such as key informants, main informants and additional informants with a total of 17 informants. Determination of informants using purposive sampling technique. The presence of researchers in this study as participant observers or participating, meaning that in the process of collecting data the researchers made detailed observations in the field. The presence of the researcher as an instrument according to Moleong (2014:169) includes responsiveness, adaptability, basing oneself on knowledge, processing and summarizing, and seeking opportunities in seeking responses. Testing the validity of data in qualitative research using triangulation will further increase the strength of the data when compared to one approach. The data analysis used in this study is an interactive data analysis model that continues until it is complete, so that the data is saturated.

### **FINDINGS AND DISCUSSION**

#### **Covid-19 Disaster against MSMEs**

Since the COVID-19 pandemic, the world has become unstable. This is also experienced by the City of Mataram, when compared to other regencies/cities in NTB, the City of Mataram occupies the first position with confirmed cases of COVID-19. To reduce the spread of COVID-19, the government made regulations regarding the Enforcement of Restrictions on Community Activities (PPKM). So that many people carry out activities from home such as school, college, work, etc., most companies or factories do not operate. The company or factory closed due to the implementation of PPKM made by the government which resulted in a small number of buyers, so that the goods produced did not sell, finally there was no income, even if there was only a little, it was not enough to pay employee salaries, so many companies did Termination Work (PHK). In addition, the Mataram City government made a regulation that at 8 pm all shops had to close. As a result of this regulation, the business of the people of Mataram City was disrupted, especially those focused on the food sector. However, there are several community businesses that have not been disrupted due to COVID-19.

The purpose of cooperation with various parties is so that their products are better known and the business they run is growing. Entrepreneurs hope that the current condition will end quickly and return to normal. So that their business continues to run and can get a lot of profit. The current Covid-19 condition, many business actors in the City of Mataram feel pessimistic, but because of the initial commitment to selling, business actors continue to sell, by adding new variants to be sold.

#### **Efforts made by the Mataram City government in increasing MSMEs during the Covid-19 era**

The existence of the Covid-19 pandemic in the city of Mataram caused many problems, the government responded to the incident by making policies or rules. In overcoming the impact of covid-19 on unemployment, the Mataram City government made a policy. The policies made by the Mataram City government to increase MSMEs during the Covid-19 period are First, Tax Relaxation. Tax relaxation is a government policy that refers to the efforts made by a country to attract investors in order to encourage economic activity. Furthermore, the provision of funds or equipment to MSME actors to open and develop businesses,

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in order to meet the needs of daily life. Furthermore, the Marketing of MSME Products, the Mataram City Government helps MSME actors to market their products. Product marketing is usually done in each sub-district and is useful for helping the surrounding community and MSME actors. Next, Issuing a Pre-employment Card. The issuance of preemployment cards is based on Presidential Regulation 36/2020 on February 28, 2020.

The management of social assistance is regulated in the Regulation of the Minister of Home Affairs of the Republic of Indonesia (Permendagri) Number 77 of 2020. This rule revokes Permendagri Number 99 of 2019 concerning the Fifth Amendment to the Regulation of the Minister of Home Affairs Number 32 of 2011 concerning Guidelines for Grants and Social Assistance Sourced from Regional Revenue and Expenditure Budgets. In solving unemployment must be from all parties because from one party alone it will not work.

### CONCLUSION

The impact of the COVID-19 disaster on MSME actors in Mataram City is very influential. It can be seen from the efforts of MSMEs that have decreased. Then the steps taken in developing a business in this Covid-19 era are by doing online and in-person promotions. During the Covid-19 era, MSME actors made many innovations to sell. However, there are also MSME actors who change their business but are adjusted to the current conditions. Most of the MSME actors reduce employees to reduce the losses that occur. Then the capital issued during the Covid19 period experienced a small profit just to meet daily needs. The Mataram City government's efforts to increase MSMEs during the Covid-19 period are tax relaxation, conducting training, providing funds or equipment, marketing MSME products, issuing pre-employment cards, Social Safety Nets, Social Assistance, Communication with companies, helping vitalize areas in the City, lowering interest rates, delaying payments or installments, giving business slack, and organizing events to attract people to come to Mataram City.

### SUGGESTION

The Mataram City Government also needs to provide assistance so that if there are complaints from the community, they can be handled quickly. For further researchers, it is necessary to add more informants so that the information obtained is wider. Finally, for the future if anyone wants to continue research with this title, the research approach uses a mix method (Quantitative and Qualitative) to make it even more perfect.

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