

COVID-19 PANDEMIC AND ECONOMIC WELFARE: A REVIEW OF MSME INCOME IN TIBAN INDAH DISTRICT, BATAM CITY

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ABSTRACT

This research aims to analyze the impact of the Covid-19 pandemic on MSME income in Tiban Indah Village, Sekupang District, Batam City. The research method used is a qualitative method, with interview techniques, questionnaires, documentation and observation. The number of respondents obtained in this research was 76 MSMEs located in Tiban Indah Village. The research results show that 84% of MSME players stated that there was a decrease in income during the implementation of PPKM in Batam City. The main factor influencing this decline in income is the Batam City government policy which prohibits customers from dine-in and doing all work from home (WFH).

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INTRODUCTION

Starting in Wuhan, China, a new type of virus called Corona has spread to different parts of the world, causing the onset of Corona virus disease 2019, or COVID-19. Since 2020, the spread of the Corona virus has been very significant because it is spreading worldwide, and the entire country has felt the impact, including Indonesia. Therefore, the World Health Organization (WHO) has declared a COVID-19 pandemic since March 11, 2020. The government has implemented various policies to reduce the spread of the Corona virus, such as the imposition of large-scale social restrictions, the restriction of micro-society activities, and emergency- society activities. The policy adopted by this government will have an impact on some sectors in Indonesia, in particular the economic sector.

According to the Central Statistical Agency (CSA), gross domestic product (GDP) growth in Indonesia in the first three months of 2020, when the COVID-19 pandemic began, slowed by 2.97 percent (YoY) compared to the fourth year of 2019 by 4.97 percent (YoY). Starting in the third and fourth trimesters of 2020, Indonesia is beginning to see improvements, which are supported by an Indonesian economy growth of -3.49 percent (YoY) in the 3rd trimester and -2.19 percent in the 4th trimester. In 2021, the government has done a lot of evaluation of the previous policy so that economic growth in 2021 begins to enter a phase of improvement. Based on BPS data, the economic growth rate in the first trimester of 2021 increased by 3.10 percent (YoY), and in the second trimester, 2021 continued to increase to 3.31 percent (YoY). The following can be seen in the following table:

Table 1 Gross Domestic Product Growth in Indonesia

Period		GDP
2019	Triwulan IV	4,97 %
2020	Triwulan I	2,97 %
	Triwulan II	-5,32 %
	Triwulan III	-3,49 %
	Triwulan IV	-2,19 %
2021	Triwulan I	3,10 %
	Triwulan II	3,31 %

Although the economy continues to improve, the impact of this pandemic is very strong on entrepreneurs. Many of the stores that have been closed due to the COVID-19 pandemic, one of which is P.T. Hero Supermarket Tbk, officially closed all Giant stores in Indonesia at the end of July 2021. The closure has begun from the beginning of the year 2021 until the middle of the Giat Year and has been officially shut down throughout Indonesia. He's one of the biggest businessmen affected by the COVID-19 pandemic. In addition to macro-entrepreneurs, micro-entrepreneurs must also have a lot of similar impact. As in Batam City, the government has taken steps to cut off the chain of spread of the COVID-19 virus, such as the enforcement of the UNFPA and the PPKM policy, which affects the survival of small and medium-sized enterprises. Many entrepreneurs failed to survive and closed their businesses due to the restriction on operating hours. According to the data from Tiban Indah, the number of UMKM enterprises in 2019 was 186. In 2020, the UMKM number decreased by 44% to 105 enterprises, and in 2021, the number of enterprises in Tiban Indonesia only reached 76 enterprises. The decrease in this number

is not exempt from the problem of revenue for the business; the failure to maintain the business during the treatment of the PPKM has made many enterprises decide to close the business. Referring to some previous studies such as Putri and Dkk (2020), who studied the income of UMKM in Blado Village Batang district, it was stated that the income for UMKM at Blado District Batang during the COVID-19 pandemic dropped drastically, and this was due to the decline in the purchasing power of the community and the isolated market conditions. Similarly to Putri (Dkk) (2020), Panjaitan (Dk (2020) also stated the same thing: the average income of traders in the Lakessi City Pare-Pare South Sulawesi market decreased during COVID-19. It's because the market is secluded from buyers. Suryani (2021) also stated the same thing: the income of the Klepon home industry in the New City of Driyorejo represents a 60 percent decline. Based on previous phenomena and investigations, the researchers are interested in conducting research on Tiban Indah Kelurahan at Sikupang Kota Batam by analyzing how UMKM income increased during the existence of PPKM policy at the time of the COVID-19 pandemic in Batam and whatever factors influenced it. How does UMKM make decisions about its business and its impact on revenue?

METHODOLOGY

This research is qualitative descriptive research. The respondents in this study are the UMKM perpetrators in Kelurahan Tiban Indah Kecamatan Sekupang Kota Batam. As for the number of UMKM offenders based on data from Kelurahan Tiban Indah there are as many as 76 businessmen. Data collection techniques are done through documentation, interviews, and observations. Once the data is collected, the next step is to process the data according to the type and needs of the research purposes. Data analysis is carried out using a qualitative approach, which means that the data collected is then described in words, separated by inductive thinking patterns, i.e. viewed from facts and events specifically and then generalized generally. Data analysis is carried out through three stages, namely: data reduction, data sourcing, and conclusion withdrawal (Purbawati, 2020). Data reduction is done by selecting data with a focus on the impact of PPKM on traders' income in Tiban Indah.

RESULTS AND DISCUSSION

This research was conducted in Tiban Indah Village, Sekupang District, Batam City, Riau Islands Province. Based on data from Tiban Indah Village, there are 76 MSMEs located around Tiban Indah Village. However, after the research team went to the field from July to September 2021, it was found that 83 MSMEs were still operating. The data from MSMEs based on groups of types of merchandise found in Tiban Indah Village, Sekupang District, Batam City can be seen in the following table:

Table 2 Types of Trades

No	Types of Trades	Percent
1	Culinary	53 %
2	Dairy Shop	10 %
3	Conter HP	13 %
4	Salon	3 %
5	Taylor	2 %
6	Loundry	8 %
7	Swalayan	10 %

Based on the age range of MSME owners in Tiban Indah Village, they are as follows:

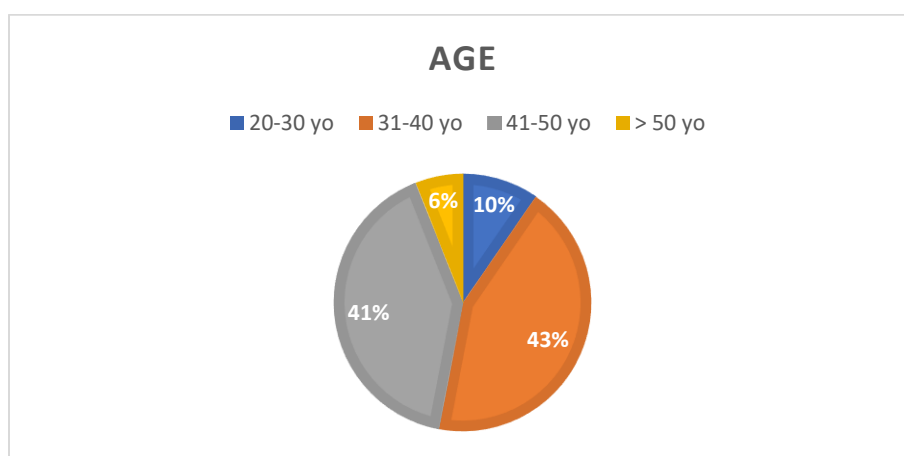


Figure 1. Age

Based on the results of interviews and questionnaires distributed to MSME actors in Tiban Indah Batam Village, it is known that 43.4% of the age range is 31-40 years, 41% is in the 41-50 year age range, 9.6% is in the 20-40 year age range. 30 years, and 6% in the age range over 50 years. MSME actors who are in the age range of 50 years and above are those who are still trying to survive because they do not have families who can help them in their lives. Meanwhile, those in the 20 - 30 year age range are young entrepreneurs who have graduated from high school, and some are students.

Meanwhile, based on gender, 56.6% of MSME actors in Tiban Indah Village, Batam City are men, and the other 43.4% are women, which can be seen as follows:

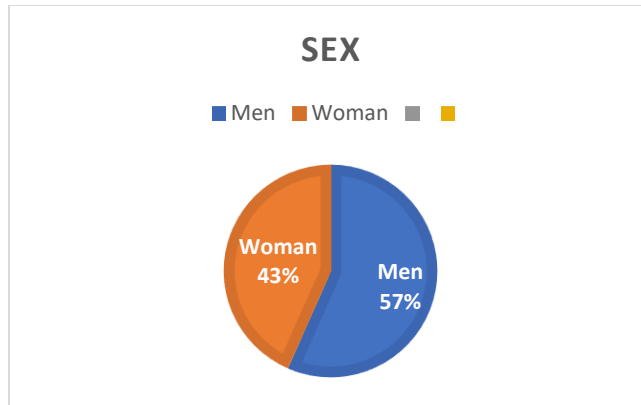


Figure 2 Sex

And based on education can be seen as follows:

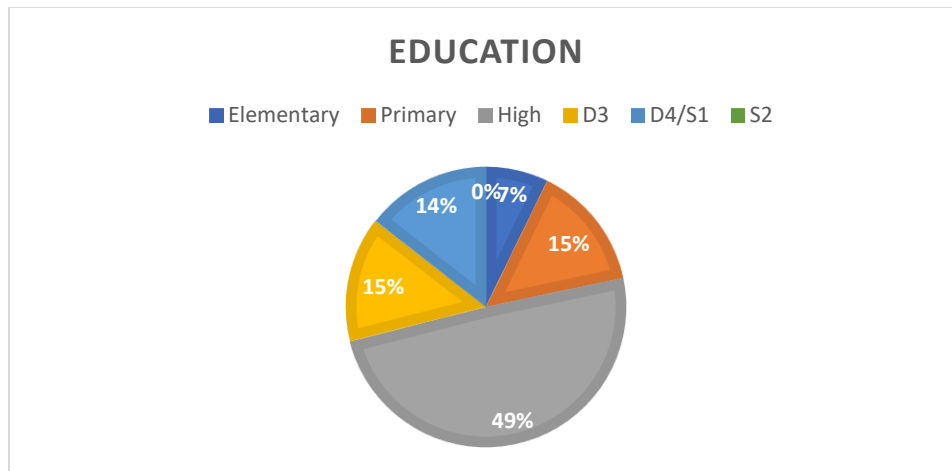


Figure 3 Education

MSME income during the implementation of PPKM in Tiban Indah Village

During the COVID-19 pandemic, the Batam City government has carried out various programs to break the chain of spread of the Corona virus, starting from the implementation of PSBB in early 2020, Micro PPKM in mid-2020 to early 2021, and Emergency PPKM in July 2021. During the PPKM that was implemented in Batam City, according to MSMEs in Tiban Indah Subdistrict, 84.3% stated that their income had increased, 8.4% stated that they had increased, and 7.2% stated that they had remained the same. The decline in MSME income is due to reduced customer or consumer demand for MSME products.

Based on the results of researchers' interviews with MSME owners, 84.3% said the decline was the result of a reduction in the number of customers, an increase in raw materials and even difficulty in obtaining raw materials. Government regulations such as the prohibition on dine-in are the main thing that has an impact on MSME players in the culinary sector such as cafés, who stated that their income has decreased drastically due to reducing the number of customers. Apart from the culinary sector, business actors such

as laundry, taylor, department stores/supermarkets, and salons also stated that the reduction in the number of customers was due to people being prohibited from leaving the house and workers such as private employees and civil servants doing a lot of their work from home. Meanwhile, some daily stalls and cellphone counters felt the same way, but 8.4% said they had increased. The increase that occurred in daily stalls was in small daily stalls close to people's homes. Mrs. Sri, as a daily stall trader, said:

"Because many mothers or mothers in the complex are at home, it turns out they are innovating by cooking various types of food for their families."

Apart from Mrs. Sri, other daily stall traders also agree with this statement. On the other hand, HP counter traders also stated the same thing: that there was an increase in demand for sales, especially internet packages. Many schools implementing distance learning (PJJ) programs require students and parents to provide internet packages. Although there are some parents who get internet packages from the government. Meanwhile, 7.2% of MSME players stated that demand for their products was the same. This is because these MSME players have just started their business during the COVID-19 pandemic, so they cannot yet compare it with before the COVID-19 pandemic.

Factors that influence MSME income in Tiban Indah Subdistrict

Based on the results of interviews with MSME players, the main thing that influenced MSME income during the Covid-19 pandemic was government policy regarding PPKM. At the beginning of 2020, when Indonesia declared the Covid-19 pandemic, the Batam City government immediately took steps to implement PSBB. The implementation of this PSBB has a direct impact on the income of MSMEs, especially in the culinary sector. There has been a drastic decline in MSME income due to the decline in the number of customers. After the PSBB in mid-2020 to early 2021, the Batam City government implemented Micro PPKM. During the Micro PPKM, MSME income began to rise again, although not significantly. When compared with income before the Covid-19 pandemic, MSME income during the Micro-PPKM period is still smaller than income before the Covid-19 pandemic. When MSME income during the micro-PPKM period began to improve, in mid-2021, the Batam City government implemented emergency PPKM due to an increase in the number of people infected with the Corona virus. This immediately had an immediate impact on MSME income, where MSME income again decreased drastically. The impact of this government policy is that many MSME players have lost customers, thereby reducing their income and turnover. Small stalls located around the school area are really feeling this impact because schoolchildren are learning from home.

Apart from government policies, financial assistance from the government is highly expected from MSME players to increase their income. Through financial assistance from the government, MSMEs can increase product promotion through endorsements and even create product innovations to attract customers' buying interest in a product. Furthermore, weak human resources in the use of technology also affect

MSME income. Not a few MSMEs in Tiban Indah Subdistrict are yet "digitally literate". Digital literacy, or digital literacy, is the knowledge and skill to use digital media, communication tools, or networks in finding, evaluating, using, creating information, and utilizing it in a healthy, wise, intelligent, careful, precise, and lawful manner according to its use in order to foster communication and interaction in everyday life. Digital literacy can also be defined as the ability to use information and communication technologies to find, evaluate, create, and communicate information, which requires cognitive and technical skills. This is because there are 47% of respondents aged over 40 who have less than a high school or equivalent education.

Steps taken by MSME players to maintain their business-going concern

The Batam City Government's policy regarding Emergency PPKM, prohibiting MSME players, especially those in the culinary sector, from dine-in and prohibiting them from leaving the house, also affects the income of MSME players as a whole. This is what ultimately challenges MSME players to survive. There are several efforts made by MSMEs to survive the Covid-19 pandemic situation, including:

- a) Increasing product promotion through social media.
- b) Receive orders online, either via WhatsApp or by registering products with Go-Jek, Grab, and others.
- c) Increase various product promotions to attract customers' buying interest. Apart from several efforts made by MSME players, they also hope that the government will relax the PPKM policy to increase the number of customers so that they can increase income.

CONCLUSION

The high number of Covid-19 patients in Batam City has prompted the Government to take a policy to implement large-scale social restrictions (PSBB), micro-community activity restrictions (PPKM), and emergency PPKM. This implementation has an impact on the income of MSMEs in Tiban Indah Village, Sekupang District, Batam City, who were respondents to this research. The method used in this research is the qualitative method. Data were obtained using interview techniques, questionnaires, observation, and documentation. The number of respondents as MSMEs in Tiban Indah Subdistrict was 76 business owners. The results obtained in this research are:

- 1) The implementation of PPKM in Tiban Indah Subdistrict during the Covid-19 pandemic has greatly affected the income of MSMEs in Tiban Indah Subdistrict. Of the 76 MSME players, 84% of them stated that their income had decreased due to the implementation of PPKM by the Batam City Government. MSME players who say they are declining are in the culinary sector. This decrease was due to regulations from the Batam City Government that prohibited customers and consumers from dine-in, requiring them to reduce mobility outside the house so that the Work From Home system was implemented. As a result of this policy, MSME players, especially those in the culinary sector, are experiencing a decline in their income.

- 2) The main factor that influences the income of MSME players is the government policy implementing PPKM during the Covid-19 pandemic. Apart from that, MSME players also hope for financial assistance from the government to increase their competitiveness or selling power through promotions.
- 3) MSME players who were able to survive during the Covid-19 pandemic were those who were able to promote products via social media, switching from offline to online sales by utilizing the Go-Jek and Grab applications, and so on.

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