



The Condition of MSMEs during the COVID-19 Pandemic (Case Study of MSMEs at Mba Yuni Food Stalls)

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ABSTRACT

UMKM or Micro, Small Medium Enterprise (MSMEs) have a crucial role in increasing the country's gross domestic product. however, since COVID-19 hit globally at the end of 2019, and there have been many government policies in force in tackling the COVID-19 pandemic, many business actors have experienced a drastic decline in income and not a few have been unable to maintain their businesses which led to the closure, one of which was the Mba Yuni Food Stall business. This study aims to get an illustration of the condition of MSMEs in the culinary and beverage sector during the COVID-19 pandemic at a food stall. This study was conducted for 3 months from March to June 2022. The research method used is descriptive quantitative using purposive sampling techniques using information sources in the form of field information interviews using samples of MSMEs at Mba Yuni Food Stalls. The results showed that the profit obtained by msMEs of Warung Makan Mba Yuni in the city of Surabaya during the COVID-19 pandemic had a relatively compound figure. This data shows that MSMEs at Mba Yuni Food Stalls are still unable to maximize their business potential, one of which is caused by COVID-19 and the policies implemented by the government during the COVID-19 pandemic. The Large-Scale Social Restrictions policy implemented by the government requires business owners to cut business active time only until 21.00 WIB and reduce the number of consumers by 50% for dine-in. The government's policy of limiting working hours during the COVID-19 pandemic is an important factor in the decline in the business income of MSMEs at Warung Makan Mba Yuni during the COVID-19 pandemic.

Keywords: *MSMEs Mba Yuni Food Stalls, Surabaya, COVID-19, Quantitative Descriptive*

INTRODUCTION

UMKM or Micro, Small Medium Enterprise, better known as MSMEs, are business actors who are active in various business fields. The presence of the MSME sector provides many benefits to the Indonesian economy. MSMEs are informal businesses that began to emerge by looking at market opportunities that exist around them, of course using the purpose of profit for business owners.

MSMEs have a crucial role in increasing the country's gross domestic product (GDP), especially when facing the industrial era 4.0. This fact shows that MSMEs are productive businesses that were developed to support macro and micro economic development and progress in Indonesia and related sectors that influence it (Suci, 2017). The production system used in the industrial era 4.0 itself has utilized technology and big data. This concept was first known to the public at the Hannover Messedi industrial exhibition in Hannover City, Germany in 2011. This activity was also the initial inspiration for the naming of industry 2.0 and industry 3.0 which were previously known as the digital revolution and the technological revolution. MSMEs must be professional, productive and creative in order to survive in the industrial era 4.0.

MSME 4.0 began to incorporate elements of progress in computerization, synthetic intelligence, robotics and material science with the aim of accelerating the shift towards products that are more environmentally friendly. MSMEs are also required to prepare themselves for the development of new energy technologies that form cheap, abundant and sustainable resources. MSME 4.0 must start exploring how the industrial revolution 4.0 affects individuals and market citizens, of course MSME 4.0 takes the first step in building change in business.

Since the end of 2019, the whole world has been shaken by the presence of the COVID-19 virus

(coronavirus). COVID-19 was first reported in the city of Wuhan, China on December 8, 2019. This virus has become the most serious global threat in the health sector because it attacks the human respiratory tract and can cause death. This virus is feared because it spreads very quickly. Symptoms of COVID-19 are usually in the form of fever, dry cough and shortness of breath and with the worst impact is death. As of December 29, 2021, there were 4.26 million Covid cases in Indonesia with a death rate of 3.4%, namely 144 thousand people (<https://COVID-19.go.id>).

The Large-Scale Social Restrictions (PSBB) implemented by the Government of Indonesia in response to the high number of COVID-19 cases require people to limit all activities outside the home. Of course, this policy aims to break the chain that causes COVID-19. The implementation of the obligation to do 3M, namely using masks, washing hands and also maintaining distance. The COVID-19 endemic not only affects the health sector but also affects the social, educational world and the flow of the economy, especially MSMEs as businesses that are directly affected. Since the implementation of this policy, many business actors have experienced a drastic decrease in their income and not a few are unable to maintain their business which ended in bankruptcy closing their business.

MSMEs that were closed were also followed by the establishment of new MSMEs, but policies during the COVID-19 endemic. resulting in MSMEs entering the new MSME industry with increased competition by paying more attention to quality, cleanliness and fast service. Big changes have occurred in MSMEs working in the culinary and beverage sector, considering that prior to COVID-19, workers working in culinary and beverage MSMEs could interact directly with customers without any obstacles, but now less contact must be made and services have changed using computers to a minimum. personal contact with customers. In addition, MSMEs are required to be clean and change sales standards according to the business circular during the current pandemic.

Based on the description above, the author is interested in further researching the condition of Micro, Small and Medium Enterprises during the COVID-19 pandemic with the title: "Analysis of the condition of MSMEs during the COVID-19 Pandemic in the City of Surabaya (Case Study of Mba Yuni's MSMEs)".

This study aims to get an illustration of the condition of Micro, Small and Medium Enterprises during the COVID-19 pandemic in the city of Surabaya. The results of this study can easily get information about the condition of MSMEs and as a reference for comparison for the next researcher who will research in the same scope and become study material and reading for related groups.

METHOD

The research was conducted on MSMEs circulating in the city of Surabaya which are engaged in the culinary and beverage sector. The research was carried out for 3 months from March 2022. The research method used was descriptive quantitative. Researchers collected data and described the condition of MSMEs during the COVID-19 period on culinary and beverage MSMEs in the city of Surabaya.

The sampling technique used is a purposive sampling technique, namely by taking carefully selected samples by selecting research objects that are selective and have specific characteristics from the population, so that they can be called more representative (Sugiyono, 2013). The criteria for selecting the sample are inclusion criteria that are appropriate for the research objectives. The criteria used in the study are as follows.

Table 1. UMKM or Micro, Small Medium Enterpris (MSME)

Description	Criteria	
	of Asset	Turnove
Micro Enterprises	Maximum 50 million	Maximum 300 million
Small Businesses	>50 million – 500 million	>300 million – 2.5 M
Medium Enterprises	>500 million – 10 M	>2.5 M – 50 M

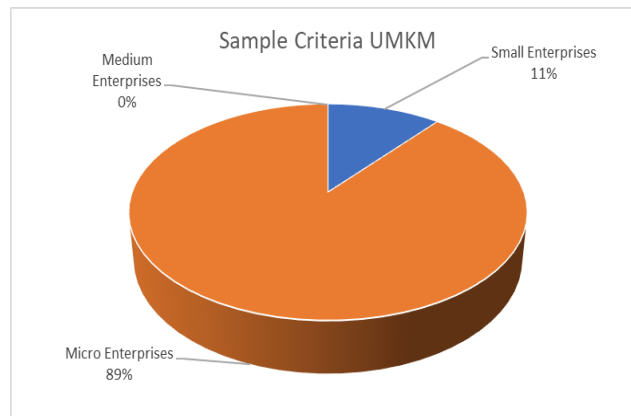
Source: Law No. 20 of 2008 concerning Micro Enterprises , Small and Medium Enterprises (MSMEs).

The sample used is Mba Yuni's Warung Makan Mba Yuni in the city of Surabaya which is in the culinary and beverage sector. The types of data used are primary data and secondary data. The primary

data used was obtained from research subjects using data collection tools as a source of information in the form of field information interviews, while secondary data was data that had been processed and recorded in books or writings sourced from relevant agencies.

The analysis used is descriptive analysis to answer the research objectives. according to Sugiono (2009), descriptive analysis means a method that serves to convey a description or condition of the research object being studied through data or samples that have been collected.

RESULT AND DISCUSSION



Source: research data processed, 2022

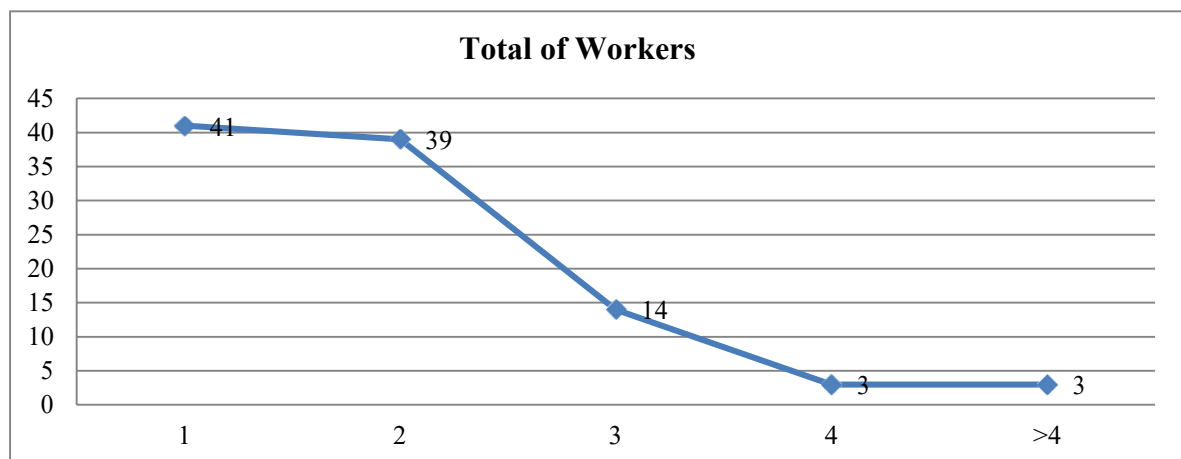
Figure 1. MSME Sample Criteria

Figure 1 shows that the food and beverage MSME sample is dominated by micro enterprises with 89%, then small businesses with 11% and medium enterprises with 0%. This division of business clusters follows Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (Table 1).

Some of the advantages of MSMEs over large businesses include:

- Innovation in technology that easily occurs in product development,
- Employee relations are more intimate in small-scale companies,
- The ability to create diverse and numerous job opportunities and high absorption of labor,
- Flexibility and ability to adapt to rapidly changing market conditions compared to large companies which are generally bureaucratic problems, and
- Emergence of managerial dynamism and the role of entrepreneurship.

Another thing that is often found in MSMEs is the lack of use of labor or business owners often work concurrently in order to save on the production budget to pay employees. The number of workers in food and beverage MSMEs in the city of Surabaya is presented in Figure 2 below.

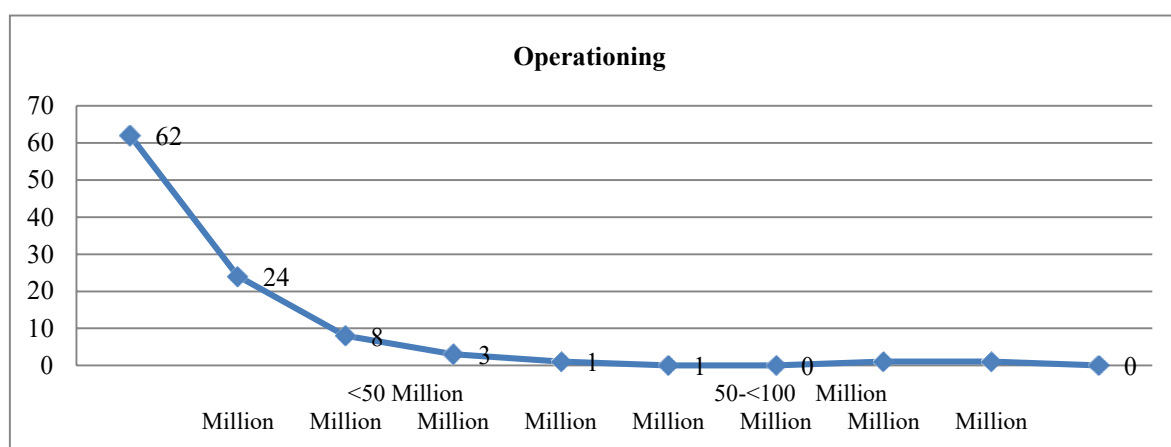


Source: research data processed, 2022

Figure 2. Number Of MSME Workers During The COVID-19 MSME Pandemic

The number of workers in culinary and beverage MSMEs circulating in the city of Surabaya is still dominated by three workers and generally business owners work at the same time as employees. This shows the low level of employment in culinary and beverage SMEs in the city of Surabaya. Manpower is one of the crucial factors influencing business growth, considering that human resources (HR) affect the speed and slowness of the business development process. HR as the subject of business development must be supported by good and adequate competence to carry out business processes. Tambunan (2003) reveals the importance of quality human resources in entrepreneurship because it will increase success in business competition.

To face global competition in the business industry, companies are required to increase their competitive advantages, including efficiency, productivity, mastery of the latest technology, and high entrepreneurship (Tambunan, 2002) all of which rely on the quality of working human resources. This also applies to the MSME industry, if the human resources used are of high quality, it will become an advanced MSME industry with one indicator of high operating profit. Culinary and beverage MSME operating profits in the City of Surabaya during the COVID-19 pandemic are presented in Figure 3 below.



Source: processed research data, 2022

Figure 3. MSME Operating Profit During The COVID-19 Pandemic The Operating

The operating profit obtained by culinary and beverage MSMEs in the City of Surabaya during the COVID-19 pandemic provides relatively diverse figures with an operating profit range of <50 million and the highest for operating profit 50 million-<100 million. This data shows that culinary and beverage MSMEs are still not able to maximize their business potential, one of which is caused by COVID-19 and the policies that apply during the COVID-19 pandemic. one of the business owners admitted that the profit his business received had drastically decreased by almost 60% compared to before COVID-19 began to spread.

CONCLUSION

The outbreak of the global COVID-19 pandemic has an impact on economic instability, especially for MSMEs in the food and beverage industry. MSME actors directly felt the impact in the form of a decrease in the number of sales which was reflected in the decline in sales and operating profit, as a result of government policies related to the widespread implementation of social restrictions that encouraged people to do so. stay at home, that's why many MSMEs have to stop operating and temporarily close.

This is due to the decline in consumer confidence in food and beverage products after the COVID-19 outbreak, because it is said to be one of the links in the distribution chain. The government's Large-Scale Social Restriction Policy (PSBB) requires business owners to limit business activities to a maximum of 21.00 WIB. and reduce the number of consumers who eat by up to 50%. The government's policy of limiting working hours during the COVID-19 pandemic is one of the important factors behind the decline in sales of food and beverage MSMEs during the COVID-19 pandemic.

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