

Implementation Policy of Stimulus Assistance for MSME Actors in Bali Province

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ABSTRACT

The Covid-19 phenomenon has had a huge impact on the economy in all regions in Indonesia, especially the Province of Bali. The regional income of the Bali Province has decreased due to the closure of access to Bali tourism so that no tourists, both foreign and local, can travel on the island of Bali. This condition also has an impact on MSME business actors who rely on tourist visits to buy MSME products so that sales have decreased drastically. The activities of business actors finally experienced a decline which ultimately resulted in losses so that they could not continue their business. The collapse of the tourism sector in Bali Province due to the COVID-19 pandemic also had a huge impact on MSME business actors so that the Bali local government had to take strategic steps to provide assistance to MSME business actors, namely a stimulus assistance program for MSME business actors. The purpose of this study was to determine the implementation of stimulus assistance policies for MSME business actors in Bali Province. The research method used is a descriptive qualitative approach. This research results that there needs to be an implementation stage to be able to measure the success of the policy or not. In this case, the provincial government of Bali has succeeded in providing such assistance in a targeted and accountable manner. In addition to this, all the assistance provided is in accordance with the technical instructions mandated by the Governor of Bali Province, so that the distribution flow is also appropriate and clear.

Keywords: *implementation policy; stimulus assistance; actors business MSME;*

1. INTRODUCTION

Small, Micro and Medium Enterprises (MSMEs) have become one of the pillars in the Indonesian economy, because they can absorb labor and form gross domestic product (GDP). MSMEs are also business actors who make a major contribution to the level of the regional economy, so the growth and development of MSMEs in the economic sector is very much needed. The growth and development of MSMEs in Indonesia is expected to reduce unemployment and poverty levels so as to create a prosperous society. In 2014, MSME activities in Indonesia were able to increase the gross domestic product (GDP) of Rp. 1,504,928.20 billion. This increase in GDP is supported by the role and potential of MSMEs in increasing economic growth, welfare, harmony and balance, but MSME activities

must also be supported by appropriate regulations so that they can face various challenges and be more competitive. Yusri [1], argues that there is a need for legal protection and appropriate regulations for MSMEs to develop their products, so that they are able to compete and market their products at national and international levels.

Increasing the number of MSMEs every year in Indonesia, it is necessary to have special support and attention to MSME actors so that they can contribute to the national economy. This increase in the number of MSMEs in Indonesia encourages the government to strengthen MSME actors by designing various directions and policies aimed at protecting MSMEs, especially during the COVID-19 pandemic. The impact of this outbreak has hampered the development of the

business world, including MSMEs, but as stated by Marlinah [2], that MSME business opportunities are unlimited, in any field that has the potential to become an MSME business despite the COVID-19 outbreak, as long as MSME actors have a lot of creative ideas. Then, Lestari, et.al [3] explained that the small, micro and medium enterprise (SME) sector has an important role in maintaining local and government economic activities, SMEs with all the characteristics are able to provide many choices of economic activities that are needed by producers, consumers and government.

The development of MSMEs during the COVID-19 pandemic has brought changes and negative impacts that have quite an impact on the existence of MSMEs in the business world. Based on the results of research conducted by Raffles, et.al [4] that the implementation of the COVID-19 pandemic MCO (assistance) has an effect on MSMEs. Then, Lestari, et.al explained that the assistance provided by the government to MSMEs during the COVID-19 pandemic can improve MSME performance, this is because during the pandemic the demand and supply of goods or services from buyers is relatively decreased and causes business finances to deteriorate. but with the help of the government can help reduce costs in short-term business cash flow. In accordance with this explanation, Sugiri [5] suggests that there are several things that need to be considered in developing MSME business units, namely access to capital financing, access to markets, availability of business development services, providing business networks and the availability of human resources.

One of the areas that depend on the economy on MSMEs, especially in the tourism industry, is the Province of Bali. There are several groups of MSME actors in Bali Province, including food businesses, beverage businesses, handicrafts (carving), and tourism service businesses (homestays, lodging, etc.). The number of registered MSMEs in Bali is 326 thousand, but with the COVID-19 outbreak, MSME activities have crippled MSME activities so that the number of MSME actors has decreased drastically, and several MSME businesses have suffered losses and eventually went bankrupt. Based on the service description of the Bali Province Cooperatives, Small and Medium Enterprises Service, the vision, mission, of the Bali Province MSME Service is to carry out the Rehabilitation of Cooperatives, Small and Medium Enterprises (UKM) Renewal of cooperative organizations through updating data and freezing, will be followed up with the dissolution of cooperatives, SME development Implemented gradually and measurably to improve and develop the business and institutional capacity of cooperatives to encourage them to become large-scale international cooperatives, the SME Re-Orientation changes the paradigm from a

quantity approach to a quality cooperative institutional approach..

The problems faced by MSME actors in Bali Province, solutions can be given that can create new motivation for the development of MSMEs in Bali Province. The solution offered by the government is the provision of stimulus assistance to MSME actors, which is a work program of the Bali Provincial government which aims to help MSME actors to survive during the COVID-19 pandemic. The stimulus assistance policy provided to MSME actors is regulated in Bali Governor Regulation No. 15 of 2020 stimulus assistance to MSME business actors in the Province of Bali. The realization of this assistance was provided for 3 months and went through several stages in accordance with the technical instructions directed by the Bali Provincial Government. The implementor of this policy is the Bali Province MSME Service, which is entrusted with distributing aid and conducting verification related to the standards of candidates for receiving the stimulus assistance. However, in the Province of Bali, regarding the implementation of the Governor's Regulation Number 15 of 2019 regarding stimulus assistance, it has not been implemented optimally. One of them is the problem related to the distribution of stimulus assistance to MSME actors who are not in accordance with applicable regulations.

The success of an implementation can be measured by questioning the implementation of the program as determined, namely program actions. In accordance with Mulyadi [6] the stage of policy implementation is the most important stage in the solution to solving public problems, because at this stage the problem is resolved or not. In accordance with Sudati N.S [7] the role of MSMEs is very important for the government, especially in the nation's economic sector, it is necessary to strengthen MSMEs as pillars of the nation's economic development. Marlinah explained that there are opportunities in developing MSMEs to become the strength, resilience and independence of MSMEs through the provision of capital. Based on the Bali Cooperatives and SMEs Service (2020), that the number of MSMEs affected by COVID-19 has reached 18,583,000 with the most dominant positions being Denpasar city, which is 4,445 thousand, Karangasem as much as 4,338 thousand, Klungkung as much as 3,617 thousand, Bangli as much as 2,464,000, Jembrana as many as 1,604 thousand, Tabanan as many as 1,011 thousand, Badung as many as 509 thousand, Gianyar as many as 401 thousand and Buleleng as many as 113 thousand.

This stimulus assistance is also an effort to improve the quality of human life, especially SMEs. This is due to the very important position of MSMEs in the pillars of the Indonesian economy, namely being able to absorb quite a lot of labor and it is alleged that MSMEs can

survive in any conditions, even in deteriorating economic conditions. Based on the problems expressed, the authors are interested in discussing the Implementation of Stimulus Assistance Policies for SMEs in Bali Province. From the results of this research review, it was found that there are several stages that must be considered to see how effective this assistance is provided by the government. The benchmarks described in this study will later be the answer to whether effective stimulus assistance is given to MSME business actors during the pandemic.

2. METHODS

The approach and type of research used in this research is descriptive qualitative research, where the researcher describes and explains the situation and conditions that occurred, after the researchers conducted observations and interviews. Qualitative research method as a research procedure that produces descriptive data in the form of written words from people and observable behavior, qualitative research will produce analytical procedures that do not use statistical procedures or quantitative methods in general. Research data obtained from manuscripts, interviews, photos and other official personal documents. The research report is carried out by analyzing the data with questions and reasons for what and how the research occurred.

3. DISCUSSION

The contribution of Micro, Small and Medium Enterprises (MSMEs) to the economy is not only recognized in Indonesia. Its role is also recognized in many developing countries and even developed countries. This may not be separated from the characteristics of MSEs which tend to be labor-intensive businesses, spread almost evenly in all locations, especially in rural areas, using local raw materials and as the main provider of goods and services for the basic needs of low-income or poor people (Tambunan [8]; Tyas and Safitri, [9]). The role of MSMEs proved strategic when the economic crisis hit Indonesia in the 90s. MSMEs that are flexible and based on local raw materials are more resilient in facing the crisis and are able to save the Indonesian economy and encourage economic movement after the economic crisis. The province of Bali has experienced a slump in the last 2 years since the Covid pandemic began to enter and paralyze the economy of the Balinese people.

This stimulus assistance policy is a policy issued by the Bali provincial government to be distributed to MSME business actors registered on the island of Bali. According (Nugroho, [10]) these policies are grouped into policies at the regional level. Regional or regional-based policies regarding government affairs. Therefore, the Bali Province MSME Service as the executor of the

stimulus policy is responsible to the Governor of the Province of Bali. Regional policies issued by the Bali Provincial government are issued in the form of Governor's instructions in Governor's Decree Number 20 of 2020 [11]. This is different from the central government's decision issued by the Minister of cooperatives and small and medium enterprises. The form of the policy is also different, including the amount of assistance, the number of recipients and the type of program realized, which is not the same as the regional policy determined by the Bali Provincial Government.

Stimulus assistance is a policy issued by the executive agency, namely the Governor of Bali, which is part of the Bali provincial government. This is different from the opinion of Grindel [12] who introduced the implementation model as a political and administrative process. The model describes the decision-making process carried out by various actors, where the final output is determined by both the program material that has been achieved and through the interaction of decision makers in the context of administrative politics. The difference in meaning is that the decisions taken from the stimulus assistance policy are policies taken by the executive and not from various actors. The Governor of Bali as the highest leader in the Province of Bali gave a decision that was directly executed by the Bali Province MSME Service as the Implementor of the policies issued by the Governor of Bali.

The community which is dominated by tourism service workers is experiencing the impact, on average the MSME workers are street vendors, creative product businesses, and tourism services. The 2016 Bali Province BPS census data states that the results of the 2016 Economic Census registration (SE2016) recorded as many as 482,484 non-agricultural businesses/companies in Bali Province which were grouped into 15 categories of business fields. This number shows an increase of 27.37 percent compared to the results of SE 2006 which amounted to 378,797 businesses/companies. When differentiated according to business scale, as many as 468,658 businesses/companies (97.13 percent) are Micro Small Enterprises (UMK) and 13,826 businesses/companies (2.87 percent) are Large Medium Enterprises (UMB). The registration results show that the number of businesses/companies by business field, it is dominated by wholesale and retail trade as many as 196,556 businesses/companies or by 40.74 percent in line with the number of businesses, the number of workers by business field is also dominated by wholesale and retail trade as many as 392,869 workers or as many as 29.30 percent.

Rahman [13], explained that the Ministry of SME Cooperatives has provided at least three stimulus for

MSMEs during this pandemic which aims to maintain the sustainability of MSME activities, namely

1. Loan repayment slack, the basic need needed by MSME business actors is the provision of loan capital. In line with what was conveyed by the mother, urging local herbal medicine sellers who are often constrained by capital financing. In this case, the program offered by the government is certainly different from the stimulus assistance. The stimulus assistance provided is only aimed at helping MSME business actors survive, not to carry out business capital.

2. Six months MSME tax relief, tax relief is certainly part of government policy, especially through the director general of taxes. The latest data released by the ministry of finance is that MSMEs with income below 500 million will not be taxed. This decision is issued by the government through the Ministry of Finance. This is good news for MSME business actors in the midst of a Pandemic condition where waivers are given by the government to make it easier for MSME business actors to survive.

3. Cash transfers for micro-scale businesses, meaning that MSME business actors are facilitated with financial transaction support. Some MSME business actors on the island of Bali still do not understand digital transactions due to limited online financial knowledge. This is an obstacle encountered for MSME business actors because this will hinder the performance and progress of MSME conditions in the Province of Bali.

Then, Hamalik explains that the stimulus is a form of reactions to achieve goals. In the current pandemic situation, it is necessary to provide stimulus assistance to MSME business actors with the right targets and appropriate targets. Because the quota is very limited, the government must do it right on target. There are only 43,459 quotas distributed to all beneficiaries who will later be selected according to the criteria set by the Technical Guidelines. The stimulus assistance policy implemented in Bali Province based on the stages proposed by Mulyadi resulted in:

1. Stages of Stimulus Assistance Interpretation

The distribution of stimulus assistance carried out by the UMKM Office refers to the technical guidelines that have been set by the regional government. However, in some situations, the UMKM Service directly conducts socialization or informs the public about this stimulus assistance. Based on the statistical data of the Province of Bali, MSMEs must be able to compete globally in order to survive and be able to exist. MSMEs that are flexible and based on local raw materials have proven to be more resilient in facing the global crisis in the 90s.

Some believe that MSMEs are able to save the Indonesian economy and encourage economic movement after the economic crisis (Singgih, [14]). But the era of globalization continues to grow, even the world has now entered the era of digitalization. Previously, globalization was more in the form of interaction and physical integration of people and institutions around the world. Entering the era of digitalization, the boundaries between countries are increasingly blurred and tend to disappear. Digitalization is able to create new economic activities, and even replace them with more efficient systems. Some of the views and solutions made by the MSME Service to business actors are that every MSME business actor registers his business with the local MSME Service in order to obtain an NIB (Business Registration Number) and an MSME Business License.

2. Stages of Organizing Stimulus Assistance

This stage, firstly conducts policy determination which can at least be identified as follows: government agencies (both central and regional); private sector; NGOs and community components. In this case, the implementation of the stimulant assistance policy is carried out by the local government to be carried out by the Bali Province MSME Service. In the Interpretation stage, the determination of the policy procedure is carried out which functions as a guide, guide and reference for implementers and as a deterrent to misunderstandings when the implementer experiences problems. In the study of the implementation of the stimulus assistance carried out by the Bali provincial government, it has issued technical guidelines or technical guidelines that have become a reference and guide for implementers in carrying out their policies. The issued technical instructions are attached to the Bali Governor's Decree Number 15 of 2020 concerning the Provision of Stimulus Assistance. In this stage, the Government of Bali has done it correctly and correctly, where the UMKM Service as the executor of the stimulus assistance policy implements the policy as well as coordinating with several related agencies. This is done so that collaboration between institutions can help each other analyze targets and determine the correct distribution of assistance. For example, the UMKM Office coordinates with the Manpower Office, this is intended to see data on casual daily workers and the number of workers registered with the Manpower Office. The UMKM Service also collaborates with the Communication and Information Office with the aim of seeing the number of print/online media entrepreneurs as one of the targets for providing this stimulus assistance. All criteria for the recipients of assistance have also been determined in the technical instructions that are published and used as guidelines by the Implementor when in the field. The next step contained in the organizing stage is the determination of the

amount of budget costs and sources of financing (APBN/APBD), as well as other sectors (private/public). The budget stated in this policy is taken from unexpected assistance from the province of Bali.

The next step at this stage is the determination of the necessary equipment and facilities, because these equipment will fight in determining the effectiveness and efficiency of policy implementation. Then the pattern of leadership and field coordination is determined, in this case the determination of the point of implementing the policy. In implementing the field, the UMKM office coordinates with various parties. The parties involved in the distribution of this assistance were the BPD bank as the Regional Bank which assisted in the disbursement of non-cash stimulus assistance from the Province of Bali, then various related service agencies and village institutions which were often referred to as village adat institutions. In their duties, the village customary institution helps the government to recommend and ensure that MSME business actors are in the village supervision area and really need stimulant assistance from the government. The last step is to schedule the implementation of the policy implementation that is prepared and as a means of determining the efficiency of the implementation of a policy. Finally, the government determined that the provision of this assistance would take place in 2020.

3. Stages of Implication of Stimulus Assistance

The actions taken in this stage are the embodiment of each stage that has been carried out previously. The process of implementing this policy identifies various factors that influence the successful implementation of a policy. At this stage there are factors that influence the success of policy implementation, Content or Policy Content, a good policy from the content of the content is at least clear, not distorting, supported by a proven theoretical basis, easily communicated to the target group, supported by human and financial resources the good one.

The implementation of this stimulus assistance policy depends on the policy implementing agency and the target group. Implementors must have the capability, competence, commitment and consistency to implement a policy in accordance with the direction of the policy makers. At the time of distributing stimulus assistance to the community, the UMKM Service as Implementor carried out performance in accordance with the direction of the Governor of Bali through technical instructions. In this case, all the appeals and directions from above were well conveyed to the officers in the field. The collaboration between the MSME Service and village traditional institutions has also shown that the MSME Service as the executor of providing assistance is committed and consistent in carrying out the tasks that

have been directed by the Leader, namely the Governor of Bali. During the distribution period of stimulus assistance provided to the community, the biggest challenge faced by the MSME Service was the low interest of the community to register their business with the MSME Service to obtain a license and business number. This is certainly very important for the sustainability of MSME businesses and as an important form of legality so that in the future these businesses can develop better and receive special attention from the government through the Bali Provincial MSME Service. As the Implementing Committee for the assistance from the UMKM Office, they have implemented this principle by mapping different communities, types of businesses and locations.

4. CONCLUSION

The implementation carried out by the provincial government of Bali is carried out in a systematic and measurable manner. The stages carried out in this stimulus assistance policy are based on the stages of interpretation, organization and implications. This stimulus assistance was distributed to MSME business actors in Bali Province who were directly experiencing the impact of the COVID-19 pandemic through the MSME Service in collaboration with various other agencies that could optimally support the distribution of stimulus assistance. The implementation of the distribution of stimulus assistance is provided based on the technical guidelines that have been regulated in the stimulus assistance policy in the Province of Bali.

Coordination and collaboration between agencies in the Bali Provincial Government is one of the supporters in optimizing the distribution of stimulus assistance for MSME business actors including the Bali Regional Development Bank which is the agency for distributing this stimulus aid fund. The process of distributing stimulus assistance went smoothly, including data collection on aid recipients, and distribution of stimulus assistance, so that it received a positive response from MSME business actors.

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