



# The Impact of Super Micro Credit on SMEs During the Covid-19 Pandemic

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## ABSTRACT

The Covid-19 pandemic has significantly impacted the decline in economic sectors, including the SME sector. Based on research conducted by OJK, the COVID-19 pandemic has had an impact on decreasing sales turnover for more than 80 percent of SMEs. Another study even stated that as many as 58% of SMEs close their businesses temporarily. This condition encourages the government to create various programs to support the sustainability of SME businesses. One of the programs is the Super Micro Credit program, which purposes to strengthen SME business capital. This article aims to see how they use Super Micro Credit funds and how it affects SMEs. The research method used is a quantitative approach using the index impact factors. The results showed that SMEs had utilized the use of funds from the Super Micro Credit program to increase capital (42%) and 37% of other needs related to business. However, 21% of SMEs use these funds for different conditions unrelated to business. Furthermore, the Super Micro Credit program positively impacts SMEs with an index score of 0.65. Meanwhile, partially Super Micro Credit has a positive influence in maintaining business continuity (index score 0.67), maintaining sales (index score 0.68) and employees (index score 0.58), conducting business development (index score 0.70), even to make a new attempt (0.60). This Super Micro Credit Program needs to be continued in the coming years so that the national economy can continue to run.

**Keywords:** *E-commerce; Object Oriented Programming; Fruit seed; Marketing; Customize*

## 1. INTRODUCTION

The Covid-19 pandemic has caused enormous economic crisis and losses globally. This crisis resulted from restrictions on people's mobility, including European countries and the United States (US) [1] [2]. Research by Baker et al. said that the pandemic had an effect of uncertainty on the economic sector, which caused the US real Gross Domestic Product (GDP) to contract by almost 11 percent in 2020 in the fourth quarter [3][4]. In addition, there was also a decline in production in the US and UK industrial sectors by 12 to 19 percent [5][6]. The Covid-19 pandemic has also put pressure on the economies of the Asian continent, especially China and other developing countries. The pandemic has resulted in a sharp decline in domestic demand, tourism and business travel, changes in production and trade cycles, supply disruptions, and disruptions to public health [7] [8].

The crisis also occurred on the African continent due to the lockdown policies carried out by several countries. Research conducted by Teach out and Zipfel by conducting simulations of 32 countries on the African continent found that 9.1 percent of the population in Africa could fall into extreme poverty levels, with around 65 percent of this figure is directly caused by lockdown policies. It is also estimated that around 31.8 million people, including 3.9 million children under the age of five, will be severely undernourished during the eight-week lockdown period [9] [10]. Ghana is one of the countries where as many as 3.8 million people will fall below the poverty line. The government's lockdown policy has even caused the value of Gana's GDP to fall by 27.9 percent during the three weeks of lockdown in April 2020 [11] [12]. The Covid-19 pandemic has also added to the economic burden in increased costs that individuals or households must bear to pay for diagnosis and treatment costs, which the government or health insurance does not cover [13] [14].

Like other countries globally, the Indonesian economy has been dramatically affected by the Covid-19 pandemic. Indonesia's economic growth in the first quarter of 2020 only grew by 2.97 percent or slowed down compared to the previous year in the first quarter of 5.07 percent [15] [16]. Furthermore, Indonesia's economic growth contracted to a negative 5.32 percent in the second quarter. The Covid-19 pandemic has put pressure on almost all sectors of the Indonesian economy, including the SME sector [17] [18]. Research conducted by OJK states that the COVID-19 pandemic has had an impact on decreasing sales turnover for more than 80% of SMEs [19] [20]. The Center for Research of the Parliamentary Expertise Agency of the Indonesian House of Representatives stated that 58% of SMEs were temporarily forced to close their businesses [21] [22]. A survey conducted by the Indonesian Institute of Sciences (LIPI) also stated that as many as 40 percent of independent entrepreneurs were forced to stop their business activities. In addition, 52 percent of independent entrepreneurs experienced a decline in their production activities [23].

On May 11, 2020, the government issued Government Regulation No. 23 of 2020 (PP 23/2020) concerning the Implementation of the National Economic Recovery Program to Support State Financial Policies for Handling the 2019 Corona Virus Disease (Covid-19) Pandemic and/or to Facing Threats That Endangering the National Economy and/or Financial System Stability and

Saving the National Economy (PEN). The issuance of PP 23/2020 is the first step in implementing the PEN program, which is a crucial part of handling COVID-19 on the health and socio-economic conditions of the community. The PEN Program as regulated in PP 23/2020 aims to protect, maintain and improve the economic capacity of business actors in both the real sector and the financial sector, including micro, small and medium enterprises (MSMEs). The PEN program aims to maintain and prevent business activities from further deteriorating and minimize the occurrence of layoffs by the business community due to COVID-19. One of the programs is the Super Micro Credit, which purposes to strengthen SME's business capital. This article aims to see how SMEs use Super Micro Credit funds, how the program impacts SMEs, and how the level of satisfaction of SMEs with this program.

## 2. METHOD

The research method used is a quantitative approach using the index impact factors. Data was obtained by distributing questionnaires using a Likert scale to measure program impact indicators and program recipient satisfaction. Respondents are SMEs in the provinces of West Java and Banten. The Likert weighted value (1- 4) is then converted into an index with the formula =  $(\text{aktual}-\text{minimal})/(\text{maximal} - \text{minimal})$ . The index is then categorized as follows:

**Table 1** index

Economic Impact	Satisfaction	Index value
Very No Impact	Very Dissatisfied	$0,00 \leq \text{Index} \leq 0,25$
No Impact	Dissatisfied	$0,25 < \text{Index} \leq 0,50$
Impact	Satisfied	$0,50 < \text{Index} \leq 0,75$
Very Impact	Very Satisfied	$0,75 < \text{Index} \leq 1,00$

## 3. RESULT AND DISCUSSION

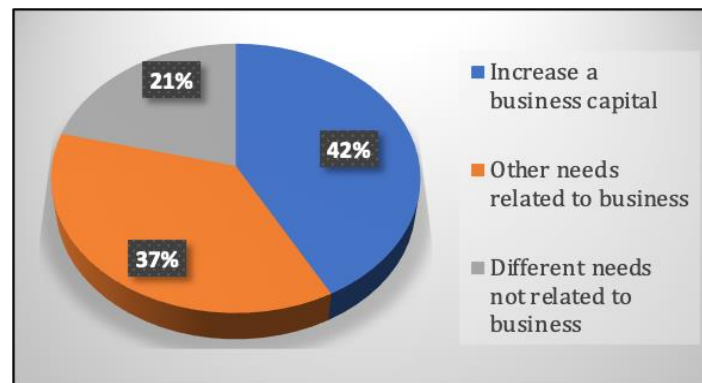
The Super Micro Credit is one of the PEN programs that aim to provide added value and/or increase income for business actors. Based on the Regulation of the Coordinating Minister for the Economy Number 15 of 2020, the Super micro-credit aims to provide added value and increase income for business actors. The programs are:

a) This program subsidizes KUR Interest with a maximum credit ceiling of IDR 500 million, which provided an interest subsidy of 6%, valid from April-Dec 2020 so that SMEs paid 0% interest. Furthermore, this program provided an interest subsidy of 3% in the period Jan-June 2021 so that SMEs only paid 3% loan interest. After that period, the interest rate returns to normal at 6%.

b) This program subsidizes Non-KUR Interest with a credit ceiling of between IDR 500 million to IDR 10 billion, which provided an interest subsidy of 3%, valid from April-Dec 2020, and an interest subsidy of 1.5% for Jan-June 2021. After that period, the interest rate returns to normal.

### 3.1. Utilization of Super Micro Credit Funds

This study tries to see how SMEs use funds from this program. The questionnaire results show that the most extensive use of Super Micro Credit is to increase business capital with a portion of 42%. Super Micro Credit is also widely used for other needs related to the business by 37%. However, many SMEs still use Super Micro Credit for other needs unrelated to business, 21% (Figure 1).



source: processed by the author

**Figure 1** Utilization of Super Micro Credit Funds

### 3.2. Economic Impact of Super Micro Credit

In this study, a Likert scale measurement was also carried out from a scale of 1 (strongly disagree) to 4 (strongly agree) to see the economic impact of Super Micro KUR on SMEs. The measurements were carried

out on: (1) maintaining business continuity, (2) maintaining sales levels, (3) maintaining employee reductions, (4) developing current businesses, and (5) opening new businesses. The results of the measurement by calculating the composite index are as follows:

**Table 2** Economic Impact Index of Super Micro Credit on SMEs.

Questions	Descriptions	1	2	3	4	Composite	Index
(1)	Business Continuity	0,00%	21,05%	57,89%	21,05%	3,00	0,67
(2)	Sales	0,00%	10,53%	73,68%	15,79%	3,05	0,68
(3)	Employee	0,00%	31,58%	63,16%	5,26%	2,74	0,58
(4)	Business Development	0,00%	10,53%	68,42%	21,05%	3,11	0,70
(5)	Create New Business	5,26%	26,32%	52,63%	15,79%	2,79	0,60
<b>Conclusion</b>						<b>Impact</b>	<b>0,65</b>

source: processed by the author

In general, respondents think that Super Micro Credit has a pretty good impact. The average index value of 0.65 is in the range of 0.50 – 0.75. Super Micro Credit has provided SME's business continuity resilience during the Covid-19 pandemic (index of 0.67). SMEs can maintain their level of sales after accessing the Super Micro Credit (Index of 0.68). Super Micro Credit provides an opportunity for SMEs to retain their employees (Index of 0,58). Super Micro Credit helps SMEs increase their capacity for business development (Index of 0.70). Super Micro Credit can encourage SMEs to try new types of business (Index of 0.60). It can be understood that Super Micro KUR is one of the sources for obtaining capital in opening or developing businesses for SMEs.

**Table 3** Super Micro Credit Satisfaction Index for SMEs

Question	Descriptions	1	2	3	4	Composit	Index
(1)	The Whole Program	0,00%	0,00%	68,42%	31,58%	3,32	0,77
(2)	Value of Program	0,00%	10,53%	68,42%	21,05%	3,11	0,70
(3)	Criteria or Requirement	0,00%	0,00%	73,68%	26,32%	3,26	0,75
(4)	Procedure	0,00%	5,26%	73,68%	21,05%	3,16	0,72
(5)	Speed of Execution	0,00%	5,26%	73,68%	21,05%	3,16	0,72
<b>Conclusion</b>						<b>Impact</b>	<b>0,73</b>

source: processed by the author

### 3.3. Super Micro Credit Program Satisfaction

Measurements were also carried out on the perception of the level of satisfaction of SMEs with Super Micro Credit. The measurement method used is the same as the measurement used to see the economic impact of Super Micro Credit on SMEs. The measurement of the level of satisfaction is carried out on (1) satisfaction of program, (2) satisfaction of value of the program, (3) satisfaction of the criteria or requirements of the program, (4) satisfaction of procedures, and (5) satisfaction of speed of disbursement. The results of the measurement by calculating the composite index are as follows:

In general, Super Micro Credit provides a pretty good level of respondent satisfaction. This result is indicated by the average index value of 0.73 in the range of 0.50 – 0.75. Respondents are satisfied with the Super Micro Credit program because the interest is lower than commercial bank interest (index of 0.77). The respondent's level of satisfaction is relatively quite satisfied with the credit limit provided for this program (index of 0.70). Respondents are also satisfied with the criteria or requirements needed to apply for Super Micro Credit, where this program does not require collateral (Index of 0.75). Respondents are also satisfied with the Super Micro Credit procedure because it is relatively easier to get this program (Index of 0.72). Respondents were also satisfied with the Super Micro Credit distribution due to the relatively large channeling institutions (index of 0.72).

#### 4. CONCLUSION

The Super Micro Credit Program has been implemented quite well. The majority of the use of the program is used for business purposes such as increasing capital and meeting other business-related needs. The Super Micro Credit Program has also positively impacted SMEs by maintaining business continuity, maintaining sales, retaining employees, conducting business development, and creating other new businesses. The Super Micro Credit Program has also given satisfaction to SMEs with the program's existence, the magnitude of the program value, the ease of program criteria or requirements, the ease of program procedures, and the speed of program implementation. Thus, the super micro-credit program needs to be continued by the government to encourage SMEs to drive the wheels of the economy.

#### AUTHOR CONTRIBUTION

Sony Hendra Permana, Nidya Waras Sayekti, Ariesy Tri Mauleny, Rafika Sari, Dewi Restu Mangeswuri, and Niken Paramita contributed to the design implementation research, the analysis of the results, and the writing of the manuscript.

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