



Strategy For Increasing Regional Income Based In Small And Medium Micro Business In The Era Covid-19 Pandemic In Kupang-NTT District

Moni Yuniati Siahaan,1,Pieter D.Samadara1 , Marlin Benu [monijuniati@gmail;.com,pieter samadara@gmail.com 1 , marlinabenu@gmail.com1], 1Kupang State Polytechnic Indonesia

Abstract

The development of Micro, Small and Medium Enterprises (MSMEs) has a very important role in regional economic development. This can be seen from the large number of job opportunities provided by MSMEs for the community. The purpose of MSMEs is to advance the regional economy. MSMEs as productive business actors who have such large amounts of income have contributed no less to the national and regional economy. Therefore, MSMEs also make a very significant contribution to regional revenue through income. The COVID-19 pandemic has had a negative impact on MSMEs. This caused business actors to be very hit and experienced a very sharp decline in sales turnover, as was the case for MSMEs in Kupang Regency. The sustainability of MSMEs in facing the pandemic cannot be separated from the company's goal, namely consumer or customer satisfaction, which can be achieved through the formulation of a good strategy. This study aims to determine the Strategy for Increasing Regional Income Based on Micro, Small and Medium Enterprises in the Era of the Covid-19 Pandemic in Kupang-NTT Regency. Increasing regional income is the main goal of the regional economy because it is expected to improve regional facilities and infrastructure. This type of research is qualitative research. This qualitative research

is a way of understanding the problems related to the strategy of increasing regional income based on SMEs in Kupang Regency. Data collection techniques carried out by researchers in qualitative research are in the form of interviews, observations, and documentation. There are 3 data analysis techniques, which are used as indicators in the study are 1). Data reduction, 2) Data presentation, 3) Data compilation, 4). Data verification. The results of this study are expected to be able to contribute as a reference for determining policies to assist and establish Kupang Regency government programs to assist in the new normal recovery. This study found that the MSME Problems Due to the Pandemic since 2020 include 5 aspects, namely 1) Sales aspects. The average decline in sales of MSMEs, 2) Aspects of operating profit. Average decrease in operating profit, 3) Capital aspect. The number of MSMEs experiencing capital problems is increasing. 4) Aspect the number of employees. In this aspect, MSMEs reduce the number of employees by and 5) Aspects of the ability to pay bank installments. Changes in the consumption pattern of public goods and services during the pandemic from offline to online. During the COVID-19 pandemic, MSME actors in Kupang Regency had implemented an online selling strategy, although not all of them. The number of MSMEs that carry out online strategies has increased during the Covid 19. The survival ability of MSMEs that sell online is stronger than MSMEs that only sell offline.

Keywords: Strategy, Improvement, Income, Region, MSME,

Introduction

Background

MSMEs are the most important pillars in the Indonesian economy. The number of MSMEs in Indonesia is 64.19 million, in which the composition of Micro and Small Enterprises is very dominant, namely 64.13 million or about 99.92% of the entire business sector. (Kemenkop MSMEs). In addition, MSMEs are proven to be resistant to various kinds of shocks from the economic crisis. So it has become imperative to strengthen the Micro, Small and Medium Enterprises group that involves many groups (Beirne et al., 2020). 2] MSMEs are also able to absorb labor in order to reduce the increasing unemployment rate. who live not far from the location of the MSMEs, so that the existence of MSMEs is able to participate in improving the standard of living and welfare of the surrounding community. MSMEs also make a very significant contribution to regional revenue through revenue. Sources of regional income include: Regional Original Income (PAD), namely: Regional tax results Regional retribution results, Regional wealth processing results, balancing funds and other legitimate income.

The COVID-19 pandemic that has occurred since the beginning of 2020 has caused business actors to be very hard hit and experienced a very sharp decline in sales turnover, as well as MSMEs in Kupang Regency. The sustainability of MSMEs in facing the pandemic cannot be separated from the company's goal, namely consumer or customer satisfaction, which can be achieved through the formulation of a good strategy. Strategy formulation is defined as a process in formulating steps for company development, such as setting company goals and achieving company vision and mission. The determination of the strategy must look at the background, the company's goals pay attention to environmental factors so that the determined strategy can be carried out and have a positive impact on the development of

the company. Environmental analysis is beneficial for company development because if the company conducts environmental analysis properly, the company can take preventive or anticipatory actions for changes that occur in the company's environment. The positive impact of the company's ability to conduct environmental analysis is that the company can adapt well when environmental changes occur (Setiyawan, 2013). 7]

The decline in MSMEs and cooperatives in Kupang district was caused by several problems including: 1. The decline in the level of public demand 2. MSME owners and cooperatives had difficulty in obtaining raw materials, because many companies were closed or not carrying out their activities. 3. Disruption of raw materials for production and distribution 4. Difficulty in finding access to finance. The Ministry of Finance also reviewed that the COVID-19 pandemic had a negative impact on the domestic economy, such as the decline in people's purchasing power, the existence of MSMEs, threats to the banking and financial sector and a decline in company performance [1]. For this reason, it is necessary to conduct research on Strategies to Increase Regional Income Based on Micro, Small and Medium Enterprises in Kupang-NTT Regency. The problems to be studied are 1) How is the Strategy of Micro, Small and Medium Enterprises (MSMEs) in Increasing the Regional Income of Kupang Regency. 2) What are the obstacles faced by SMEs. To formulate a policy strategy for economic recovery, it is necessary to conduct research related to sectors driving the regional economy. Unfortunately, the presentation of MSME data during the pandemic in Kupang Regency is still minimal. Even though this information is very important to help the government in reviving the sluggish economy due to COVID-19. So this research needs to be carried out with the aim of knowing the Strategy for Increasing Regional

Income Based on Micro, Small and Medium Enterprises in the Era of the Covid-19 Pandemic in Kupang-NTT Regency.

Formulation Of The Problem

The problem in this research is how to increase regional income strategy based on micro, small and medium enterprises in the era of the Covid-19 pandemic in Kupang-NTT Regency.

Research Methods

This research was conducted at the Office of Cooperatives and SMEs Kupang Regency. The reason for choosing the research location at the Office of Cooperatives and MSMEs in Kupang Regency is because these MSMEs are classified as marginal types of business, using relatively simple technology, relatively low capital levels, low access to credit, and tend to be oriented to the local market.

A. Types and Types of Research

The type and type of this research is qualitative, using qualitative descriptive research, namely a way to understand a problem that is happening. The type of description is in the form of a sentence using the scientific method, namely interviews, direct observation, and documentation. This qualitative research is a way of understanding the problems related to the strategy of increasing regional income based on SMEs in Kupang Regency.

B. Research Informants

In this research, researchers have determined research informants in utilizing purposive sampling techniques, namely the informants were taken intentionally and the

informants can be trusted as resources and know the problems that occur in depth.

C. Data Collection Techniques

Data collection techniques carried out by researchers in qualitative research are in the form of interviews, observations, and documentation.

1. Interview, which is a data collection technique with a question and answer system between researchers and research information. The purpose of the interview is to connect the atrocities that occurred, an activity and the demands desired by an organization. In conducting interviews, researchers used tools in the form of pictures, recorders, and other supporting tools.
2. Observation is a way that is directly related to the activities of the people being observed, participating in doing what is being done by the data source. Observations will continue to develop as long as research activities take place. In this case, observations are made by telling the data source that they are conducting research
3. Documentation in this case in the form of writing or pictures from someone. Documents in written form such as regulations and policies. Documentation is one of the complements of the observation and interview methods in qualitative research. The results of observations and interviews will be more trusted if they are supported by documentary evidence

D. Data Analysis

Techniques In data analysis techniques there are three data analysis techniques used in qualitative research including the following:

There are 3 data analysis techniques, which are used as indicators in the study are as follows:

1. Data reduction, researchers do by focusing research results on things that are considered important by researchers. The goal is to easily understand the data that the researcher collected previously, from the data found in the research site/field, which are then put together and sorted based on synchronous grouping of aspects of a problem observed in the study.
2. Presentation of data is a group of information data about descriptive or descriptions that can provide an explanation to researchers who are comprehensive. This data is created and compiled in a focused, in-depth, detailed, and clear manner so that it is easy to understand an overview of the aspects of the problem under study that are comprehensive and total.
3. The results of data reduction are compiled and presented in the form of descriptive narrative text. Researchers collect data that has gone through reduction to describe events that occur in the field. Important notes in the field are then presented in the form of descriptive text to make it easier for readers to understand practically. The researcher's follow-up activity on data display is that the data obtained is presented in the form of a table with the aim of combining information that is arranged in a coherent form.
4. Verification is the last stage in analyzing data. The validity of the data was tested through internal validity, namely the aspect of truth, external validity, namely application, reliability, namely consistency and objectivity. The data that has been tested is then concluded.

Conclusion drawing is the stage of looking for meaning, meaning and explaining then put together so that it is easy to understand according to the research objectives

Results And Discussion

Micro, Small and Medium Enterprises (MSMEs) are the lifeblood of the regional and national economy. In general, MSMEs in the national economy have the following roles: (1) as the main actors in economic activities, (2) the largest provider of employment, (3) important players in local economic development and community empowerment, (4) creating new markets and sources of innovation, and (5) its contribution to the balance of payments. In addition, MSMEs also have an important role, especially in the perspective of employment opportunities and sources of income for the poor, income distribution and poverty reduction, and MSMEs also play a role in rural economic developmen.

The existence of the 2019 Coronavirus disease (Covid 19 pandemic) at the end of 2019 became an international problem, including in Indonesia. The Covid-19 pandemic has had an impact on changes in the order of social life and a decline in economic performance for most countries in the world. The Indonesian economy also experienced a significant impact, various Micro, Small and Medium Enterprises (MSMEs) experiencing business bottlenecks. The economic impact of the COVID-19 pandemic has also been felt by the MSME sector in Kupang Regency. The impact caused by this pandemic includes 5 aspects, namely 1) Sales aspect. The average decline in sales of MSMEs, 2) Aspects of operating profit. Average decrease in operating profit, 3) Capital aspect. The number of MSMEs experiencing capital problems is increasing. 4) Aspect the number of employees. In this

aspect, MSMEs reduce the number of employees by and 5) Aspects of the ability to pay bank installments. Almost all MSME actors (especially micro-enterprises) experience problems in carrying out their obligations to banks.

This study also found that the MSME Problems Due to the Pandemic since 2020 were changes in the consumption pattern of public goods and services during the pandemic from offline to online. During the COVID-19 pandemic, MSME actors in Kupang Regency had implemented an online sales strategy, although not all of them. The number of MSMEs that carry out online strategies has increased during the Covid 19. The survival ability of MSMEs that sell online is stronger than MSMEs that only sell offli

Based on the findings that have been described previously, recommendations can be given to accelerate the recovery of MSMEs in Kupang Regency. For the government of Kupang Regency, it should provide a place for marketing MSME products (a type of souvenir market center). Later the place will be used as a promotion place as well as a place for selling MSME products. For SMEs, they must carry out self-reconstruction by increasing the entrepreneurial spirit, increasing business resilience, legalizing business, and most importantly changing the way of thinking so that they are more ready to transform into a digital marketing system. For the Department of Trade, Industry, Cooperatives and SMEs, they should conduct training and mentoring activities that support online-based marketing (digital marketing). These activities should be carried out in stages and continuously to ensure that MSME players have the ability to adapt to market developments. The training materials in question are: 1) Governance and procedures for using social media, such as Facebook, Instagram, marketplace, and the like. 2)

Training to improve packaging capabilities (product packaging). This ability is absolutely necessary as a form of response to market demands. 3) Training related to product branding. So far, this capability has been relatively neglected, because there is a tendency for MSME actors to focus more on production activities. 4) Training related to self motivation by presenting competent coaching or motivators. This activity is important to do to pump and maintain the spirit of MSME actors and be ready to face all the challenges that ex

Conclusion

The Covid-19 pandemic has had an impact on changes in the order of social life and a decline in economic performance for most countries in the world. The Indonesian economy also experienced a significant impact, various Micro, Small and Medium Enterprises (MSMEs) experiencing business bottlenecks. The economic impact of the COVID-19 pandemic has also been felt by the MSME sector in Kupang Regency. The impact caused by this pandemic includes 5 aspects, namely 1) Sales aspect. The average decline in sales of MSMEs, 2) Aspects of operating profit. Average decrease in operating profit, 3) Capital aspect. The number of MSMEs experiencing capital problems is increasing. 4) Aspect the number of employees. In this aspect, MSMEs reduce the number of employees by and 5) Aspects of the ability to pay bank installments.

Suggestion

Recommendations are given to accelerate the recovery of MSMEs in Kupang Regency. For the government of Kupang Regency, it should provide a place for marketing MSME products (a type of souvenir market center). For SMEs, they must carry out self-reconstruction by increasing the entrepreneurial spirit, increasing business

resilience, legalizing business, and most importantly changing the way of thinking so that they are more ready to transform into a digital marketing system. For the Department of Trade, Industry, Cooperatives and SMEs, they should conduct training and mentoring activities that support online-based marketing (digital marketing).

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