



# Strategy for Recovery of MSMEs Conditions After the Covid-19 Pandemic in Ende Regency

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**Abstract.** The emergence of the Covid-19 pandemic has had a negative impact on the global and national economy. The International Monetary Fund (IMF) noted that the global economy has fallen into a crisis after around 95 percent of the world's countries are projected to experience contraction or suffer negative economic growth. In this condition, Micro, Small and Medium Enterprises (MSMEs) are the most affected sub-sectors, especially business actors in the regions, one of which is in Ende Regency. This is because the ability and competitiveness of SMEs in using technology is still very limited. As it is known that in order to exist in the era of the Covid-19 Pandemic, the ability to utilize digital technology is non-negotiable. For this reason, we conducted research on the Strategy for Recovering the Condition of MSMEs after the Covid-19 Pandemic in Ende Regency. The aim is to map the constraints experienced by MSMEs during the Covid-19 pandemic and how to recover them. The results of the study show that there are 6 strategies that can be done to intervene in the process of recovering the condition of MSMEs in Ende Regency, namely increasing the carrying capacity of the community's economic development, especially for MSME actors through (1) Mapping the MSME business cycle according to the type of business and superior products that survive during the Covid pandemic-19; (2) Provide training on the implementation of financial inclusion and virtual technology for MSMEs as a solution to survive during the Covid-19 pandemic and post-COVID-19; (3) Encouraging strengthening institutional aspects as a supporting system for MSMEs so that they can recover after the Covid-19 Pandemic; (4) Local Governments need to initiate a Model of Community Economy development based on MSMEs after the Covid-19 pandemic which can be carried out through further studies by involving Universities in the Regions and (5) Increasing quality and highly competitive human resources through intense training and digitally based so that the community's economy can recover from adversity due to the Covid-19 pandemic.

**Keywords:** Strategy · Recovery · MSME · Pandemic · Digital

## 1 Introduction

Indonesia is one of the countries that has experienced a fairly large impact due to the Covid 19 Pandemic. In March 2020, the Government announced that due to the increasing prevalence of Covid-19 in Indonesia, it was necessary to implement Large-Scale Social

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Restrictions (PSBB). This policy greatly affected Indonesia's economic conditions, one of which was the weakening of the Composite Stock Price Index (IHSG) on the National Stock Exchange. This is because many investors choose to withdraw and invest their capital in developed countries. The weakening of the economy in Indonesia also occurred because Indonesia closed the entrance for foreign tourist arrivals so that economic growth which usually hovered above 5 percent became only 2.97 percent in 2020 (BPS, 2022). Economic growth is one of the macro indicators to see the real development performance in a region. The rate of economic growth is calculated based on changes in GRDP on the basis of constant prices for the year in question against the previous year. Based on constant prices in 2010 it is known that the Covid-19 pandemic that occurred in Ende Regency had an impact on the value of GRDP which decreased in 2020 compared to 2019. This decline was influenced by decreased production in several business fields and the most visible were in 3 business fields that experienced a negative growth of 16%–39%, namely other services such as the provision of accommodation and food and drink as well as corporate services. In the era of the Covid-19 pandemic, Corporate Services was the business field that experienced the biggest decline, namely –39.82% (BPS Ende, 2021). The recovery of MSME conditions due to the impact of the Covid-19 pandemic can be carried out with several strategic approaches from various aspects. Conceptually, strategy is an overall approach related to the idea, planning and execution of an activity within a certain period of time. Meanwhile, according to Alfred Chandler, strategy is the setting of goals and direction of action and the allocation of resources needed to achieve goals. In the context of recovering socio-economic conditions due to the Covid-19 pandemic, what needs to be done is to determine a recovery strategy based on the most dominant variables affecting these conditions. Among them is the implementation of policies in the economic, social and institutional fields that can be carried out by involving all important resources in Ende Regency. For this reason, research was carried out on the extent of the impact of the Covid-19 Pandemic on MSMEs in Ende Regency in terms of economic, social and institutional aspects as well as how the recovery strategy that could be carried out contained these three aspects.

## **2 Literature Review**

### **2.1 Definition of Economic Growth**

Economic growth is the process of increasing output per capita in the long term, in three aspects, namely: process, output per capita and long term. Economic growth is a process, not an economic picture at a time. This is seen from the dynamic aspect of an economy, where an economy develops or changes from time to time. According to Budiono, economic growth is a process of increasing per capita output in the long term that occurs when there is an increase in sources originating from the internal processes of the economy itself and has a temporary nature. Todaro explained that economic growth is a good process where there is an increase in production capacity in an economy over time and is able to give birth to an increase in national income.

## **2.2 Strategy Concept**

### **2.2.1 Definition of Strategy**

Strategy comes from the Greek word *strategos*, which means general. Hence the word strategy literally means—art and general|| this word refers to what is of primary concern at the top of the organization. Specifically, the strategy is the placement of the company's mission, setting organizational goals by binding external and internal forces. The formulation of certain policies and strategies achieves the goals and ensures their proper implementation so that the goals and objectives of the organization will be achieved. Conceptually, strategy is an overall approach related to the idea, planning and execution of an activity within a certain period of time. Strategy shows the general direction to be taken by the organization in achieving its goals. This strategy is a big and important plan. According to Alfred Chandler, strategy is the setting of goals and the direction of action and the allocation of resources needed to achieve goals. According to Kenneth Andrew, strategy is a pattern of goals, aims or objectives of policies and plans. According to Buzzel and Gale, strategy is the key policies and decisions used by management, which have a major impact on financial performance. These policies and decisions usually involve significant resources and usually cannot be easily replaced.

### **2.2.2 Types of Economic Strategies**

#### **1) Market Penetration Strategy**

Market penetration or market penetration is the company's effort to increase the number of customers both in quantity and quality at this time through active promotion and distribution. This strategy is suitable for markets that are growing slowly.

#### **2) Product Development Strategy**

Product development strategy is an effort to increase the number of consumers by developing or introducing new company products. Innovation and creativity in product creation is one of the main keys in this strategy. The company is always trying to update or introduce new products to consumers. The company continuously explores market needs and strives to meet these market needs.

#### **3) Market Development Strategy**

This strategy is one of the strategies to bring products to new markets by opening or establishing new branches that are considered strategic enough or cooperating with parties in order to absorb new customers. Management uses this strategy when the market is crowded or chooses a very strong competitor.

#### **4) Integration Strategy Integration**

This strategy is the final choice strategy that is usually taken by companies experiencing liquidity difficulties. What the company will do is a horizontal diversification

strategy, namely the merger of companies. 5) Diversification Strategy Diversification is meant here is the company focuses on a particular market segment by offering various variants of the company's products to the conglomerate group (Corporate) (Suminto, 2002).

### **3 Framework**

The condition of MSMEs in Ende Regency before the Covid-19 Pandemic was actually quite stable, despite the many obstacles faced. The existence of MSMEs contributes significantly to economic growth, reduces unemployment and increases per capita income. In addition, from day to day the value of investment in the industrial and trade sectors is also increasing. However, this condition changed after Indonesia was in a situation of the Covid-19 Pandemic. Likewise, the economic condition in Ende Regency and the impact that is most felt is on the activities of Micro, Small and Medium Enterprises (MSMEs). Other impacts that are quite noticeable are the decline in the rate of economic growth, the increasing level of poverty, the decline in the value of investment and percapita income and the number of unemployed who are still increasing. For this reason, a recovery strategy is needed that can be carried out through intervention on the dominant variables affecting the condition of MSMEs after the Covid-19 pandemic in Ende Regency. The framework that underlies this study can be described as follows (Fig. 1):

## **4 Research Methodology**

### **4.1 Location and Time of Research**

This research was conducted in Ende Regency which consists of 21 sub-districts, 23 sub-districts, and 255 villages. In 2020, the population will reach 274,599 people with an area of 2,046.60 km<sup>2</sup> and a population distribution of 132 people/km<sup>2</sup>. The research was carried out from April to July 2021 starting from the preparation of the proposal to the preparation of the Research Report.

### **4.2 Types and Sources of Data**

The data used in this study are primary data and secondary data. Primary data were collected through direct interviews with selected respondents, as well as observations at the research site. Methods of data collection were conducted through interviews, discussions, questionnaires, and field surveys. Meanwhile, secondary data was collected from various sources including data from the Central Bureau of Statistics (BPS), the Department of Agriculture, Bappeda, BKP3, the Ministry of Industry and Trade and the Office of Cooperatives in Ende Regency.

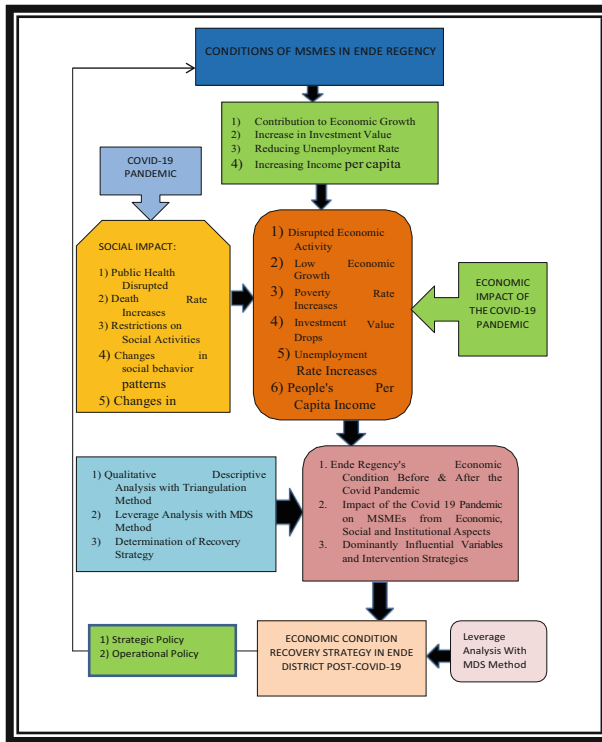


Fig. 1. Framework

### 4.3 Data Collection Method

Data collection uses several methods, namely:

- 1) **Questionnaire Method** namely collecting data by distributing questionnaires to competent parties who know about the economic conditions in Ende Regency, namely government officials, business actors, academics and stakeholders. The questionnaire concerns community perceptions and the effectiveness of the BLT and Pre-Employment programs as well as the status of economic conditions in Ende Regency
- 2) **In-depth interviews**, namely collecting data by conducting in-depth interviews with key informants, namely competent parties who can provide an overview and information used to answer the problems in this research
- 3) **Observation**, namely collecting data by making direct observations to economic central points such as traditional markets, business centers in several sub-districts and villages with the aim of getting a clear picture of economic conditions in Ende Regency.
- 4) **Document analysis** obtained from related agencies to collect secondary data
- 5) **Focus Group Discussion (FGD)** is an interview-based discussion to generate qualitative data and explore specific problems related to economic conditions in Ende Regency.

#### 4.4 Population and Research Sample

The population are all people in Ende Regency, both business actors and the general public who are affected by Covid-19 and receive BLT assistance and Pre-Employment Cards. Stakeholders from educational institutions, government and private institutions were also included as the population in this study.

#### 4.5 Sampling Method

The selection of respondents is adjusted to environmental conditions and the number of respondents to be taken, namely respondents who are considered to be able to represent and understand the problems studied. Respondents were determined from three groups, namely business actors, communities and experts. Respondents used in this study were selected intentionally (purposive sampling). Respondents selected must have understanding and expertise in accordance with the field being studied. Some considerations in determining the experts who will be respondents, using the following criteria:

- 1) Have competent experience in accordance with the field being studied
- 2) Have a reputation, position/position in competence with the field being studied
- 3) Has high credibility, is willing and or is in the location being studied Determination of the sample is used in the analysis of perceptions, program impact effectiveness and economic sustainability analysis in Ende Regency.

#### 4.6 Data Analysis Method

This study uses the Multi Dimension Scaling (MDS) method. This MDS method will also be used to determine the recovery strategy through ordination analysis and leverage analysis. Leverage analysis is one of the stages of analysis in the Multidimensional Scaling (MDS) method to determine the dominant variables that affect the condition of MSMEs after Covid-19 in Ende Regency. The MDS method is a process to map objects or points observed in one space, where the same object or point is mapped close to each other and different objects or points are mapped far apart (Fauzi and Anna 2002).

In general, there are three stages in the analysis of sustainability, namely (1) Assessment of attributes on each aspect of sustainability using a research questionnaire; (2) assessment of economic sustainability index and status through ordination analysis; (3) determining the dominant attribute through sensitivity analysis (leverage analysis) and anomaly analysis (Monte Carlo analysis).

Based on these three stages, it will be known the status of sustainability and the dominant variables that influence the area studied. The attributes used for each aspect are listed in Table 1.

The stages of data analysis in this study started with identifying the condition of MSMEs in Ende Regency before and after the Covid-19 Pandemic. After that, it is followed by leverage analysis to determine the most sensitive attributes that influence the sustainability of MSMEs in Ende Regency. The final stage is to formulate strategic and operational policy recommendations based on the results of the leverage analysis as an effort to recover MSMEs in Ende Regency after the Covid-19 Pandemic.

**Table 1.** Aspects and Attributes of MSME Sustainability After the Covid-19 Pandemic in Ende Regency

No	Aspect of Sustainability		Attributes of Sustainability
1	Ekonomy	1	Price stability
		2	Contribution to per capita Income
		3	Main Business Products
		4	Price of superior products
		5	Management of business results
		6	MSME product market reach
		7	Utilization of credit loans
2	Social	1	Existence of Business Actors
		2	Level of community education
		3	Business ownership status
		4	Existence of government Services
		5	Intensification of counseling and training
		6	Conducive Business Environment
		7	Community perceptions of business continuity
3	Institutions	1	Availability of Microfinance Institutions
		2	Availability of Marketing Institutions
		3	Availability of product distribution agencies
		4	Existence of Business Groups
		5	Number of Business Group Partners
		6	Conflict between business actors
		7	Business groups in the agricultural sector

**Table 2.** Type of Business MSMEs in Ende Regency

No	Type of Business	Number
1.	Shopping Group	9
2.	Permanent Market	13
3.	Semi Permanen Market	10
4.	Market Without Building	10
5.	Minimarket/Swalayan	6
6.	Grocery Stores	2.617
7.	Restaurant	50
8.	Food Booth	230
9.	Hotel	25
10.	Guesthouse	42
	Total	3012

Sources: Cooperative Agency, Ende Regency, 2021

## 5 Analysis Result and Discussion

### 5.1 Analysis of the Economic Sustainability Status of Ende Regency After the Covid-19 Pandemic

#### A. Profile of MSMEs in Ende Regency

Micro, Small and Medium Enterprises (MSMEs) in Ende Regency have an important and strategic role in the regional economic structure because they make a large contribution to the Gross Regional Domestic Product and employment. In general, MSMEs in Ende Regency have almost the same characteristics as MSMEs in other regions in Indonesia, especially in NTT. MSMEs in Ende are characterized by relatively small business capital, on average they do not have legal entity status, there is no financial recording system, they are run with limited capital, limited human resource skills and the use of technology that is still simple. This simple and limited business management will certainly affect the income earned by MSMEs.

Based on data from the Cooperative Office for 2020, it is known that the number of MSMEs in Ende Regency is 3,012 units. The most common types were grocery stores or stalls with 2,617. While other types of businesses that are quite a lot are stalls or food stalls with 230 units and restaurants with 50 units, followed by inns or guesthouses with 42 units and hotels with 25 units. From the data, the most numerous grocery stores or stalls are kiosks spread across almost all sub-districts in the Ende Ende Regency (Table 2).

The number of MSME actors who were interviewed as respondents in a study on the impact of the Covid-19 Pandemic and business continuity was 300 people spread across 13 sub-districts. The average age of the respondents ranged from 25–70 years. The highest level of formal education of the respondents was high school with 127 people



**Table 3.** Education Level of Respondent

Level of Education	Number	Percentage (%)
Elementary School	70	23
Junior High School	66	23
Senior High School	127	42
Diploma & Bachelor Degree	37	12
Total	300	100

Source: Primary Data, 2021

or 42% and the highest were at the D2, D3 and S1 levels. Meanwhile, the number of respondents with education at the elementary and junior high school levels was 70 and 68 people or 23% and 22% (Table 3).

Based on the respondent's data obtained, it is known that in general the education level of business actors in Ende Regency is quite good because the number of business actors with SMA and S1 certificates is quite large. This shows that people's interest in entrepreneurship is quite high. In addition, the existence of business actors is quite good among the community as shown by the increasing number of business actors with high school/vocational high school certificates and a bachelor's degree. This is expected to be a leverage for increasing the welfare of the people in Ende Regency

## **B. Analysis of MSME Sustainability in Ende Regency**

One of the main problems faced by business actors besides business governance is the issue of business continuity. Business continuity or sustainable business is an important aspect to be understood and implemented by business actors in Ende Regency. Based on the survey results, it is known that one of the obstacles faced by business actors in Ende Regency is the difficulty in maintaining the sustainability of their business. This case is usually experienced by business actors engaged in trade (kiosks, small shops and food stalls). Many similar businesses were only able to survive for a few years, the longer the scale of the business got smaller and then over time it disappeared because the products were sold out and the capital also ran out. And this is where the importance of the concept of business continuity for MSME actors.

In general, business sustainability or sustainable business has three basic components known as the triple bottom line consisting of profit, people and planet. The concept was introduced in the 1970s at an environmental conference in Stockholm, Sweden, which at that time discussed on poverty, equity and food security. However, in the future it also leads to the realm of industry, business and the environment. An understanding of the triple bottom line for SMEs is felt to be very urgent because they experience an intensive process of direct daily interaction with various parties. It would be better if these real business actors also participated in becoming agents of change and pioneers in saving the future through real actions that, although small, have a huge impact on the environment.

In simple terms, it is necessary to first understand the concept of the triple bottom line. The first is profit, which in this case is explained as a condition in which business actors are expected to be able to run their business with the aim of making a profit. Second, the concept of people, namely how when business actors run their businesses can prioritize equality and ethics for the workforce involved in it and also for the community, both those involved in direct and indirect interactions with the SMEs concerned. Lastly is the planet concept, namely the concern of business actors so that in carrying out their business they do not harm the environment, either directly or indirectly.

These three concepts can be understood as a unit so that when MSMEs carry out all their business activities they are not only profit-oriented but also always prioritize the human element (people), especially for the people involved. Likewise in environmental or planetary aspects, MSMEs are expected to carry out environmentally friendly business processes.

### **C. Sustainability Status of MSMEs in Ende Regency**

Sustainability status is one of the indicators used to determine the condition of MSMEs in Ende Regency. In this study, only three aspects or dimensions were photographed to determine the sustainability status of MSMEs and the dominant influencing variables were economic, social and institutional aspects. The environmental aspect was not studied because based on data from the relevant agency it is known that the number of business actors engaged in the processing of natural resources and the environment (products made from recycled raw materials) is still very small. But indicators for the environment are still included in the 3 dimensions analyzed in the status of sustainability.

The data used in the sustainability analysis comes from stakeholder respondents, namely parties who are believed to know and really understand the condition of MSMEs in Ende Regency. The stakeholders in question come from related agencies, government at the sub-district and village levels as well as academics and community leaders. The number of respondents for this analysis was 50 people besides community respondents and MSME actors and the analytical tool used in the study is a modified Multidimensional Scaling (MDS) to determine the sustainability of MSMEs in Ende Regency after Covid-19.

The MDS method is used to capture the sustainability status of MSMEs and the dominant influencing variables. The analysis to determine the status of sustainability is called ordination analysis while the analysis to determine the dominant influencing variable is called leverage analysis. Coordination analysis is carried out for each dimension and also for multi-dimensional sustainability.

#### **1) Economic Aspect**

The results of the ordination analysis for the sustainability status of MSMEs in the economic aspect are at 42.75 which indicates that the economic aspects in the development of MSMEs in Ende Regency are still at a less sustainable level (Fig. 2).

The status of MSMEs studied from the economic aspect is at a less sustainable level due to several factors. Based on the results of the leverage analysis, it can be seen that the attributes or variables that have the most dominant influence are superior business

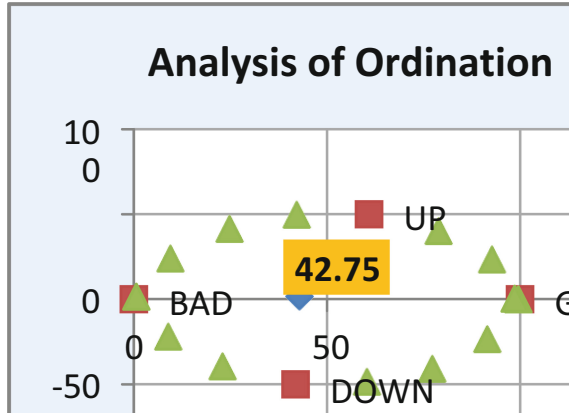


Fig. 2. Sustainability Status MSMEs of Economic Aspect

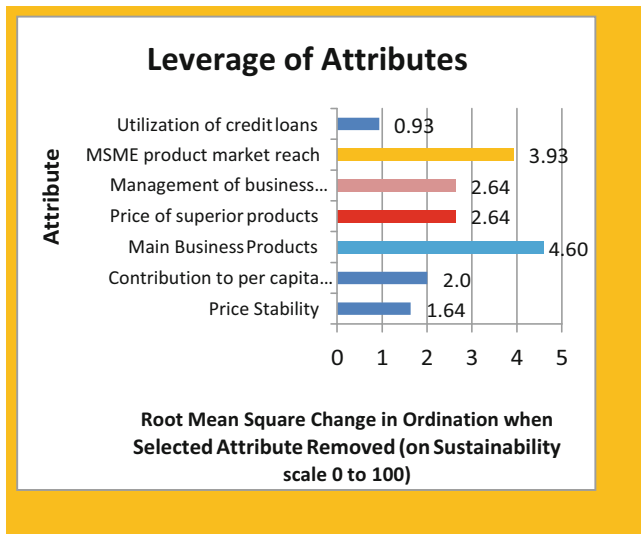


Fig. 3. Leverage Analysis MSMEs of Economic Aspects

products (score 4.6) and MSME online marketing (3.93). The survey results prove that one of the weaknesses of MSMEs in Ende Regency is that superior business products are still very limited. Likewise, online marketing is still limited due to the lack of public knowledge and skills in using digital technology (Fig. 3).

Other factors that also affect the sustainability status of MSMEs from an economic perspective are business management (2.64) and the price of superior products (2.64), contribution to income per capita (2.0), price stability (1.64) and utilization of loan credit (0.93). Based on the score ranking of the results of the leverage analysis, it can be seen that business management is one of the factors that has quite an influence on the status of business sustainability in Ende Regency. Based on the data on the level

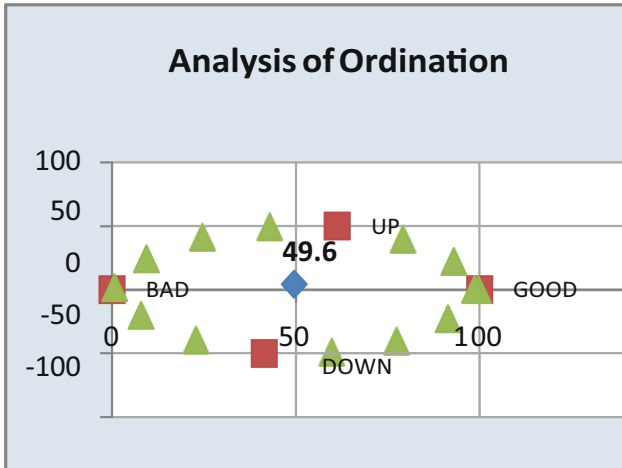


Fig. 4. Sustainability Status MSMEs of Social Aspect

of formal education of business actors, it is known that out of the 300 respondents, most of them graduated from high school or its equivalent, 42% and 23% respectively, from elementary and junior high schools. The limited level of formal education greatly influences the managerial abilities of business actors.

## 2) Social Aspect

The results of the coordination analysis for the social aspects of MSME development in Ende Regency are at 49.6, which means that the social aspects of MSME development are still at a less sustainable level (Fig. 4).

Based on the results of the leverage analysis in MDS, it is known that the status of social aspects that are less sustainable in the development of MSMEs during the Covid-19 pandemic is caused by many factors and the most dominant influencing variable is the limited public perception of business continuity governance (Fig. 5).

Community perceptions about governance and the limited concept of business continuity are the dominant variables influencing the low sustainability status of MSMEs in Ende Regency. This is evident from survey data which shows the low level of public understanding of the importance of sustainability in the business world. And sustainability is meant here not only in the aspect of profit but also in the aspect of relationship with the environment and the surrounding community (planet and people) (Fig. 5).

Other variables that serve as a measure of sustainability in the social aspect of MSMEs are the existence of business actors with a score of 1.13. The existence of business actors referred to here is public recognition of the existence of business actors which can be seen from how much interest the community has in becoming entrepreneurs. Based on existing data, it is known that the public's interest in entrepreneurship is still low, especially those that are the output of universities. Based on existing respondent data, it is known that only 12% of the total 300 respondents or 12 people graduated from universities who became business actors.

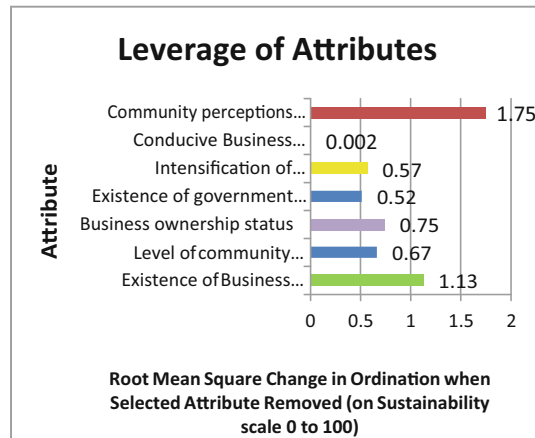


Fig. 5. Leverage Analysis MSMEs of Social Aspects

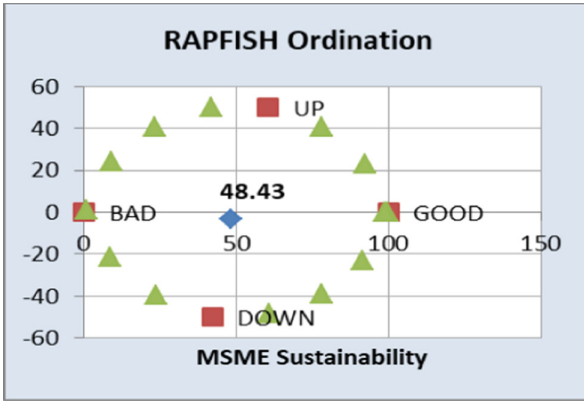
Business ownership status is also a variable that still needs to be improved (score 0.75) because as many as 58.4% of MSME respondents did not have a business license, while 41.6% already had a business license. While the variable intensification of counseling and entrepreneurial training is considered quite good with a score of 0.57. Likewise, the existence of government services variable gets a score of 0.5, which means that government services for the sustainability of MSMEs from the social aspect are considered quite good. A very good variable and not an obstacle in the development of SMEs in Ende Regency is an Enabling Business Environment which means that in Ende City there are very few conflicts or disputes between business actors even though most of the business actors in Ende are not local residents.

### 3) Institutional Aspect

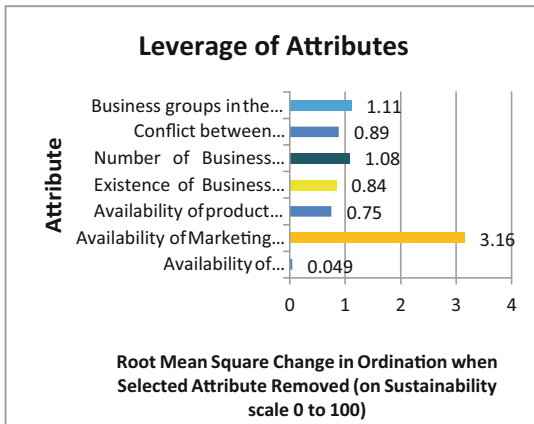
The results of the coordination analysis for the institutional aspect of MSMEs in Ende Regency are at 48.43, which means that their sustainability status is still at a less sustainable level (Fig. 6).

Institutionally, MSMEs in Ende Regency are photographed using several attributes or variables, namely (1) the availability of microfinance institutions; (2) availability of marketing agencies; (3) availability of product distribution agencies; (4) existence of business groups; (5) the number of business group assistants; (6) conflicts between business actors and (7) the existence of business groups in the agricultural sector. After being analyzed using the MDS method with sub-leverage analysis, it was found that the low sustainability status of MSMEs from an institutional aspect was due to the unavailability of an MSME Product Marketing Agency in Ende Regency with the highest score of 3.16 (Fig. 7).

The magnitude of the influence of the variable availability of marketing institutions as shown in Fig. 5.22 above shows that the condition of MSMEs in Ende Regency that urgently needs to be addressed in the Covid-19 pandemic situation is a marketing problem. There are 35 fewer traditional markets in Ende Regency until 2020 compared to



**Fig. 6.** Sustainability Status MSMEs of Institutional Aspect



**Fig. 7.** Leverage Analysis MSMEs of Institutional Aspects

2019, which amounted to 37 (BPS, 2021). This is in accordance with the real conditions that exist, namely the most influential variable for the economic aspect is online marketing for MSMEs which is still limited.

**D. Strategy for MSME Recovery from the Impact of the Covid-19 Pandemic**

Based on the review of the potential and mapping of economic conditions in Ende Regency, there are several relevant regional development theories that can be used to overcome the economic crisis in Ende Regency. Economic base theory is one theory that proposes regional development based on “what business sector or what product” is most demanded by people from outside the region. The production carried out must also be based on the potential resources that exist in Ende Regency.

Apart from the Economic Base Theory, a theory that can be used as a basis for the recovery of Ende Regency after the Covid-19 Pandemic is Location Theory. This

theory takes into account a location that is most economical to become an industrial location. The theory that is quite interesting is the Central Place Theory, which is an economic central place that is supported by several surrounding areas. In this context, what can be applied is the Development of Sustainable Agribusiness Areas as stipulated in the RPJMD of Ende Regency, but the implementation has not been maximized. Inter-regional interactions in implementation the concept of Central Place Theory will become the economic strength of the area developed as an Agribusiness Area.

Another concept that can be used in post-Covid regional development efforts is the Attractiveness Model Theory. In this concept, economic actors will try to improve and develop their businesses if there are subsidies and incentives from the government. In the new paradigm of regional development, it is believed that regional development cannot be separated from market mechanisms. The role of the government is very central and decisive in the movement of the regional economy, especially in creating economic equity and equitable regional development. The role of the government is very much needed because it is not certain that the theory of spread effects by Myrdal and the theory of trickling down effects by Hirshman can work well. Regional development must optimally utilize the potential and business opportunities that exist in the region, as a local-based development strategy. One of them is helping MSMEs to create superior products by utilizing the potential of natural resources in Ende Regency.

Based on the results of data analysis, it is known that the ones most affected by the Covid-19 Pandemic are MSMEs. Reflecting on this condition, the strategies that can be implemented to restore economic conditions, especially in the development of MSMEs as a component affected by the Covid-19 Pandemic are as follows:

- 1) Regional Governments need to encourage regional economic growth by making efforts to accelerate regional economic recovery in sectors affected by the Covid Pandemic including the tourism sector
- 2) Encouraging the recovery of the socio- economic conditions of the community which prioritizes reducing poverty and social inequality by strictly monitoring the mechanism for distributing BLT to the poor affected by Covid-19
- 3) Increasing the carrying capacity of the community's economic development, especially for MSME actors through:
  - a) Mapping the MSME business cycle according to the type of business and superior products that have survived in the post-Covid-19 pandemic
  - b) Providing training on the implementation of financial inclusion and virtual technology for MSMEs as one of the solutions to survive during the Covid period and after the COVID-19 pandemic;
  - c) Encouraging the strengthening of institutional aspects as a supporting system for MSMEs during and after the Covid-19 Pandemic;
  - d) Regional Governments need to initiate a Community-based Economic Development Model for MSMEs during and after the Covid-19 pandemic
  - e) Increasing quality and competitive human resources through intense and continuous digital-based training in order to recover from the downturn caused by the Covid-19 Pandemic outbreak.

The concept of developing MSME based on superior commodities must be carried out in an integrated manner through the application of innovative technology which is carried out simultaneously and continuously to ensure the quality of production and the competitiveness of MSME products. For this reason, it is necessary to carry out an efficient and effective dissemination strategy to support the accelerated adoption of innovative technology for all MSME actors in Ende Regency.

## **6 Conclusions and Recommendations**

### **6.1 Conclusion**

Based on the results of the analysis carried out in the Study of Recovery Strategies for MSME Conditions after the Covid-19 Pandemic in Ende Regency, the following conclusions were obtained: 1. Economic conditions before and after the Covid-19 Pandemic showed that there were many sectors affected by the Covid-19 Pandemic as indicated by the low GRDP value of Ende Regency 2. The impact of the Covid-19 Pandemic on society was experienced more by business actors than by farmers and the biggest impact was the decrease in people's income levels 3. The economic sustainability of Ende Regency is in a less sustainable status both in economic, social and institutional aspects and the variables that are dominantly influential are the absence of superior products and online marketing which is still limited, the community's understanding of governance and sustainability is still low and there are no institutions marketing in Ende Regency.

### **6.2 Recommendation**

Based on the conclusions described above, suggestions are formulated in the form of offering strategies for recovering economic conditions from the impact of the Covid-19 Pandemic as follows:

- 1) Regional Governments need to encourage regional economic growth by making efforts to accelerate regional economic recovery in sectors affected by the Covid Pandemic including the tourism sector
- 2) Encouraging the recovery of the socio- economic conditions of the community with priority on increasing the carrying capacity of the community's economic development, especially for MSME actors through:
  - a) Mapping the MSME business cycle according to the type of business and superior products that have survived in the post-Covid-19 pandemic
  - b) Providing training on the implementation of financial inclusion and virtual technology for MSMEs as one of the solutions to survive during the Covid period and after the COVID-19 pandemic;
  - c) Encouraging the strengthening of institutional aspects as a supporting system for MSMEs during and after the Covid-19 Pandemic;
  - d) Regional Governments need to initiate a Community-based Economic Development Model for MSMEs during and after the Covid-19 pandemic;



- e) Increasing quality and competitive human resources through intense and continuous digital-based training in order to recover from the downturn caused by the Covid-19 Pandemic outbreak
- f) Improving public understanding of governance and business sustainability through intensive outreach and education and training activities by applying in a balanced manner the concept of the triple bottom line namely profit, people and *planet*

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