



# Analysis of the Implementation of the Pentahelix Model as a Way Out to Save Micro, Small and Medium Enterprises (MSMEs) During Covid 19 in Tangerang City

Tubagus Sani Soniawan<sup>(✉)</sup>

Hasanuddin University, Makassar, Indonesia  
sanny\_soniawan@yahoo.com

**Abstract.** The COVID-19 outbreak hit all over the world, including Indonesia. This disease affected all aspects of people's lives in Indonesia. Micro, small, and medium-sized enterprises (MSMEs) on a large scale are among those affected. MSMEs are one of the most important foundations of the economy in this country, accounting for 64,19 million of the total number of businesses in Indonesia. The government is working with all parties to be able to help revive or find a strategy to be able to recover this sector again. The purpose of this article/research is to analyze the role of the government, academics, community, business world, and media in encouraging the development of MSMEs in Tangerang City during the COVID-19 pandemic. Using a qualitative descriptive method to describe the actual conditions that occurred in Tangerang City. This study finds that the application of the pentahelix model is that the role of five actors or sectors, namely government, business, community, academics, and media, in developing MSMEs has been carried out by the government of Tangerang City.

**Keywords:** MSME development during COVID 19 · pentahelix model · collaboration

## 1 Introduction

During the COVID-19 pandemic, MSME players were faced with four problems: decreased sales as a result of the Large-Scale Restrictions (PSBB) regulations; capital difficulties due to difficult capital turnover; product distribution barriers; and raw material difficulties [1]. These issues cannot be solved solely by MSME actors but require assistance from a variety of parties, including the government with its policies and programs, academics with their community service programs, the business world, in this case banking, with the ability to provide funds, communities with social capital built in the UMKM Forum in each sub-district in Tangerang, and the media with its publication network. This is in line with Saputri, who found that MSME players were faced with four problems: decreased sales as a result of the Large-Scale Restrictions

(PSBB) regulations; capital difficulties due to difficult capital turnover; product distribution barriers; and raw material difficulties [1]. These issues cannot be solved solely by MSME actors, but require assistance from a variety of parties, including the government with its policies and programs, academics with their community service programs, the business world, in this case banking, with the ability to provide funds, communities with the social capital built in the UMKM Forum in every sub-district in Tangerang, and the media with its publication network. This is in line with [2], which states that there are five stakeholders involved in developing MSMEs based on the pentahelix model, namely: companies (business), communities (community), academics (academic), government, and media. Based on the explanation above, it is hoped that this research will find the application of the Pentahelix model as a way out for saving and developing MSMEs during the COVID-19 pandemic in Tangerang City.

Due to the outbreak of COVID-19, research findings explain that nearly 165,000 MSME actors in the culinary sector have shown a very large impact on COVID-19. The results of this study were also supported by data from the government, which reported that more than half, or 50%, of MSMEs were affected by a decrease in their trade turnover, more than 20% in financing, more than 15% in the distribution of goods, and 4% experienced problems with raw materials. Other research explains that the reason for the decline in turnover of MSME players is caused by 63% of people's declining spending power; 46% of consumers are worried about buying plus tightening rules; and 42% have difficulties with shop opening hours. Due to the decrease in turnover, more than 30% of MSMEs chose to stop production, 19% spent the remaining stock of goods returned, 8% produced based on orders, and the remaining 27% opened very limited trade.

### **1.1 Pentahelix Model**

The pentahelix model is defined in [3] concerning Guidelines for Sustainable Tourism Destinations, which states that a driving system is required in order to create, ensure the quality of activities, facilities, and services, and to create experience and value for tourism benefits in order to provide benefits and benefits to society and the environment tourism through optimizing the roles of business, government, community, academia, and the media [4]. Stakeholders involved in developing MSMEs based on the pentahelix model are companies (business), communities (community), academics (academic), government (government), and media (media) [2]. The Pentahelix model can be applied to revive MSMEs during a pandemic. This is because MSMEs will not rise and grow big if stakeholders do not coordinate and collaborate with each other. In this context, the government is the leading sector in mobilizing these five stakeholders because the government has full power in policy making.

## **2 Methodology**

The research method was carried out using a descriptive approach by focusing on actual problems as they existed when the research was in progress. To reinforce the analysis, a literature review study is also added, which examines several empirical studies from

journals, articles, and other reports related to research material. Researchers use this to describe gap research, making it easier to identify the steps and positions of this research. The data collection technique used is observation and documentation.

### **3 Result and Discussion**

It is known that micro, small, and medium enterprises (MSMEs) are the largest actors in the regional and national economies. It can be said that MSMEs are the biggest driver of the community's economy, so they must be taken very seriously. MSMEs in the national economy have a role: (1) as the majority or main actor in economic activity; (2) as the largest provider of livelihoods; (3) as a subject in advancing the local economy and empowering communities; (4) as discoverers of economic markets and a source of inspiration; and (5) as the biggest contributor to the balance of payments. MSMEs also have a big role in opening employment opportunities and sources of income for the poor; there is equity in the distribution of income and in reducing poverty, and MSMEs also play a role in rural economic development.

The outbreak of the COVID-19 pandemic at the end of 2019 became a problem throughout the world, including in Indonesia. The COVID-19 pandemic has had economic, social, and political implications in all regions, including the city of Tangerang. The impact caused by this pandemic includes five aspects, namely: 1) aspects of sales. The average decline in MSME sales is 61%. 2) Aspects of operating profit the average decline in operating profit is 61%. 3) Aspects of capital The number of MSMEs experiencing capital problems increased to 71.4% in some aspects, including the number of employees. In this aspect, MSMEs reduce the number of employees by 22%. 5) Aspects of the ability to pay bank installments Almost all MSME actors (especially microbusiness actors) experience problems carrying out their obligations to banks. This research also found that MSME actors in Tangerang City have implemented an online sales strategy, although not all of them have. The number of MSMEs implementing online strategies increased during COVID 19. The survival ability of MSMEs selling online was stronger than that of MSMEs selling only offline.

The following is an analysis of the application of the pentahelix model to the development of MSMEs in Tangerang City.

#### **3.1 Government Role**

Various efforts were made by the government to increase MSMEs in every region during the pandemic, including in Tangerang City. The role of the government is to provide stimulation to business actors based on applicable regulations. Government efforts to support convenience for MSMEs have also been shown in various ways. Such as the simplification of licensing procedures, the waiver of licensing fees for the establishment of small businesses, and the waiver of licensing fees for microbusinesses. For the Tangerang City government, provide marketing centers for MSME products (a type of souvenir market center) in 13 sub-districts. Later, this place will be used as a promotion site as well as a place for selling MSME products. Aside from that, the City of Tangerang has provided a market place for UMKM players to develop marketing of their products

through Ayo!RanGkul on the Tokopedia application in collaboration with e-commerce vendors. Therefore, MSME actors in Tangerang City must carry out self-reconstruction by increasing the entrepreneurial spirit, increasing business resilience, legalizing businesses, and most importantly, changing their way of thinking so that they are more ready to transform towards a digital marketing system.

The Department of Trade, Industry, Cooperatives, and SMEs should carry out 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 actors have the ability to adapt to market developments. The intended training materials are in the form of: 1) governance and procedures for using social media, such as Facebook, Instagram, marketplaces, and the like. 2) The introduction and implementation of the online mobilization mix include sharing, hype, actionable, relevant, and emotional. This marketing mix is a response to market changes. The connected society era is an era where technology is present in every human activity and changes human life, including changing markets (consumer behavior). 3) Packaging skills training (product packaging). This ability is absolutely necessary as a response to market demands. 4) Training related to product branding So far, this ability has been relatively neglected because there is a tendency for MSME players to focus more on production activities. 5) Training related to self-motivation by presenting a competent coach or motivator This activity is important to be carried out to pump up and maintain the spirit of MSME players and be ready to face all the challenges that exist.

### **3.2 The Role of Academics**

In the limited conditions of society when PSBB and various other restrictions exist, creativity and empathy are required of all parties to carry out activities that encourage, strengthen, or even increase the existence of MSMEs to survive, in this case academics. To maintain the sustainability of MSMEs, universities and educational institutions actively participate in providing innovative knowledge and skills. Academics, who are part of a collection of intellectuals, have a fundamental obligation to perform community service. This type of innovation or knowledge sharing is becoming more common and widespread in the community, particularly among MSME actors. The in-depth research on MSMEs has become more widespread, and apart from their knowledge being a driving force for MSME actors, it has also become a breakthrough that is passed on to the government as a strategy that can be used as a reference between regions. Apart from that, what is sustainable is creating agents of change that are expected to be able to turn existing challenges into opportunities to be able to develop a people's economy through micro-enterprises in the midst of a pandemic.

### **3.3 Business Roles**

During the COVID-19 pandemic, people were asked to remain silent for a very long time. Many businesses have stagnated, the circulation of money has slowed down, and this has resulted in people who work for daily wages getting worse off. For MSMEs, it has an impact on the limited operations of MSMEs and a decrease in consumers who shop directly compared to normal days. To normalize or adjust to reduced income,

medium-sized and large businesses that employ a large number of employees also carry out termination of employment (PHK). Reduced production and, of course, decreased company productivity. Many companies went out of business when the pandemic spread from the end of the first year to the middle of the second year. Stakeholders who act as businesses in the MSME development program have basically carried out their roles well according to the indicators in the pentahelix model. This can be seen because actors representing businesses have played a role as enablers by supporting business actors to develop their businesses through capital assistance and increasing human resource capabilities through training to support business process changes in the digital era.

### **3.4 Community Role**

The community in the pentahelix collaboration context contains a group of people who have the same interests and are relevant to the concept being developed. The community acts as an accelerator, not only by promoting the community's products and services but also by acting as a liaison between stakeholders to assist the community in the entire process of building social change.

In Tangerang City, many communities empathized with MSMEs during the pandemic. Starting from the sports community, the animal observer community, and the socio-religious community. For communities that are directly related to MSMEs, currently 13 communities have been formed in each sub-district of the Sub-district MSMEs Forum, whose members are MSME actors in each sub-district of the 13 sub-districts in Tangerang City. There are many kinds of actions aimed at supporting MSMEs, for example, taking turns buying food to distribute to people who are in poor conditions. Many are moved. Starting from rotational purchases for MSME players, especially culinary, to empowering taxi drivers/ojek who are also banned from carrying passengers, except for bringing food orders.

In addition, the community can be a forum for sharing and exchanging ideas for the progress of each business. Communities can also have a major influence on business development, just as a community support system can become a forum for sharing experiences and providing access to information about various business development programs.

### **3.5 Media Role**

Conventional Media acts as an expander in supporting publicity promotion publications for products and services produced by the community. The media also plays an important role in building a brand image for the social changes that are being built in society so that access to information is easy to obtain. With easy access to information, it will invite and add new collaborators to jointly create social change that has an impact on society. We can maximize the application of the pentahelix collaboration concept as a basis for collaboration to build social change in society. Many MSME actors are unfamiliar with this brand image building strategy, so the media can support it by doing lots of endorsements so that the product image gets better and wider. In the city of Tangerang, especially online media, cooperate in promoting MSMEs. Alternatively, offer low-cost promotional opportunities.

This media's role will inspire MSME actors to make changes, beginning with how they shop, communicate, distribute, and look for ways to reduce operational and non-warehouse costs.

The selection of marketing communication media is based on the type of product to be marketed, the target audience, the time to send the message, and the promotion costs. Consideration is needed in choosing an effective marketing communication medium. Thus, MSME actors must carefully consider choosing the right media for promoting their products so that they can be accepted by the public.

### **3.6 Social Media**

Social media is growing very rapidly, and its reach is unimaginable. Social media platforms even run algorithms based on user preferences. Nothing but the ability to use social media to accelerate the results obtained. The role of social media in creating a brand image for MSME actors can use a variety of social media, with goals and users that have been automatically directed. Facebook and Tiktok can be said to be the majority of e-commerce sites that support MSMEs in Tangerang City.

There is a virtual "market," and there are offers on social media and has formed a lot of habits and new ways of transacting. For transaction security, the use of social media is quite safe. The Pentahelix Model of Collaboration Patterns in MSME Development Based on research, stakeholders collaborate in MSME development. Following is an explanation of the types of cooperation patterns between stakeholders in the development of MSMEs.

### **3.7 Pattern of Government Cooperation with Academics**

The pattern of cooperation between government and academia is collaboration. In Tangerang City, at least some examples of academic activities supporting MSMEs include:

1. UMN (Multimedia Nusantara University) through the Assistance Program for MSMEs in Tangerang City conducts education on digital marketing, brand and packaging design, financial reports, and bookkeeping;
2. Universitas Brawijaya through community service activities that are distributed in 13 sub-districts and become a companion for 13 UMKM forums in each sub-district;

Academics, as stakeholders who are a source of knowledge with the latest and most relevant theories and concepts, can help the government if there are obstacles to developing MSMEs.

### **3.8 Pattern of Government-to-Business Cooperation**

The pattern of cooperation between government and business is collaboration. Businesses can help by providing capital assistance, facilities, training, and access to facilitate business processes. With this assistance, it is necessary to have good coordination between the government and businesses to be mutually accountable so that they understand what assistance should be provided and according to needs.

There are several collaborations between the government and businesses in the city of Tangerang for MSMEs, including:

1. Bank Jabar Banten (BJB) through CSR in the Tangerang Emas Program (Prosperous Community Economy) in the form of revolving loans without interest and without collateral in groups of up to 2 million MSMEs and can be in groups of 1 MSME actor;
2. BRI through KUR Loans (People's Business Credit), which opened outlets in 104 sub-districts throughout Tangerang City targeting MSME players;
3. Hotel Annara Soeta Airport through the provision of space for Tangerang City MSME outlets, which are filled with superior MSME products from Tangerang City in 13 districts. 3. Tokopedia, through the provision of the Ayo! RanGkul page, which markets local products from SMEs throughout Tangerang City. Through this collaboration, MSMEs in Tangerang City can directly market their products to Tokopedia application users.

### **3.9 Pattern of Government Cooperation with the Community**

The Tangerang City Government is ready to work together and collaborate with community networks to support MSMEs, including in efforts to overcome the impact of the pandemic. Community is one of the important strengths of civil society. Moreover, the majority of the millennial generation is creative, critical, and connected to social media and digital technology. The community is expected to be able to work together with the city government in advancing the area and dealing with various problems in the community. In the context of a pandemic situation, this is also the case. It is hoped that the community will assist in encouraging the revival of MSMEs that have been decimated by the CO-19 pandemic.

### **3.10 The Pattern of Cooperation Between the Government and the Media**

The principle of equality in cooperation is needed between the government and the media because the two parties need each other. The government needs the media as a place to socialize what has been done to the public, and the media itself needs the government as a source of news. In the context of supporting MSMEs during the pandemic, the Tangerang City government and the media, both conventional and online, are supporting the promotion and encouraging the recovery of MSMEs in Tangerang City. There are publications by providing program information; for example, when there are events and product promotions, there is collaboration and joint commitment in accordance with the roles played.

## **4 Conclusion and Suggestion**

### **4.1 Conclusion**

Based on the results of the research that has been described, the conclusion that can be drawn from the analysis of the application of the pentahelix model is that the role of five

actors or sectors, namely government, business, community, academics, and media, in developing MSMEs has been carried out by the government of Tangerang City. So as to be able to increase product innovation, skills, marketing, and knowledge of business actors. The main thing is to start recovering from the pandemic situation that has occurred for the past 2 years or so. In addition, collaboration between stakeholders creates a new atmosphere that can creatively improve the capabilities of MSMEs in Tangerang City.

## 4.2 Suggestion

The main thing in the synergy of other sectors that play a role in the development of MSMEs in the Tangerang City area is the government's role as a catalyst and decision-maker. Thus, the city government needs to increase cooperation in a more sustainable, scheduled, and well-planned manner with all stakeholders or all sectors that have capabilities in terms of technology, marketing, knowledge, and others. The MSME community also needs to embrace all MSMEs in their area and make plans both short- and long-term for the development of UKM, which results in economic growth both locally and nationally.

## References

1. Vina Natasya, Pancawati Hardiningsih. : Kebijakan Pemerintah sebagai solusi meningkatkan pengembangan UMKM di Masa Pandemi, *Ekonomis, Journal of Economics and Business*, 5 (1), Maret 2021, 141-148 (2021).
2. Saputri, Fa. W.: Implementasi Model Pentahelix Dalam Pengembangan Pariwisata Studi Pada Talang Indah Fajaresuk Kab. Pringsewu. *Jurnal Kompetitif Bisnis*, 1(1), (2020).
3. Peraturan Menteri Pariwisata Republik Indonesia Nomor 14 Tahun 2016 tentang Pedoman Destinasi Pariwisata
4. Pedoman Destinasi Pariwisata Berkelanjutan, 1 (2016).

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

