

THE EFFECT OF THE END OF THE COVID-19 OUTBREAK ON THE ECONOMY OF MSMEs IN SURAKARTA CITY

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Abstract: This study aims to determine the effect of the end of the Covid-19 outbreak on the economy of MSMEs (Micro, Small and Medium Enterprises) in Surakarta City. This research method is a qualitative method with a descriptive approach. Data were collected through participatory observation, in-depth interviews and document studies. The informants in this study consisted of MSME owners (Micro, Small and Medium Enterprises), MSME workers (Micro, Small and Medium Enterprises) and other MSME (Micro, Small and Medium Enterprises) actors. The results showed that the Covid-19 pandemic had a significant negative impact on the economy of MSMEs (Micro, Small and Medium Enterprises) in Surakarta City. These vary, including a decrease in the income of MSMEs (Micro, Small and Medium Enterprises), an increase in the unemployment rate, cancellation of business projects, an increase in costs, a reduction in the number of employees, and an increase in business bankruptcies. Proposed solutions to address this problem include social protection, tax reduction, and infrastructure development. Hail's research is expected to provide important information for the government, entrepreneurs and workers of MSMEs (Micro, Small and Medium Enterprises) about the negative impact of the end of the Covid-19 outbreak on the economy of MSMEs (Micro, Small and Medium Enterprises) in Surakarta City, and assist the government in determining the right strategy to promote the economy of MSMEs (Micro, Small and Medium Enterprises) in the regions.

Keywords: MSMEs (Micro, Small and Medium Enterprises); Covid-19; Economy.

INTRODUCTION

Community activities in Indonesia have begun to stabilize after the end of the Covid-19 outbreak which has been stealing the limelight for the past 3 years. Many people who used to work from home have started working at work. And also school children who have started teaching and learning activities at school, as well as students who have started activities on their respective campuses. There have also begun to be many traders who sell and run their businesses again. The whole community has started to carry out activities as usual without being haunted by anxiety about the covid-19 outbreak

Gradually, business actors began to bounce back by being marked by returning to normal activities after the Covid-19 pandemic subsided. The wheels of the economy are also turning again and the workers are also getting their wages to be able to meet their daily needs. One of the areas that shows significant development in the business sector is Surakarta City. Almost all business actors reopen their businesses such as restaurants, stalls, shops and others. If you look directly at the movement of economic development after the business sector returns to normal activities after the Covid-19 pandemic subsides. The Corona virus pandemic has made business actors open businesses with the target of increasing production so that they can get more profits. On the other hand, workers are also required to work overtime in order to get overtime pay. MSMEs must receive assistance and attention after the covid-19 subsidence, and the Surakarta government is also

working with Regional Apparatus Organizations (ODP) to monitor and advance the business sector of MSME actors. The rise of the economy is now also followed by changes in people's behavior related to trade activities that rely on *Online*. This happened considering the Covid-19 pandemic and face-to-face restrictions and besides that it was also in accordance with the times. It is also seen now that many MSME players rely on *Online* marketing. This development is also in accordance with the policy of the Surakarta government which often provides training and opportunities for online marketing development through local Regional Apparatus Organizations (OPD) ((Pradanita Zahri et al., 2021)

The era of the global pandemic due to the Covid 19 outbreak has been going on for quite a long time, bringing many negative impacts on the lives of people around the world. As a result of the Covid 19 outbreak, economic activities everywhere have been disrupted which has caused many people to decide to stop their various activities. This has also resulted in many sectors of the economy experiencing losses due to this pandemic. One of the most affected sectors of the economy is small and medium enterprises (MSMEs). MSME is a business entity engaged in various fields, such as services, production and others. In Indonesia alone, the MSME sector is recorded to be a source of economic contribution of 58.6 percent. The Covid-19 outbreak certainly has a big impact on the MSME sector. Certain social restrictions, such as restrictions on movement and closures of various types of businesses, will have a direct impact on the

SME sector. A number of policies that have been implemented during the pandemic, such as the ban on leasing trade loans, have made entrepreneurs who rely on these businesses also suffer losses. Like in all parts of Indonesia, the impact of Covid 19 is also felt by entrepreneurs in Surakarta City. Surakarta City is a fairly developed city, based on socio-economic aspects recorded by various national and international rankings. However, Surakarta City is not spared from problems that occur throughout Indonesia, including due to Covid 19 (Djatkiko & Pudyastiwi, 2020).

Along with the times, it plays a crucial role in growth and economic development to increase the income of a region in the welfare of the people. The existence of MSMEs has an important function for an area, especially as one of the pioneers of economic growth in the region. MSME activities are one way so that regional creative products can be recognized and provide business opportunities for business people in the regions. MSME players are considered very important to increase per capita income and improve the economy of a region, so that MSME actors in the regions are required to be able to participate in developing the country's economy, especially in developing the economic growth of the city of Surakarta (wika undari, 2021)

Based on the results of observations in several MSMEs in Surakarta City, in its implementation, several obstacles faced by MSME actors were found, including: 1) price competition between MSME players and other MSME actors with the same product. 2) limited capital owned by MSME actors to innovate in developing their

products. 3) lack of understanding of MSME actors in terms of their product marketing strategies to be more widely known by the community.

MATERIALS AND METHODS

This type of research is qualitative research conducted with a case study research design. The researcher acts as a key instrument and human instrument. . The research place used by researchers is surakarta kidul square. The underlying reason for this place was chosen as a research event is that there is a phenomenon of problems related to the rise of MSMEs after the Covid-19 outbreak in Surakarta City. As for the research time in this thesis report, it will be carried out from September 2022 to July 2023. The object of this study is the area of the city square of Surakarta. The subject to be examined is MSME actors located around the Surakarta Kidul Square area with different sales criteria and different incomes to represent the diversity of income in the community around data collection techniques using interview and observation techniques conducted by researchers in obtaining data on the economic impact that arises on MSMEs after the end of the Covid-19 outbreak. From the results of interviews and observations conducted by researchers, data was obtained regarding the circumstances that occurred after the covid-19 outbreak subsided the economic growth of MSMEs in Surakarta city. In addition, data was also obtained on the obstacles faced by MSME actors and how MSME actors tried to face obstacles in running their businesses after the Covid-19

outbreak subsided. The validity of the data used in this study is source triangulation, while data analysis techniques include data collection, namely recording all the data needed in this study, data reduction, namely sorting out data in the form of a description of the situation that occurred after the covid-19 outbreak subsided the economic growth of MSMEs in Surakarta city, the presentation of data in the form of a brief description of the obstacles faced by MSME actors after subsiding the Covid-19 outbreak in the city Surakarta, and Verification is the drawing of conclusions supported by valid and consistent data so that they can become credible conclusions.

RESULTS AND DISCUSSION

What is the situation after the easing of the Covid-19 Outbreak on the economic growth of MSMEs in Surakarta City

After Covid-19 ends, the situation of MSMEs will gradually improve. They will start to get back to doing business and increasing their productivity. Despite the difficulties faced by MSMEs today, many governments have issued various programs to help MSMEs develop and improve their performance. The government has taken the initiative to provide loans, training and other support to help MSMEs through these difficult times. In the future, MSMEs will grow and become stronger with government support(Sarmigi, 2020)

After the easing of the Covid-19 outbreak, the economic growth of MSMEs in Surakarta City needs to be rebuilt. MSMEs in Surakarta City will experience the impact of Covid-19 in various forms. MSMEs will have difficulty in earning

income, selling products, obtaining business funds, and increasing their productivity. With the aim of accelerating the pace of economic growth of MSMEs, most financial institutions and governments have planned to provide assistance. There will be business funding assistance, capital assistance, working capital credit, and management scholarships. In addition, the government has also introduced various programs to support MSMEs and in expanding their customer base. For the period after Covid-19, the MSME economy still needs a significant increase. MSMEs in Surakarta City must be outlined in charts to understand the advanced market. MSMEs must also innovate to increase productivity, create added value and expand the customer base. In addition, MSMEs must also increase marketing efforts, information dissemination, and product introduction. This will help MSMEs increase their economic income bulk. This will also help MSMEs rebuild their economies after the easing of the Covid-19 outbreak (Sugianti (Sugianti & Sugianti, 2021).

the merchants in Surakarta City are very grateful. They felt very relieved because they were finally able to return to doing business smoothly without being disturbed by the obstacles caused by the pandemic. Traders also hope that this situation will provide new opportunities for them to increase sales and grow their business. With the end of the pandemic, traders in Surakarta City also hope to change their lives for the better by increasing their income and service quality. In addition, the merchants also hope to implement some new marketing

techniques and business strategies to increase sales. Although a number of merchants have experienced a decline in revenue, many of them have managed to increase their sales through various effective marketing and business strategies. These strategies include leveraging social media to offer products and services to consumers, increasing promotions, and creating discount schemes for shoppers (PRATIWI, 2020). In addition, the government has also taken steps to support traders in Surakarta City by providing financial assistance and activating economic recovery programs. The traders will experience developments in various ways. They will strive to improve adaptability, improve business skills, expand the market, and improve marketing capabilities. They will also try to increase the durability of the market and have flexible strategies to deal with various situations. The merchants will also try to increase initiative and creativity to increase marketing and productivity. In addition, merchants will try to build new networks to expand their market and grow their business.

Obstacles faced by MSME actors and how MSME actors try to face obstacles in running their business after the Covid-19 outbreak subsidies

Even though the Covid-19 outbreak has ended, based on the interview results, MSME actors are still experiencing difficulties. The price competition between MSME players and other MSME players is very tight. Because it has the same type of product so that it causes quite fierce price

competition and also market competition that is so difficult. Price competition between MSME players and other MSME players with the same product in Surakarta City can occur in various ways. One way that can be used is to sell products at a lower price than competitors. This can be done by lowering profit margins or using a more aggressive sales strategy. In addition, MSME players can also offer attractive promotions, sell products with better quality, and provide better customer service to attract customers. Another strategy that can be done is to increase product offerings and carry out marketing activities through social media. In this way, MSME players can promote their products to a wider range of customers and increase their sales (Suminah et al., 2022)

MSME players can also compete by improving the quality of their products. This can be done using high-quality raw materials, improving the quality of service and expanding the range of services to customers. In this way, MSME players can make their products more attractive to customers and increase their sales. In addition, MSME players can also use the right marketing and promotion strategies to increase sales. The right marketing and promotion can help MSME players increase sales and attract new customers. MSME players can do marketing through social media, advertisements in print or television media, and offer special discounts or bonuses to customers.

MSME players can also increase their service range and serve customers better. This can be done by offering faster delivery services, providing better customer service,

and increasing the range of services to customers. In this way, MSME players can easily promote their products to customers and increase their sales (Purwanto, 2021). By using the various strategies mentioned above, MSME players can compete with other MSME players with the same product in Surakarta City. This strategy can help MSME players increase sales and increase their profits. It can also help MSME players attract new customers and promote their products to a wider range of customers. Thus, MSME players can increase the number of customers and increase their business profits.

In conclusion, MSME players can compete with other MSME players with the same product by using various business strategies. The chosen strategy must consider production costs, marketing costs, and other costs, as well as offer different and up to date products and services to meet customer needs and win price competition with other MSME players with the same product. By using the right strategy, MSME players can win price competition with other MSME players with the same product.

CONCLUSIONS

Based on the results of research that has been carried out, it can be concluded that the end of the Covid-19 outbreak on the MSME economy in Surakarta City has a positive impact on the MSME economy in Surakarta City. This shows that MSMEs will develop and play an important role in the economy after the Covid-19 outbreak ends. MSME players must ensure that the products and services they offer are always

evolving and up to date so that they can meet customer needs and win price competition with other MSME players with the same product. By using the right strategy, MSME players can win price competition with other MSME players with the same product. Therefore, the government needs to increase support and assistance to MSMEs so that they can grow and develop in the future. This can be the basis for the Surakarta government to increase support for MSMEs and help them to grow and develop after the Covid-19 outbreak ends. In addition, this research can also be a consideration for other governments in dealing with the impact of the end of the Covid-19 outbreak on the economy of MSMEs in their regions.

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