



## THE MICRO PPM POLICY FOR MICRO SMALL MEDIUM ENTERPRISES (MSME) PERFORMERS AT THE TIME OF THE COVID-19 PANDEMIC (A CRITICAL ETHNOGRAPHIC STUDY)

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### Abstract

The Covid-19 pandemic has disrupted not only the business performance of the large business sector but also has implications for the MSME sector. This research was conducted to develop the concept of the meaning of the Micro PPM Policy among MSME actors in the city of Malang under the values, ideas, and business practices carried out by MSME actors. Besides looking for a "cultural theme" related to the implications of Micro PPM policy, this effort also aims to incorporate values originating from the business philosophy of MSME actors in managing their business to create a complete conceptual framework regarding the impact of implementing Micro PPM policies. PPM policies. The research method uses descriptive qualitative, based on the philosophy of postpositivism in which the researcher acts as a key instrument in this research. The PPM Micro policy is considered to be lacking in providing solutions to the problems faced by MSMEs during the pandemic. Discrimination in terms of distribution of aid funds. Some MSME owners feel they do not need to provide data as a requirement because those who receive aid funds are not those who have already filled in the data but certain MSMEs that government officials have appointed.

**Keywords:** *PPM Policy, Business, Ethnography*

### INTRODUCTION

The Covid-19 pandemic has disrupted not only the business performance of the large business sector but also has implications for the MSME sector. The economic conditions during the pandemic differed from the financial crises in 1997-1998 and 2008. The financial crisis only affected the banking sector and big businesses in those years. Meanwhile, during the pandemic, all sectors are affected. The health industry is the one that is going to feel the most significant effects, not the economy. As a result of the Covid-19 virus, a great number of people have lost their families. Patients infected with this virus are overwhelming medical facilities.

To avoid the spread of this virus, the government has implemented several rules that impact all fields, including the economic sector. The government does not allow citizens to leave their

homes if it is not for urgent needs such as shopping for essential clothing and food. Schools were closed and replaced with online implementation.

In 2020, the central government, through the provincial and district/city governments, will implement the Micro PPM policy, which is implemented in almost all corners of the sub-district and village. It is the government's way of dealing with health problems that spread and affect all lines of people's lives. Therefore, all public places are temporarily closed. Shops that are only allowed to operate are shops related to clothing and basic needs related to health.

Malang is one city that implements the Micro PPM rules set by the central government. Micro PPM is enforced with the rules that all traders must comply with existing regulations following health protocols and under regulations issued by local governments. All fast food places are not allowed to provide dine-in service but must bring food home or *take it away*. Traders used to sell at night are limited to a schedule only until 20.00 WIB. It, of course, impacts the income of those who can initially trade more than these hours.

They have conducted this research to build the concept of the meaning of the Micro PPM Policy among MSME actors in the city of Malang by the values, ideas, and business practices carried out by MSME actors. This effort is expected to harmonize the understanding of the business implications of Micro PPM policies between the government and MSME actors. This effort does not merely find a 'cultural theme' related to the view of the implications of the Micro PPM policy. Further, it seeks to incorporate values derived from the business philosophy of MSME actors in managing their business to create a complete conceptual framework regarding the impact of implementing Micro PPM policies.

This research focuses on two things. In the first stage, this research focuses on efforts to find the reality of the cultural theme of the impact of the implementation of the Micro PPM policy that is currently happening. In the second phase, this research focuses on efforts to build a comprehensive conceptual framework regarding the impact of implementing Micro PPM policies.

## **LITERATURE REVIEW**

### **Micro PPM**

In an effort to follow up the instructions of the Minister of Home Affairs No. 3 of 2021 concerning Restrictions on Micro-Based Community Activities and the establishment of the 2019

Corona Virus Disease Handling Post at the Village and Sub-District levels to control the spread of Corona Virus Disease 2019 (Kemendagri, 2021) , then the Provincial government, in this case the Regency or City government implements restrictions (Jatim, 2021) including the following: (1) limiting workplaces or offices by implementing *work from home* (WFH) as much as 50 percent and *work from office* (WFO) by 50 percent by observing more stringent health protocols, (2) making arrangements for the implementation of restrictions; (a) restaurant activities (fifty percent on-site eating/drinking and for food service via delivery or take-away are still permitted according to restaurant operating hours with the implementation of stricter health protocols, (b) limitation of operating hours for shopping centers or *malls* until 21.00 WIB with the implementation of stricter health protocols, (3) activities of public facilities and socio-cultural activities that can cause crowds are temporarily suspended. Furthermore, with the existence of PPKM Mikro, people in Java and Bali cannot do activities at night (Patrolipost, 2021).

It should be noted that there is a fundamental difference between PPKM and Micro PPKM. In micro-based PPKM, there are provisions for establishing Covid-19 handling posts at the village and sub-district levels in the context of controlling Covid-19. Previously, this provision did not exist in PPKM volumes I and II. In PPKM volume I, the operating hours of restaurants and shopping centers are limited to 19.00. Meanwhile, in PPKM volume II, the working hours are looser until 20.00 WIB. The rules on micro PPKM are even laxer, where the operating hours of malls/shopping centers are allowed until 21.00 WIB. In PPKM, the limitation in offices is 25 percent *work from the office* and 75 percent *work from home*. Meanwhile, in micro PPKM, the rules are looser, with 50 percent *working from the office* and 50 percent *working from home* (Patrolipost, 2021).

## **MSME**

(Micro Small Medium Enterprises)

"Small businesses" refers to people's economic activities that are part of the business world and have a key role and potential in attaining a more balanced national financial structure and equitable growth based on economic democracy, according to Presidential Decree No. 99 of 1988. (RI, 1998).

This decree defines small businesses as "people's economic activities" (RI, 1998). Meanwhile, according to Bank Indonesia, what is meant by MSMEs is a company or industry with

the following characteristics: (1) the capital is less than Rp. Twenty million rupiahs, (2) for one round of business requires funds of Rp. 5 million rupiahs, and (3) has a maximum asset of Rp. Six hundred million rupiahs, excluding land and buildings, (4) and an annual turnover of approximately 1 billion rupiahs (Isroah, 2013).

MSMEs are small-scale and traditional people's economic activities with a net worth of IDR 50 million to IDR 200 million, excluding land and buildings for business. Its annual turnover is less than IDR 1 billion. In addition, his net worth is between IDR 50 million to IDR 500 million. Meanwhile, net yearly sales are between IDR 300 million to IDR 2.5 billion (Indonesia, 2008).

Meanwhile, according to Law no. 20 of 2008, productive businesses owned by individuals and business entities whose criteria are (1) total assets are less than 50 million rupiahs, and (2) have a turnover of less than IDR 300 million per year. Furthermore, what is meant by small business is a productive economic business that stands alone.

And is carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become a part, either directly or indirectly from medium or large businesses, with the following criteria: (1) total assets ranging from Rp 50 million to 500 million rupiahs, (2) turnover between Rp300 million to 2.5 billion rupiahs (Suhendri et al., 2017).

Furthermore, medium-sized enterprises are independent productive economic enterprises carried out by individuals or business entities.

These are not subsidiaries or branches of companies owned, controlled, or become a part either directly or indirectly of small or large businesses with the following criteria: (1) total assets are between Rp. Five hundred million rupiahs to Rp. 2.5 billion rupiahs, (2) annual turnover is between Rp. 2.5 billion rupiah to Rp. 30 billion rupiah.

## **METHOD**

This type of research is qualitative because the data obtained and the analysis is more qualitative (Sugiyono, 2013a). This research is based on the philosophy of postpositivism, which prioritizes research on scientific object conditions (as opposed to experimentation) where the researcher acts as a *key instrument*. This research is often called naturalistic research because the research is carried out in natural conditions (*natural setting*). (Sugiyono, 2013b).

The method applied in this research is the ethnographic method. According to Creswell (2013), ethnography is a qualitative research design in which the researcher attempts to describe and interpret the same pattern of values, behavior, beliefs, and language of a group of the same culture. There are many forms of virtual ethnography, including confessional, visual, auto, and so on. Creswell also emphasized that there are two popular types of ethnography: realist ethnography (traditional) and critical ethnography.

Critical ethnography, in its development, emerged as a rapid response to the complex changes that occurred in the reality of the social world as well as the emergence of new problems faced by existing communities. (Thomas, 1993) believes that critical ethnography will help broaden the perspective and experience of researchers in seeing, hearing, and feeling what is happening in the field. Ethnography not only describes and analyzes what is visible but also reveals what is not visible or becomes a hidden agenda and has always been a limitation or obstacle. To find the reality of the cultural theme of the impact of the PPM Micro policy, the researcher chose to use the ethnographic research method introduced by (Spradley, 2006), which is called *The Developmental Research Sequence* method.

The research location being researched is in the city of Malang. Later, the researcher will conduct interviews with several MSME actors in the city of Malang. The informants interviewed in this study were MSME actors registered with the Malang City Cooperatives and MSMEs Service.

## **RESULT AND DISCUSSION**

As social beings, humans live side by side with other humans. In society, every human being needs to instill a sense of caring for one another. Social care is a form of attitude and action reflecting concern for other people or communities in need related to the values of honesty, compassion, humility, friendliness, kindness, and so on (Setiawan, Vien, and Suryono, 2017). The importance of instilling a caring attitude needs to be done as early as possible so that values are permeated in humans. Social care plays an important role in forming individuals who are sensitive to social problems and can behave and act by always providing assistance to others in need, helping each other, and maintaining mutual tolerance.

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reflecting concern for other people or communities in need related to the values of honesty, compassion, humility, friendliness, kindness, and so on. The importance of instilling a caring attitude needs to be done as early as possible so that values are permeated in humans. Social care plays an important role in forming socially sensitive individuals with attitudes and actions who always want to help others in need.

All the values about social care so far we get from the environment, even though, in theory, we call them from school. The concern discussed here is not to interfere in other people's affairs but rather to help solve the problems faced by that person with the aim of goodness and peace (Salatiah et al., 2020). One form of our concern for others is to help others.

Helping behavior can be done by all people without exception. Helping each other has become a culture for Indonesian people from the past until now, especially during this Covid-19 pandemic. The government is trying to help every community with food difficulties by assisting in the form of cash. In addition, many private parties have contributed to helping small and medium-sized communities maintain the economy during this pandemic.

The Covid-19 pandemic has created new rules in the order of people's lives. For example, washing hands with running water, wearing masks, and maintaining a minimum distance of 1 meter between individuals is mandatory. It, of course, affects people's habits and economic life.

The Covid-19 pandemic has implications for the inhibition of MSME business activities, especially MSME actors who are active at night. The PPKM policy, of course, limits the operational hours of business activities to 20.00 WIB. Of course, traders who are active at night are affected by the policy of operating hours. Martabak sellers, chicken and fish salad sellers or stalls, satay sellers, and so on will experience a decrease in the number of customers, ultimately impacting the income earned. Compassion is a form of concern among fellow traders who sell until the evening. Feelings of the same fate will foster an attitude of concern among the merchant community.

The Micro PPM policy during the Covid-19 pandemic has had a huge impact on the businesses of MSMEs. The effect that is felt is the income of MSMEs is reduced. With this reduced income, the government does not remain silent by issuing a policy to help MSMEs assist Rp. 2.500.000- for each MSME. This assistance is provided to ensure that MSME owners will not

experience economic difficulties during the Covid-19 pandemic because of the Micro PPM rules that limit operating hours and the limitation of buyer distance which affects the number of buyers.

Helping behavior can be done by all people without exception. Likewise, the efforts made by the government at the time of PPKM were to help MSME business actors by assisting Rp. 2.500.000 for each MSME affected by Micro PPM. This cash assistance can be disbursed by showing evidence that the MSME concerned owns a business and has a business location. It is evidenced by the data provided to the government as a condition for the disbursement of funds. Funds from the government are disbursed through banks that the government has appointed, and MSME owners do not need to spend any funds for the requirements for paying this aid fund.

According to the rules, those entitled to receive these funds are MSMEs located in Malang City, supported by data on what MSME actors are carrying out businesses. There are no exceptions to this fund. The most important thing is that MSME owners report to the government through a website that has been provided by the government or through the local village/kelurahan apparatus. The priority for getting assistance is MSMEs with small incomes, such as small food MSMEs who trade daily.

However, this assistance is not fully felt by MSMEs, and many MSMEs do not know that during this pandemic, the government assists. MSME business players during the covid-19 pandemic think that the treatment given by the government during this Micro PPM is unfair, and MSMEs feel there is discrimination. The research results from interviews with several MSME actors in Malang City found that not all MSMEs received assistance from the government. On average, the number of people who get service from the government is people in the city with an ID card registered in the town of Malang only. Meanwhile, traders who have ID cards outside the city of Malang do not get any assistance at all.

It gives rise to discrimination among traders themselves. The assistance provided is not right on target. Many traders feel that service is only given to certain people who have relations with the central government or with people who organize the implementation of the assistance. The following is an excerpt interview with one of the traders who sell at night due to the PPM Micro policy.

"Asline pedagang...olehe rong juta setengah (Rp 2.500.000). Pedagang Kaki Lima asline. Cuma neng ngisore ora onok. Nek pusat mungkin onok. 600.000 an per KK yo onok, aslinee...tapi embuh metune nang endi ?".(Meaning: The street Merchant performers (PKL) get

an incentive of IDR 2,500,000. It's just that there are no funds they got to the people rundown. There may be if there are merchants close to the Central Government. Those who get an incentive of Rp. 600,000 per head of the family, yes, there is... but I don't know where it will go.

The impact that is immediately felt by MSME business players with the PPM policy is that daily income decreases because buyers are not allowed to queue, and there are distance restrictions. With this help, traders find it very helpful to increase their income. However, they found that many did not get help in the field.

Street vendors in Malang City are not only traders who live and have ID cards in Malang City. Many of these traders still have ID cards with their origin regions examples of satay traders from Madura. However, on average, they do not move their KTP addresses to Malang City. Overseas traders choose not to change their domicile address because their children and families are still in their hometowns, making it easier for other family members to take care of government administrative needs.

Unfortunately, this is why these small MSMEs do not get help from the government. The reason the administration is not located in Malang City, the assistance they hoped for has not been disbursed. In fact, with the Rp 2,500,000,- they can increase their income to meet their daily basic needs.

The government does not choose who should receive this assistance. As long as it is proven that the person concerned is the owner of a small MSME, the aid will still distribute from the central government. The central government is very aware of the obstacles faced by MSME owners during the Covid-19 pandemic; therefore, direct assistance is provided in the form of cash, not in kind or otherwise.

This assistance was distributed to the local government and asked to be fair to all MSME owners. Therefore, be reasonable in the procedures and systems established by the local government. The established procedures must apply in the distribution of aid and the system that covers the distribution of assistance from the government. There are always two parties involved in the distribution process, namely the giver and the recipient (Herdianto and Yuniarti, 2012).

The condition for implementing procedural justice to be carried out properly is that in the implementation of the procedure, there is a decision-making process consisting of various people, not a single person. The decision-making team has equal power among its members. So with this,



there is harmony in the implementation of the distribution of funds from the government. Urgent needs are also a consideration in this distribution.

In the process, the government has made efforts to distribute this assistance evenly to MSME owners by carrying out various considerations. Still, in the implementation, some things are not appropriate. It could be due to several factors, including the data that goes to the government through the lowest level government officials that do not match the data in the field. For example, not all government officials received data that there were RTs that had MSME businesses during the Covid-19 pandemic. It resulted in data that did not come into being not conveyed to the central government.

In addition, some MSME owners are not very sensitive to government assistance during the aid's socialization. For example, when there is data collection, MSME owners do not enter their data through the website or report themselves to government officials who have been assigned. At the time of disbursement of funds, of course, only those who have entered the data will receive it. So this creates a sense of discrimination for those who do not get funds.

We know that during the Covid-19 pandemic, all activities are limited. It also affects the actions of government employees, which were formerly carried over immediately to the online realm. When using the internet, not everything will inevitably monitor properly. In light of this circumstance, owners of MSMEs should also aid in filling out personal data to obtain this assistance equitably.

Based on the data in the field, it was also found that there was discrimination in implementing the system. For example, it found that in one RT, when the data showed the distribution ratio, there was only one person, while there were four people who registered for financial assistance. In addition, the amount received is also not as promised. For example, RT 07 found that only one person received funds and the number of funds received was only 1 million rupiahs with a disbursement period of 3 months after filling in the data.

Based on the data that determines who is entitled to receive assistance funds, the owners of these MSMEs are government officials. Not based on who fills out the form first or fills out the website. Here there is discrimination felt by MSME owners. They think that only people who are close to government officials receive assistance. In this case, it is not the central government apparatus but the apparatus that determines who is entitled to receive financial aid.

Because of things like this, many MSME owners have little hope for the assistance provided by the government. This discrimination makes them feel that if given, they will receive it, but if not given it, they prefer to remain silent. They also do this so that there is no commotion among traders. Between fellow traders, they like to help each other. If anyone needs help, they will immediately help each other.

## CONCLUSION

According to the study's findings, there was prejudice in the distribution of relief funds granted by the government in the amount of Rp. 2,500,000. It discovers based on the findings of the study. These funds are given for elections by government officials. Those who did not receive aid funds preferred to remain silent rather than cause a commotion in the community, even though these funds should be divided equally among all MSMEs affected by the Covid-19 pandemic, regardless of the social background of MSME voters.

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