The Impact of the Covid-19 Pandemic on the Performance of Batik, Milk and Culinary MSMEs in the City of Semarang
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ABSTRACT
The most pronounced impact of the COVID-19 pandemic for Milkfish, Culinary, and Batik MSME entrepreneurs are experiencing a decline in sales turnover. After the pandemic subsided, consumer demand began to increase so MSME sales turnover increased. This research uses analysis of each variable using a questionnaire. The results of the survey that has been carried out show that batik MSMEs have the main obstacles in the form of capital and low consumer demand for batik. For milkfish and culinary MSMEs, the problem is low demand from consumers, some milkfish and culinary MSMEs do not yet sell online. The obstacle after the pandemic subsides is the still high price of raw materials. During the COVID-19 pandemic, sales of batik, milkfish, and culinary MSMEs generally experienced a decline in sales turnover of around 40-80%. The employment rate for batik, milkfish, and culinary MSMEs during the COVID-19 period was 15%. MSMEs experienced a reduction in the number of workers and also a reduction in the number of working hours. Milkfish and culinary MSMEs during the COVID-19 pandemic and after the COVID-19 period experienced problems in the raw material supply chain and price increases.

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INTRODUCTION

Indonesia is a developing country and its economic growth relies heavily on the growth of micro, small and medium enterprises (MSMEs). Micro, small and medium enterprises (MSMEs) in Indonesia are the spearhead of national economic growth in terms of economic equality, poverty alleviation and earning the country's foreign exchange (Sandi, 2020). MSMEs face challenges in 2021 due to the COVID-19 pandemic and are exacerbated by challenges in the form of increasingly rapid digital economic growth. There are still very few MSMEs that use internet services or have websites and are not yet familiar with information technology. This is what makes it difficult to market MSME products and services to reach markets outside the region.

Several important definitions of MSMEs are explained in Article 1 of Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs). Micro businesses are profitable businesses run by individuals or individual business entities that meet the requirements set out in this Law. A small business is an independent productive economic enterprise run by an individual or individual business entity which is not a subsidiary or branch of a larger corporation. A Business Entity is a productive economic business entity that stands alone, is not a subsidiary or branch of a company, is owned, controlled, or is part, either directly or indirectly, of a Small Business or Large Business with net assets or annual assets. sales proceeds as regulated in this law. In accordance with the 1945 Constitution which was later strengthened by TAP MPR NO. MSMEs have the role, position and strategic potential needed to create a national economic structure that is increasingly balanced, advanced and just. Furthermore, Law Number 9 of 1999 regulates the definition of micro, small and medium enterprises (MSMEs), which was later changed to Law Number 20 Article 1 of 2008 concerning micro, small and medium enterprises (MSMEs) due to increasingly rapid development.

The first case of the Corona 19 (Covid-19) virus was discovered in Wuhan, China, which has now developed into a pandemic on a global scale. Transmission of this virus is similar to flu viruses in general, namely through droplets and direct contact with sufferers. The most common way to prevent transmission is by implementing social distancing and implementing work from home. This pandemic has greatly affected the economy of almost every country, because at the start of its emergence the government tended not to respond well (Gustavsson & Larsson, 2020). Furthermore, the impact of this pandemic has caused an economic crisis because the economy was forced to stop with the regional quarantine policy (Jayed & Ayaz, 2020) which in Indonesia is known as Social Restrictions.
LITERATURE REVIEW

At the beginning of the COVID-19 outbreak in Indonesia, many people believed that the MSME sector would be the savior of the economy and would feel the least impact of this pandemic, such as the economic crisis triggered by reforms in 1998, but this proved to be the opposite, the MSME sector also slumped. It turns out that the impact of the Covid-19 pandemic on MSMEs is not only felt in Indonesia, as stated by Bartik (2020) in his working paper which states that many MSMEs in America are in the vulnerable category and 40% of them are in the vulnerable category. forced to reduce the number of workers. The results of the latest study from Europe and Australia also state the same thing, that two-thirds of the riskiest jobs in Europe are currently in the MSME sector and 68% of MSMEs in Australia are in the high risk category during the pandemic. (McKinsey, 2020).

LIPI also conducted a rapid assessment survey to determine the impact of the pandemic on MSMEs. The survey involved 679 respondents from business actors which was conducted during May 2020. From this survey, 94.69% of business actors experienced a decline in sales. The decline in sales occurred in ultra-micro businesses by 49.01%, micro businesses by 43.3%, small businesses by 40%, and medium businesses by 45.83% based on business scale. The decline in sales also occurred in businesses aged 0-5 years by 23.27%, businesses aged 6-10 years by 10.9%, and businesses aged more than 10 years by 8.84%. The decline in sales also occurred in business actors who sold products offline by 47.44%, business actors who sold products online by 40.17%, and business actors who sold products online and offline by 39.41%. In addition, the survey estimates that 47.13% of businesses are expected to only survive until August 2020, while 72.02% of businesses will close after November 2020, and 85.42% of businesses will only survive for one year after the pandemic takes place.

Each country has its own way of dealing with the crisis caused by the Covid-19 pandemic. It's just that the initial policy taken by each country was relatively the same, namely providing debt relief which resulted in the debt ratio of the MSME sector increasing significantly. The results of a survey conducted by the European Central Bank in collaboration with the Survey on the Access to Finance of Enterprises (ECB SAFE) show that the ratio of debt to total assets continues to decline for MSMEs (ECB, 2020). Indonesia itself, at the beginning of the spread of COVID-19, required every element of society to practice social distancing and work from home, forcing the MSME sector to take additional funding in the form of debt. Because at that time MSMEs did not expect the Covid-19 pandemic to last more than a year. At that time, MSME players thought that by taking loans with soft interest rates they would be able to reduce losses incurred due to a temporary decline in turnover, because again at that time the pandemic was estimated to only last until September 2020.

Statistical data from Central Java Dinas Koperasi Usaha Kecil & Menengah shows a decline in MSME turnover during the COVID-19 pandemic. The decrease in turnover was responded to by an increase in debt, while the increase in debt was not responded to by an improvement in conditions which required business actors to sell some of their goods. their assets. to pay off debts or debt
installments that are due. The Indonesian government then provided an additional response to the pandemic which had an impact on MSMEs (OECB, 2020) by reducing interest rates to 4.25% on June 18, tax incentives and business credit, a Direct Cash Assistance program for MSMEs, stimulus for purchasing power of MSME products in the form of discounts 25% for online purchases, increasing the volume of SME exports and credit restructuring and interest subsidies for micro businesses.

Aribawa (2016) states that performance (UMKM) is defined as the work results produced by an individual that are in accordance with that individual's responsibilities within the company and can be completed within a certain time period. This performance is also related to the values or standards of the company where the individual works. Here performance is what a person or company will achieve to achieve certain goals. The success achieved by an organization by achieving the goals that have been set strategically and by the behaviour expected from the organization is called performance. Successful MSMEs will become stronger and become the backbone of the economy and play a bigger role in the national economy.

Microenterprises are profitable businesses run by individuals or individuals that meet the legal requirements to be classified as microenterprises. With a maximum turnover requirement of 300 million per year, and total assets of no more than 50 million. A medium business is defined as a profitable business that operates independently and is run by a person or organization that is not a branch or subsidiary of a large company that is directly or indirectly controlled by a small or large company with the same level of ownership. annual sales. comply with legal regulations. maximum assets of 500 million to 10 billion, and maximum turnover of 2 billion to 50 billion per year.

Rapih, S., Martono, T., & Riyanto, G. (2015) stated that MSME performance indicators can be measured from customer growth, sales growth and profit growth. Meanwhile, according to Uthamapthran (2021), MSME performance indicators related to the impact of Covid 19 in Sarawak, Malaysia include decreased sales and profits, uncertain supply chain activities, operational hours, and unstable market demand. The significant impact of COVID-19 has prevented MSMEs from making sales and making profits as the outbreak directly affects their income, thereby directly affecting the country's GDP. MSMEs are the main victims of the COVID-19 outbreak compared to large businesses which usually have sufficient resources, in contrast to MSMEs which are not prepared to face these conditions (Shafi, Liu, & Ren, 2020).

A supply chain is an organizational system between a company and its suppliers to produce and distribute certain products or services to consumers. Recently, the MSME supply chain has been disrupted by uncertainty due to the implementation of Community Activity Restrictions (PPKM) carried out by the Semarang City Government as a preventive measure in responding to the pandemic. If the pandemic situation continues throughout 2022, it will result in a supply shortage, causing inflation, the risk of unemployment, and a decline in economic activity in most major sectors.
Operating hours are the hours when a business or organization is open to customers or visitors. Starting February 2022, in accordance with the latest Instruction Number 13 of 2022 from the Minister of Home Affairs. The Semarang Mayor’s regulations regarding PPKM Level 3 are the same as the previous regulations, according to Semarang Mayor. While restaurants and street vendors (PKL) remain open until 22.00, modern shops close at 21.00. The market demand function is defined as the sum of individual demand functions that maximize utility (Sonnenschein, 1973). In an economic context, higher demand in the market means higher adjusted prices of goods and services. Due to the COVID-19 pandemic, customer purchasing behaviour influences demand for MSME products and services. Apart from that, the implementation of Community Activity Restrictions (PPKM) also affects purchasing patterns.

**METHODOLOGY**

The population in this study is all cluster, milkfish and culinary MSMEs in the city of Semarang in 2022. Sampling in this study used a purposive sampling method, meaning that samples were selected because they met certain criteria. The MSMEs sampled are cluster, milkfish and culinary MSMEs which are still operating until 2022. A rationalist approach was used in this research. The rationalist view holds that reason is the essence of all truth (Endro, 2010). In other words, knowledge is built from the results of sensory observations which are supported by theoretical foundations and thought processes. This research begins with a theoretical study regarding economic development through the development of food and beverage MSME clusters, then this theory will be explained to find out what impacts and risks occur in the Culinary and Milkfish MSME cluster, especially in Semarang City. This type of research is quantitative research. Collecting statistical data for calculation and interpretation that can be displayed in the form of graphs, diagrams and tables is a key component of quantitative research methods. This research approach is used to achieve the following research objectives:

1. Mapping of Batik, Culinary and Milkfish MSME clusters in Semarang City
2. Measuring the performance of the Batik, Culinary and Milkfish MSME clusters in Semarang City

This research collected and described all case studies/phenomena that occurred due to COVID-19 and had an impact on MSME businesses in Indonesia and other countries. From several articles, researchers developed variables that were influential in assessing the impact of Covid-19 on MSMEs. From these variables, researchers will create a questionnaire regarding the impact of COVID-19 on the food and beverage MSME cluster, especially in Semarang City. The following are the impact variables of COVID-19 on the performance of the Culinary and Milkfish MSME cluster:

1. Sales level
2. Number of Workers
3. Erratic supply chain activities
RESULTS AND DISCUSSION

The results of a survey conducted by BPS on Micro, Small Enterprises (UMK) in 2020, it is known that there are around 12,029 MSEs in Semarang City. MSE businesses in Semarang City are dominated by the Micro Industry group with a workforce of one to four people amounting to 88.79 percent or around 10,680 businesses. Meanwhile, the Small Business group which has a workforce of five to nineteen workers is 11.21 percent or around 1,349 businesses. Semarang City MSEs absorb a workforce of 28,061 people. Of the total workforce, the proportion of female workers is greater than male workers. There were 13,492 male workers (48.08%) and 14,569 female workers (51.92%). Based on data from the Semarang City Government in 2022, the number of MSMEs in Semarang City is 16,485 micro businesses, 1,097 small businesses and 21 medium businesses. The results of the survey on the Milkfish and Culinary cluster in the city of Semarang obtained a sample of 21 respondents.

Based on the results of interviews using a questionnaire with 34 Batik, Milkfish and Culinary MSMEs in Semarang City, based on gender, five people were male (14.7%) and 29 people were female (85.3%). This means that the proportion of men is smaller than women. The results of the analysis of interviews conducted with 34 Batik and Milkfish Culinary MSMEs in Semarang City showed that there were three MSMEs whose business form was in the form of a CV and 31 MSMEs which were in the form of individual businesses. Most of the milkfish and culinary UMKM businesses in the city of Semarang have a business age of over five years, there are only 12 milkfish and culinary SMEs whose business age is under five years.

Sales Levels during the COVID-19 Pandemic

One indicator of MSME performance is the level of sales. If the sales level increases, it means that the performance of MSMEs will also increase. If the sales level decreases, it means that the performance of MSMEs is decreasing. During the Covid 19 period from 2020 to early 2022, the performance of most MSMEs experienced a decline, this can be seen from the sales level indicator.

The results of surveys that have been carried out show that during the COVID-19 pandemic from early 2020 to early 2022, the impact of COVID-19 on the sales turnover of batik, milkfish and culinary MSMEs was very significant. In survey data conducted regarding the impact of COVID-19 on sales turnover in batik and milkfish culinary MSMEs, there was one respondent who experienced a decrease in sales turnover of less than 20%, thirteen respondents experienced a decrease in sales turnover of less than 20%. a decrease in sales turnover of less than 20%, a decrease in sales turnover of 21% to 40%, nine respondents experienced a decrease in sales turnover of 41% to 60%, three respondents experienced a decrease in sales turnover of 61% to 80%, eight respondents experienced a decrease in sales turnover of 81% to 100%.
Figure 1 shows how big the impact of the Covid-19 pandemic has been on culinary, milkfish and batik MSME businesses in Semarang, because not a single respondent reported having a stable and good sales turnover situation. The Covid-19 pandemic has had a major impact on consumer purchasing power. This is exacerbated by the visits of domestic and foreign tourists to Semarang who are the target market for MSMEs for Bandeng Batik and Semarang Culinary. The government imposed restrictions on travel and visits throughout Indonesia starting at the end of 2020, thereby harming the sales and turnover of Bandeng Batik and Semarang Culinary MSMEs.

**Sales Levels after COVID-19 Subsides**

Starting in early 2022, when Covid-19 begins to subside, economic activity will begin to appear. Survey data was obtained from the increase in sales turnover after COVID-19 began to subside. The increase in sales turnover after COVID-19 began to subside can be seen as follows: fifteen respondents experienced an increase in sales turnover of less than 20%, and nine respondents experienced an increase in sales turnover of 21% to 40%, six respondents experienced an increase in sales turnover of 41% to 60%, two respondents experienced an increase in sales turnover of 61% to 80%, and two respondents experienced an increase in sales turnover of 81 to 100%. Figure 2 shows that almost the majority of Semarang batik, milkfish and culinary MSME businesses or 70% of respondents experienced an increase in sales turnover of 20% -40%. This means that the movement of economic development in the city of Semarang has experienced a very good increase.
Number of Workers during the COVID-19 Pandemic

A certain number of workers utilized by a department or business unit is called labor absorption. Therefore, the actual number of workers working in a business unit can be known by looking at labor absorption. Labor absorption according to the Central Statistics Agency (BPS) is the total number of workers in all economic sectors. In general, variables such as quantity and production levels influence labour demand. More revenue is earned when larger products are produced. The number of jobs in an area will increase along with the growth of MSMEs. This also means an increased need for labour.

During the COVID-19 pandemic at 34 Batik and Milkfish Culinary MSMEs in Semarang, the number of workers absorbed experienced a decline. The following is data on the decrease in the number of workers absorbed during COVID-19 as follows: five MSME respondents experienced a decrease in the use of the number of workers and 29 MSME respondents used a permanent number of workers. The number of working hours during COVID-19 has decreased compared to before COVID-19. Figure 3 shows that only 14.7% of MSME respondents in Semarang City experienced a decrease in the number of workers and for 85.3% of MSME respondents the number of workers absorbed remained constant.
Data analysis carried out after the COVID-19 pandemic began to subside showed that four MSME respondents experienced a decrease in the use of the number of workers and (30) MSME respondents used a permanent number of workers. This means that there is only one additional MSME respondent whose number of workers is the same as before COVID-19. The number of working hours is close to normal hours like before COVID-19. Figure 4 shows that when COVID-19 began to subside, in Semarang batik, milkfish and culinary MSME businesses there were still 11.7% of MSME respondents who experienced a decrease in the number of workers and 88.3% of MSME respondents had the same number of workers absorbed. This means that the recovery of MSMEs as before COVID-19 is still slow.
Uncertain Supply Chain Activity

The supply chain is a system created by companies and suppliers to distribute products and services so that they reach consumers. During the COVID-19 pandemic, the MSME supply chain was disrupted by uncertainty due to the implementation of Community Activity Restrictions (PPKM) carried out by the Semarang City government as a preventive measure in responding to the COVID-19 pandemic. The presence of COVID-19 and restrictions on community activities have resulted in a shortage of supply, giving rise to inflation. This condition also has an impact on the operations of Batik, Culinary and Milkfish MSMEs, especially disruption of raw material supplies and price increases. Based on data analysis, the obstacles faced in business development after COVID-19 subsides are disruptions in the supply of raw materials and price increases. After COVID-19 began to subside, it turned out that there were still 14 respondents (41.18%) of culinary and milkfish MSMEs whose supply of raw materials had been disrupted and prices had increased. A total of 20 respondents (58.82%) of batik and culinary MSMEs were not disrupted by the supply of raw materials.

Figure 5. MSMEs that were Disrupted by the Supply of Raw Materials after COVID-19 Subsided
Source: Primary Data, 2022

CONCLUSIONS AND RECOMMENDATIONS

The results of mapping Batik, Milkfish and Culinary MSMEs show that Batik MSMEs during the COVID-19 period and after COVID-19 began to subside, the main obstacles they faced were capital problems and low consumer demand for batik. The obstacle faced by milkfish MSMEs during COVID-19 is low demand from consumers, some MSMEs have not yet made online sales. The obstacle after COVID-19 subsides is the still high price of raw materials. For culinary MSMEs, the obstacles faced during COVID-19 are low demand from consumers, some MSMEs are still not selling online, and the obstacle after COVID-19 subsides is the high price of raw materials.
Sales levels during the COVID-19 pandemic for batik, milkfish and culinary MSMEs generally experienced a decline in sales turnover ranging from 40% to 80%. After COVID-19 began to subside, almost all MSMEs experienced an increase in sales turnover ranging from 10% to 40%. The employment rate for batik, milkfish and culinary MSMEs during the COVID-19 period was 15%. MSMEs experienced a reduction in the number of workers and also a reduction in the number of working hours. After COVID-19 began to subside, MSMEs experienced a reduction in the number of workers still 12%, but almost all MSMEs have implemented normal working hours like before COVID-19. The raw material supply chain activities of batik MSMEs during the COVID-19 pandemic and after the COVID-19 period began to end experienced almost no problems in the raw material supply chain. Milkfish and culinary MSMEs during the COVID-19 pandemic and after the COVID-19 period experienced problems in the raw material supply chain and price increases.

Based on the results of research regarding strategies that can be implemented by batik, milkfish and culinary MSMEs in Semarang City in facing business obstacles due to COVID-19 by conducting and increasing sales online by joining Gojek, Grab and/or Shopee. such as increasing promotions via social media WhatsApp and Instagram, and what is no less important is improving product quality and customer service.

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