



The National Economic Outlook During COVID-19: Government And SMEs Strategies To Cope With The Outbreak

Dwi Sulistiani ^{1,*}, Wahidmurni ²

¹ Universitas Islam Negeri Maulana Malik Ibrahim Malang

² Universitas Islam Negeri Maulana Malik Ibrahim Malang

* Corresponding author. Email: dwisulistiani@pips.uin-malang.ac.id

ABSTRACT

This study aims to provide on how SMEs (Small and Medium Enterprises) in Indonesia benefit the stimulus program of Government during the Pandemic of Covid-19 and to set a strategy to face the hard situation. It employs a qualitative approach. Data were collected by semi-structured interviews with 20 owners of SMEs in Indonesia. The official document policy of the Government were analyzed by interpreting the policy. The result suggested that the Government issued three policies: Government Regulations, Presidential Regulations, and Presidential Instruction. Government also released five points of SME stimulus, protection, and recovery programs. The response and strategy of SMEs towards the policies and programs are diverse. Some can take the most of it, such as social security programs like cash transfers and pre-employment cards, which are mostly taken by micro-businesses. At the same time, tax incentives and credit relaxation are commonly benefited by small businesses. However, the stimulus program is perceived to help SMEs in the short term, but not in the long term. SMEs have to find a special strategy to survive and compete during the Pandemic through technology and innovation in terms of product, process, and management. The Government can further evaluate the existing programs and provide an appropriate practical solution to SMEs, so the assistance for SMEs is right on target. This research contributes theory, especially regarding the company's strategy during the pandemic. Practically, the results of this study can be used as a basis for the government in making policies and for companies in choosing the best strategy during the pandemic.

Keywords: SMEs strategy; Economic regulation; tehnology; innovation; COVID-19