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Implementation of Kediri City Government Policy in Developing MSMEs Post the Covid 19 Pandemic

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Abstract

The sharp decrease in economic growth in 2020 indicates that a number of corporate actors were having issues at the time. It is believed that the Covid-19 epidemic, which began on February 29, 2020, is to blame for this issue. This is what prompted the Kediri City government to develop a plan for resuming economic growth in the form of laws. This study intends to identify the Kediri City government's policy framework for MSMEs development following the Covid-19 pandemic. This study employs qualitative methodologies, that involve gathering data from library literature studies by gathering data from journals, reports on official government websites, by collecting data from photos of activities and videos on social media related to research and observations, and interviews with 3 (three) informants who are MSMEs under the supervision of the Cooperative and MSME Office of Kediri City. Data analysis this research use Nvivo 12. The findings of this study demonstrate that the Kediri City Government's manner of policy implementation significantly results in a digitalization program that appeals to all parties, notably MSMEs.

Keywords: Implementation, Government Policy, Kediri City, MSME Development, Post Covid 19 Pandemic.

INTRODUCTION

For the Covid-19 pandemic, the government of Indonesia has declared a state of emergency beginning on February 29, 2020. The worldwide economy has been significantly impacted by the COVID-19 pandemic. Micro, Small, and Medium-Sized

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Enterprises (MSMEs) are one of the groups impacted by this epidemic. Only a small portion of MSMEs saw good growth as a result of the pandemic, and the majority were negatively impacted. Looking at the table below, which shows the pace of economic growth in Kediri City, makes this more apparent:

Table 1. Kediri City Economic Growth Rate 2019-2022

Year	Economic Growth Rate
2019	5,16%
2020	2,94%
2021	4,97%
2022	5,23%

Source : Badan Pusat Statistik (2022

According to the table, Kediri City's economic growth rate was 5.16% in 2019 and severely reduced to 2.94% in 2020 because to the Covid-19 epidemic. This demonstrates that there were issues with the rate of economic growth at the time. Fortunately, albeit still not as high as in 2019, Kediri City's economic growth rate will start to climb by 4.97% in 2021. In order to continue economic growth in the upcoming year, the Kediri City government must attempt to develop a plan. This is demonstrated by the fact that the rate of economic growth in 2022 will rise by 5.23%, exceeding the percentage growth seen in the years before to the pandemic.

The Kediri City government has given MSMEs support in the form of measures to help them recover from the effects of the pandemic after seeing data on the acceleration of the rate of economic growth in Kediri City in 2022. This study intends to identify the Kediri City government's policy framework for MSMEs development following the Covid-19 pandemic.

The government's actions in this situation must, of course, be successful and not burden the community, or, in other words, they must be well appreciated (Joyosemito & Nasir, 2021). A policy is a set of program plans, activities, actions, end results, behaviors, and decisions on whether or not to take action that are adopted by various parties in order to address problems (Aulia et al., 2021).

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The government must play a significant role in the growth of MSME firms. The function of the government in regional development is that of a stimulator, whereby local governments foster business growth and stimulation by unique activities that can have an impact on business players (Natasya & Hardiningsih, 2021). One of the elements that leads to the creation of superior firms is the growth of new business players. According to development, the company will suffer losses or won't be able to compete with other companies.

THEORETICAL BASIS

Theoretical frameworks for government policy and the growth of MSME businesses are referenced in this study on Kediri City's execution of government policy.

Government Policy

In order to inform decision-makers and present them with options, one method or technique utilized in public policy studies is called policy (Juaningsih et al., 2020). The goal is for policymakers to be able to create solutions that can be applied to the context of issues, culture, and hidden political interests (Agustino, 2020). The Covid-19 epidemic calls for sound public policy to be implemented, which alters many facets of social and governmental life (Subagyo et al., 2022). A government's ability to choose values for the entire society is known as policy (Nurfurqon, 2020).

MSME Bussiness Development

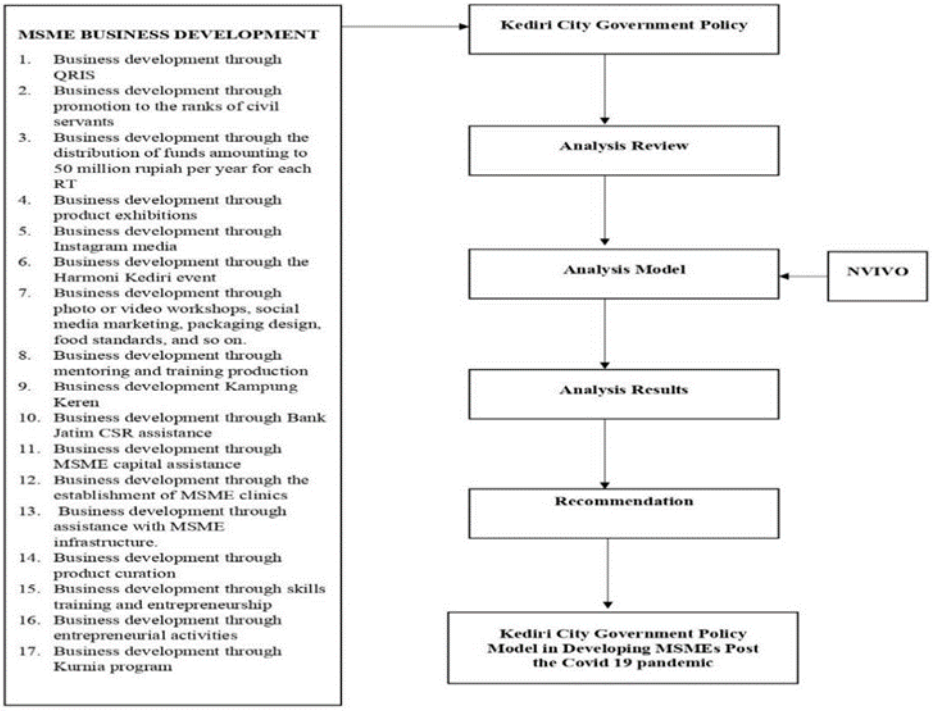
According to Fadilah (2012), business development is a work and process of analytical preparation about opportunities, support, and monitoring, but it excludes making strategic decisions and putting business growth opportunities into practice. Business players undertake developments in an effort to grow and maintain the company so that it can function effectively. Business development requires help from a number of areas, including manufacturing and processing, marketing, human resources, technology, etc (Natasya & Hardiningsih, 2021).

Framework of thinking

The research model can be explained as shown below, based on the empirical findings described in the introduction:

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Source : Processed by Researchers (2023)

Figure 1. Research Framework

RESEARCH METHODS

In this study, qualitative research methods are employed, along with interviews with 3 (three) MSMEs under the supervision of the Cooperative and MSME Office of Kediri City. The methodology or approach is carried out by collecting data from library literature studies by collecting data from journals, reports on official government websites, and observations by collecting data from photos of activities and videos on social media related to study.

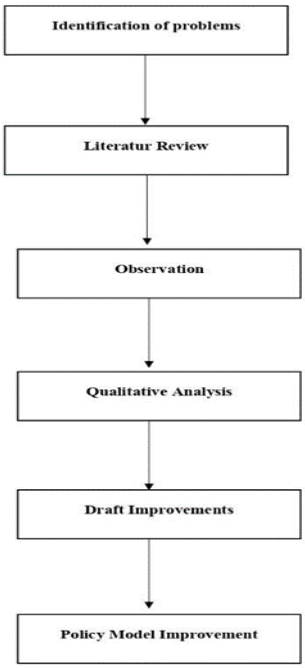
The Nvivo 12 program was used for testing in order to make the analysis of study data easier. Researchers developed coding and query matrices during the testing process. The mapping results in the form of an explanation of the implementation of Kediri City government policy in implementing business development for MSMEs following the Covid-19 epidemic were then obtained after testing the coding and query matrix.

Please note that while almost all researches go through the same stages, some do not. The following research phases serve as the foundation for conducting research

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with the goal of ensuring that the research is completed on schedule in accordance with the anticipated outcomes.



Source: Processed by Researchers (2023)

Figure 2. Research Phase

RESULTS

The Nvivo 12 application tool was used in this study to conduct multiple literature reviews and analyze data from interviews, journals, and news articles about the Kediri City government's policies for the growth of MSME businesses following the Covid 19 pandemic. The analysis's findings include a mapping component where numerous key aspects are coded to show how much government policy is present in various sources, including interview findings. The findings of the coding analysis include interview, have been computed as follows for a number of government policies:

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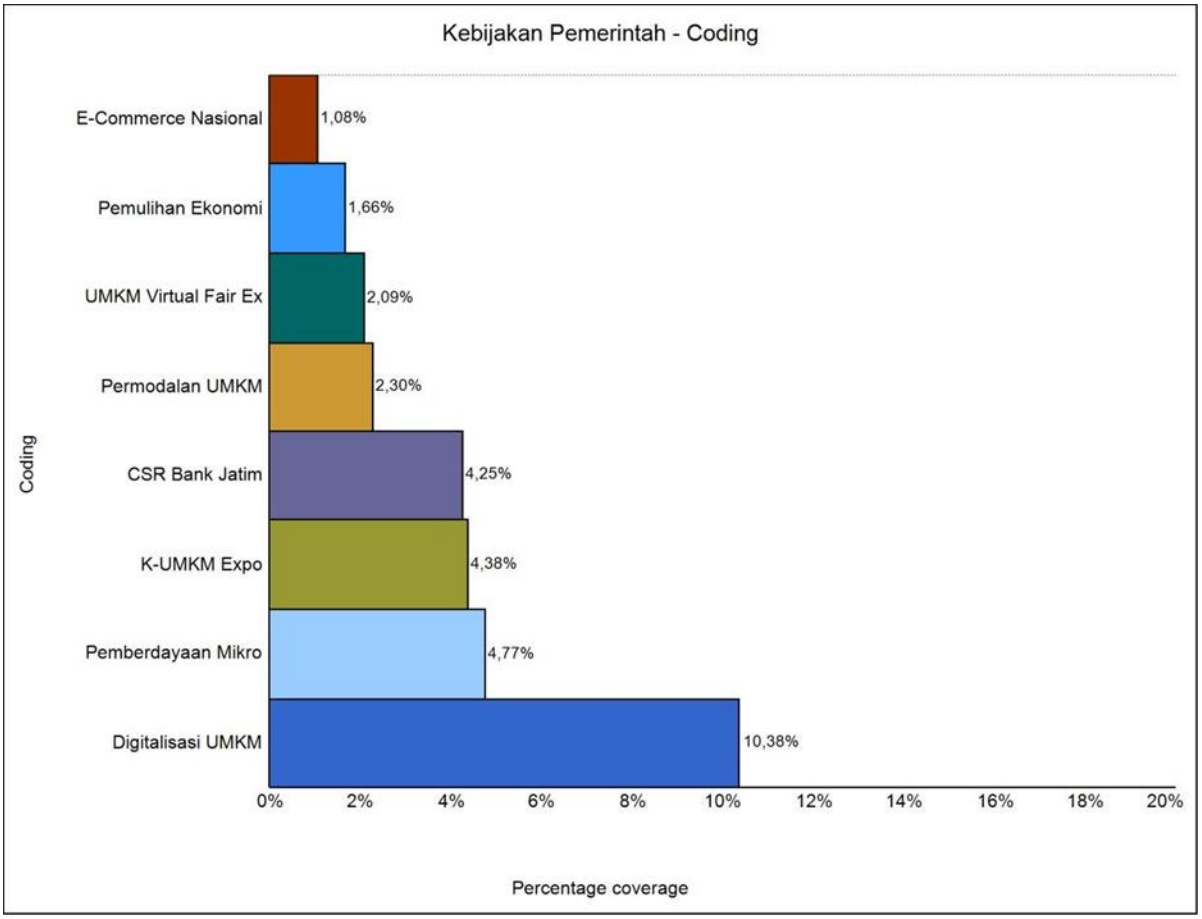


Figure 3. Coding Results based on Interview Results

Source: Processed by researchers (2023)

From the picture above, the Kediri City Government has implemented a number of policies, including those related to national e-commerce, which received a percentage for economic recovery of 1.06%, which received a percentage for programs for MSME capital of 1.66%, which received a percentage the Bank Jatim CSR program of 2.30%, which received a percentage the K-UMKM Expo of 4.25%. Meanwhile, from coding analysis in reviews of online news and literature in several journals, there are several policies that are alternatives in developing MSME businesses in Kediri City, namely as follows:

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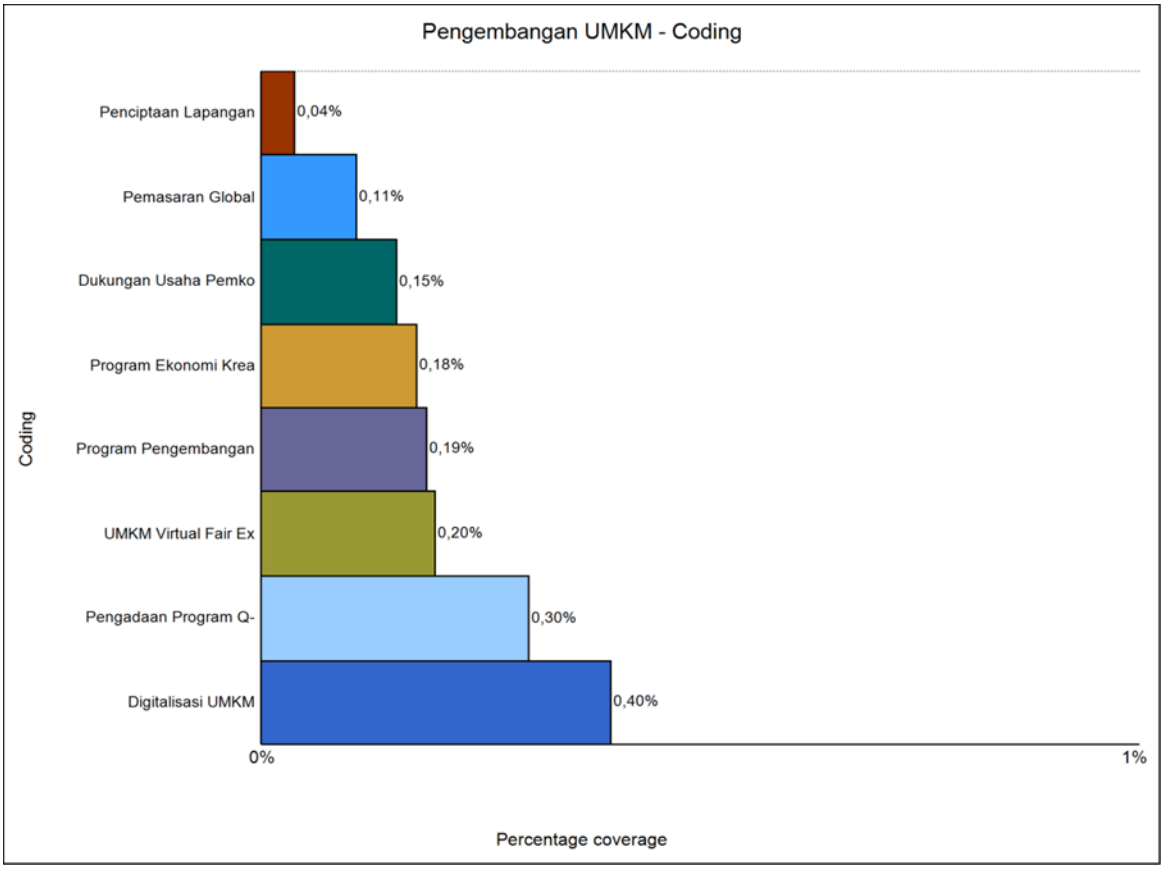


Figure 4. Coding Results based on Online News & Journals
Source: Processed by researchers (2023)

According picture to the results of online news and the journal coding, there are a number of government policy initiatives, including which received a percentage for the digitalization of MSMEs 0.40%, which received a percentage for the Q-Ris program's procurement of 0.30%, which received a percentage for the MSME Virtual Fair Expo of 0.20%, which received a percentage for the community development program of 0.19%, which received a percentagefor the creative economy program of 0.18%, which received a percentage for the Kediri City Government business support of 0.15% and which received a percentage for the globalization initiative of 0.15%. According to the findings of this coding, the Kediri City Government's policy for the entire MSME community is implemented through the MSME digitization initiative, notably after Covid 19, where this digitalization aspect can be implemented by the entire community without having to leave

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the area or having to sell outside the home. This can be synchronized with matrix analysis as follows:

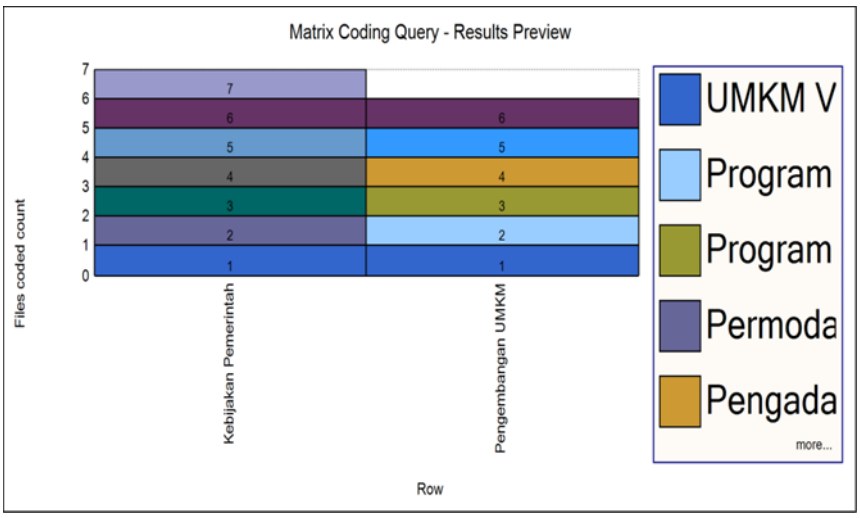


Figure 5. Matrix Coding Query

Source: Processed by researchers (2023)

The matrix coding feature is used to compare one reference with another reference, where the context of this reference is one of the key data used in this research, based on the findings of the analysis through the matrix coding query image above. The research findings in this situation show that. The reporting component is taken into account from these two references, which in this case demonstrates the government's concern in defending the rights of MSMEs, particularly following Covid 19. There are various hints in this concept that this is one of the initiatives involving the growth of MSMEs in Kediri City.

DISCUSSION

The Role of Government Policy Towards the MSME after the Covid 19 Pandemic

The epidemic, which various experts have stated, has impeded the agenda for economic improvement in 2021. The economic situation in Indonesia is deteriorating, and this is one of the challenges facing the country's economy. As a result, many people's sources of income are ceasing, and one of the results is marketing competition, which closes sources of employment (Muhyiddin 2020). This shows that the Covid-19 pandemic's effects or ramifications are one of the reasons for a significant increase in unemployment and have a variety of detrimental effects on people's life. One of the

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locations with less potential resources is Kediri City, where the typical resident earns hundreds of thousands of dollars each day. This issue is progressively resulting in a lack of community potential. The result was none other than Covid-19, where everyone in the community was forbidden from working outside the home. As a result, many people were inevitably laid off.

One of the most challenging aspects for people to generate money for daily living is this. The issue is unchanged, or to put it another way, it is still impacted by the economic barriers that existed in the past, leading to numerous instances of unemployment and undoubtedly making issues that were previously minor worsen (Ahmad Rosidi and Edy Nurcahyo 2020). Global economic issues result from reduced economic flexibility, which even produces signs that market prices are greater (Wihara 2020). From these two statements, it can be inferred that the current economic concept is nearly identical to the economic situation during COVID-19, which affected the entire global community by bringing about a series of economic collapses, a return of inflation, and a repetition of monetary policy.

It does not, however, result in job losses or a decrease in sources of employment, even though it is today more predictive of inflation. A source of alternative policy for the community, this is one of the reinforcements the Kediri City Government has put in place. The community in Kediri City has been informed that MSMEs there are being used to provide alternative policies for sources of livelihood. Implementing the available resources in the City of Kediri itself is one of the primary strategies that apply, particularly in the economic aspect of MSMEs. The government of Kediri City clarified that due to a lack of resources and in light of the current pandemic that affected the entire world, livelihoods in Kediri City are thought to be relatively low (kedirikota.go.id 2023). Because of this, the Kediri City government is making policy efforts to support the growth of MSME businesses, particularly in the wake of the Covid 19 pandemic. This leads to the main focus of providing a sufficiently large field, particularly to all affected communities by providing assistance in the form of training and mentoring through digitalization activities.

The digitization component is one of the city government's policy initiatives, it has been explained based on the results of the previous analysis, and it offers an overview that can benefit the community while boosting revenue streams. This demonstrates the government's function as a source of assistance for the people of Kediri City (Shinta and Lubis 2022). Improved resource quality through local government implementation of laws or regulations that can modify the way goals are indicated while supporting this recovery is one method that can be utilized to promote economic growth. Government involvement

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boosts the corporate value while also serving as a source of role. Along with becoming a source of role, government involvement boosts the commercial value and engagement of already-existing community groups (Tumija 2022).

Form a Kediri Government Policy Model in Post-Pandemic MSME Development.

One of the economic barriers that the government must support in order to be able to benefit these communities and improve the economy is the implementation of rules or policies, particularly for low-income communities (Islami, Supanto, and Soeroyo, 2021). The government has a good deal of support, particularly in areas where small and mediumsized firms are impacted by COVID-19. The findings of this study are consistent with the recommendations made by the Kediri City Government, particularly for MSMEs, which adopt a number of recommendations or policy models by offering solutions as part of an attempt to support MSME players. There are numerous skill development programs, or more specifically, government efforts, as can be seen by several indicators discovered in the literature coding visualization findings, namely as follows:

a) Digitalization Program by the Kediri City Government.



Figure 6. Kediri City MSME Digitalization Program
Source: Instagram Kediri Government (2022)

There were initiatives that the government was focusing on, especially for those with low economic situations so that they could provide aid, that were mentioned in a number of official news sources that were discovered. The

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government has decided to offer the people various services like training or help so they can become more skilled at producing goods. The central government became aware of the need to support the population's economy as a result of the fact that many people with low economic status fell even farther following the pandemic. The pandemic's effects have led to losses in the economic sector, particularly for the community. As a result, the government has a huge responsibility in this area. One of those responsibilities is to implement policy through digital programs by introducing online platforms that can support people's sources of income. This kind of program can also provide jobs for the general public.

According to reports, this initiative is an attempt by the government to raise awareness about the plight of those who have lost their jobs as a result of the epidemic and are subsequently getting sicker, rendering them helpless and in need of training to work online. The government offers a range of assistance that focuses on features of mentoring and training, notably on digital marketing policies, in an effort to develop the MSME community, particularly in the current era of information globalization.

b) Product Curation Program



Figure 7. Product Curation Program

Source: Instagram Kediri Government (2022)

One of the key ways the government helps is by offering initiatives like product curation, one of which helps MSMEs increase the value of their products. According to Sutantri and Haq (2023), this feature of product curation

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is employed to boost a product's profit value. A stage of the curation program that maintains value and compatibility between price, texture, technique, or raw materials used is one way to increase customer purchasing interest. Without adding to or subtracting from the value of the current components, this program enhances consumers' attention and elevates its status in their views.

CONCLUSION

The type of government policy model in developing MSMEs after the Covid 19 epidemic is described as being digital and global based on the findings of this study and earlier studies. The digitization of marketing is particularly important since it contributes to a trend of increasing globalization and enables all MSMEs that were previously unable to do so to conduct intensive business operations. This is due to the numerous consequences that have been brought about, such as through mentoring and training programs. Even in this case, the Kediri City Government has taken numerous initiatives to develop incorrect programs, such as financial assistance, creative economy assistance, procurement of Q-Ris funding support, and many others. MSMEs impacted by the Covid 19 epidemic are subject to one kind of government policy in creating MSMEs. All of this is done in an effort to stabilize Kediri City's economy**.**

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