

The Impact of Implementation of Large-Scale Social Restriction Policies (PSBB) on Income of Micro Business Before and During the Covid-19 (Study on Micro Business in Indonesia)

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Abstract

The "*pageblug*" or "Pandemic" of Covid-19 has been causing a decline in people's purchasing power, hampering the investment activities and weakening the national economy. The government implemented a Large-Scale Social Restriction (PSBB) policy to reduce the rate of community mobility as an effort to inhibit the spread of Covid-19 in community. This study purpose aims to examine the income difference of Micro Business actors before and during the implementation of PSBB. This study uses accidental sampling or convenience sampling by considering the number of populations that cannot be estimated and convenience to interact directly or indirectly with respondents. The Google form link has been distributed to 300 respondents from Micro Business in Sanggau Regency, Flores Area, and Great Malang Region. There are 73 respondents filled in. Wilcoxon Signed Ranks Test results show that $p < 0.01$. It can be interpreted that there are income differences of Micro Business actors before and during the PSBB Policy implementation.

Keywords: Large-Scale Social Restriction (PSBB), Micro Business, Income, Covid-19.

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INTRODUCTION

The COVID-19 pandemic has become a nightmare for countries around the world. Almost all sectors of life in countries in five continents have been affected by this outbreak. This epidemic is actually similar to what happened in Indonesia in 18th and 19th centuries. At that time, disease outbreak (the Javanese called it "*pageblug*") was due to spread of cholera and bubonic plague (Savitri, 2020). The outbreak of COVID-19 pandemic or *pageblug* is caused by spread of a virus that occurred in Wuhan, China. This virus eventually spread throughout the world, including to Indonesia. The government officially recognized the COVID-19 pandemic outbreak as a national outbreak on March 2, 2020, even though this virus outbreak actually entered Indonesia in January 2020, this is indicated by two cases that occurred in Indonesia (Pranita, 2020). The COVID-19 pandemic in particular has had dire implications for Indonesian economy.

There are three implications of COVID-19 pandemic on Indonesian economy. First, the purchasing power or consumption of people who support 60 percent of national economy has decreased significantly. People's purchasing power, which was 5.02 percent in first quarter of 2019, decreased to 2.84 percent in first quarter of 2020. Second, Investment activities are uncertain because they don't know how long this pandemic will end. This condition has an impact on sluggish activity of business world, including MSMEs. Third, the economic downturn occurred throughout the world, resulting in fall in prices of export commodities and cessation of Indonesia's exports to foreign countries. Broadly speaking, spread of COVID 19 has caused a global weakening trend in industrial sector, a decline in international trade activity, and a weakening of world economic activity (Puspasari, 2020).

The government regulation PP No. 21 of 2020 is issued as a policy for "Large-Scale Social Restrictions (PSBB)"^[1] (President of Republic of Indonesia, 2020). Large-scale social restrictions (PSBB) are health quarantine terms in Indonesia which are defined as "Restrictions on certain activities of residents in an area suspected of being infected with a disease and/or contaminated in such a way as to prevent the possibility of spreading disease or contamination (source: id.wikipedia.org)

This policy was issued referring to Health Quarantine Law Number 6 of 2018. Social restrictions is done at least include holidays from schools and workplaces, restrictions on religious activities, and/or restrictions on activities in public places or facilities. The national PSBB policy is used as a reference for regional governments, in this case governors throughout Indonesia, including the governor of East Java, Khofifah Indar Parawansa, who applies PSBB rules for regencies or municipalities which are allegedly shows a significant spike in COVID 19 cases. The PSBB rules are contained in East Java Governor Regulation Number 18 of 2020 on PSBB in Handling Covid-19 in East Java Province (Purnomo, 2020). Meanwhile, based on East Java Governor Regulation, Greater Malang area has its own PSBB rules contained in Perwali and Perbupati.

East Java area shows a significant spread of COVID 19 in May 2020, but West Kalimantan and Flores were still not significant (Cipta, 2020). Thus, for West Kalimantan region, PSBB has not been implemented as

in East Java region. The Provincial Government of West Kalimantan simply enforces a 'curfew' which is limited to Pontianak City only. NTT has not yet been implements PSBB, because the increase of Covid-19 spread is still not significant (Ama, 2020) (Tokan, 2020).

Micro business is a productive individual business or individual business entity with a maximum asset value of IDR 50 million rupiah. Micro-enterprises have a strategic role, namely expanding and creating jobs, increasing the income of lower class, driving national economic growth, and maintaining national economic stability (Law No. 20 of 2008). Micro-enterprises have proven their toughness in global economic crisis occurred in 1997 – 1988 and the financial crisis occurred in 2008 (Suhendri et al., 2017). The resilience of these micro-enterprises is being tested again their business activities survival in COVID-19 pandemic, or in other words, their income or profits will continue as they should. The purpose of this study was to examine the income of micro business actors before and during the implementation of PSBB in areas of Malang Raya, West Kalimantan, and Flores (NTT).

The official data released by Ministry of Cooperatives and SMEs of Republic of Indonesia shows that until the end of 2018 the number of micro-enterprises in Indonesia was 63,350,222 business units (RI, 2018). Micro-enterprises show very fast business growth before the Covid-19 pandemic outbreak hit the whole world and Indonesia. However, during the Covid-19 outbreak, there were approximately 30 million MSMEs in Indonesia that went bankrupt or 'out of business' (Sembiring, 2021). It is estimated that number of MSMEs that still survive today is 33,350,222 million.

Nasruddin & Haq (2020) used a descriptive qualitative approach to show that application of PSBB hinders the informal sector community. The implementation of PSBB reduces their income. Many informal sector workers were forced to close their businesses. Online motorcycle taxis also shows lower income. The implementation of social distancing and restrictions on operating hours in traditional markets are also quite hampering the mobility of traders in traditional markets. The implication is the traders reduce the price of their vegetables. A wave of layoffs also occurred in industrial sector of tourism, construction, and transportation industries (Ngadi et al., 2019). These three sectors get the hardest hit by Covid-19. Meanwhile, most affected MSME sector is food and beverage sector (Soetjipto, 2020).

There are four basic differences between this study and Nasruddin & Haq (2020), Ngadi et al. (2019) and Soetjipto (2020). First, this study wants to examine the income of Micro Business actors before and during the implementation of PSBB. Second, the scope of this research area is the Great Malang Region, Sanggau Regency - West Kalimantan, and Flores - East Nusa Tenggara Region. Third, this study uses a different test analysis tool (t test). Forth, considering that during the Covid-19 pandemic, online survey method is used through the Google-Form application.

RESEARCH METHODS

This research is quantitative type. The perspective or paradigm of view basis of quantitative research is the positivist paradigm (Triyuwono, 2013). The design of this research is a case study to examine the monthly average income of Micro Business actors before and during the implementation of PSBB policy. The samples determination is selected by convenience sampling (Sugiyono, 2016). Researchers met directly or indirectly with respondents to fill out the Google form link. In addition, ease and convenience of researchers to interact with research respondents, in this case are Micro Business actors. The convenience sampling is more suitable for the population that unpredictable or large. The research area covers Sanggau Regency, West Kalimantan Province, Greater Malang Regency, East Java Province and Flores, East Nusa Tenggara Province. The number of questionnaires in form of a Google form link sent via WA was 300 questionnaires. Based on 300 Google form link questionnaires, 79 respondents were willing to fill out. After a rigorous selection, respondents' answers via the Google form link that are worthy of being processed and researched are 73 respondents' answers. The data of this research are categorical. By comparing the data for answers to same question but in different time conditions, appropriate analytical tool in this study is the difference test, in this case the Wilcoxon Signed Ranks Test.

RESULTS AND DISCUSSION

Table 1 shows that based on origin or domicile, 60 respondents (82.19%) come from Great Malang. Meanwhile, 12 people (16.44%) respondents come from Flores, East Nusa Tenggara Province. One respondent (1.37%) came from Sanggau Regency, West Kalimantan Province.

Table 1. Respondent's Domicile of Origin

No.	Origin	Frequency	%
1.	Great Malang	60	82.19
2.	West Kalimantan	1	1.37
3.	NTT	12	16.44
	Total number	73	100

Source: Primary data (processed)

The percentage of respondents by gender is 47.94% are men and 50.66% are women. This indicates that micro-enterprises are less dominated by women, as shown in table 2.

Table 2. Distribution of Respondents by Gender

No.	Gender	Frequency	%
1.	Man	35	47.94
2.	Woman	38	50.66
	Total	73	100

Source: Primary data (processed)

The percentage of respondents based on religion shows that 76.71% are Muslims and 23.29% are non-Muslims, as shown in table 3.

Table 3. Respondents by Religion

No.	Religion	Frequency	%
1.	Muslim	56	76.71
2.	Non Muslim	17	23.29
	Amount	73	100

Source: Primary data (processed)

The percentage of age indicated that 26.02% respondents are less than 20 years. The age of 20 years to 30 years are 13.69%. Ages 31 to 50 years are 38.36%. Furthermore, above 50 years are 21.92%, as shown in table 4.

Table 4. Respondents by age

No.	age	Frequency	%
1.	< 20	19	26.02
2.	20 – 30	10	13.69
3.	31-50	28	38.36
4.	50 >	16	21.92
	Total	73	100

Source: Primary data (processed)

The education level shows that SMA/SMK level is more dominant, which is 47.95%. Followed by respondents with higher education level as much as 23.29%, as shown in table 5.

Table 5. Respondents by Education Level

No.	Education	Frequency	%
1.	SD	6	8.22
2.	junior high school	15	20.55
3.	SMA/SMK	35	47.95
4.	College	17	23.29
	Total	73	100

Source: Primary data (processed)

Based on length of business, micro Business actors who have run their business for more than 5 years are 31.51%. Meanwhile, business actors who run their business between 3 years and 5 years are 27.39%, as shown table 6.

Table 6. Respondents by Length of Business

No.	Business Length	Frequency	%
1.	< 1 Year	13	17.81
2.	13 years old	17	23.29
3.	> 3 – 5 Years	20	27.39
4.	>5 Years	23	31.51
	Total	73	100

Source: Primary data (processed)

The business is occupied by trading sector, namely 83.56% respondents. The type of business in service sector is 12.33%, as shown in table 7.

Table 7. Based on length of business done

No.	Type of business	Frequency	%
1.	Manufacture	3	4.10
2.	Service	9	12.33
3.	Trade	61	83.56
	Total	73	100

Source: Primary data (processed)

Table 8 shows that Wilcoxon signed ranks test has a negative value (negative ranks) of 40. This means that there are 40 Micro Business actors whose income has decreased. Meanwhile, there is only 1 Micro Business actor whose income has increased during the PSBB (positive ranks). Meanwhile, Ties score is 32. This can be interpreted that 32 Micro Business actors have no different income before the implementation of PSBB policy and during the implementation of PSBB.

Table 8. Wilcoxon Signed Ranks Test Ranks

	N	Mean Rank	Sum of Ranks
Income During PSBB – Negative Ranks	40 ^a	21.19	847.50
Income Before PSBB Positive Ranks	1 ^b	13.50	13.50
Ties	32 ^c		
Total	73		

a. Income During PSBB < Income Before PSBB

b. Income During PSBB > Income Before PSBB

c. Income During PSBB = Income Before PSBB

Table 9 shows the output results of Wilcoxon signed ranks *Test Statistics*. The results show that significance value of financial conditions before and during the Covid-19 pandemic was 0.00 ($p < 0.01$). Because $p < 0.05$. It is concluded that H_0 is rejected to shows a significant difference between the income of Micro Business actors before and PSBB policy implementation. This shows that PSBB Policy has an impact on income of Micro Business actors.

Table 9. Test Statistics^a

	Income During PSBB – Income Before PSBB
Z	-5,606 ^b
asympt. Sig. (2-tailed)	.000

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

The research results strengthening qualitative research results of Nasruddin & Haq (2020) even though the scope of research area is different. This study results indicate that the implementation of PSBB Policy decrease the average monthly income of Micro Business actors. On other hand, prior to implementation of PSBB Policy, average monthly income of Micro Business actors tended to be stable and increased. The largest percentage of respondents who experienced a decrease in monthly income during the PSBB was respondents who worked in food and beverage trade sector. This study results are consistent with Soetjipto (2020) that the most affected by PSBB policy are informal workers who work in selling food and beverages (see table 7).

CONCLUSION

This study results indicate that implementation of PSBB Policy has an impact on monthly income of Micro Business actors in Sanggau Regency, West Kalimantan Province, Greater Malang Region in East Java Province, and Flores Area, East Nusa Tenggara Province. The income of Micro Business actors has decreased or stagnant compared before the implementation of PSBB policy. A total of 40 respondents show a decrease in monthly income during the implementation of PSBB. Meanwhile, 32 respondents did not experience changes in income during the implementation of PSBB. Uniquely, 1 respondent actually increased his monthly income during the PSBB implementation. It is consistent with Soetjipto (2020) that 61 respondents who work in informal sector selling or trading food and beverages are affected by PSBB policy implemented by government. Therefore, this study results should be considered by government in providing compensation for Micro Business actors in trade or informal sale of food and beverages affected by PSBB policy. In addition, this study results can be considered by government in determining the period of PSBB policy implementation. This study limitation is that number of population cannot be estimated. The next research should expand the research scope and focus on location of areas that are really affected by PSBB policy at research time.

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