

[BIRCI] Journal Registration External Inbox x 🖨️ 🔗

Muhammad Ridwan bukharyahmedal@gmail.com via@bircu-journal.com 4:03 PM (37 minutes ago) ☆ ↶ ⋮
to me ▾

Dr. JIurhardi JIuhardi

You have now been registered as a user with Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences. We have included your username and password in this email, which are needed for all work with this journal through its website. At any point, you can ask to be removed from the journal's list of users by contacting me.

Username: jIuhardi_1959
Password: t2xAsPGN6vCseyg

Thank you,
Muhammad Ridwan

Budapest International Research Critics Institute (BIRCI)
<https://bircu-journal.com/index.php/birci>

Budapest International Research and Critics Institute (BIRCI-Journal) : Humanities

- HOME
- ABOUT
- USER HOME
- SEARCH
- CURRENT
- ARCHIVES
- SPECIAL ISSUE
- PROOFREADING
- SUBSCRIPTION
- SPONSORSHIP
- PROCEEDING

Home > User > Author > Active Submissions

Active Submissions

ACTIVE ARCHIVE

ID	MM-DD SUBMIT	SEC	AUTHORS	TITLE	STATUS
5726	07-04	ART	Jiuhardi, Wijaya, Nurlanana...	THE FUNCTION OF INDONESIA GOVERNMENT IN BRIDGE THE...	Awaiting assignment

1 - 1 of 1 Items

Start a New Submission
CLICK HERE to go to step one of the five-step submission process.

Refbacs

ALL NEW PUBLISHED IGNORED

DATE ADDED	HITS	URL	ARTICLE	TITLE	STATUS	ACTION
There are currently no refbacs.						

Publish Ignore Delete Select All

IMPORTANT ANNOUNCEMENT

BASED ON THE EDITORIAL MEETING, FINALLY WE DECIDE NOT TO PUBLISH MANUSCRIPTS FOR THE NEXT VOLUME FROM UNIVERSITAS BUDAPESHTAN UNTIL WE RECEIVE THE HIGH QUALITY AND IT IS SUSPECTED OF PLAGIARISM

sinta



Search all conversations

Active

[BIRCI] Submission Acknowledgement External Inbox x

Muhammad Ridwan bukharyahmedal@gmail.com via bircu-journal.com to me 4:40 PM (1 minute ago)

Dr. Juirhardi Juihardi:

Thank you for submitting the manuscript, "The Function of Indonesia Government in Bridge the Performance of MSMEs during the Covid-19" to Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences. With the online journal management system that we are using, you will be able to track its progress through the editorial process by logging in to the journal web site:

Manuscript URL:
<https://bircu-journal.com/index.php/birci/author/submission/5726>
Username: juihardi_1959

If you have any questions, please contact me. Thank you for considering this journal as a venue for your work.

Muhammad Ridwan
Budapest International Research and Critics Institute (BIRCI-Journal):
Humanities and Social Sciences

Budapest International Research Critics Institute (BIRCI)
<https://bircu-journal.com/index.php/birci>

Search all conversations

Active

[BIRCI] The Function of Indonesia Government in Bridge the Performance of MSMEs during the Covid-19 External Inbox x

Prof. Vladimir A. Tregubov vladimiratregubov2@hotmail.com via bircu-journal.com to me, birci.journal Tue, Jul 5, 3:39 PM (22 hours ago)

Dear Dr. Juirhardi

Your article entitled "The Function of Indonesia Government in Bridge the Performance of MSMEs during the Covid-19" has been accepted for publication in Birci Journal.

It will be published in the nearest issue (August 2022).

You may pay the publication fee Rp. 1.800.000 on the following accounts:
Bank BRI No. Rekening 3531-01-022107-53-7 on behalf of Muhammad Ridwan
Bank Mandiri No. Rekening 106-00-1237210-1 on behalf of Muhammad Ridwan

We are waiting for your response.

Warmest regards
Editorial Team

Budapest International Research Critics Institute (BIRCI)
<https://bircu-journal.com/index.php/birci>

Search all conversations [filter] Active [help] [settings] [app icons]

[back] [archive] [mute] [delete] [reply] [reply all] [forward] [print] [share] 2 of 173 [left] [right]

Request for LoA (ID: 5726) External Inbox x [print] [share]

Jiuhardi Jiuhardi <jiuhardi@feb.unmul.ac.id> Tue, Jul 5, 10:25 PM (15 hours ago) ☆ ↶ ⋮
to bukharyahmedal, bukharihirici ▾

Dear editors, We need to pay attention to this positive information. Can we get the LoA first? Waiting for your response in the future.

Best wishes,
Dr. Jiuhardi Jiuhardi

Search all conversations [filter] Active [help] [settings] [app icons]

[back] [archive] [mute] [delete] [reply] [reply all] [forward] [print] [share] 1 of 173 [left] [right]

Publication Fee External Inbox x [print] [share]

Birci Journal <birci.journal@gmail.com> 10:30 AM (3 hours ago) ☆ ↶ ⋮
to me ▾

Dear Dr. Jiuhardi

A Letter of Acceptance (LoA) will be sent to you after you send the payment slip of article publication Rp. 1.800.000
Thank you

Best Regards
Editorial Team

- Noted with thanks.
- Thank you for the information.
- Thank you for your information.

Search all conversations [Active] [Settings] [Profile]

← [Attachments] [Clock] [Trash] [Mail] [Clock] [Refresh] [Share] [More] 1 of 173 < >

Jiuhardi Jiuhardi 6:14 PM (2 minutes ago) ☆ ↶ ⋮
to Birci ▾

Dear editors,

Here we attach the payment slip. You can find it in this email. Waiting for a positive response from you.

Greetings,
Dr. Jiuhardi Jiuhardi



Search all conversations [Active] [Settings] [Profile]

← [Attachments] [Clock] [Trash] [Mail] [Clock] [Refresh] [Share] [More] 1 of 174 < >

Birci Journal 1:00 PM (4 hours ago) ☆ ↶ ⋮
to me ▾

Dear Jiuhardi

Thank you for the payment.
We will process your article for publication.
Please find the attached file for your LoA.

Best regards
Editorial Team



Qref. 3913/ 07 July 2022

Letter of Acceptance (LoA)

Dear author (s),

This is to inform you that manuscript entitled:
"The Function of Indonesia Government in Bridge the Performance of MSMEs during the Covid-19"

By author(s)

Juhardi Bahardil¹, Adi Wijaya², Nurjanana Nurjanana³, Muñara Kartika Dewi⁴

^{1,2,3}Faculty of Economics and Business, Moliswamman University, Indonesia

⁴Alumni in Program of Master Economics, Faculty of Economics and Business, Moliswamman University, Indonesia

has passed two reviewers with the details in the following:

[REVIEW RESULTS]

Double-blind review form (First reviewer)

Thank you for agreeing to be a reviewer. We are keen to ensuring a high standard of articles published in European –American Journals, and the manuscript that is being sent to you has been submitted after a first selection process based on the agreement of the Associate Editors. In general, the standard of manuscripts forwarded to me after the vetting is good. To this end, we would be grateful if you would, wherever possible, provide constructive feedback to enable the author(s) improve the manuscript before publication.

Please complete the table below and rate the article on the issues described. As with all double-blind review

Please rate the following (5=excellent, 1= poor)		1	2	3	4	5
1	Appropriateness of the abstract as a description of study					*
2	Relevance and clarity of the table and figure					*
3	Appropriateness of Methodology					*
4	Standard of English					*
5	Relevant of the theme with the contain					*
6	Discussion and conclusion					*
7	Reference list and footnote					*
8	Relevance of the contribution to knowledge					*

Decision regarding the paper

- (*) Accept the paper in its current format
- () Accept the paper with minor changes
- () Resubmit with the major changes
- () Decline the submission

Comments:

This paper is well organized and followed the manuscript guidelines of the journal to a large extent. The introduction section is good and shows the importance of the study. Literature review is adequate. Outcomes of the study are consistent with the findings. The approach used is praiseworthy. In my opinion, it should be published with no revision although implication to the research needs to be explicit.

[REVIEW RESULTS]

Double-blind review form (Second reviewer)

Thank you for agreeing to be a reviewer. We are keen to ensure a high standard of articles for European –American Journals and the manuscript that is being sent to you has been submitted after a first selection process based on the agreement of the Associate Editors. In general the standard of manuscripts forwarded to me after the vetting is good. To this end we would be grateful if you would, wherever possible, provide constructive feedback to enable the author improve the manuscript before publication.

Please complete the table below and rate the article on the issues described. As with all double-blind reviewing, any comments you make will be passed to the authors on an anonymous basis.

Please rate the following(5=excellent, 1= poor)		1	2	3	4	5
1	Appropriateness of the abstract as a description of study					*
2	Relevance and clarity of the table and figure					*
3	Appropriateness of Methodology					*
4	Standard of English					*
5	Relevant of the theme with the contain					*
6	Discussion and conclusion					*
7	Reference list and footnote					*
8	Relevance of the contribution to knowledge					*

Decision regarding the paper

- (*) Accept the paper in its current format
- () Accept the paper with minor changes
- () Resubmit with the major changes
- () Decline the submission

Comments:

I have now looked at the paper. The abstract, key words are OK. The paper is relevant to the theme of the journal and will contribute to academic debate. The paper is well structured and the APPROACH used for the study are sound. In my opinion, the subject matter of research problem is highly appreciable. It will surely make a contribution to the relevant field of research. The presentation of thoughts in the paper is notable. The paper should be published with no significant revision.

[DECISION]

Based on the review results, manuscript entitled, "The Function of Indonesia Government in Bridge the Performance of MSMEs during the Covid-19" is accepted for publication in "Budapest International Research and Critics Institute-Journal (BIRCI-Journal) and will be published in Volume 5, No. 3, August 2022.

Warmest Regards,



Muhammad Ridwan, Ph.D (cand.) Director

Budapest International Research and Critics University

Researcher ID: S-7238-2016 (Thomson Reuters, Web of Science)

Scopus ID : 57208655313

URL : <http://www.researchid.com/rid/S-7238-2016>

ORCID : <http://orcid.org/0000-0002-5538-6495>

The Function of Indonesia Government in Bridge the Performance of MSMEs during the Covid-19

Jiuhardi Jiuhardi, Adi Wijaya, Nurjanana Nurjanana, Mutiara Kartika Dewi

Abstract

The urgency of this paper is to expose the performance of the Indonesian government to encourage and stimulate the existence of MSMEs because of the economic crisis caused by Covid-19. The paper method uses the document study method based on the results of previous research, which is traced through journals of several electronic media, such as digital libraries, websites, and library journal connections. We carried journal searches out via Google Browser and Google Scholar. It carried journal searches out using keywords in MSMEs, the role of the Indonesian government, and the economy of the Covid-19. From each research result got, it is further analyzed, which is then used as a supporting journal to strengthen that the Indonesian government plays a role in improving performance of micro, small and medium enterprises. The Indonesian government has a policy to handle micro, small and medium enterprises in Indonesia. The regulates state financial policies, including state revenue, including policies in taxation, state expenditure policies, including policies in regional finance, and financing policies. Indonesia allows MSME business activities to be a guarantee for accessing business financing loans and government also provides a Special Allocation Fund (DAK) to support the empowerment and development of MSMEs.

Keywords

regulation; MSMEs; Covid-19; financial policy; government support

Full Text:

PDF

References

Adrian, M. A. (2018). Empowerment strategies of micro, small, medium enterprises (MSMEs) to improve Indonesia export performance. *International Journal of Economics, Business and Accounting Research*, 2(4), 50-60. Retrieved from <https://journal.stie-aac.ac.id/index.php/IJEBAR/article/view/777>

BASED ON THE EDITORIAL MEETING, FINALLY WE DECIDE NOT TO PUBLISH ARTICLES/ MANUSCRIPTS FOR THE NEXT VOLUME FROM UNIVERSITAS SUMATERA UTARA (USU), MEDAN, DUE TO THE LOW QUALITY AND IT IS SUSPECTED OF PLAGIARISM



NEW!

Extended!

An excellent researcher from many reputable universities to create **Spring Water** with the Grand Prize **US\$ 5.000** starting from 1st April 2021 - 1st November 2021. Contact us...



**BUDAPEST INTERNATIONAL RESEARCH AND CRITICS INSTITUTE (BIRCI-JOURNAL):
HUMANITIES AND SOCIAL SCIENCES**

BUDAPEST INTERNATIONAL RESEARCH AND CRITICS UNIVERSITY - PUBLISHER (BIRCI-PUBLISHER)

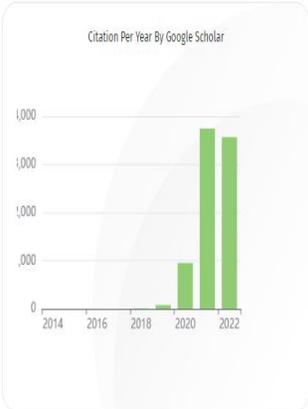
P-ISSN : 26151715 <> E-ISSN : 26153076

3.58571
Impact Factor

8431
Google Citations

S3
Current Accreditation

Google Scholar Garuda Website Editor URL



Journal By Google Scholar

	All	Since 2017
Citation	8431	8425
h-index	39	39
i10-index	180	180

The Function of Indonesia Government in Bridge the Performance of MSMEs during the Covid-19

Jiuhardi Jiuhardi¹, Adi Wijaya², Nurjanana Nurjanana³, Mutiara Kartika Dewi⁴
^{1,2,3}Faculty of Economics and Business, Mulawarman University, Samarinda City 75119,
East Kalimantan Indonesia.

⁴Alumni in Program of Master Economics, Faculty of Economics and Business, Mulawarman University,
Samarinda City 75119, East Kalimantan Indonesia.

¹jiuhardi@feb.unmul.ac.id; ²adi.wijaya@feb.unmul.ac.id; ³nurjanana@feb.unmul.ac.id;
⁴mutiarakartika980@gmail.com

Abstract: The urgency of this paper is to expose the performance of the Indonesian government to encourage and stimulate the existence of MSMEs because of the economic crisis caused by Covid-19. The paper method uses the document study method based on the results of previous research, which is traced through journals of several electronic media, such as digital libraries, websites, and library journal connections. We carried journal searches out via Google Browser and Google Scholar. It carried journal searches out using keywords in MSMEs, the role of the Indonesian government, and the economy of the Covid-19. From each research result got, it is further analyzed, which is then used as a supporting journal to strengthen that the Indonesian government plays a role in improving performance of micro, small and medium enterprises. The Indonesian government has a policy to handle micro, small and medium enterprises in Indonesia. The regulates state financial policies, including state revenue, including policies in taxation, state expenditure policies, including policies in regional finance, and financing policies. Indonesia allows MSME business activities to be a guarantee for accessing business financing loans and government also provides a Special Allocation Fund (DAK) to support the empowerment and development of MSMEs.

Keywords: regulation; MSMEs; Covid-19; financial policy; government support

1. Introduction

The Covid-19 has a tremendous impact on the economy. Last year, the entire world faced an economic downturn and caused a deep contraction as almost all countries imposed strict mobility restrictions (Ilmi et al., 2020). Many countries have implemented lockdowns which have consequences for the economy which immediately slumped sharply. The visible impact of Covid-19 affects not only public health but also affects the economy in various countries (Darma et al., 2020; Yijo et al., 2021).

Indonesia faces many problems related to economic aspects because of Covid-19. The economics Indonesia in 2020 experienced negative growth, unemployment and poverty rates increased. Based on year on year calculations, economic growth in the first quarter of 2020 showed a weakening by only reaching 2.97% compared to the achievement of the first quarter of 2019, which was 5.07% (Nugroho & Azmi, 2021). The data in the second quarter was also less favorable with showing a deep decline of -5.32%, the worst since 1999. Data in the third quarter experienced a growth contraction of 3.49%, while in the fourth quarter a growth contraction of 2.19% (Indonesian Ministry of Finance, 2021). The impact of the declining percentage of the economy in Indonesia, one of which is the increase in unemployment and the poor population caused by layoffs during the Covid-19 pandemic.

Comment [1-[1]: The email of each author must be entered (below the institution address).
REPLY: Revised.

Formatted: Centered

Formatted: Font: 10 pt, Not Bold

Comment [1-[2]: The research problem has not been fully described. The background should justify the gap based on the existing literature and issues. Both are also discussed via relevant arguments and highlight an anti-climactic situation.
REPLY: Corrected.

The Micro, Small and Medium Enterprises (MSME) sector, which is the most important part of the economic sector, has felt the impact. This is what all parties worried about, because it has made the MSME sector experience a significant setback (Rani, 2017).

Currently, many MSMEs are experiencing various problems such as declining sales, capital, hampered distribution, difficulty in raw materials, declining production and the occurrence of many layoffs for workers and workers which later become a threat to the national economy.

MSMEs, as drivers of the domestic economy and absorber of labor, over are currently facing a decline in productivity, which results in a significant decline in profits. Even based on a survey by the Asian Development Bank (ADB) regarding the impact of the pandemic on MSMEs in Indonesia, 88% of micro-enterprises have run out of cash or savings, and over 60% of these micro-small businesses have reduced their workforce (Arianto, 2020). The role of MSMEs has contributed 60% to the national gross domestic product and 97% to the absorption of workers affected by the pandemic.

The Indonesian government, as the holder of the highest authority in policy, must take steps to support and save the activities of micro, small and medium enterprises in order to survive the pandemic. This paper examines the role of the Indonesian government in improving the performance of micro, small and medium enterprises in Indonesia during the Covid-19 pandemic.

2. Research Method

This paper method uses the document study method on the results of previous research, which is traced through journals on several electronic media, such as digital libraries, websites, and library journal connections (e.g. Bowen, 2009). It carried journal searches out via Google Browser and Google Scholar (e.g. Cross, 2008). It carried journal searches out using keywords: MSMEs, the role of the Indonesian government in the economy, the economy of the Covid-19 pandemic. From each research result got, it is further analyzed, which is then used as a supporting journal to strengthen that the Indonesian government plays a role in improving performance of micro, small and medium enterprises.

3. Results and Discussion

In the development of MSMEs in Indonesia, the Government has been providing guidance to MSMEs for a long time (Tambunan, 2019). The development of this business group since independence has undergone several changes. MSMEs have sufficient definition diverse. Indonesian Cooperative Council (DEKOPIN) provides an understanding of MSMEs as economic business actors who often categorized as a large-scale company small, using traditional technology, and managed simply (Permana, 2017).

Based on the Decree of the Minister of Finance Number 316/KMK.016/1994 dated 27 June 1994 (Prayudi et al., 2019; Esubalew & Raghurama, 2017), MSMEs defined as individuals or business entities that have carried out activities/businesses that have sales/turnover per year a maximum of Rp.600,000,000 or assets/assets a maximum of Rp.600,000,000 (excluding land and occupied building), comprises of business (Fa, CV, PT, and cooperatives) and individuals (craft workers/home industries, farmers, breeders, fishers, forest encroachers, miners, traders goods and services).

The Organization for Economic Co-operation and Development (OECD) stated that MSMEs are independent companies that employ less than the number of employees certain. This limit varies between countries, where the most common MSMEs are companies that

Comment [i-3]: Is the documentation method justified in exploring the research focus? You must concentrate on the goals set. It is recommended to study more specific approaches, such as literature review techniques, descriptions, and various other identification models.

REPLY: The reason we use the review documentation method refers to 3 keywords: (1) MSMEs, (2) the role of the Indonesian government in the economy, (3) and the Covid-19 pandemic. On the one hand, the relative literature review model highlights things that are more holistic, multidisciplinary, and varied. The literature method is only limited to summarizing and concluding theoretical aspects, while the documentation method emphasizes the latest polemics. These are two different approaches, where the end goal also concludes opposite points. The authors want to be part of channeling ideas into policies to prevent greater MSME bankruptcy as a result of the COVID-19 outbreak. Finally, all thoughts about it will become a preference for decision makers such as government authorities in the context of determining regulations.

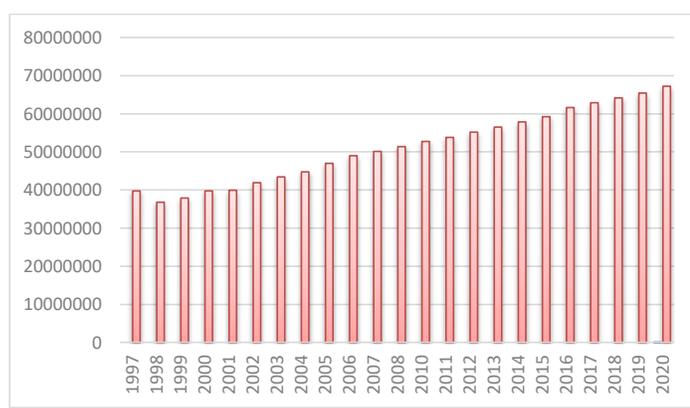
Comment [i-4]: Preferably the discussion should display supporting data to strengthen the findings.

REPLY: We agreed on review comments to include supporting data. Data related to "Number of micro, small and medium enterprises in Indonesia, 1997-2020" is added (Table 1).

employ less than 250 employees, as in the European Union. In some countries, others set a limit of less than 200 employees. In the USA, companies that include MSMEs are companies with many employees less than 500 people. Small businesses are businesses that employ less than 50 employees, while micro-enterprises are businesses which employ the most employees 10 people, even sometimes only 5 employees only (Maksum et al., 2020).

Thus, it can conclude that MSME is an individual business or small-scale business entities that has certain limits in terms of the number of workers, the amount of sales or turnover, as well as the amount of assets or its assets. The technology used still traditional, with good business management simple.

Every year, the number of micro, small and medium enterprises in Indonesia continues to increase linearly, this is because MSMEs are a pillar of the Indonesian economy (Hamzah et al., 2020). And broadly, it makes it easier for people to find jobs easily and independently, especially during the Covid-19 pandemic that hit Indonesia.



Source: BPS of Indonesia (2021).

Fig. 1: Number of micro, small and medium enterprises in Indonesia, 1997-2020

The last three years and during the Covid-19, the number of micro, small and medium enterprises in Indonesia increased significantly this was because of the large number of people who lost their permanent jobs during the pandemic.

In the past, we separated coaching for cooperatives from coaching for small and medium enterprises. The Ministry of Cooperatives fosters one, while the Ministry of Industry and the Ministry of Trade fostered the other. After going through several changes, since the last few years the development of small, medium and cooperative businesses has carried out under one roof under the Department of Cooperatives, Small and Medium Enterprises. From here, we can see that there are serious efforts from the government to pay attention to MSMEs (Adrian, 2018).

The development of the number of MSMEs for the 2017-2020 period increased by 6%, from 47,022,084 units in 2005 to 49,845,016 units in 2020. The MSME economic sector, which has the largest proportion of business units, is the sector: (1) Agriculture, Livestock, Forestry and Fishery; (2) Trade, Hotel and Restaurant; (3) Processing Industry; (4) Transportation and Communication; and (5) services with the development of each sector recorded at 52.48%, 28.12%, 6.49%, 5.54% and 4.60%. Meanwhile, the economic sector

which has the smallest proportion of business units, respectively, is the sector (1) Finance, Leasing and Corporate Services; (2) Mining and Quarrying; (3) Buildings; and (4) Electricity, Gas and Clean Water with developments recorded at 1.87%, 0.53%, 0.35% and 0.02% respectively (Indonesian Ministry of Finance, 2021).

Gunningham (2002) noted that there are several things that the government needs to pay attention to in making regulations to facilitate MSMEs. First, regarding financing policies, the government must provide financing facilities whose payments use the principle of win-win solution between banking institutions or non-financial institutions bank by looking at the payment capability of MSMEs. Second, the government must support MSMEs in their commitment to work hard and be successful by relying on independence. The independence in question is discipline in self-inspections and self-audits. Third, MSMEs must encourage to act professionally large companies by integrating the company's primary objectives with the development and renewal of the work culture of MSMEs. Fourth, the government must provide opportunities by providing various incentives to stimulate the progress of MSMEs. Fifth, the government must carry out inspections and monitoring so that there are no deviations in the MSME business. The monitoring is thirsty, persuasive and constructive. Sixth, the government must realize that there is no single policy perfect (Doval, 2016). Therefore, it is necessary to mix various policies effective policy mix, which is adjusted to the direction of regulation.

3.1. National Economic Recovery Policy

As a response to the impact of the Covid-19 pandemic, the Indonesian government issued policies to seek economic recovery. The Government issued Government Regulation instead of Law (PERPPU) Number 1 of 2000 concerning State Financial Policy and Financial System Stability for Handling the Covid-19 Corona Virus Pandemic and/or in Facing Threats That Endanger the National Economy and/or Financial System Stability (Sumadi & Prathama, 2021).

The regulates state financial policies, including state revenue policies, including policies in taxation, state expenditure policies, including policies in regional finance, and financing policies (Bhegawati & Utama, 2020). Meanwhile, the financial system stability policy includes policies for handling financial institution problems that endanger the national economy and/or financial system stability. In line with the decline in economic performance because of disruption in health and economic recovery spending, the government made efforts to restore the national economy through the National Economic Recovery Program (PEN). The goal is to maintain and improve the economic capacity of business actors from the real sector and the financial sector in carrying out their business during the Covid-19 pandemic (Amin & Samputra, 2021).

3.2. The Function of Government

Indonesian local governments have a strategic role in encouraging the acceleration and effectiveness of national economic recovery (Sparrow et al., 2020). The government established 3 (three) policies to be carried out, including increasing domestic consumption, increasing business activity, as well as maintaining economic stability and monetary expansion. One driver of the national economy is domestic consumption, the more consumption the economy will increase.

Consumption has an important role related to people's purchasing power. Therefore, the Government has allocated a budget of Rp 172.1 trillion to encourage

consumption/purchasing power of the people. It channeled the funds through Direct Cash Assistance, Pre-Employment Cards, electricity and rock releases - other help. Local governments are trying to move the business world by providing incentives/stimulus to MSMEs and corporations. The government provides help for postponing installments and interest subsidies for bank loans, interest subsidies through People's Business Credit and Ultra Micro, working capital guarantees of up to Rp 10 billion and providing tax incentives such as Income Tax (PPH article 21) borne by the government.

In order to support the national economic recovery, Bank Indonesia maintains the stability of the Rupiah exchange rate, lowers interest rates, purchases Government Securities, and maintains macroeconomic and financial system stability. Lower interest rates to increase financial liquidity to encourage business activity (Mulyana et al., 2021).

They give MSMEs protection so that large businesses do not control or own them. The government is also trying to increase business opportunities for MSME products with supply chain partnerships (Djalante et al., 2020). The government also encouraged incentives and partnership facilities to form between medium and large businesses with micro and small businesses.

In developing MSMEs, the government allows MSME business activities to be a guarantee for accessing business financing loans. Currently, registering Intellectual Property Rights is easier and simpler. Likewise, the import of raw materials and industrial auxiliary materials is facilitated as well as export facilities for MSMEs (Sumadi & Prathama, 2021).

The government also allocates MSMEs and cooperative products from domestic production in the procurement of government goods/services. In addition, the government also provides a Special Allocation Fund (DAK) to support the empowerment and development of MSMEs.

4. Conclusions

There are several points for this section to conclude. The Covid-19 pandemic has a tremendous impact on the economy. Last year, the universe faced an economic downturn and caused a deep contraction as almost all countries imposed strict mobility restrictions. Many countries have implemented lockdowns which have consequences for the economy which immediately slumped sharply. Indonesia faces many problems related to economic aspects because of Covid-19. The economics Indonesia in 2020 experienced negative growth, unemployment and poverty rates increased. Based on year on year calculations, economic growth in the first quarter of 2020 showed a weakening by only reaching 2.97% compared to the achievement of the first quarter of 2019, which was 5.07%.

Although the impact is very crucial, the Indonesian government has a priority to continue to support MSMEs. The practical and theoretical implications within the framework of the government are trying to revitalize state finances, which include state revenues, taxation, state expenditures, including regional finance, and financing. There is also a scheme that regulates the licensing of MSME activities and guarantees them access to business financing. In addition, the government appears to provide DAK as part of the development and empowerment of MSMEs.

The weakness of the paper lies in the methodological parameters that do not highlight the impact caused by this pandemic on aspects of MSMEs between regions in Indonesia. In fact, each of these areas has diverse business characteristics. Further consideration is needed to evaluate the success of government regulations. Future agendas should also highlight empirical findings.

Comment [i-5]: Authors can include "Acknowledgments" if necessary (optional).
REPLY: We feel this section is mandatory as this study will become part of the grant scheme in 2021. Internal assistance is obtained from the campus.

Acknowledgements

An internal sponsorship from the Faculty of Economics and Business – Universitas Mulawarman has supported this study. Authors should appreciate the professional work of the editorial board and constructive suggestions by reviewers at BIRCI-Journal.

References

- Adrian, M. A. (2018). Empowerment strategies of micro, small, medium enterprises (MSMEs) to improve Indonesia export performance. *International Journal of Economics, Business and Accounting Research*, 2(4), 50-60. Retrieved from <https://jurnal.stie-aas.ac.id/index.php/IJEBAR/article/view/222>
- Amin, M., & Samputra, P. L. (2021). The art of social work practices in Indonesia the impact of LSSR policy on the socio-economic sector in Banten Province. *Mamangan Social Science Journal*, 10(1), 40-53. <https://doi.org/10.22202/mamangan.v10i1.4831.g1958>
- Arianto, B. (2020). Pengembangan UMKM digital di masa pandemi Covid-19 [Development of digital MSMEs during the Covid-19 pandemic]. *ATRABIS: Jurnal Administrasi Bisnis (e-Journal)*, 6(2), 233–247. <https://doi.org/10.38204/atrabis.v6i2.512>
- BPS of Indonesia. (2021). Statistik Indonesia 2021 [Statistics of Indonesia 2021]. Retrieved from <https://www.bps.go.id/publication/2021/02/26/938316574c78772f27e9b477/statistik-indonesia-2021.html>
- Bhegawati, D. A., & Utama, M. S. (2020). The role of banking in Indonesia in increasing economic growth and community welfare. *South East Asia Journal of Contemporary Business, Economics and Law*, 22(1), 83-91. Retrieved from https://seajbel.com/wp-content/uploads/2020/10/SEAJBEL22_227.pdf
- Bowen, G. (2008). Document analysis as a qualitative research method. *Qualitative Research Journal* 9(2), 27-40. <https://doi.org/10.3316/QRJ0902027>
- Cross, J. G. (2008). Reviewing digital scholarship: the need for discipline-based peer review. *Journal of Web Librarianship*, 2(4), 549-566. <https://doi.org/10.1080/19322900802473936>
- Darma, S., Wijaya, A., & Darma, D. C. (2020). Different tests for the existence of agricultural cooperatives in Indonesia: before and after COVID-19. *Asia Life Sciences*, 10(3), 615-628. Retrieved from <https://www.academicpub.com/article/different-tests-for-the-existence-of-agricultural-cooperatives-in-indonesia-before-and-after-covid-19>
- Djalante, R., Lassa, J., Setiamarga, D., ...et al. (2020). Review and analysis of current responses to Covid-19 in Indonesia: period of January to March 2020. *Progress in Disaster Science*, 6, 100091. <https://doi.org/10.1016/j.pdisas.2020.100091>
- Doval, E. (2016). Change management strategies related to the global environment complexity. *Annals of Spiru Haret University Economic Series*, 16(4), 35-42. <https://doi.org/10.26458/1644>
- Esubalew, A. A., & Raghurama, A. (2017). Revisiting the global definitions of MSMEs: parametric and standardization issues. *Asian Journal of Research in Business Economics and Management*, 7(8), 429-440. <https://doi.org/10.5958/2249-7307.2017.00155.4>
- Gunningham, N. (2002). Regulating small and medium sized enterprises. *Journal of Environmental Law*, 14(1), 3-32. <https://doi.org/10.1093/jel/14.1.3>
- Hamzah, H., Valeriani, D., & Putri, A. (2020). Comparison development of MSME credit in the Sumatera region. *Economics Development Analysis Journal*, 9(3), 293-305.

Comment [i-[6]: All citations in the paper must be included in "References". In addition, references must apply Mendeley software.

REPLY: Professional advice. For that, we need to cross-check every citation taken.

<https://doi.org/10.15294/edaj.v9i3.38656>

Ilmi, Z., Darma, D. C., & Azis, M. (2020). Independence in learning, education management, and industry 4.0: habitat Indonesia during COVID-19. *Journal of Anthropology of Sport and Physical Education Issue*, 4(4), 63-66. <https://doi.org/10.26773/jaspe.201010>

[Indonesian Ministry of Finance. \(2021\). Pooling fund bencana: inovasi pendanaan penanggulangan bencana Indonesia \[Disaster pooling fund: funding innovation Indonesian disaster management\]. Retrieved from https://fiskal.kemenkeu.go.id/files/tekf/file/1632978446_tekf_edisi_iii_tahun_2021.pdf](https://fiskal.kemenkeu.go.id/files/tekf/file/1632978446_tekf_edisi_iii_tahun_2021.pdf)

Formatted: English (U.K.)

Maksum, I. R., Rahayu, A. Y., & Kusumawardhani, D. (2020). A Social enterprise approach to empowering micro, small and medium enterprises (SMEs) in Indonesia. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(3), 50. <https://doi.org/10.3390/joitmc6030050>

Mulyana, A. E., Hidayat, R., & Andayani, N. R. (2021). Pengembangan UMKM melalui sosialisasi dan penyuluhan secara digital untuk menunjang keberlangsungan usaha di masa pandemi Covid-19 [The MSME development through digital socialization and counseling to support business continuity during the Covid-19 pandemic]. *Abdimas-Polibatam*, 3(1), 62-76. <https://doi.org/10.30871/abdimas%20polibatam.v3i1.2685>

[Nugroho, A. A. & Azmi, I. F. \(2021\). Alleviating society's economic crisis: narrative policy on social safety nets policy process during Covid-19 pandemic. Policy & Governance Review, 5\(2\), 113-127. https://doi.org/10.30589/pgr.v5i2.443](https://doi.org/10.30589/pgr.v5i2.443)

Formatted: English (U.K.)

Permana, S. H. (2017). Strategi peningkatan usaha mikro, kecil, dan menengah (UMKM) di Indonesia [Strategy to increase micro, small and medium enterprises (MSMEs) in Indonesia]. *Aspirasi*, 8(1), 93-94. <https://doi.org/10.46807/aspirasi.v8i1.1257>

Prayudi, M. A., Vijaya, D. P., & Ekawati, L. P. (2019). What drives MSME performance? the role of gender. *Journal of Contemporary Accounting*, 1(2), 65-84. <https://doi.org/10.20885/jca.vol1.iss2.art1>

Rani, B. (2017). Evaluation of creative (metal) industry development policy in dealing with the ASEAN economic community in Sidoarjo. *Policy & Governance Review*, 1(2), 138-152. <https://doi.org/10.30589/pgr.v1i2.50>

Sparrow, R., Dartanto, T., & Hartwig, R. (2020). Indonesia under the new normal: challenges and the way ahead. *Bulletin of Indonesian Economic Studies*, 56(3), 269-299. <https://doi.org/10.1080/00074918.2020.1854079>

Sumadi, M. F., & Prathama, A. (2021). Peran pemerintah daerah dalam pengembangan usaha mikro kecil dan menengah (UMKM) "handycraft" limbah kayu jati sebagai produk unggulan Kabupaten Bojonegoro [The role of local governments in the development of micro, small and medium enterprises (MSMEs) "handycraft" teak wood waste as a superior product of Bojonegoro Regency]. *Syntax Literate: Jurnal Ilmiah Indonesia*, 6(5), 2322-2335. <http://dx.doi.org/10.36418/syntax-literate.v6i5.2701>

Tambunan, T. (2019). Recent evidence of the development of micro, small and medium enterprises in Indonesia. *Journal of Global Entrepreneurship Research*, 9(18), 1-15. <https://doi.org/10.1186/s40497-018-0140-4>

Yijo, S., Asnawati, A., Darma, S., ...et al. (2021). Social experiments on problems from tomato farmers during Covid-19: Indonesia case. *SAR Journal - Science and Research*, 4(1), 7-13. <https://doi.org/10.18421/SAR41-02>

