

Research Article

The Role of Women SME's in Economic Recovery During the Covid-19 Pandemic in NTT Province

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Abstract.

According to BPS data for 2021, as many as 64.5% of the total SME's are managed by women. Research by WEConnect International and World Bank member IFC during 2020 found that as many as 34% of women entrepreneurs experienced an increase in anxiety that decreased productivity during the pandemic. In terms of time sharing, 27% of women entrepreneurs experienced additional responsibility for children or parents, which reduces time for business matters. This study is a descriptive study with the aim of deciphering the social symptoms studied. Descriptive research intends to provide a description of social symptoms based on the indicators that were used as the basis before. This study explains how SME's and women as economic actors had a positive impact on building the economy during the Covid-19 pandemic in West Manggarai Regency. Trend positively shows the growth of SME's in West Manggarai Regency, NTT. A total of 7,662 SME's in West Manggarai grew during the Covid-19 pandemic. As many as 63% or 4,151 SME players were engaged in the agriculture, livestock, and fisheries sectors. The remaining 23% or around 1,760 actors were engaged in the trade sector, and 14% or about 1.100 business units were engaged in the processing sector, both culinary and craft. Not only technological problems, the raw materials used to produce are also an obstacle for MSME sellers. Evidence that women SME's in West Manggarai Regency can support the economy during the Covid-19 pandemic, namely seven SME's from Mabar Accountability who participated in the SME's exhibition at the Mandalika MotoGP held on March 18-20, 2022, the majority of SME owners were women.

Keywords: women SME's, economic recovery, Covid-19

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1. INTRODUCTION

Most of Indonesia's economy is supported by SME's that contribute to GDP, based on data from the Ministry of Cooperatives and Small and Medium Enterprises (KemenkopUKM) in March 2021, SME's in Indonesia reached 64.2 million which contributed to GDP of 61.07% or equivalent to Rp8,573.89 trillion. In addition, SME's are able to absorb 97% of the total existing workforce, and can collect up to 60.42% of the total investment in Indonesia. In 2021, 64.5% of the total SME's were managed by women. Then research from Sasakawa Peace Foundation & Dalberg also noted that the percentage of women entrepreneurs in Indonesia is quite high, namely 21%. The Asian Development Bank's survey of 2,509 SME's nationwide shows that SME's players who have had to temporarily close due to the Covid-19 pandemic have been reduced. In the second quarter of 2021, only 1.8% of small business respondents stated that they were temporarily closed due to the pandemic. This percentage is smaller than the March-April period in 2020 which reached 54.4%.

Based on BPS data, foreign tourists (tourists) who came to travel to East Nusa Tenggara Province in 2021 were recorded as many as 8,745 people, down from the previous years which recorded 44,778 visits in 2020 and as many as 112,806 visit in 2019. The number of domestic tourist trips in 2020 decreased by 7.8 million or by 80 percent, in 2019 there were 9.7 million trips and in 2020 it fell to 1.8 million trips. The effect of this decline has greatly impacted SME's entrepreneurs related to tourism in NTT Province. The main obstacles for SME's players in NTT are human resources and the market to sell products. According to him, the best solution to the problem is by transforming from conventional SME's to digital SME's.

Survey BPS NTT during the Covid-19 pandemic shows that companies that have been doing online searches before the pandemic have 1.22 times higher revenue compared to those that were just online during the pandemic. In addition, there are about 4.2 percent of start-ups in NTT that use the internet and IT for marketing. Therefore, the existence of a digital network will make NTT products and tourist destinations not only known domestically but also in the world. WEConnect International and World Bank member International Finance Corporation (IFC) during 2020 found that 34% of women entrepreneurs experienced increased anxiety that decreased productivity during the pandemic. In terms of time sharing, 27% of women entrepreneurs experience additional responsibility for children or parents which makes time for business matters reduced.

Based on the above problems, researchers want to examine how the digitization of SME's and how women as economic actors have a major contribution in building

TABLE 1: Tourist Visit Data for West Manggarai Regency in 2018-2021.

Information	Foreign Tourists	Nusantara Tourists	Local Travellers	Total
2021	3.028	59.192	-	62.220
2020	18.350	26.072	83	44.505
2019	168.814	85.898	1.897	256.609
2018	91.870	69.343	1.841	163.054

Source: BPS (Processed Data)

the economy during the Covid-19 pandemic in West Manggarai Regency. In addition, how women in West Manggarai Regency have access to build and create business opportunities, and to strengthen their skills and capacities.

2. LITELATUR STUDIES

2.1. SME's

The efficiency of SME's is regulated in the Law of the Republic of Indonesia Number 20 of 2008 concerning SME's. Article 1 of the Law, it is stated that micro-enterprises are productive businesses owned by individuals and/or individual business entities that have micro-business criteria as regulated in the Law. Small business is a productive economic business that stands alone, which is carried out by an individual or business entity that is open is a subsidiary or not a subsidiary that is owned, controlled or becomes a part, either directly or indirectly, of medium-sized enterprises or large businesses that meet the criteria for small businesses as referred to in the Law.

2.2. Economic Recovery

Based on PP Number 23 of 2020 concerning Government Regulation (PP) concerning the Implementation of the National Economic Recovery Program in Order to Support State Financial Policies for Handling the Corona Virus Disease 2019 (COVID-19) Pandemic and/or Facing Threats that Endanger the National Economy and/or Financial System Stability and National Economic Rescue. This program aims to protect, maintain, and improve the economic capabilities of business actors in running their businesses during the Covid-19 pandemic. For SME's, the PEN program is expected to 'extend the breath of SME's and improve the performance of SME's that contribute to the Indonesian economy.

2.3. Women's SME's

According to Riant Nugroho (2008) the objectives of the women's empowerment program are:

1. Improving women's ability to engage in development programs
2. Improve women's ability to leadership, to improve bargaining position and involvement in any development
3. Improving the ability of women to manage household-scale businesses, small industries and large industries
4. Increasing the role and function of women's organizations at the local level as a forum for empowering women to be actively involved in development programs in the area where they live.

3. RESEARCH METHODS

This research is a descriptive study that is a study with the aim of deciphering the social symptoms studied. Descriptive research intends to provide a description of social symptoms based on the indicators that were used as the basis before (Slamet, 2011: 7). This study explains how SME's and women as economic actors have a positive impact in building the economy during the Covid-19 pandemic in West Manggarai Regency. In explaining the existing social symptoms, the dimensions used in looking at empowerment are well-being, access, critical awareness, participation, and control. From this series of dimensions will look as far as From this series of dimensions will see as far as mana the efforts of women SME's in restoring the economy during the Covid-19 pandemic in West Manggarai Regency, NTT Province.

4. RESULTS AND DISCUSSION

4.1. Women's SME's in West Manggarai Regency During the Covid-19 Pandemic

Specifically, East Nusa Tenggara Province has experienced a very significant impact due to Covid-19. Economic growth of East Nusa Tenggara Province. It was recorded that the economic growth of East Nusa Tenggara province in 2020 cumulatively contracted by -0.83% (minus zero point eighty-three percent) year *on year*. The tourism sector, which

is one of the sources of GDP for West Nusa Tenggara Province, has had a significant impact due to Covid-19. Labuan Bajo, West Manggarai Regency, West Nusa Tenggara Province, which is one of the super national priority destinations, has experienced a very significant decline. Throughout 2021, tourist visits to Labuan Bajo only reached 44,543 people, a decrease of 82% compared to tourist visits in 2019. Although there was an increase of 62,220 tourists in 2021 or an increase of 140% from 2020, this has not been able to improve the performance of several sectors involved in the tourism ecosystem in Labuan Bajo, including the hospitality and *hospitality* sector, *travel agents* and the MSME sector.

However, interestingly, even though SME's are one of the sectors affected by Covid-19, a positive trend shows the growth of SME's in West Manggarai Regency, East Nusa Tenggara Province (NTT). A total of 7,662 SME's in West Manggarai grew during the Covid-19 pandemic. Of these, 2,572 of them have bagged a business registration mark or business registration number (NIB). The rest do not have NIB, but have registered themselves as novice SME's. Of the total SME's in West Manggarai, the majority of them are engaged in the agriculture, livestock, and fisheries sectors. As many as 63 percent or 4,151 MSME players engaged in the agriculture, livestock, and fisheries sectors. The remaining 23 percent or around 1,760 actors are engaged in the trade sector, and 14 percent or about 1,100 business units are engaged in the processing sector, both culinary and crafts.

In an effort to increase digitalization of SME's in West Manggarai, as many as 25 women SME's actors in Labuan Bajo, attended entrepreneurship training. This entrepreneurship training aims to support SME's who face challenges in running their business by promoting the spirit of collaboration between sustainable business actors. In the training, the participants received training in product development, business problem solving, marketing, and business operations. One of the products of women's SME's in West Manggarai Regency is Perfect Fit Labuan Bajo which is a re-washing cloth pad that provides a frugal and smart choice for women when menstruating. This dressing consists of a fabric that is safe and comfortable for the female body. This product is made by a local tailor in West Manggarai Regency, East Nusa Tenggara, who is trained to produce quality re-sanitary napkins at affordable and comfortable prices.

4.2. Problems of Technology and Raw Materials for SME's in West Manggarai Regency

Research conducted by Riskin Hidayat and Siti Alliyah (2021) found that information technology is able to mediate the influence of gender on the performance of Coffee SME's both in conditions before the Covid-19 pandemic and during the Covid-19 pandemic. This means that the role of information technology adopted by coffee MSME managers is very important in improving their business performance. Meanwhile, research conducted by Satria Tirtayasa, Ira Nadra, and Hazmanan Khair (2021) said that entrepreneurs must start changing the style of buying and selling transactions and concentrate on marketing in digital marketing through websites, e-commerce, social media, search engines, selling through marketplaces, to form reseller teams to sell their goods, until production remains alive in the midst of this pandemic. Business actors also need to take advantage of this period to improve their skills for future business development.

Based on data from BPS in 2020, at least 27.11 percent or about one in four residents in West Manggarai accessed the internet in the last three months. This states that the inequality of internet access in West Manggarai is still very high, with the current situation will make it difficult for MSME actors to promote or sell products online. Therefore, technology is very important during the Covid-19 pandemic. People's behavior has changed due to large-scale social restrictions (PSBB), so that people use technology in their daily activities, from work to buying their needs. Many SME's in West Manggarai Regency have entered the *marketplace*, it's just not very helpful because buyers outside the island of NTT have to pay very high shipping costs so that many may be reluctant to buy.

Satria Tirtayasa, Ira Nadra, and Hazmanan Khair (2021) stated that entrepreneurs must start changing the style of buying and selling transactions and concentrate on marketing in digital marketing through *websites*, *e-commerce*, social media, *search engines*, selling through marketplaces, to form a reseller team to sell the goods, until the production remains alive in the midst of a pandemic. Business actors also need to take advantage of this period to improve their skills for future business development. For example, expertise in doing *digital* marketing or developing *your own e-commerce platform*. So that when the business runs normally, business operations can run faster than before. Karnida Retta Ginting, Galuh Pancawati, Budi Priyono (2022) First, about access, we can conclude that the development based on considerations provides equal access for women and men, and each group: Indigenous Papuan women is doing good.

The part of participation, indigenous Papuan women involved in the establishment of the market.

Not only technological problems, the raw materials used to produce are also obtained from outside the island of NTT. From the results of a survey conducted by the West Manggarai Cooperatives, SME's, Manpower, and Transmigration Office, SME's still send raw materials such as woven fabrics to Java, then receive them back in the form of accessories. In fact, local SME's should be able to process the weaving derivative products themselves. Although there are several SME's that have tried this, the product quality is not very good.

The impact of purchasing raw materials from Java island results in high shipping costs so that it will affect production costs and high selling prices. Rendi Heryandi, Evi Martaseli and Ade Sudarma (2022) stated that the cost of raw materials has a partial and significant influence on profits, as well as the variable selling price has a partial and significant influence on profits in the home industry, and the overall variables of raw material costs and selling prices simultaneously or together have an influence on profits. In fact, if the raw materials needed can be easily obtained around the business location, it will reduce production costs.

4.3. The Role of Women SME's in Efforts to Recover the Economy After the Covid-19 Pandemic in West Manggarai Regency

SME's and women are indeed inseparable, based on data from the Ministry of Cooperatives and Small and Medium Enterprises (Kemenkop UKM) in 2021 at the micro business level, 52 percent of the 63.9 million micro business actors in Indonesia are women. For the small business level, there are 56 percent of the 193 thousand small businesses that own it as women. Meanwhile, for medium-sized businesses, 34 percent of the 44.7 thousand business actors are women. In addition, MHM has a large contribution to the Indonesian economy. SME's account for 60 percent of the total national economy and 97 percent in terms of job creation and absorption. SME's are not only activities carried out by many actors, especially women, but they are also the drivers and backbone of the economy in the future.

Marthalina (2018) stated that women's empowerment in supporting SME's in Indonesia has enormous potential and must be optimized by the central and local governments. Cooperation from various private parties, banks and other institutions is needed to support women's empowerment. Nur Fitri Mutmainah (2020) stated that the obstacles to economic business development are influenced by the dual role where the burden of

housewife workers in the domestic sector and the support from families is lacking; self-development and support from local governments are still very minimal. Karnida Retta Ginting and Galuh Pancawati (2020) Implementation of the PEN policy has a good impact on economic recovery after the pandemic. To revive the national economy after experiencing a recession, it is important to revive SMEs because SMEs play a direct role in the people's economy.

As a multi-ethnic and super premium destination, in its development, Labuan Bajo requires culinary activists and *wiira kriya*, who are not only creative but tough and able to make it an identity destination. Therefore, in an effort to increase capacity for female MSME actors in West Manggarai Regency through the collaboration program of PT ASDP Ferri Indonesia (Persero) and the Labuan Bajo Unitas Business Group Association (Accountability), 30 innovators of Culinary and Songke Crafts SMEs were selected to attend training or bootcamp on June 21-26, 2021. They are SME innovators who have been moving and continuing to help improve the regional economy in the midst of the COVID-19 pandemic storm.

The creativity and resilience of SME innovators who have been trained are expected to increase their capacity through business knowledge, build marketing networks, strengthen capacity to the quality of premium products that are certainly ready to compete in the local and global markets. As an important note during the COVID-19 pandemic, it is precisely SME's that are able to survive. Even the number of MSME actors in Manggarai Barai Regency has increased a lot, independence in trying to actually grow and rise during the Covid-19 pandemic. By conducting various trainings, SME's are expected to become stronger in building businesses in the future, especially facing the COVID-19 pandemic.

Evidence that women SME's in West Manggarai Regency are able to support the economy during the covid-19 pandemic, namely seven SME's from Mabar Accountability who participated in the MSME exhibition at the Mandalika MotoGP held on March 18-20, 2022, namely Michael Wyang's Cuing Bajo, Komodo Gift Shop (Kandy Mayangsari), Labajo Coffee (Cristine Mayasari), New Eden (Lieta), KOMPIANG Bajo (Nita), Sibakloang Coffee (Isye Fernandez), and Bajo Bloom (Ana Fletcher) where the majority of MSME owners are women.

5. COVER

Although the development of SME's is very rapid, in reality SME's still send raw materials such as woven fabrics to Java, and then receive them back in the form of accessories. In

fact, local SME's should be able to process the weaving derivative products themselves. In addition, in an effort to improve the quality of SME's in West Manggarai Regency. The West Manggarai Regency Government conducted Digital Entrepreneurship Academy (DEA) training for SME's players to be able to take advantage of digital technology and enter the digital business. The West Manggarai Regency Government must focus on the availability of raw materials for SME's actors. One of them is appointing special suppliers of raw material providers for SME's players so that they can cut production costs through reducing the cost of purchasing raw materials and it is necessary to collaborate with various parties who can receive SME's products from West Manggarai Regency so that consumers can buy products without being burdened by such high shipping costs.

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