

The Impact of the Covid-19 Pandemic on the MSME Sector in Tana Toraja

Dian Intan Tangkeallo

Indonesian Christian University of Toraja

Korespondensi penulis: dian.tangkeallo@gmail.com

Dwibin Kannapadang

Indonesian Christian University of Toraja

Abstract. The pandemic of COVID-19 has become a threat to multiple sectors, particularly the UMKM sector. Given that UMKM are the largest contributor to PDP and the sector that employs the most people, it is necessary to give the UMKM sector special attention. The purpose of the research was to assess the impact of the COVID-19 pandemic on the Tana Toraja UMKM sector. The research method employed is qualitative and descriptive, with data gathered via interviews with UMKM actors in the Makale central market. The results showed that not all UMKM were impacted by the COVID-19 pandemic. Some UMKM have survived due to their utilization of innovation and technology.

Keywords: Covid 19, UMKM, Tana Toraja.

INTRODUCTION

The economy is one of the most significant aspects of life because everyone will have direct touch with economic need. Efforts to strengthen the economy continue, but the COVID-19 epidemic has caused a downturn in the economies of a number of nations, including Indonesia. In his research, Nasution et al. (2020) concluded that the Covid 19 epidemic had an effect on the Indonesian economy. While Wren and Lewis (2020) discovered a pattern suggesting the Covid-19 epidemic is not only destructive to health, but also impacts the economies of countries around the world, including Indonesia, they did not find a correlation between the two.

The UMKM sector is one of the economic sectors that has been impacted by the COVID-19 pandemic. UMKM play a significant and significant role in Indonesia itself, particularly in terms of boosting employment possibilities and raising the Gross Domestic Product (GDP) of a nation, notably in Indonesia. According to Mankiw (2004:5), the GDP is an essential economic metric since it is the best indication of the welfare of the population. According to data from the Ministry of Cooperatives and Small and Medium

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* Dian Intan Tangkeallo, dian.tangkeallo@gmail.com

Enterprises (Kemenkop UKM, March 2021), the number of UMKM in the country has reached 64,2 million, contributing 61.07 % or Rp. 8,573.89 trillion to the Gross Domestic Product (GDP). In addition, the contribution of UMKM to the Indonesian economy includes the capacity to absorb up to 97 % of the total workforce and up to 60.4% of the total investment.

UMKM actors in the Tana Toraja district, more specifically the Makale subdistrict, also endured the effects of the Covid 19 pandemic. This research focuses on the ma-kale central market as it is the major retail hub in Tana Toraja. The Central Makale market is the largest retail center in Tana Toraja due to the quantity of shoppers and people who frequent it daily. As one of the sociocultural centers for the people of Makale City, the Makale Central Market is also the main backer of their agrarian lifestyle. The number of UMKM enterprises has a significant impact on the expansion of employment possibilities and employment, as well as on the formation of the Gross Domestic Product. In a crisis situation such as this, the government must pay special attention to the UMKM sector because it is the largest contributor to GDP and a major source of jobs. This research will assess the impact of the COVID-19 pandemic on the UMKM sector in Tana Toraja, based on the preceding context.

Micro, small, and medium-sized companies (UMKM) are, in general, firms that generate goods and services based on the usage of natural resources, raw materials, and traditional works of art from the local region (Hamid, 2020). Micro, Small, and Medium-Sized Enterprises are required by Law 20 of 2008 to expand and develop their enterprises in the context of constructing a national economy based on economic democracy. UMKM are recognized as the genuine sector of the economy, which is very resistant to global crises. UMKM can contribute to the acceleration of a nation's economic growth because this sector employs a great deal of workers (Abdurohim, 2020)

RESEARCH METHODS

This research utilizes a qualitative descriptive methodology, in which the author collects data through observations and interviews with a number of individuals that represent UMKM on the Makale market. According to Sugiyono (2017), for the purpose of identifying informants in this study utilizing purposive approaches, purposive sampling is a sample strategy involving data sources with specific considerations. The

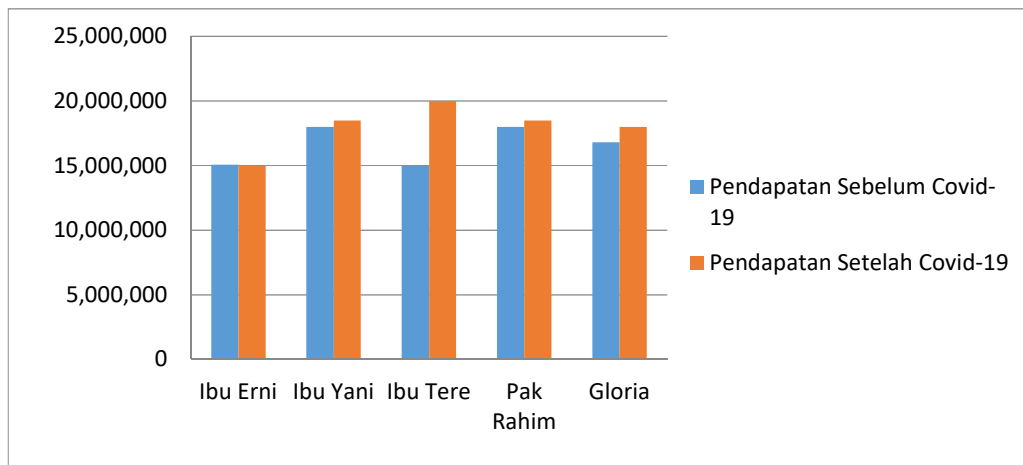
researchers explained the impact of the COVID-19 pandemic on the Tana Toraja UMKM sector based on the results of these observations and interviews.

RESULTS AND DISCUSSION

The COVID-19 outbreak has compelled the government to implement rules that restrict public activity. This renders the market, as a location for daily commercial activity, tranquil. This circumstance consequently results in a lack of buyers and a fall in UMKM performers' earnings.

In order to answer the following formulation of the problem posed by the researcher, the following section will give facts pertaining to the outcomes of interviews performed by researchers:

Figure 1
Income Chart Before to and Following the Covid-19 Pandemic in the Culinary Business

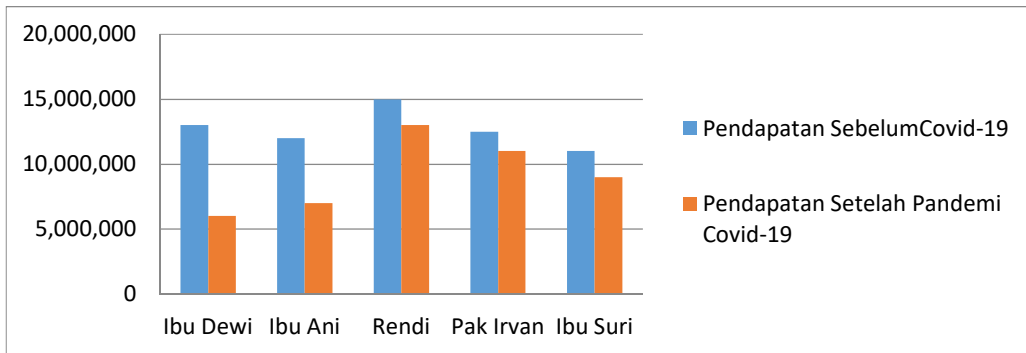


(Source: Analysis Results, 2021).

Figure 1, At the Makale Central Market, the impact of the covid-19 epidemic on the income of UMKM actors in the culinary business sector before and after the pandemic was described. Five individuals, specifically UMKM selling during Covid-19 in the major market of Makale, turned out to be informants. Figure 1 shows that, although the rise was not very significant, the average income of the five respondents working in the food service industry increased, But it can be observed in the graph of Mrs. Tere, which saw the greatest growth during the Covid-19 pandemic because Mrs. Tere created a system of delivering food to customers as well as selling at Warung during that time, But

it differs from Mrs. Erni, whose income was normal before the Covid-19 epidemic and was similarly normal after. Therefore, even if the rise in revenue was not very large, it can be said that UMKM actors in the Makale Central Market involved in the culinary industry did feel it.

Figure 2.
Revenue Chart before and after the Covid-19 pandemic
in the field of Fashion business

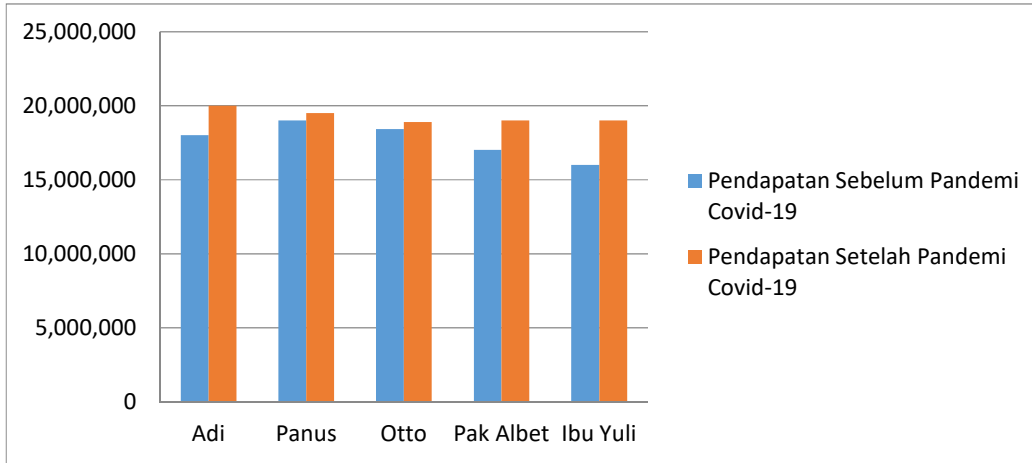


(Source: Analysis Results, 2021).

Figure .2 Explained the impact of the Covid-19 pandemic on the fashion industry in Makale Central Market. As respondents, five merchants of the Makale Central Market are selling during the Covid-19 pandemic. Figure 2 shows Ms. Dewi, a shoe seller who saw the largest drop in revenue during the Covid-19 pandemic. Ms. Dewi's income before to the pandemic was Rp. 13,000,000, while her income from sales during the pandemic was Rp. 6,000,000. -.

Along with Mrs. Erni, who also saw her income collapse, there was Mrs. Ani, whose income dropped by the second-largest amount after Mrs. Erni. Mrs. Ani's income before the Covid-19 epidemic was Rp 12,000,000, while her income was Rp 7,000,000.00 after the pandemic. The Queen Mother, Pak Irvan, and Rendi all had lower sales during the Covid-19 outbreak. Many tactics have been put into place to deal with the effects of Covid-19, such as selling both in-person and online, but these have not been sufficient to make up for the reduction in their income. Therefore, it can be stated that UMKM in the apparel industry in the Makale Central Market have seen a drop in income as a result of Covid-19.

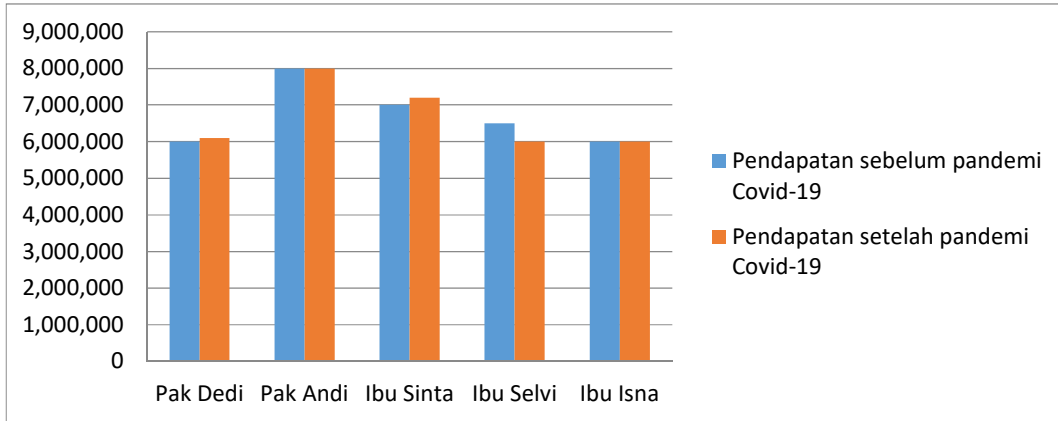
Figure 3.
Revenue Chart before and after the Covid-19 pandemic
in the field of Electronics business



(Source: Analysis Results, 2021).

Figure 3. The impact of the Covid-19 epidemic on the Electronic business sector at the Makale Central Market was described. Figure 3 depicts that Yuli's mother enjoyed the greatest income growth during the Covid-19 epidemic. Due to the high demand for electronics during the Covid-19 outbreak, this occurred, In the middle of the Covid-19 pandemic, those who are working as well as those who engage in home-based learning activities that require electronics such as cellphones or laptops all demand electronics. Adi, Panus, Otto, and Pak Albet also experienced a rise in revenue during the Covid-19 pandemic. Consequently, it can be stated that the Electronic business sector at the Makale Central Market saw a boost in revenue during the Covid-19 pandemic.

Figure 4.
Revenue Chart before and after the Covid-19 pandemic
in the field of Craft business

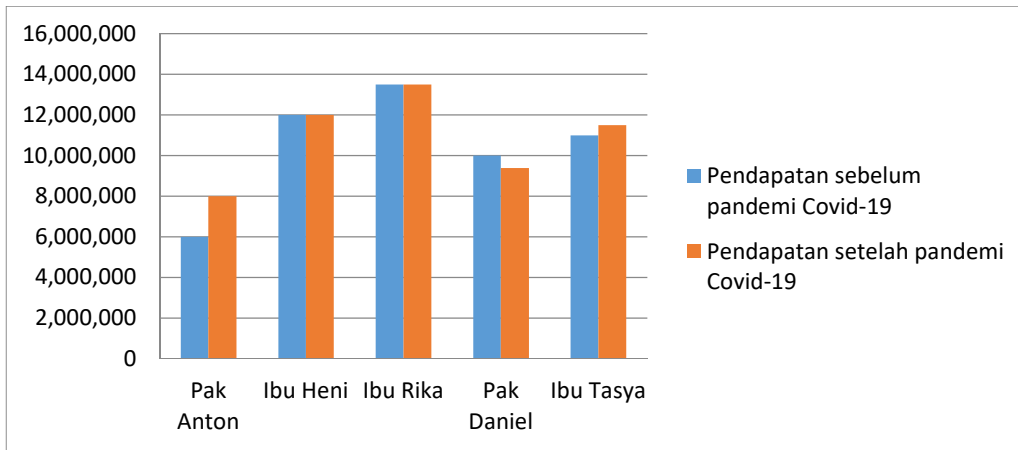


(Source: Analysis Results, 2021).

Figure 4. The impact of the Covid-19 epidemic on the Craft industry in the Makale Central Market was described. Mr. Dedi, Mr. Andi, and Ms. Isna did not suffer an increase or drop in income during the Covid-19 Pandemic, as depicted in Diagram 4. Furthermore, Mrs. Selvi's income decreased during the Covid-19 pandemic, but it did not fall much, and Mrs. Sinta's income increased during the pandemic, although it was not a significant increase. Therefore, it can be said that the Covid-19 epidemic has no impact on the income of the UMKM participants in the Makale Central Market who are involved in crafts.

Figure .5

Revenue Diagram before and after the Covid-19 pandemic in the field of Services



(Source: Analysis Results, 2021)

Figure 5 The effects of the Covid-19 epidemic on service-sector UMKM in the Makale Central Market were discussed. Figure 5 shows Mr. Anton, who saw the greatest gain in income during the Covid-19 pandemic, as well as Mrs. Tasya, who also experienced an increase in income during the Covid-19 pandemic, although her income increase was not as significant. And also seen in the figure above are Mrs. Heni and Mrs. Rika, who did not experience an increase or drop in income during the Covid-19 pandemic, and Mr. Daniel, who did experience a decrease in income during the Covid-19 pandemic. Therefore, it may be inferred that service-providing MSMEs in the Makale Central Market are unaffected by the Covivirus-19 pandemic

CONCLUSION

Based on the result of this research, it can be said that UMKM involved in the fashion industry have been the ones most negatively impacted by Covid-19 at the Makale Central Market. Additionally, UMKM in the Makale Central Market that saw an increase in revenue during the Covid-19 pandemic were UMKM in the food and beverage, electronics, and services industries. UMKM in the Makale Central Market that were unaffected by the Covid-19 pandemic were UMKM in the handicraft and services industries.

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