

Coronavirus disease (COVID-19): Does the New Normal Policy Affect Enterprises?

Robetmi Jumpakita Pinem, S.AB, MBA

Department of Business Administration, Diponegoro University
robetmi@lecturer.undip.ac.id

Introduction

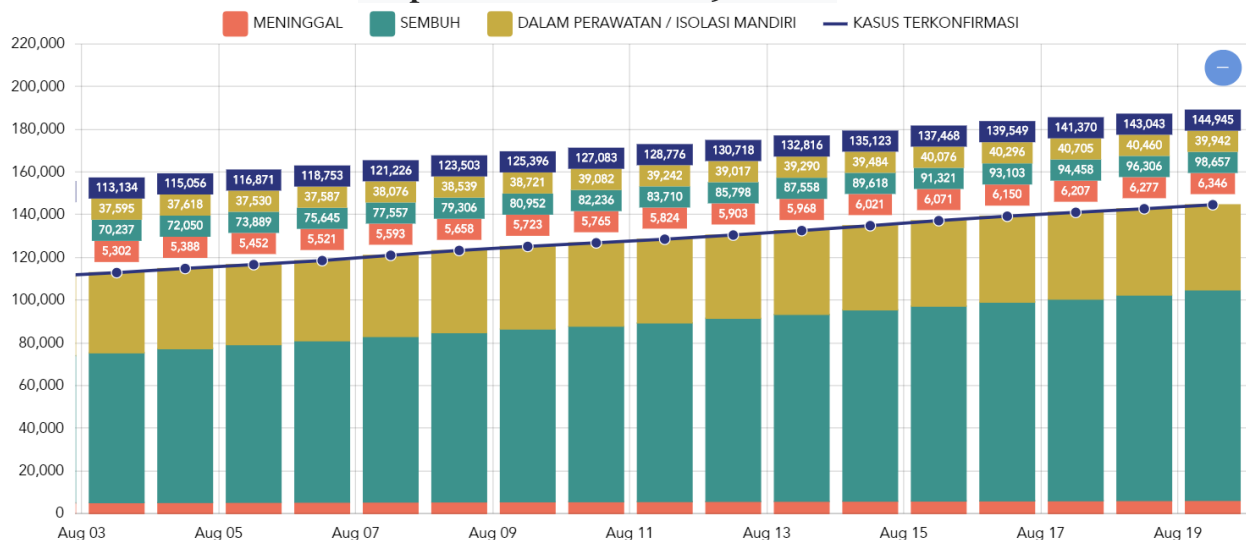
Indonesia is one of the countries affected by the impact of the Coronavirus disease (COVID-19) pandemic. This deadly pandemic has indeed spread in almost all countries in the world. The pandemic that is thought to have originated from the Chinese city of Wuhan has indeed continued to develop into a frightening pandemic. Based on data from <https://www.worldometers.info/> on 20 2020, the number of cases of the Coronavirus disease (COVID-19) pandemic has reached 22,582,785 worldwide with the number of deaths reaching 791,034. This is very terrible data because it takes a lot of casualties.

Currently those who have been released or recovered from the Coronavirus disease (COVID-19) pandemic have reached 15,307,635. The horror of the Coronavirus disease (COVID-19) pandemic has really frightened many countries. Many countries carry out surveillance or restrictions on flights to their country or vice versa. Many countries including Indonesia have temporarily suspended flight schedules. After enacting the new normal policy, the government began to allow limited flights and with very strict health protocol provisions. Airplane passengers traveling are required to carry out a Swab test or rapid test. This test ensures that prospective passengers are healthy and will not carry the virus.

Strict protocol is a must to protect and stop the rapid spread of the Coronavirus disease (COVID-19) pandemic. The Indonesian government once made a work from home policy including making a policy to restrict the activities of micro, small and medium enterprises to prevent the spread of the virus. Indonesia is currently the country with the victims of the Coronavirus disease (COVID-19) pandemic based on data <https://www.worldometers.info/> on 20 2020 ranked 23 in the world. This data shows that Indonesia's conditions are not good and safe from viruses. This ranking continues to increase from the previous because the victims continue to increase every day from various regions.

Indonesia is currently still a little worried because the state is not yet free and continues to experience an increase in the number of victims from the Coronavirus disease (COVID-19) pandemic. The total number of virus victims to date has reached 144,945 people, which means that this number is very large and the number of victims continues to grow every day. The increasing condition of victims of the Coronavirus disease (COVID-19) pandemic has indeed made the government and the public worry. The following is the updated data from the victims of the Covid-19 virus from August 3, 2020 to August 19, 2020 in Indonesia. More detailed data can be seen in graph 1. The data in graph 1 is data on all victims of the Coronavirus disease (COVID-19) pandemic in Indonesia.

Graph 1. National Covid-19 Victims

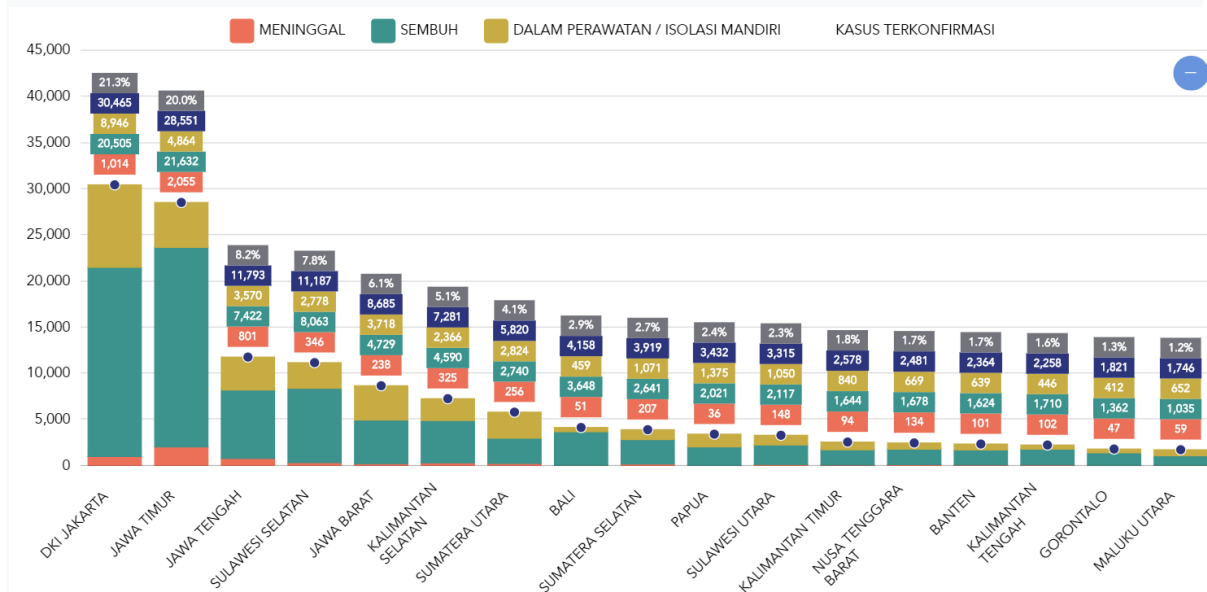


Source: <https://covid19.go.id/>

The situation in Indonesia is indeed a little concerning because the condition of victims of the Coronavirus disease (COVID-19) pandemic continues to increase. It can be seen in graph 1 that the victims of this very dangerous virus continue to grow. This indicates the importance of serious handling by the government, in fact the Indonesian government has tried hard to hold back the rate of increase in the number of victims of this virus but it has not decreased significantly. Government policies to implement health protocols have been reminded everywhere.

The condition for the increasing number of victims of the Coronavirus disease (COVID-19) pandemic has yet to be overcome because a vaccine against the deadly virus has not been found. Indonesia as one of the countries affected by this virus has been greatly harmed by the many casualties that have fallen. The large number of victims in Indonesia has made the government tighten the space for community movement to reduce the spread of the virus. Currently, several provinces are the biggest victims. The most data on victims of the Coronavirus disease (COVID-19) pandemic can be seen in Graph 2. The provinces with the most victims are DKI Jakarta, East Java and Central Java, South Sulawesi and West Java. Of the 5 provinces most affected by this virus in Indonesia, 4 of them are provinces on the island of Java. This can also occur because the majority of Indonesia's population is on the island of Java.

Graph 2. Covid-19 Victims by Provinces



Source: <https://covid19.go.id/>

Based on graph 2 above, it can be seen that the province of Central Java is in third place as the most victims of the Coronavirus disease (COVID-19) pandemic. The number of victims in Central Java was 11,293 people or equivalent to 8.2% of the total number of victims of this virus nationally. The condition of Central Java Province on the island of Java and with one of the provinces with the largest population in Indonesia makes the possibility of this virus spreading even greater.

The high number of victims of the Covid-19 virus definitely affects all community activities. Initially, they were free to do activities, but now there are not only regulations regarding following health protocols when leaving the house. Even some government and private offices have enforced the work from home (WFH) policy for an indefinite period. This condition has indeed made the country's economy sluggish due to decreased production and consumption activities. When compared to the previous condition, the economies of almost all countries in the world are definitely in a bad condition. Even now, several countries have said that their countries are experiencing a recession, namely Singapore, South Korea, America and several other countries.

Micro and Small Enterprises

Micro and small enterprises in Indonesia continue to experience growth from year to year even though they are not experiencing growth as well as neighboring countries such as Singapore, Malaysia and Thailand. One of the supporters of the economy of a country is micro and small businesses. In Indonesia, the number of micro and small businesses is very large, even above 90% of the total number of businesses in Indonesia. The conditions during the Coronavirus disease (COVID-19) pandemic were still not conducive, causing many business actors to suffer losses and even have to close their businesses because they were not sold.

The World Bank classifies MSMEs into three types using an approach based on the number of employees, income and assets they have, as follows:

Micro business

- Number of employees <10 people.
- Annual income <\$ 100 thousand.
- Ownership of assets <\$ 100 thousand.

Small business

- Number of employees <30 people.
- Annual income <US \$ 3 million.
- Ownership of assets <US \$ 3 million.

Micro and small business actors are business groups that are very vulnerable to the Coronavirus disease (COVID-19) pandemic. With the pandemic, many business actors have lost their customers and have even had to close down businesses run by business people. The government also distributed aid to keep these micro and small businesses from closing down due to bad conditions. Based on <https://databoks.katadata.co.id/> (2020) as a result of this pandemic, the government has distributed assistance to keep businesses afloat amounting to IDR 150 trillion. The amount of financial support provided by the government is due to the large contribution of micro, small and medium enterprises to Indonesia's gross domestic product (GDP).

In addition to receiving assistance, business actors have also decreased people's purchasing power because their income has also decreased. It can be seen that if we look at the business that had been going well before the Coronavirus disease (COVID-19) pandemic but is currently closed, it is even very easy to see that many businesses were empty of visitors even if they continued to open their businesses. This unfavorable condition is due to the fact that people are very careful in shopping due to reduced income. This unfavorable condition must be anticipated in order to survive in the midst of uncertain conditions. Disasters always bring bad conditions for businesses (Guha-Sapir, D., Vos, F., & Below, R., 2012).

New Normal Policy

The new normal policy taken by the government focuses on fiscal programs, agriculture and fisheries, Micro, Small and Medium Enterprises (MSMEs), and direct services to the community (<https://nasional.kompas.com/>, 2020) this policy is important for business actors because many people depend on their business. Before the implementation of the new normal policy, the government even imposed restrictions on activities outside the home and people were expected to carry out activities at home. This makes business actors have to temporarily stop their business.

This new normal policy makes allowances for the public to carry out activities outside the home by paying attention to health protocols such as wearing masks, washing hands, and maintaining distance and avoiding things that can cause the spread of the Coronavirus disease (COVID-19) pandemic. It is important for all people that maintaining health and maintaining economic stability are equally important. The government is taking the middle path by staying healthy and the economy is also running well even though it is in a state of complete uncertainty due to this pandemic.

The enactment of the new normal policy has increasingly provided opportunities for business actors to carry out their business activities more freely than before they were not free and even tended to have to close their businesses because there was no activity outside the home, including people who did not dare to leave the house, thus paralyzing the activities of micro and small businesses. Increasingly, people are getting used to the new normal policy, if we look at the streets or public places, people have started to get used to the current conditions by still paying attention to health protocols such as wearing masks and keeping a distance from other people.

Based on observations, the condition of the new normal policy is indeed very helpful, at least business actors have started being able to open their business with a certain time limit. For example, in the city of Semarang, previously businesses had to close at 21:00 WIB for the initial stage and then increased at 22:00 WIB. This policy will certainly continue to be the government's attention, if it goes well, it will certainly be followed by freedom to open a business so there is no need for time restrictions. In every business, we can easily find tools for washing hands and soap as a way for business people to keep visitors clean and comfortable.

In the midst of conditions that are completely uncertain because the condition of the coronavirus disease (COVID-19) pandemic has not ended, the government continues to remind business people to adhere to health protocols. The government, through the security sector, continues to carry out monitoring or raids to ensure business actors continue to pay attention to and obey the rules imposed by the government. Indeed, sometimes the security forces have to conduct

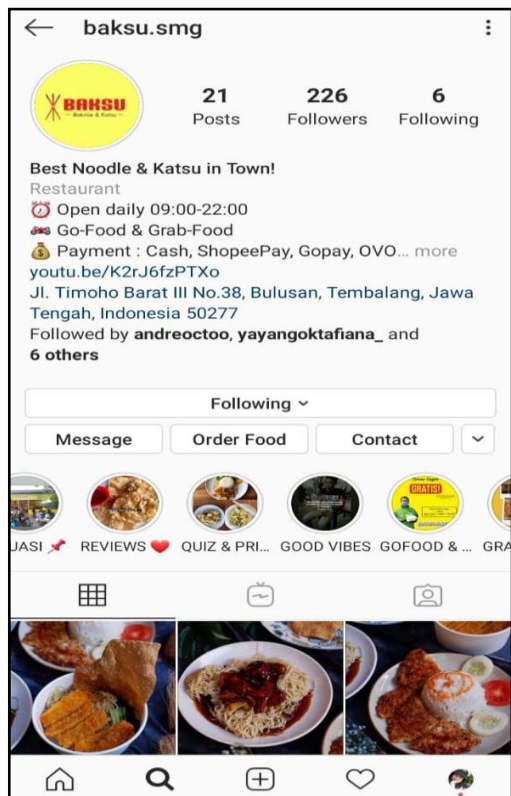
raids to ensure that all business actors are obedient to close their businesses according to the closing hours set by the government.

Case Study and New Normal Policy

This case study examines the Bakmi Katsu business and compares it to 2 other businesses in the same area and similar businesses. Bakmi Katsu is a newcomer to the Tembalang area. This business began to be established on February 22, 2020, to be precise 135 days since its opening. The location of Baksu operation is on Jl Timoho III No, 38 Bulusan, Tembalang. Baksu was built by a student who graduated from Business Administration, named Nur Cahyo Santoso, who had previously built several food businesses. The biggest motivation for making this business is to seek profit through the food business, as well as create jobs, especially for young people who are in Tembalang. Baksu started with the idea of looking for opportunities in the noodle market in Tembalang.

The majority of noodle traders only sell ordinary chicken noodles that everyone knows. So that the owner wants to create noodle products that are created with several unique toppings. This was done because the owner felt that the noodle market in the Tembalang area was quite large and there were many devotees. With this great potential, the owners have the courage to build a business with a capital of more than 100 million. The menu in Baksu varies so that there is Chinese food too. After several months of operation, Baksu's turnover was around 60 million. A business definitely needs employees to run its operations. During Baksu's operation, the owner has employed 7 employees specializing in waiters and chefs. It's just that during the Covid-19 pandemic, there were only 3 active employees because they were used to reduce expenses. In this effort, recruitment is done internally. The owner is more trustworthy and easier to find work by finding acquaintances from the closest people, acquaintances of the team, and acquaintances of the chef.

Marketing carried out by Baksu includes several aspects such as offline, online and partner marketing. Baksu still relies on offline marketing such as word of mouth (word of mouth) from consumers who have tried the product and recommend it to others, besides friends who rely on relationships because the owner graduated from one of the majors at Diponegoro University. Online, baksu relies on Instagram which can reach potential consumers more quickly and widely. Baksu has an official account called @ baksu.smg with 225 followers.



In Instagram, owners take advantage of the Insta Ads, Paid Promote and Campaign features with the aim of increasing public awareness about this new product. Baksu also works with Gojek and Grab to make it easier to attract the market and help with product delivery. During marketing the product, of course there are some difficulties. First, Baksu found it difficult to compete

with old businesses that were well known to many people and usually competitors often slammed prices so it was quite difficult to attract new customers. Second, it is difficult to find new ways to target middle- and upper-class consumers because the majority of students return home. The owner tries hard to make Baksu known by the native Tembalang. On the other hand, the most effective way is with online media and partners with Gojek and Grab.

The business of Bakmi Katsu is not very influential or tends to be the same before and after the new normal policy because the business is located in the campus environment. Businesses in the campus environment are affected by students studying online. The presence of students around campus is the main key for businesses located around campus. The condition of the new normal policy is not very influential because most of the students have returned to their hometowns and there are not many students and the surrounding community, while businesses that have been operating have to compete to get customers in the midst of the lack of customers.

The same condition was also conveyed by Gilang, another culinary entrepreneur, namely PadangJu, who is an entrepreneur in the Tembalang area of the campus area. The same condition is also felt that the presence of students is very important and is the main target consumer. Gilang added that the new normal policy had little effect because their target market did not exist. If the target market or consumer is in the business location, it is likely that it will not be as quiet as it is today. Currently this business continues to operate even though the revenue is far from being targeted due to the decrease in buyers. The existence of the coronavirus disease (COVID-19) pandemic is very influential on the business income being run.

The same thing was also conveyed by Hadi, a culinary entrepreneur. The new normal policy does not really affect the business being run because the business location is in an environment where the majority of the buyers are students while students carry out lectures online. The existence of businesses that are run around the campus is very much a result of the online lecture policy. It was difficult because Hadi had to pay monthly mortgage installments and household needs. The current condition is the toughest condition for his business, which has to be empty of buyers for at least this year.

Conditions that are still unstable due to the coronavirus disease (COVID-19) pandemic have indeed created its own effects for entrepreneurs who have to pay credit installments every month while their businesses are not selling well because there are few buyers. The government needs to pay attention to families that depend on a business which is the sole livelihood for a family. The current unstable condition is very burdensome for business actors. The government needs to make several policies, especially giving time for the repayment of business actors' installments so that it does not burdens their current condition. The businesses they run are indeed a source of income and a guarantee for the welfare of business actors, especially those that do depend on one business, Putra, A. (2016).

The new normal policy has indeed had an effect on several businesses because it can run even though it is not like the conditions before the coronavirus disease (COVID-19) pandemic hit the whole world, including Indonesia. The government has continued to issue a New normal policy to reduce the downturn in the people's economy. The new normal policy does not have an impact on the whole society, especially business actors around the campus who rely on students as consumers of their business. The government is expected to be able to provide assistance or policies to ease the burden on business actors who are still troubled financially as a result of the coronavirus disease (COVID-19) pandemic. To be able to survive, you must change your business model or creative business for a while to survive (Bismala, L., 2016).

Conclusions

Indonesia is one of the countries affected by the impact of the Coronavirus disease (COVID-19) pandemic. This deadly pandemic has indeed spread in almost all countries in the world. Strict protocol is a must to protect and stop the rapid spread of the Coronavirus disease (COVID-19) pandemic. The Indonesian government once made a work from home policy including making a policy to restrict the activities of micro, small and medium enterprises to prevent the spread of the virus. Indonesia is currently still a little worried because the state is not yet free and continues to experience an increase in the number of victims from the Coronavirus disease (COVID-19) pandemic.

The total number of virus victims to date has reached 144,945 people. Micro and small business actors are business groups that are very vulnerable to the Coronavirus disease (COVID-19) pandemic. The government distributed aid to keep the business afloat amounting to Rp 150 trillion. This new normal policy makes concessions for the public to carry out activities outside the home by paying attention to health protocols. The enactment of the new normal policy has increasingly provided opportunities for business actors to carry out their business activities more freely than

before they were not free and even tended to have to close their businesses because there was no activity outside the home, including people who did not dare to leave the house, thus paralyzing the activities of micro and small businesses. Businesses that are located around the campus are the same before and after the new normal policy because the business is located in the campus environment. Businesses in the campus environment are affected by students studying online. The presence of students around campus is the main key for businesses located around campus.

References

1. Bismala, L. 2016. Model Manajemen Usaha Mikro Kecil Dan Menengah (Umkh) Untuk Meningkatkan Efektivitas Usaha Kecil Menengah. Jurnal Enterpreuner Dan Entrepreneurship, 5(1), 19–25.
2. Guha-Sapir, D., Vos, F., & Below, R. (2012). Annual Disaster Statistical Review 2011. ... Of Disasters, 52. [Http://Cred.Be/Sites/Default/Files/2012.07.05.Adsr_2011.Pdf](http://Cred.Be/Sites/Default/Files/2012.07.05.Adsr_2011.Pdf).
3. Pinem, R.J. 2020. Usaha Mikro dan Kecil Dalam Situasi Krisis. Yayasan Pendidikan dan Sosial Indonesia Maju (YPSIM): Banten.
4. Pinem, R.J. 2020. Management of Micro, Small and Medium Enterprises. EF Press Digimedia: Semarang.
5. Putra, A. 2016. Peran Umkm Dalam Pembangunan Dan Kesejahteraan Masyarakat Kabupaten Blora. Jurnal Analisa Sosiologi, 5(2), 227635.
6. <https://covid19.go.id/>
7. <https://www.worldometers.info/>
8. <https://smartlegal.id/>
9. <https://databoks.katadata.co.id/>
10. <https://nasional.kompas.com/>
11. baksu.smg