

Fiscal Stimulus and Micro and Small Enterprise Resilience during the Covid19 Pandemic in Riau

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Abstract

This article aims to obtain an overview of the fiscal stimulus and conditions of micro and small businesses in Riau. Field research for 4 (four) months, from June 2021 to September 2021. This study uses primary data obtained from distributing questionnaires to micro and small businesses in Riau. This study purposively selected 75 respondents with equal proportions in all districts and cities. In Riau, in 2020, micro-enterprise financing reached Rp. 23.7 billion, the most in Pekanbaru City and the least in Kuantan Singingi. Most of the micro and small business actors who received a fiscal stimulus from the government did not have other jobs and had been in business for more than one year. The main business carried out is the trade sector and services, with the most places of business being at home. Generally, small and micro business actors do not get bank loans and KUR. They use their capital and informal loans. They obtained information on stimulus assistance from the government and its officials, the media, banks, and cooperatives. Most of the stimulus assistance proponents came from the offices, cooperatives, and banks.

Keywords

fiscal stimulus; small micro enterprises; covid-19 pandemic



I. Introduction

The most strategic approach to resolving Indonesia's poverty problem is strengthening micro, small, and medium-sized firms (MSMEs). MSMEs in Indonesia have overgrown, significantly impacting the national economy. Annual rates of employed labor climbed by 2.15 percent in each of the study's final seven years (2012-2018). Similarly, the contribution of MSMEs to Gross Domestic Product (GDP) increased by a remarkable 54 percent on an annual average basis (Ministry of Cooperatives and SMEs 2019). While MSMEs have grown, their growth appears modest, implying that they have not contributed entirely to the fall in the number and proportion of poor. MSMEs continue to encounter numerous challenges and limits when affecting their competitiveness. MSMEs can absorb additional labor, raise revenue, and stimulate economic growth, further reducing poverty and improving the socioeconomic situations of the poor (Geremewe, 2018; Manzoor et al., 2019).

MSMEs dominate Indonesia's economy in terms of production sector participants. According to the Ministry of Cooperatives and SMEs data, MSMEs accounted for 99.99 percent of all existing business units in Indonesia in 2019. Meanwhile, MSMEs generate over 40% of Gross Domestic Product in added value (GDP). SMEs contribute to the nation's economic growth, job creation, and poverty alleviation as a sine qua non. MSMEs must retain employees during these difficult times, businesses stay afloat, and MSMEs support affected workers and their families. However, they face some financial issues regularly, and it gets worse during times like a pandemic.

According to data from the Ministry of Cooperatives and SMEs in 2019, the smallest are micro-enterprises, with micro-enterprises contributing roughly 34% of GDP in terms of added value. At the same time, entities comprise approximately 98 percent of the 63 million total extant business units, including major corporations. Compared to office workers, micro-enterprises and workers rely on daily turnover and income to survive. Micro enterprises generate an average yearly revenue of around Rp. 76 million, or approximately Rp. 6 million per month or about Rp. 200,000 per day. Access to things and the opportunity to sell them may be more crucial than cash and credit transfers.

Before the Covid-19 outbreak, MSEs developed in Indonesia fairly predictable. The government has implemented various policies in favor of SMEs to stimulate the expansion of SME units. SMEs contribute significantly to job creation, GDP shaping, and providing a safety net, particularly for those impacted by the financial and economic crises. In 2018, SMEs will contribute 14,038.6 trillion rupiahs to GDP (gross domestic product). According to data from the Republic of Indonesia's Ministry of Cooperatives and SMEs, SMEs as a whole have shown steady growth and development year after year. For instance, there were 57,900,787 SME units in 2014. According to data from last year, there were 64,199,606 SME establishments (www.depkop.go.id).

Based on statistical data from the Riau Province Small and Medium Enterprises Cooperatives Service, in 2021 there will be 117,809 micro and small businesses in Riau. Micro and small enterprises with all their relationships are able to provide a large selection of economic activities much needed by producers, consumers and governments. The largest distribution of micro and small businesses in Riau is in Pekanbaru City.

Table 1. Number of Micro and Small Enterprises in Riau Province by Regency/City in 2020

No.	County/City	Small Micro Business	%
1	Pekanbaru	25.014	21.23
2	Kampar	18,743	15.91
3	Kuansing	17,677	15.00
4	Dumai	14,547	12.35
5	Bengkalis	12,307	10.45
6	Indragiri Hulu	7,887	6.69
7	Rokan Downstream	7.639	6.48
8	Siak	4.303	3.65
9	Rokan Hulu	3.297	2.80
10	Indragiri Hilir	3.152	2.68
11	Pelalawan	1,828	1.55
12	Kep. Meranti	1.415	1.20
	Riau Province	117.809	100.00

Source: <https://mataumkm.riau.go.id> (taken 04 January 2021)

Covid-19 is a pandemic that is wreaking havoc across the globe. To combat the virus's spread in the lack of effective treatment/treatment, numerous governments throughout the world have implemented partial or total lockdowns. Health-related policies have a ripple effect throughout the community's economy. Economic instabilities and shifts in market dynamics are a result of external factors. Circumstances contribute to fluctuations in economic instability and market dynamics (Mehta, Saxena, & Purohit, 2020).

The outbreak of this virus has an impact of a nation and Globally (Ningrum *et al*, 2020). The presence of Covid-19 as a pandemic certainly has an economic, social and psychological impact on society (Saleh and Mujahiddin, 2020). Covid 19 pandemic caused all efforts not to be as maximal as expected (Sihombing and Nasib, 2020).

The COVID-19 pandemic is wreaking havoc on the global economy and spreading at a breakneck pace, requiring entrepreneurs to be tenacious and creative in discovering alternate strategies for creating new possibilities during times of crisis. Covid-19 has resulted in behavioral changes that hurt entrepreneurship, particularly microenterprises. SMEs are experiencing a situation as a result of their ingenuity and innovation. Their ability to adapt to these changes is contingent on entrepreneurs' persistence in pursuing creative and innovative ideas, as well as on government growth-oriented economic policies (Thukral, 2021).

There has been much research on the consequences of the COVID-19 epidemic. Few empirical studies examine the implications of the relative role of fiscal stimulus measures in the future. This research contributes to current knowledge concerning Covid-19, micro-enterprises, and fiscal stimulus by presenting an accurate picture of the influence of Covid on the resilience of micro-enterprises in specific examples in Riau. This research yielded specific policy recommendations based on stakeholders' concerns about implementing Covid-19 budgetary measures. For the Indonesian case study, this paper also emphasizes the critical need to align the Covid-19 fiscal stimulus at the local level, which now turns out to be very important (Safitri *et al.*, 2021).

II. Research Method

This study uses primary data obtained from distributing questionnaires to micro and small businesses in Riau. Primary data is needed to support personal research goals and activities of micro and small business actors, both before the Covid-19 outbreak and during the outbreak. Data were obtained from 75 respondents who were sampled with balanced proportions in all districts and cities.

This research is primarily a quantitative study, with a few qualitative studies to explore. Secondary data is needed to support research activities in the form of data on the number of micro and small enterprises, the amount of fiscal stimulus spending for micro and small enterprises, data on the socio-economic condition of the study area obtained from the official web pages of relevant agencies such as the Ministry of Finance, Ministry of Cooperatives MSMEs, Cooperatives and MSMEs Service and various other technical agencies. Secondary data were also obtained from reports on the results of previous research studies, from available scientific journals and articles.

III. Results and Discussion

Since the coronavirus outbreak began in China, it has spread to over 188 nations. Along with the millions of deaths, the spread of this virus has harmed many enterprises and the global economy. The economic repercussions of the pandemic appear to be huge, and everyone is puzzled as to how economic recovery will be accomplished (Kalogiannidis *et al.*, 2020). The Covid-19 pandemic expanded at a breakneck rate around the globe, infecting millions of people and wreaking havoc on significant sectors of the economy until a sudden drop precipitated the financial crisis. Global value chains have been cut off due to the coronavirus linking manufacturers in different countries, companies are facing falling demand, shortages of raw materials, cancellations of export orders and

transportation disruptions. Covid-19 is affecting small businesses as they lack the funds to manage or prepare for long-term disruption. In addition, the lockdown was implemented by most countries at the end of March 2020.

Businesses that have been able to survive thus far have had to cut their workforces by an average of 40%. The government, however, has not confirmed whether the current business closures are temporary or permanent. A recent investigation found that while the government was able to determine which businesses were functioning following the lifting of lockdowns and easing of restrictions in several states, there was no way to categorize closed enterprises as temporary or permanent closures. Small businesses should close their business rather than lose money and partially close the company permanently. Similarly, even brief business closures affect owners who manage to preserve their business due to the loss of their income during the closed months.

By researching 5,800 North American SMEs, Bartik et al. (2020) found that many businesses had exhausted financial capital before the pandemic, required significant spending cuts, increased debt, or declared bankruptcy. This strategy is wise, especially for companies unlikely to receive short-term financial support.

Despite their contribution to the global socioeconomic system (Inan & Bititci, 2015), SMEs face stiff competition and market volatility. There are 5 million companies in Brazil, and about 98.5% are SMEs (Nassif, Corrêa, & Rossetto, 2020). These small businesses are very vulnerable to market fluctuations and a fragile economic environment (Asgary, Ozdemir, & zyürek, 2020), especially in the outbreak conditions by Covid -19.

Throughout the epidemic in Portugal, small businesses have harnessed their dynamic capacities in entrepreneurship, innovation, knowledge gathering, and partnership development to create new goods (Dias et al., 2021). In five additional European countries, investigations of family firms, including SMEs, revealed managerial concerns about liquidity, cost savings, and government workload and support. Specifically for Covid-19, changes include social distancing, hygiene measures, and employee communication focused on reducing illness-related anxiety (Kraus et al., 2020).

In India, Covid-19 has a three-fold effect on household spending, investment, and external trade. India's lockdown rules, in particular, limit public activities, hence reducing domestic family spending. Additionally, as demand declines, private investment to expand productive capacity decreases, reducing the company's ability to meet worldwide demand. In February 2020, Covid-19 boosted unemployment in India from 7.2 to 7.8 percent (Parth, 2020). As a result, the Indian government is providing five-month interest-free loans to micro, small, and medium-sized firms (MSMEs) and subsidizing their revenue totally (Ghosh, 2020).

Meanwhile, in Malaysia, Covid-19 directly resulted in a potential loss of RM 100 million in revenue from sales of the Tourism Malaysia program's failure to bring 30,000 tourists from around the world (Shakeel et al., 2020). Additionally, qualitative research demonstrates that consumers cut back on consumption in anticipation of a protracted crisis (Official et al., 2020).

Covid-19 has harmed MSMEs in the tourism sector in Indonesia. According to the Central Statistics Agency, foreign visitors visiting Indonesia in the first quarter of 2020 declined by 34.9 percent (to only 2.61 million tourists) compared to the same quarter last year (Thaha, 2020). Foreign tourism drops directly affect the income of MSMEs (Saidi et al., 2017), as tourists typically purchase local handicrafts (Iswahyudi, 2016). The slow tourism sector will have a cascading impact on the performance of micro and small businesses across the country (Amri, 2020).

The government has issued a stimulus package to anticipate the economic slowdown due to the pandemic. The government took the necessary steps to implement the third stimulus with more money and beneficiaries. So far, the stimulus issued by the government has two focuses. Until now, the government's stimulus has had two objectives. The government has raised the health budget and accelerated social assistance programs to meet a short-term goal.

Before the Covid-19 outbreak, the development of SMEs in Indonesia followed a very predictable trajectory. The government has implemented a variety of initiatives to promote the growth of SME units. SMEs contribute significantly to job creation, the shaping of GDP, and the provision of a safety net, particularly for those impacted by the financial and economic crises. In 2018, SMEs would contribute \$14,038,598.5 billion to GDP (in billion). According to data from the Ministry of Cooperatives and Small and Medium-Sized Enterprises of the Republic of Indonesia, SMEs as a whole have enjoyed steady growth and development year after year. For instance, in 2014, there were 57,900,787 SME units. According to last year's data, the number of SME units reached 64,199,606 units (www.depkop.go.id).

Table 2. Fiscal Stimulus for Handling Covid-19

No.	Shopping Items	Rp. Triliun	%
1	Health	87.55	12.59
2	Social protection	203.90	29.33
3	Business incentives	120.61	17.35
4	MSME	123.46	17.76
5	Cooperative financing	53.57	7.71
6	Sector K/L and Local Government	106.11	15.26
	Amount	695.20	100.00

Source: Ministry of Finance of the Republic of Indonesia, 2021

Physical and social distancing policies also limit demand for goods and services, resulting in decreased sales and cash flow for the business (Soetjipto, 2020). This strategy significantly reduced the need and made it more difficult for MSMEs to retain profitability (Tairas, 2020). Inadequate financial performance pushes businesses to downsize their workforce, increasing unemployment (Pakpahan, 2020). The Covid-19 epidemic, which began in the first quarter of 2020, has resulted in a 6% reduction of the world economy compared to the same quarter last year, resulting in the negative economic growth of 2.8 percent (Nasution et al., 2020).

Table 3. Cost of Handling Covid-19 Support for MSMEs

No.	Shopping Items	Rp. Triliun	%
1	Interest subsidy	35.28	28.58
2	Placement of Funds for Restru	78.78	63.81
3	Shop UP	5.00	4.05
4	Guarantee for Working Capital (<i>stop loss</i>)	1.00	0.81
5	DTP MSME Final PPh	2.40	1.94
6	Cooperative Financing through LPDB KUMKM	1.00	0.81
	Amount	123.46	100.00

Source: Ministry of Finance of the Republic of Indonesia, 2021

Microbusinesses functioning in the informal economy have limited capacity and resources to deal with Covid's impact. They operate in a highly competitive market with few profit margins and few prospects for survival. Government economic policies and programs often exclude SMEs. However, specific solutions are needed to reach out and help them cope with shocks and prepare the way for the transition to the formal sector, including social security systems. When establishing program delivery mechanisms, it is necessary to address the difficulties of reaching informal units via standard channels and processes.

Table 4. Microfinance in Riau Province in 2020

No.	County/City	Debtor (business)	Total Funds (rupiah)
1	Bengkalis	320	1,632,340,000
2	Indragiri Hilir	345	979,982,000
3	Indragiri Hulu	138	785,240,000
4	Kampar	891	3,520,040,850
5	Meranti Islands	547	1,642,341,000
6	Kuantan Singingi	60	321,980,000
7	Pelalawan	354	1,820,110,000
8	Rokan Downstream	254	1,146,010,000
9	Rokan Hulu	628	2,866,070,000
10	Siak	151	872,880,000
11	Dumai	231	1,171,930,000
12	Pekanbaru	1.535	6,994,019,900
	Amount	5,454	23,752,943,750

Source: Regional Office of the Directorate of State Treasury, Ministry of Finance of the Republic of Indonesia, 2021

Currently, the SME sector will be the most vulnerable to the economic crisis caused by Covid-19, as this sector relies on the circulation of money generated by the sale of goods. SMEs are expected to deteriorate if the corona virus's propagation and effect are not addressed promptly. The global recession is unavoidable at the moment. The depth and duration of this recession will be determined by the success of measures taken to prevent the spread of Covid-19, the impact of government policies addressing liquidity issues for SMEs, policies supporting families experiencing financial hardship, and policies securing employment and supply chains (Fernandes, 2020). SMEs in Indonesia need to develop innovative strategies based on new products and marketing, redefine prices, and forge partnerships to deal with the recession (Hamdani and Wirawan, 2012).

Table 5. There are Other Jobs

No.	Description	Amount	%
1	There is	16	21.3
2	There is no	59	78.7
	Amount	75	100.00

Source: Results of Survey Results Analysis, 2021

Governments can usually mitigate the devastating effects of a recession on companies and workers by reducing taxes, increasing spending on social protection, and expanding public investment. Combined with credit incentives for micro enterprises. Provide consumer micro-enterprises to cover their *fixed costs*. The focus

should be on supporting business continuity in order to save as much as possible. Around 78.8% of respondents do not have other jobs, apart from running a micro and small business. The government is considering being proactive in mitigating adverse impacts on the informal sector by strengthening the safety net (stimulus package), subsidizing cash transfers, to protect the informal economy so that jobs are maintained, companies are sustainable, workers and their families are protected. The central government has issued several timely policies to ensure liquidity and credit supply, especially for businesses that have been significantly affected by the pandemic (Lu et al, 2020).

A crisis is an unwanted, usually unpredictable, and time-limited process, the outcome of which may be ambiguous. A crisis is not just an isolated event but a process that develops and develops gradually. The longer the crisis lasts, the scarcer financial resources (Wenzel, Stanske, & Lieberman, 2020). This situation leads to a possible bankruptcy of the company (Bartik et al, 2020).

Table 6. Length of Business Activities

No.	Description	Amount	%
1	< 6 months	2	2.7
2	6 - 12 months	2	2.7
3	> 1 year	71	94.7
Amount		75	100.00

Source: Results of Survey Results Analysis, 2021

Most of the respondents have been running micro and small businesses for more than a year, and a small portion have been for less than a year and even only about 6 (six) months. A crisis is an unwanted, usually unpredictable, and time-limited process, the outcome of which may be ambiguous. A crisis is not just an isolated event but a process that develops and develops gradually.

Numerous micro, small, and medium-sized enterprises encounter various challenges relating to cash flow, raw material acquisition, and falling market demand. Government restrictions designed to prepare for the Covid-19 pandemic, which forces individuals to remain at home, have significantly curtailed economic activity and put a strain on consumer demand (Lu et al., 2020). Sectorally, Covid-19 has significantly impacted micro and small firms in retail, food and beverage distribution, and manufacturing. However, when compared to other sectors, micro and small businesses demonstrated the highest level of cash flow resilience. Additionally, these businesses are laying off workers. Covid-19 has had a disproportionate impact on microbusinesses. On the other hand, micro-businesses outperform medium and small companies in terms of cash flow resistance. Additionally, they have comparatively fewer layoffs.

Table 7. Types of Business Run

No.	Description	Amount	%
1	Processing industry	3	4.0
2	Service Provision	15	20.0
3	Trading	47	62.7
4	Mining and excavation	1	1.3
5	Agriculture and Fisheries	9	12.0
Amount		75	100.00

Source: Results of Survey Results Analysis, 2021

A study conducted by the Association of Business Development Services Indonesia (ABDSI, 2020) reported that of the 6,405 MSMEs surveyed, 48.3% reported difficulties in securing supply lines, 92.6% needed debt restructuring, and 26.6% faced cash flows. Problems that can not pay off debts. According to the ILO report, 68% of MSMEs have had their business activities disrupted due to the pandemic, 65% have stopped operations and 3% have stopped operating permanently. About 80% of MSMEs experienced a sharp decline in income; 34% of MSMEs have lost a quarter of their income, 18% have lost 25-50% of their income, and 28% have lost more than half of their income. In the post-crisis period, business activities are in line with new normal habits and which strengthen consumers' sense of security (Bouças da Silva et al., 2020).

MSME sales decreased due to security and health protocol-required restrictions on store operating hours. Consumer comfort is decreased as a result of mandatory take-home purchases and distance limits in public spaces (Official et al., 2020). Most of the respondents (61.3%) run their business at home, so when there are restrictions on movement, it makes their business difficult.

Table 8. Places of Business Activities

No.	Description	Amount	%
1	Street vendor	10	13.3
2	Shop	10	13.3
3	On line	1	1.3
4	Market	8	10.7
5	House	46	61.3
Amount		75	100.00

Source: Results of Survey Results Analysis, 2021

Businesses that are on the street are the most affected by the restrictions on movement, as are those working in the market. However, for those who seek to use their business online, during this pandemic, their turnover will not reduce too much.

The economic impact of the Pandemic can be seen, some people become unemployed because of the lockdown. Investors lose money because their strategy in analyzing stocks has failed (Shaker, Asad, & Zulfiqar, 2018). Around 95% of SMEs reported a decline in operations and 92% reported disruptions to the supply chain and 23% disclosed a 100% export loss (The United Nation, 2020). Apart from government measures for SMEs; including financial packages, easing electricity bill payments, and easing requirements for loan payments (Ganaie, Zafar, & Seth, 2020) but SMEs are deteriorating due to the pandemic. The main reason behind this setback is not accepting the fact that they have to change the way of doing business according to the situation (Chethiyar et al, 2020).

Table 9. Loans in Financial Institutions

No.	Description	Amount	%
1	There is no	70	93.3
2	KUR Pinjaman Loans	1	1.3
3	Bank loans other than KUR	4	5.3
Amount		75	100.00

Source: Results of Survey Results Analysis, 2021

Micro and small businesses experienced a disproportionate impact in the context of an economic slowdown due to financial limitations and dependence on bank loans with high interest rates (Bourletidis & Triantafylopoulos, 2014). The financial fragility of micro and small enterprises is also related to their vulnerability caused by pressure from large suppliers and customers. Lack of technological, administrative, and human capabilities can reduce the competitiveness of SMEs to overcome the crisis (Bourletidis, 2013; Giannacourou et al, 2015).

The Covid-19 pandemic has also affected the resilience of the company's cash flow. Social distancing policies suggest that investor and consumer confidence will be more negatively affected when people take longer to get back to work. In general, bankruptcy comes from three different sources: (1) personal factors related to the personality or characteristics of business actors or management, (2) company-specific factors and lost resources, and (3) external or environmental conditions (Mayr et al, 2017).

Table 10. Sources of Information on Fiscal Stimulus

No.	Description	Amount	%
1	Bank	9	12.0
2	Cooperative	2	2.7
3	Electronic media (radio/TV)	3	4.0
4	Social Media I (Whatsapp Group, Facebook, Twitter, IG, etc.)	12	16.0
5	Government (RT/RW/Village/Kelurahan/MSME Service etc.)	40	53.3
6	Brother/Friend	9	12.0
Amount		75	100.00

Source: Results of Survey Results Analysis, 2021

In addition to the cause of failure, year of establishment (age), number of employees (size), and business sector (industry) of court-related documents, official records, or the internet. Moreover, in contrast to financial figures, it facilitates international comparisons as different accounting regulations do not impact and reduce the impact of crisis-depleted assets. Blanco-Oliver et al (2015) report that, thanks to the introduction of age-related non-financial predictors, delays in filing accounts, legal action by creditors to recover unpaid debts, and corporate ownership features, increased use of financial information.

Fiscal policy could play a more significant role. By 2020, the central government's deficit target is likely to be adjusted beyond the 3% level (Li et al, 2020). At the same time, quotas for large-scale local government bond issuance are implemented, and the construction of appropriate infrastructure projects will be launched once the rework is effective.

Table 11. Proponents of Stimulus Assistance

No.	Description	Amount	%
1	KUMKM Office	55	73.3
2	Bank	8	10.7
3	Cooperative	12	16.0
Amount		75	100.00

Source: Results of Survey Results Analysis, 2021

As the trade sector deteriorates, state tax revenues decline (Sugarda & Wicaksono, 2017). According to BPS, Covid-19 decreased oil and non-oil shipments to China, one of the world's top crude oil importers. Meanwhile, Indonesia is a significant trade partner for

China (Yang & Ren, 2020). A downturn in Chinese output will wreak havoc on global supply systems for commerce (Nasution et al., 2020).

An employment stimulus is needed and helps companies in sectors affected by the crisis, especially SMEs as well as a number of large companies, so as to prevent bankruptcy (Jenny, 2020). Alves et al. (2020) suggest improving resilience strategies rather than waiting for government support. In times of crisis, SMEs tend to be the pioneers and the main victims (Bourletidis, 2013).

The failure of business actors as a process that includes three main phases (Ucbasaran et al, 2013): causes, events, and effects. Kücher et al (2020) show that different causes of failure predominate at certain stages in organizational life as determined by age quartiles. While youth and youth groups have largely failed due to internal shortcomings, mature small and medium enterprises are struggling more with increasing competition and a slowing economy.

The role of many sectors provides convenience for micro and small businesses in obtaining fiscal stimulus in Riau. The government, in this case the Office of Cooperatives for Micro, Small and Medium Enterprises, played the biggest role (73.3%) in proposing stimulus assistance. Other units that have a big role are cooperatives (16.0%) and the banking sector reaches 10.7%.

MSMEs must manage their cash flow to survive a lengthy pandemic scenario, as such a crisis will deplete working capital and labor, eroding the company's revenue (Tairas, 2020). Resilience as the spearhead of the national economy, the government has placed MSMEs as the main priority of beneficiaries in the national economic recovery since the beginning of the pandemic. When viewed since the emergence of the Covid-19 pandemic, these small businesses are the sector most affected by government policies in controlling this dangerous pandemic. For example, based on a survey of 202 business players in bread, biscuits, cakes, market snacks, noodles, pancakes, and pastries in big cities such as Surabaya and Jakarta, Thaha (2020) said that the impact of the pandemic on MSMEs in many big cities. Thaha said around 90 percent of those affected by people's businesses felt the risk. Marlinah (2020), succeeded in assessing the opportunities and expectations, as well as the challenges for MSMEs to maintain and continue their economy in 2020 while in a pandemic period. Meanwhile, the state creative economy program budgets around Rp 123.46 trillion for small businesses, the national economic recovery program. As of July 30, 2020, about 22.50 percent of the funds for people's businesses have been disbursed or IDR 27.86 trillion (Pakpahan, 2020; Sugiri, 2020; Nasution, 2020).

IV. Conclusion

Since the emergence of the Covid-19 pandemic, small businesses have been the sector most affected by government policies. The fiscal stimulus issued by the government has two focuses, the health budget and accelerating the realization of social assistance programs, including Rp. 123.4 trillion for MSMEs. The stimulus is interest subsidies, restructuring, working capital guarantees, final PPh, and financing cooperative through LPDP KUMKM. In Riau, in 2020, micro-enterprise financing reached Rp. 23.7 billion, the most in Pekanbaru City and the least in Kuantan Singingi.

Most of the micro and small business actors who received a fiscal stimulus from the government did not have other jobs and had been in business for more than one year. The main business carried out is the trade sector and the provision of services with the most places of business being at home. Generally, small and micro business actors do not get bank loans and KUR, they use their own capital and informal loans. They obtained

information on stimulus assistance from the government and its officials, the media, banks and cooperatives. Most of the proponents of the stimulus assistance came from the offices and cooperatives as well as banks.

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