

# Banpres Program Planning Policy Productive Micro Business Ministry of Cooperations and Smes During the Covid-19 Pandemic in Supporting State Defense

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## Abstract

*The Government of Indonesia has a number of National Economic Recovery (PEN) programs. One of them is the Banpres program for Productive Micro Enterprises (BPUM). The BPUM program has been implemented by the Ministry of Cooperatives and MSMEs since August 2021 and will be continued in 2021 with the consideration that the COVID-19 pandemic is still hitting Indonesia. In the COVID-19 pandemic situation, if the affected MSME conditions are not handled properly it can affect the level of poverty, unemployment, and economic inequality. Based on this explanation, it is very important to conduct research on Policy Planning for the Banpres Program for Productive Micro Enterprises at the Ministry of Cooperatives and SMEs during the COVID-19 pandemic in support of national defense. The research method used is included in the assessment research or Evaluation Research. The research locations are the Ministry of Cooperatives and SMEs, the Ministry of Defense, Bappenas, and the Ministry of Finance and local governments. The results of the study show that the spread of Corona Virus Disease (Covid-19) since 2019 has had very significant implications for the Indonesian economy. This situation has an impact on decreasing demand for labor, controlling income and public consumption, thereby reducing the demand for cooperative and MSME products. Following up on the impact of the COVID-19 pandemic, the Government continues to encourage the realization of the National Economic Recovery Program (PEN), through program extensions, acceleration of new proposals, program redesign and adjustment, as well as simplification of procedures. Micro, small and medium enterprises (MSMEs) play an important role in the Indonesian economy. Future growth of Cooperatives and SMEs is directed at strengthening economic resilience to support quality growth with the main objectives of increasing value, competition, investment, exports, import substitution, and expanding job opportunities by strengthening cooperatives, micro, small and medium enterprises. (MSMEs) and the business world.*

## Keywords

policy, banpres program, MSMEs, Covid-19, state defense



## I. Introduction

The Indonesian government is currently still facing a national threat, namely the Covid-19 pandemic. This threat also occurs in 216 other countries in the world. The Covid-19 pandemic has affected various sectors of people's lives, especially in the health sector and the economic sector. As a result of this pandemic, many people have experienced a decrease in their income, not even a few have experienced layoffs. The poor and vulnerable groups are the groups most vulnerable to being affected. The outbreak of this

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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 dynamics of the Covid-19 pandemic not only have an impact on the health and economic sectors but also have an impact on the defense sector and the non-military state security sector. If these impacts are not handled properly, they can threaten national security and defense. National defense efforts are carried out by considering the forms of threats faced, such as the threat of poverty and unemployment due to the impact of the Covid-19 Pandemic.

To overcome the problem of community welfare, appropriate policies are needed, namely first to identify groups of people living below the poverty line and their characteristics. A society is called poor if it is characterized by a lack or inability to meet basic human needs. Poverty is thus a failure to meet basic needs, which include primary and secondary aspects (Moeljarto T, 1993)

Based on BPS data, Indonesia's economic growth in the second quarter of 2020 contracted by 5.32% to -4.19%. This negative economic growth position is the first time since 1998 and serves as a warning or threat of a recession that must be followed up immediately in order to maintain a non-negative growth in the third and fourth quarters. However, if we look at the third quarter of 2020, the fourth quarter of 2020, and the first semester of 2021, economic growth is still below zero so economic recovery measures need to be taken by the government.

In view of the above conditions, the Government of Indonesia has the responsibility to realize general welfare and social justice for all Indonesian people, as stated in the fourth paragraph of the Preamble to the 1945 Constitution of the Republic of Indonesia. The fourth paragraph of the Preamble to the 1945 Constitution states that (1 ) protect the entire Indonesian nation and the entire homeland of Indonesia; (2) promote the general welfare; (3) the intellectual life of the nation; and (4) participate in carrying out world order based on freedom, eternal peace, and social justice.

National Defense functions to realize and protect the entire territory of the Unitary State of the Republic of Indonesia as a defense unit. National defense must be carried out by the Indonesian government and must be prepared from an early age in the national defense system by building and increasing the capacity and constraints of the state and the state, as well as overcoming all threats. In the context of Non-Military Defense, it can be seen that Micro, Small, and Medium Enterprises (MSMEs) are greatly affected by poverty, unemployment, and economic inequality. Based on the 2020 ADB Survey, it is stated that the COVID-19 pandemic has affected the condition of MSMEs as follows:

1. 50 (fifty) % of MSMEs close their business in the form of delayed product delivery, supply chain disruption, and unsustainable work contracts.
2. 88 (eighty-eight) % of MSMEs have no cash, or savings and run out of money, due to closed access to financing.
3. 60 (sixty) % of MSMEs reduce the workforce, especially in the manufacturing business sector.

As for the problems experienced by MSMEs based on data from the Ministry of Cooperatives go. id (<http://cepatbersamakumkm>), that during the Covid-19 pandemic, MSMEs experienced problems such as Production Processes were hampered, Access to capital, Sales or Demand for Goods or Services decreased, Limited Raw Materials, and the Distribution Process is hampered

In dealing with this, the Indonesian government has a number of National Economic Recovery (PEN) programs. One of them is the Banpres program for Productive Micro Enterprises (BPUM) (KPCEN, 2021). The BPUM program to support MSMEs can survive and bounce back in the midst of the Covid-19 pandemic. The BPUM program has been implemented by the Ministry of Cooperatives and SMEs since August 2021 and will be continued in 2021 considering that the COVID-19 pandemic is still hitting Indonesia. The implementation of the BPUM program by the Ministry of Cooperatives and SMEs currently amounts to more than 64 million MSME actors. According to the Ministry of Cooperatives and SMEs, SMEs contribute 97% to the workforce, 61.1% to gross domestic product (GDP) and 14.7% to exports, and 89.2% to employment. The data shows that MSME players play a major role in the Indonesian economy.

In the COVID-19 pandemic situation, if the affected MSME conditions are not handled properly, it can affect the level of poverty, unemployment, and economic inequality. In terms of national defense, the efforts of the Ministry of Cooperatives in implementing the BPUM program are related to the functions of ministries/agencies as key elements of non-military defense in responding to non-military threats. If you look at Presidential Regulation Number 8 of 2021 concerning General Policy of State Defense for 2020-2024, the Ministry of Defense is currently compiling strategic guidelines for non-military defense which will become the basic reference for ministries/agencies in the implementation of national defense.

The Strategic Guidelines for Non-Military Defense are positioned as the Main Doctrine parallel to the Military Defense Doctrine (Tri Dharma Eka Karma) which must be referred to and described in the Implementation Guidelines by Ministries/Institutions outside the defense sector according to the Main Duties and Functions of each in dealing with non-military threats. . The main tasks and functions are related to the Management of National Resources which are not only for the benefit of the people's welfare but are also utilized to ward off, overcome and overcome various non-military threats in order to maintain state sovereignty, territorial integrity and the safety of the Republic of Indonesia.

In Collaborative Theory, governance is a situation where the government fulfills public goals through cooperation between organizations and individuals. Donahue and Zeckhauser (2011) provide an illustration of the need for collaboration between government agencies specifically related to Non-Military Defense. However, based on the initial identification carried out by the researcher, the Implementation Guidelines in Ministries and Institutions have not been specifically prepared. This can bias the existing resources in ministries/agencies in implementing the role of Non-Military Defense in preventing, overcoming, and overcoming non-military threats. The Director-General of Defense Potential (Ditjen Potan) Kemhan Bondan Tiara Sofyan in a Focus Group Discussion (FGD) activity themed on Non-Military Defense at the Ministry of Defense, Central Jakarta, Wednesday (9/5/2019) stated that "we encourage and" work with Bappenas so that defense is non-military. can be part of a national program. All ministries/agencies must do so to address the complexities of non-military threats."

The Policy for Planning the Banpres Program for Productive Micro Enterprises of the Ministry of Cooperatives and SMEs during the COVID-19 pandemic in supporting state defense in order to improve people's welfare does not pose the potential to hinder or encourage Non-Military Defense, can strengthen and improve Non-Military Defense based on state defense. The Policy for Planning for the Banpres Program for Productive Micro Enterprises of the Ministry of Cooperatives and SMEs seeks to Reduce Poverty and Unemployment in line with the Non-Military Defense policy in Indonesia is the expected result of this study.

Based on this explanation, it is very important to conduct research on Policy Planning for the Banpres Program for Productive Micro Enterprises at the Ministry of Cooperatives and SMEs during the COVID-19 pandemic in support of the national defense. This means that there needs to be continuity of research results on program improvement/development or provide input on recommendations for the next program (Darmayanti & Wibowo, 2014). In general, the purpose of this research is to obtain empirical and analytical data on substantive and important issues that affect the implementation of the Banpres Program Planning Policy for Productive Micro Enterprises of the Ministry of Cooperatives and SMEs during the COVID-19 pandemic in support of the national defense.

## II. Review of Literature

### 2.1 Policy Theory

Public policy is a strategy to lead society in the early days, introducing people in transition to achieve the desired society (Nugroho, 2011). In the political dictionary written by Marbun (2007), it is said that policy is a series of concepts and principles that become the outline and basis of a plan in the implementation of a job, leadership in a government or organization, a statement of ideals, goals, principles or intentions as a guideline in reach the target. Eystone (in Wahab, 2017) states that public policy is "the relationship of the governmental unit to its environment (between the relationships that take place between government units/units and their environment). James Anderson said that politics is the direction of action set by one or more actors to solve problems or problems (Anderson in Winarno, 2014). Thomas R. Dye said that public policy is what the government decides to do or not (Dye in Winarno, 2014).

Carl J Federick as quoted by Leo Agustino (2008) states policy is a series of actions/activities proposed by a person, group, or government in a certain environment where there are obstacles (difficulties) and opportunities for the implementation of the proposed policy in order to achieve certain goals. . According to Dunn (2000), public policy theory explains a long and continuous policy process, starting from policy identification, policymaking, policy ratification, policy implementation, formulation to the evaluation of policy weights. Decision-making for a policy does not only look at the three elements. However, it is also influenced by the stages of manufacture. According to Dunn, the policy-making stage is divided into 5 stages, namely: Agenda Preparation, Policy Formulation, Policy Adoption/Legacy, Policy Implementation, and Policy Assessment/Evaluation.

### 2.2 Planning Theory

Planning comes from the word plan, which means the design or framework of something to be done. From this simple understanding, several important components can be described, namely Objectives (what you want to achieve), Activities (actions to realize goals), and Time (when the activity is to be carried out). Whatever is planned is of course actions in the future (for the future). Thus a plan can be understood as a response (reaction) to the future. (Abe, 2005). According to Tjokroamidjojo (in Syafalevi, 2011) planning in the broadest sense is a process of systematically preparing activities to be carried out to achieve a certain goal. Planning is a way how to achieve goals as well as possible with existing resources so that efforts become more effective and efficient.

Planning is a continuous process that includes two aspects, namely planning formulation and implementation. Planning can be used to control and evaluate the course

of activities because the nature of the plan is to guide the implementation of activities. (Listyangsih, 2014: 90). If we look according to Terry (in Riyadi, 2005), planning is an effort to select and connect facts and make and use assumptions about the future by describing and formulating activities that are considered to achieve the desired results. want.

The definition of planning can be interpreted as the relationship between what is now (what is) and how it should be (what should be) related to the need for determining goals, program priorities, and resource allocation. (Uno, 2006:1) while according to Hasibuan (Syafie, 2007:49) plans are a number of decisions that become guidelines for achieving a certain goal.

Planning can be carried out in various fields, but not all plans are development plans related to development policies, the government acts as a driver of development, this is related to the definition of planning which is an effort by public institutions to make development policy directions that must be carried out in an area, both in the country and in the region. based on the strengths and weaknesses of the region.

Planning is a very important part of the Management Function. In fact, planning activities are always attached to the activities of our daily lives, whether we realize it or not. A plan will greatly affect the success or failure of a job. Therefore good work is planned and we should do the work according to what has been planned. Planning activities are essentially also an effort to determine choices from the many available alternatives because they are related to decision making. In other words, planning is an effort to prioritize according to available resources and long-term goals. This opinion was expressed by Conyer and Hill (1984). Based on this opinion, planning activities actually also contain elements of creativity and courage in providing an assessment of the current and future situations at the same time.

### **2.3 Family Welfare**

The definition of a Prosperous Family is a family formed based on legal marriage, able to meet the needs of a decent spiritual and material life, devoted to God / Almighty, has a harmonious, harmonious, and balanced relationship between members and between families with society and the environment.

Family welfare is not only related to prosperity but also must be overall in accordance with peace, which means that with that ability one can lead to safety and peace of mind. In order to build a prosperous family that aims to develop the quality of the family so that a sense of security, peace, and hope for a good future can arise in realizing physical prosperity and inner happiness, the husband and wife must carry out their roles or functions according to their positions. Thus, the family will be the smallest unit in society that not only functions socio-culturally but also functions economically. The family is relied on for a higher task, namely, as a vehicle for achieving development goals. This causes families to prepare themselves for their involvement as agents of development in the productive economic sector (Achir, 1994).

### **2.4 National Defense System**

According to Law no. 3 of 2002 concerning National Defense, the state defense system is a universal defense system that involves all citizens, territories, and other national resources, and is prepared early by the government and is carried out in a total, integrated, directed and continuous manner to uphold state sovereignty. territorial integrity and safety of the entire nation from all threats.

The state defense system is one of the main elements of a country because it involves the interest of protecting its citizens, territories, and political systems from threats from other countries. This is in line with the opinion of KJ Holsti, where defense is a national interest that is considered a core value or something that is considered the most vital for the country and concerns the existence of a country. The implementation of defense is not an easy thing, but a very complex thing. In its implementation, national defense involves all citizens, territories, availability of science and technology, national geopolitical mapping, natural resources, human resources, and the national defense industry.

### **III. Research Method**

The main research location is at the Ministry of Cooperatives and SMEs, while other research places to support it are the central agencies of the Ministry of Defense, Bappenas, and the Ministry of Finance as well as local governments that represent the condition of the Banpres Program Planning Policy for Productive Micro Enterprises of the Ministry of Cooperatives and SMEs during the COVID-19 pandemic. 19. The research method used is included in the assessment research or Evaluation Research. The assessment aims to provide information (useful feedback) for decision-making. The results of evaluation research can be used to improve or improve a program or policy. This method can be used to see whether an activity has or has not achieved the goals previously set. This research uses qualitative methods, namely understanding something from the part of human social life based on a holistic and complex picture; processed through words; recording, interpreting, and conveying the views of informants in detail, which is done naturally, which a number of individuals or groups of people ascribe to social or humanitarian problems Cresswell (1994).

The data collected in this study was attempted to be described based on expressions, language, ways of thinking, views of research subjects, so as to reveal how the Banpres Program Planning Policies for Productive Micro Enterprises of the Ministry of Cooperatives and SMEs during the COVID-19 pandemic. The main instrument in this research is the researcher as interpretive research because it functions in determining the construction or background of the research. The total involvement of this researcher will present a series of strategic, ethical, and/or personal issues in the process.

### **IV. Results and Discussion**

The spread of Corona Virus Disease (Covid-19) since 2019 has had very significant implications for the Indonesian economy. According to the Central Statistics Agency for the first quarter of 2020, Indonesia's economic growth slowed to around 2.97%. Limited production and economic activities are caused by restrictions on the supply of goods between regions, between islands, and between other countries for production, as well as restrictions on economic activities to prevent the spread of Corona Virus Disease (Covid-19).

This situation has an impact on decreasing demand for labor, controlling income and public consumption, thereby reducing the demand for cooperative and MSME products. Weak economic growth prospects have resulted in changes in people's circumstances in the form of delays in spending (consumption), especially when visiting tourists and public places (public services). In addition, unfavorable conditions have reduced investor interest in investing in Indonesia, along with weakening global demand for local products and limited demand (Ministry of Cooperatives and Small and Medium Enterprises, 2020).

To follow up on the impact of the COVID-19 pandemic, the Government continues to encourage the realization of the National Economic Recovery Program (PEN), through program extensions, acceleration of new proposals, program redesign, and adjustment, and simplification of procedures. Acceleration is carried out so that the wheels of the economy immediately turn and there is no recession. The government continues to monitor, evaluate, recalculate, and make adjustments so that the implementation of PEN can really help the community's economy (Ministry of Finance, 2020). Specifically for the 4 sectors that are the main focus of the National National Education Task Force (Satgas), namely Social Protection, MSME Support, Sectoral Ministries/Agencies, and Local Governments, as well as Corporate Financing.

One of the new programs launched by the government to support the National Economic Recovery Program in the MSME sector is with the assistance of the president (banpres) for productive micro-enterprises (BPUM). The government provides Productive Assistance for Micro Enterprises or Banpres to MSME actors throughout Indonesia. The assistance was given in consideration of the Regulation of the Minister of Cooperatives, Small and Medium Enterprises of the Republic of Indonesia Number 6 of 2020 concerning General Guidelines for the Distribution of Government Assistance for Micro Business Actors to Support National Economic Recovery During the Covid-19 Pandemic as amended by Regulation of the Minister of Cooperatives Number 2 of 2021. The Banpres policy is carried out by considering data on the economic rate that occurred in 2020 and is measured using the value of Gross Regional Domestic Product (GRDP).

Banpres assistance to MSME actors is used as a rescue capital to maintain their business during the Covid-19 pandemic (Rozzaq & Widiyarta, 2021). With the Banpres, MSME actors will be able to manage their finances in a pandemic situation and in the recovery of Indonesia's national economy. Assistance is addressed to each MSME and is channeled through their respective accounts in coordination with the government. Banpres can only be accepted once. If the recipient candidate does not get the Banpres, he can still run for the next wave. (Wijayaningsih, 2021).

Banpres recipients are targeted at 12 million Micro Business Actors who are not currently receiving working capital and investment loans from banks. The value of Banpres assistance itself is 2.4 million Rupiah. With the requirements that the Banpres is an Indonesian citizen, has a Population Identification Number, has a Micro Business as evidenced by a letter of recommendation from the proponent of the attachment, not (State Civil Apparatus) ASN, members of the TNI/POLRI, and employees of BUMN/BUMD.

The legal basis for the banpres is Law Number 2 of 2020 concerning Stipulation of Government Regulations, Government Regulation Number 43 of 2020 concerning Implementation of the National Economic Recovery Program in Support of 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 Saving the National Economy, and Minister of Finance Regulation 168/2020 and Minister of Finance Regulation 173/2020 concerning Mechanisms for Implementing Government Assistance in Ministries/Agencies.

Meanwhile, for the banpres registration mechanism, business actors are identified and proposed by the Proposing Institution, which consists of Provincial and Regency/City Offices in charge of cooperatives and MSMEs, Cooperatives that have been legalized as legal entities, Ministries/Institutions, Banks and registered finance companies. at the OJK, as well as the agency for distributing government credit programs consisting of BUMN and BLU. (Ulya, 2020)

Government policy in terms of poverty alleviation and national defense begins with the Central Government Policy (President and Cabinet). Then this is stated in the Government Work Plan (RKP) prepared by Bappenas and specifically for each sector by the Minister through the Work Plan (Renja) based on the indications in the budget (RAPBN). The RAPBN is then discussed in the DPR which is reviewed by the Budget Commission (Commission VI). After being approved by the DPR, the President then follows and issues a Presidential Regulation (Pepres) to formally regulate the budget allocation. The Ministers then prepare the DIPA Concept (Budget Filing List) in terms of authorization to carry out budget expenditures that have been allocated and approved by the Minister of Finance. Programs/activities are then implemented by the technical minister and local government.

Pearce and Robinson (2003) explain how a good policy can empower every individual in a system (company or government). Good policies can function for every individual as a decision-maker. Likewise in government, the policy can be made more flexible by placing all government officials to be able to make policies according to their positions and levels of decision making. All of that is regulated in a Standard Operating Procedures (SOP) which regulates the boundaries in decision making. All of that is regulated in decision making so that the level of managerial effectiveness in the system.

Janie Percy and Smith (1996) explain how the condition of a public policy is decided based on the needs of the community. Janie Percy and Smith also suggest several reasons for establishing a need-based policy. First, a number of new development policies legally require a needs analysis. Second, in an environment with limited resources, a priority scale is needed in determining policies that have the greatest impact. Third, the condition of widening social inequality further increases public awareness to reduce poverty and maintain state sovereignty with the right priorities and strategies. Fourth, development requires optimal service to the community. Fifth, at the level of politics and national security, in this era social justice is becoming more and more prominent as the welfare gap widens so that the need for social justice in the economy encourages the state to take policies that touch on the needs of the community.

In the 2015-2019 Medium-Term Strategic Development Plan (RPJMN) it is stated that the conception of economic growth and national defense is to protect and maintain state sovereignty, the territorial integrity of the Unitary State of the Republic of Indonesia by using four strategic targets both in the concept of economic growth, namely: National economic growth, Improving people's welfare, Poverty alleviation, and Equitable development to the most remote areas of Indonesia. As well as the concept of national defense, namely: The implementation of a state defense capable of dealing with military threats, The implementation of a state defense capable of dealing with non-military threats, The implementation of a state defense capable of participating in realizing world peace and regional stability, and The implementation of a state defense supported by the defense industry. strong and independent.

In the concept of Tichy's TPC Approach (technical, political, cultural), the government's policy approach in terms of maintaining economic growth and national defense stability can be analyzed using six components, namely: Mission, Vision, Strategy, Resources, Process, and Goals achieved. Among the main core systems that can be regulated are technical, political, and cultural approaches so that state policies can provide goals in the context of increasing welfare and increasing state security. This can be described as the matrix below:



**Table 1.** Tichy's TPC Approach matrix

		Organisasi Component						
		Mission	Vision	Strategy	Resource	Process	Goal	Total System Flow
System Core	Technical							
	Political							
	Culture							
Total Component Change								Total Score

From the table above, the government's policy strategy for poverty alleviation and national defense can be described. One of the government programs that is currently running is the Government issuing an economic policy package to encourage the national economy. Indonesia is currently faced with openness to the world economy. This opens up opportunities for market access and additional income (foreign exchange). This situation affects local economic actors, including the SME sector. The SME sector is called upon to connect with the Global Value Chain (GVC) and increase its contribution to economic growth. On the other hand, the increasing participation of SMEs in GVC still has capital and marketing constraints. (Syahfutra, 2018).

The World Bank (2006) states that economic growth is the most important part of poverty alleviation efforts and national defense. However, in reality, the inequality of development is a negative point of a policy. In this case, Jamilu Ibrahim Mukhtar in the *Journal of Poverty, Unemployment, and Challenges of Security in Nigeria* (2018) said that the problem of poverty and dissatisfaction with a system that is unfair and in favor of small and marginalized groups of people must be a common concern in an effort to maintain national defense which is a human rights issues in developing countries.

There are two keys to creating pro-poor economic growth and national stability, namely the development of the agricultural sector in rural areas and non-agricultural sectors in urban-sub-urban areas. These two points need to be supported by three policies, namely first: maintaining economic stability and defense, secondly increasing the poor with education and health, and thirdly protecting the poor from unfulfilled desires, especially their basic needs. The problem of poverty that can lead to instability in national defense cannot be separated from the problem of productivity. There are three ways to do this, namely: first, by moving them from low-productivity land to high-productivity land through strengthening capital and coaching, then secondly, the people prosperity approach, namely moving low-productivity jobs to high-productivity jobs through skills and training and education. Third, move them from a state of deprivation to a condition of meeting basic needs through socialization and defending the country.

Furthermore, the World Bank (2006) also said that Indonesia is currently experiencing a change from a centralized government to a decentralized one where the biggest change is the increasing role and authority of local governments in policy and governance. This is a potential for distribution of power (G. John Ikenberry "Liberial Levithan") where the hegemony of the central government cannot control local governments in terms of policies for the community. This concept is also related to the development of regional autonomy so that each regional government can implement its own policies. However, globally it remains within the unity of the Republic of Indonesia. For this reason, every regional development planning and budget policy reflects how big

the role and efforts of regional governments are in alleviating poverty and maintaining the sovereignty of each region.

Micro, Small and Medium Enterprises (MSMEs) play a very important role in driving the Indonesian economy, MSME activities are economic activities that cannot be separated from people's lives to meet community needs and have a high level of flexibility in their activities.

Discussion on the direction of national policies and strategies in the field of cooperatives and small and medium enterprises in 2020-2024 and the priority objectives of the President's work program for 2020-2024, guidelines for developing cooperatives and SMEs developed by the Ministry of Cooperatives and SMEs in 2020-2024 are divided into 3 (three) policies, namely:

1. Cooperative modernization and MSME development (scaling-up)
2. Increasing the competitiveness of MSMEs in the domestic and global markets
3. Governance Reform for the Development of Excellent Service-Oriented Cooperatives and SMEs (Cross-Sectoral Policy).

Three policies of the Ministry of Cooperatives and Small and Medium Enterprises will be implemented in a targeted manner, with a focus on the development of cooperatives and small and medium enterprises in 2020-2024, namely:

1. The priority of developing cooperatives and SMEs in the real sector (production) is export and import oriented;
2. The development of cooperatives and small and medium enterprises is carried out through a community, group or cluster approach based on production centers.
3. Development must be carried out across sectors and, first of all, in cooperation
4. MSME development is carried out in different ways according to the characteristics and levels of MSMEs;
5. Modernization and technological innovation;

In Government Regulation Number 7 of 2021, MSMEs are grouped into 3 (three) groups based on the criteria for working capital or annual sales results, namely:

1. Micro-enterprises have a business capital of up to a maximum of Rp. 1 billion excluding land and buildings for business premises and annual sales results up to a maximum of Rp. 2 billion;
2. Small Business has a business capital of more than Rp. 1 billion up to a maximum of Rp. 5 billion excluding land and buildings for business premises and has annual sales of more than Rp. 2 billion up to a maximum of Rp. 15 billion;
3. Medium Enterprises have a business capital of more than Rp. 5 billion up to a maximum of Rp. 10 billion excluding land and buildings for business premises and have annual sales of more than Rp. 15 billion up to a maximum of Rp. 50 billion

Micro, small and medium enterprises (MSMEs) play an important role in the Indonesian economy. The role of MSMEs is to contribute to the expansion of employment and employment opportunities, the growth of gross domestic product (GDP), a safety net especially for low-income representatives, enabling productive economic activities such as their contribution. fixed capital formation/investment.

Future growth of Cooperatives and SMEs is directed at strengthening economic resilience to support quality growth with the main objectives of increasing value, competition, investment, exports, import substitution, and expanding job opportunities by strengthening cooperatives, micro, small and medium enterprises. (MSMEs) and the business world.

## IV. Conclusion

The results of the study show that the spread of Corona Virus Disease (Covid-19) since 2019 has had very significant implications for the Indonesian economy. This situation has an impact on decreasing demand for labor, controlling income and public consumption, thereby reducing the demand for cooperative and MSME products. Following up on the impact of the COVID-19 pandemic, the Government continues to encourage the realization of the National Economic Recovery Program (PEN), through program extensions, acceleration of new proposals, program redesign and adjustment, as well as simplification of procedures. Micro, small and medium enterprises (MSMEs) play an important role in the Indonesian economy. Future growth of Cooperatives and SMEs is directed at strengthening economic resilience to support quality growth with the main objectives of increasing value, competition, investment, exports, import substitution, and expanding job opportunities by strengthening cooperatives, micro, small and medium enterprises. (MSMEs) and the business world.

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