

# Analysis of Economic Recovery Policy Due to the Covid-19 Pandemic on the Productivity of Agricultural MSMEs And Small Traders in Bengkulu Province

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## Abstract

*This study seeks to analyze government policies in relation to the economic recovery of the economy due to the COVID-19 pandemic, especially in the agricultural sector and MSMEs. The research method used in this study is qualitative research with a descriptive approach. The results of the study are that the National Economic Recovery Program (PEN) has a positive impact on the MSME sector during the COVID-19 pandemic as a policy step taken by the government to support the recovery of the national economy, especially the MSME sector which has a significant contribution. Policy stimulus for handling the MSME sector pandemic, which includes delays in principal and interest for MSMEs and UMi, subsidies for loan interest and UMi, tax incentives for MSMEs, guarantees for working capital loans for MSMEs, Regional Incentive Funds (DID), inclusion of banks and productive banpres are strategies for rescuing perpetrators. MSME efforts to be able to survive during the pandemic and increase MSME productivity and performance.*

## Keywords

economic recovery; agriculture; MSMEs; covid-19



## I. Introduction

Covid-19 also puts strong pressure on the Indonesian economy in 2020 with a source of turmoil that has never been experienced before. Like world conditions, turmoil stems from health and humanitarian problems, which then spread to economic problems. The Government's immediate response to reduce the spread of Covid-19 through PSBB will inevitably reduce economic performance. Policies to overcome the spread of Covid-19 have reduced the mobility of people as well as the activities of goods and services. Consumption, investment, transportation, tourism, production, and the confidence of economic actors decreased significantly, which in turn made economic growth fell sharply. A weak economy is a common concern because if it is not handled immediately, it will risk disrupting economic stability and financial system stability.

Steps related to economic recovery, in this case the government through the ministry of finance, made extraordinary policies to mitigate the impact of covid-19 and the economic slowdown by creating the National Economic Recovery Program (PEN). policies taken by the Government, Bank Indonesia and relevant authorities to mitigate the extraordinary impact of Covid-19 and continue to build optimism for economic recovery. Government policies in combating this epidemic are of course very important for the survival of all levels of society, especially for people affected by the pandemic from an economic perspective. How the government is able to play a role in maintaining the instability that has shaken the economy at a time when this epidemic strikes with effective policies that are expected to revive the economy,

The current situation makes the wheels of the economy slow down, the market begins to sluggish, sales turnover also declines. Even though the Government has prepared stimulus or assistance with the aim of helping to boost the weakening economic conditions and maintaining purchasing power, especially for Micro, Small and Medium Enterprises (MSMEs).

MSMEs are one of the main pillars in the national economy. Rudjito in arguing that MSMEs are businesses that have an important role in the Indonesian economy, both in terms of the jobs created in them and in terms of the number of businesses.

Prior to the Covid-19 Pandemic, the contribution of Micro, Small and Medium Enterprises in Indonesia had an important and strategic role in improving the economy. This is because MSMEs are able to expand job opportunities and absorb labor. In addition, the existence of MSMEs is part of the formation of Gross Domestic Product (GDP) as well as providing a safety net, especially for people who have low incomes to carry out productive economic activities (Putri, 2019). The agricultural sector is one of the MSME sectors affected by the Covid-19 case. The agricultural sector is a priority need in dealing with the spread of Covid-19 because it is directly related to the fulfillment of human needs so that the demand for food will always exist. Despite the economic downturn in various business sectors, the agricultural sector is the last sector to survive (sector of the last resort) which is proof that the agricultural sector is the safest sector. In addition, the agricultural sector is the basic sector for the development of other economic sectors such as industry and services. Even though other sectors have collapsed, at least the agricultural sector is able to become a mainstay in fulfilling people's food so that people don't go hungry

The agricultural sector supports food security and improves people's welfare. On the other hand, the welfare of farmers plays an important role in maintaining and increasing agricultural production. An advanced agricultural sector can encourage faster economic growth and reduce poverty. The agricultural sector absorbs a large amount of labor, especially in rural areas. In August 2020, the total workforce was 137.91 million people. The agricultural sector absorbs the largest labor force, at 29.04 percent, followed by the trade and manufacturing sectors at 18.63 percent and 14.09 percent, respectively.

Baker & Judge's research states that MSMEs in the small trader sector are among the worst affected by the Covid-19 pandemic. Micro small and Medium Enterprises. In the MSME sector, faced with the problem of reduced raw materials, reduced or decreased sales, hampered production and distribution, experienced capital difficulties, lack of information technology knowledge and hampered business networks resulted in low business productivity and their ability to deal with changes, especially in terms of transactions being hampered because which was originally manual, is now required to be all digital (Fitriyani, 2020). However, the existence of these small traders is also important because it not only functions as an absorber of excess labor that cannot be absorbed by the formal sector,

The National Economic Recovery Program (PEN) aims to protect, maintain, and improve the economic capacity of business actors in running their businesses during the COVID-19 pandemic and to improve the performance of MSMEs that have contributed to the Indonesian economy (Aisyah, 2020).

To revive the business activities of MSME actors, mitigation and recovery solutions are needed. The government has responded to this pandemic by providing assistance. One of them is to include MSME actors as recipients of government assistance programs, such as working capital, MSME credit subsidies, to relaxation of bank credit interest, Pre-Employment Cards, electricity tariff subsidies, and Family Hope. The government also provides tax relief for six months, from April 2020 to September 2020. Also relaxes and

restructures loan payments for MSMEs and cooperatives, the ministry of internal cooperatives and MSMEs in an international seminar held online via Zoom by the Indonesian Cooperative Institute (Ikopin). in commemoration of the 38th Ikopin Anniversary, Friday 8 May 2020.

Even though the Government has prepared stimulus or assistance with the aim of helping to boost the weakening economic conditions and maintaining purchasing power, especially for MSMEs. However, as a business actor or business actor, of course, you must prepare a strategy, namely what strategies can be done so that they can maintain their business in facing the current situation. The government and the community independently need an effective formula or strategy to be able to restore the economy back to a stable condition.

The economic recovery due to the Covid\_19 pandemic in Bengkulu Province in the 1st quarter of 2021 stems from the improvement in the growth of the main business fields (LU), which includes agriculture, forestry and fisheries, which improved by -0.15% (yoy), compared to the previous quarter which contracted by -2,26% (yoy). Furthermore, the increase in agricultural performance in the first quarter of 2021 was also reflected in the General Farmer's Exchange Rate (NTP), which increased by 128.78 or grew in LU, wholesale and retail trade was recorded in this sector, the majority of which were small traders or retail, which contributed -7.88% (yoy). ), or improved when compared to conditions in the previous quarter which contracted by -9.34% (yoy) ( Bank Indonesia Report, 2021).

Despite experiencing economic growth, Bengkulu province's economic growth has slowed. This is due to the business fields in the agricultural, forestry and fisheries sectors which have a contribution to the Gross Regional Domestic Product (GRDP) of this sector being the livelihood of the majority of the people of Bengkulu province as well as being the sector with the highest employment absorption compared to other sectors. In addition to the agriculture, forestry and fisheries sectors, wholesale and retail trade sectors also contribute to GRDP and as seen from the picture above, these sectors are the most affected by the Covid-19 pandemic.

## **II. Review of Literature**

### **2.1 Economic Recovery**

Economic recovery is the initial part of the expansion, where the economy regains its strength to grow after a recession. Economic growth is showing signs of strengthening. The economic situation is in a conjuncture pattern marked by the start of increasing production and consumption (Mubyarto, 2001). Economics is also something related to the needs of human life (household, village, city, nation and world needs) and all human actions or efforts to fulfill their needs. So in general, economics is defined as the study of human behavior in using scarce resources to produce goods and services that humans need. The scope of economics covers one area of human behavior related to consumption, production, and distribution. Economic recovery is a condition or effort where there is a process of increasing economic growth in a positive direction. This is done after the economy grows negatively or when the economy in the country experiences a crisis. The economic recovery this time was carried out during the COVID-19 pandemic in order to maintain social and economic stability, open up job opportunities, and restore public welfare due to the COVID-19 pandemic.

## **2.2 Economic Recovery Program Due to the Covid-19 Pandemic**

In connection with this economic recovery effort, the government implemented a national economic recovery policy by utilizing fiscal and monetary policies. The government hopes that the policies implemented will be able to suppress contraction in 2020 and can significantly restore the national economy in 2021. Some of the policies implemented include: increasing domestic consumption, increasing business activities as well as maintaining economic stability and monetary expansion. Law Number 24 of 2007 concerning Disaster Management states that disaster is an event or series of events that threatens and disrupts people's lives and livelihoods, resulting in human casualties, environmental damage, property losses, and psychological impacts. The definition of a disaster has three aspects, namely: 1) an event that creates a disturbance or threat, 2) the event or disturbance endangers humans and the environment, 3) causes victims and the community does not have the ability to overcome the disturbance. Disasters result in vulnerability, namely a state of decreased community resilience in overcoming disturbances that endanger life. Vulnerability occurs due to external influences that threaten lives, livelihoods, natural resources,

## **2.3 National Economic Recovery Program (PEN)**

The National Economic Recovery Program (PEN) is part of activities to reduce the impact of Covid-19 on the economy. In addition to handling the health crisis, the government is also implementing the PEN program as a response to the decline in community activities that have an impact on the economy. To cope with the impact of the Covid-19 pandemic, the National Economic Recovery (PEN) program is contained in Perpu 1/2020 and its derivative fiscal policy is regulated in ( Government Regulation (PP) No. 23/2020) The National Economic Recovery Program (PEN) is a series of activities prepared for the recovery of the national economy which is part of the state financial policy implemented by the government to accelerate the handling of the Covid-19 pandemic or face a threat situation that endangers the national economy or financial system stability. and saving the national economy. The PEN program has the aim of providing protection, maintaining and improving the economic capacity of business actors in running their business

## **III. Research Method**

The type of research conducted in this study is qualitative research with a descriptive approach. According to Bodgan and Taylor quoted by Lexy J. Moelong, describe qualitative methods as research procedures that produce descriptive data in the form of observed data and behavior. According to them, this approach is directed at the background and the individual holistically (Moleong, 2006).

## **IV. Result and Discussion**

### **4.1 Design of National Economic Recovery and Government Policy for Handling the Covid-19 Pandemic in the MSME Sector**

National Economic Recovery Design The government has prepared a national economic recovery design after the end of the emergency status of the disease outbreak caused by the Corona Covid-19 Virus in Indonesia on May 29, 2020. This design will serve as a guide for the Economic Recovery Program (PEN). The government has issued government regulation number 23 of 2020 (PP23/2020) regarding the implementation of



the National economic recovery program to support state policies for handling the Covid-19 pandemic or to deal with threats that endanger the National economy and financial system stability and National Economic Rescue (PEN). The government accelerates the distribution and strengthens subsidies and assistance (bansos) for the poor and vulnerable to the rare poor. This is done to maintain public consumption.

The design of the National Economic Recovery ( PEN ) in the second quarter of 2020 is indeed very difficult. from various sources of data information obtained shows a worsening and most likely negative economic growth seen from the 2020 quadratic economic growth in the position of 0.3% to -2.6% because of that the government launched a stimulus for Micro, Small and Medium Enterprises (MSMEs), Ultra Micro businesses (UMi) industry and BUMN and this program runs until the third quarter of 2020.

In the fourth quarter of 2020, there will be an economic recovery, both in public consumption and in reducing the number of unemployment and poverty. In the fourth quarter, the focus was on the business world. Several strategies were implemented, including guaranteeing MSME working capital loans, placing funds in banks that had an impact on credit restructuring, state equity participation (PNM) in SOEs, support for the B30 program and distribution of regional incentive funds. seen from the economic growth of 2.3% but in a very heavy scenario the Indonesian economy is crushed -0.4.

From the results of the analysis of the economic recovery design above, the design on the basis of the Covid-19 pandemic has ended in the third quadrant of 2020 because the tourism sector cannot be fast but must be given a stimulus. Meanwhile, for easing or opening businesses, one must look at the developments in handling Covid-19, meaning that the expectation of rising consumption in the sector is still low because the time for easing or opening will be different for each region, on the other hand, the economic recovery will take longer in the banking sector. Because Covid-19 increases the risk of bank credit defaults and the existence of restructuring policies. Meanwhile, businesses that recover quickly are pharmaceuticals, transportation and distribution, and e-commerce, as well as non-restaurant food and beverages.

#### **4.2 Government Policy for Handling the Covid-19 Pandemic in the MSME Sector**

The policy stimulus for handling the MSME sector pandemic, in this case the government, is prioritizing the country's economic recovery. Based on data from the Ministry of Finance, the total cost allocated by the government for handling Covid-19 in 2020 is IDR 695.2 trillion, of which IDR 123.46 trillion is specifically allocated to support MSMEs. The amount of funds allocated for five activities, namely interest subsidies amounting to Rp 35.28 trillion; placement of funds for restructuring of Rp 78.78 trillion; spending on guarantee fees (IJP) of Rp 5 trillion; while for the final PPh of MSMEs borne by the government (DTP) of Rp. 2.4 trillion; as well as investment financing to cooperatives through the Revolving Fund Management Agency for Cooperatives, Micro, Small, and Medium Enterprises (LPDB KUMKM) in the amount of IDR 1 trillion. The allocation of funds ranks second in terms of the amount of a total of five other cost allocations for handling Covid-19, namely for social protection of Rp. 203.9 trillion, business incentives of Rp. 120.61 trillion, sectoral ministries/agencies and local governments of Rp. 106.11 trillion, for health of Rp. 87.55 trillion, and corporate financing of Rp. 53.57 trillion. This is done in order to save the country's economy by supporting the recovery of MSMEs as the first priority.

The government also provides credit restructuring to reduce the burden on debtors. This policy was carried out as a form of partisanship and support for the MSME sector

which was greatly affected during the pandemic. The government also provided credit restructuring to reduce the burden on debtors. This policy was carried out as a form of partisanship and support for the MSME sector which was severely affected during the pandemic, increasing the expansion of access to financing for MSMEs through the Macroprudential Inclusive Financing Ratio (KUR) for the development of the People's Business Credit (KUR) program to be enjoyed by the wider community. In addition to providing a KUR interest subsidy of 3 percent until June 30, 2022, the Government has also increased the KUR ceiling which in 2022 has been set at Rp373, 17 trillion or an increase of 30 percent from last year's Super Micro KUR that has been issued by the Government, mainly for housewives and workers affected by layoffs. This program integrates the Pre-Employment Card program with KUR, changes the KUR policy specifically for the corporatization of farmers and fishermen, and resumes the policy of credit restructuring and administrative relaxation for prospective KUR debtors to encourage the performance of KUR distribution. As of February 7, 2022, IDR 25.94 trillion has been realized to 650 thousand debtors or 6.95 percent of the distribution target of IDR 373.17 trillion. as well as continuing the policy of credit restructuring and administrative relaxation for prospective KUR debtors to encourage the performance of KUR distribution. As of February 7, 2022, IDR 25.94 trillion has been realized to 650 thousand debtors or 6.95 percent of the distribution target of IDR 373.17 trillion. as well as continuing the policy of credit restructuring and administrative relaxation for prospective KUR debtors to encourage the performance of KUR distribution. As of February 7, 2022, IDR 25.94 trillion has been realized to 650 thousand debtors or 6.95 percent of the distribution target of IDR 373.17 trillion.

Based on the results of the discussion that the National Economic Recovery Program (PEN) has a positive impact on the MSME sector during the Covid-19 pandemic as a policy step taken by the government to support the recovery of the national economy, especially the MSME sector which has a significant contribution. Policy stimulus for handling the MSME sector pandemic, which includes delays in principal and interest for MSMEs and UMi, subsidies for loan interest and UMi, tax incentives for MSMEs, guarantees for working capital loans for MSMEs, Regional Incentive Funds (DID), inclusion of banks and productive banpres are strategies for rescuing perpetrators. MSME efforts to be able to survive during the pandemic and increase MSME productivity and performance. The realization of the absorption of the PEN program which has considerable benefits becomes a reference for the government to plan to continue this program.

#### **4.3 Realization of the Government's Program in Bengkulu Province to Overcome the Impact of the Covid-19 Pandemic for Workers in the Agricultural Sector and Small Trade in Economic Recovery**

Policy stimulus for handling the MSME sector pandemic was realized in Bengkulu Province through the assistance program for communities affected by the pandemic, there were five types of assistance provided.

##### **a. Providing Social Assistance**

Social assistance to MSME actors who are categorized as poor and vulnerable. Included in this social assistance scheme is a 50 percent reduction in electricity tariffs for electricity customers with a capacity of 450 watts for more than three months as written by Arifin, (2020), which In general, they can be workers or MSME business actors. The obstacle to the provision of social assistance is that there are still many recipients who have not been recorded in detail. Based on the results of interviews with informants from the

Department of Cooperatives and MSMEs, they explained related to social assistance that was tailored to the needs according to the type of business. In this case, we write to the sub-district or village the names of businesses according to those in the sub-district or village by conducting an early survey to find out for sure their needs. Further explanation from the informant that as a basis for providing such assistance, all micro, small and medium business actors submit proposals to be analyzed for eligibility criteria are villagers whose livelihoods have been lost due to Covid-19 and do not receive other social protection assistance from the government then the data is verified according to with what is needed. As for the basis of accountability, the business actor will report to the output.

#### **b. Tax Incentives**

The provision of tax incentives for MSMEs is given to MSMEs with a turnover of less than Rp. 4.8 billion per year (Kemenkop-UKM, 2020). The stimulus for PPh is the imposition of a zero percent PPh rate for six months, from April to September 2020. However, according to D. Setiawan (2020), this facility is still largely untapped by MSME actors. Based on interviews with informants regarding the above, it was stated that in 2016 and 2017, we provided a revolving fund of approximately Rp. 2 billion and there is also assistance in the form of equipment for direct MSME actors

According to the tax policy set by the government in Government Regulation Number 23 of 2018 concerning Income Tax (PPh) on income from business received or obtained by taxpayers who have a certain gross turnover, this regulation is known as PP. 23/2018. This Government Regulation is still the reference for the SME tax rate, which is 0.5 percent of gross turnover per month. The purpose of this rate reduction is to explore the potential of SME taxpayers due to the increasing number of SMEs in Indonesia as well as support from the government so that SMEs can grow. During the current Covid-19 pandemic, public health remains a top priority. Therefore, The government has promoted many programs in favor of the community in overcoming the Covid-19 pandemic. To maintain stability in the recovery of the national economy, the government has issued several policies to support SMEs during the pandemic.

#### **c. Interest Subsidy for Micro, Small and Medium Enterprises and Umi loans**

The government has provided credit relief under Rp. 10 billion especially for informal workers such as: (online motorcycle taxis, taxi drivers, MSME actors, fishermen, residents with daily income) (2020). The MSME loan restructuring stimulus package for several provincial governments was complemented by additional interventions. In line with this policy, on March 19, 2020, Bank Indonesia announced a reduction in the reserve requirement ratio by 50 Basis Points (BPS) for banks involved in MSME financing, after deducting 50 Basis Points (BPS) in the previous month. to support trading activities.

#### **d. Expanding MSME Working Capital Financing**

The expansion of working capital financing for MSMEs is carried out by encouraging banks to provide soft loans to MSMEs. Thus, MSMEs have sufficient working capital to run their business. This policy is necessary to maintain MSME liquidity. This program is targeted at 23 million MSMEs that have never received financing from banks and financial institutions. Setiawan (2020), stated that this financing expansion program was provided for both “bankable” and non-bankable MSMEs.

#### **e. Provision of Product Support**

Cooperative and MSME products in agriculture, fishery, culinary and household industries need to get buffer support. Thus, there is certainty that MSME products will be absorbed, so that cooperatives and MSMEs will be able to have better liquidity. This policy will be more beneficial if it is followed by efforts to increase safe distribution flows, for example by providing reliable e-commerce facilities or services in buffer zones.

#### **f. MSME Labor Market Intervention through Training with E-learning Method**

The government has intervened in the labor market by conducting training with the aim of re-activating the labor market through the Pre-Employment Card which was launched in April 2020. This program provides subsidized training that is skills and re-skilling for 5.6 million affected workers, especially in the business sector. Small and micro participants of the pre-employment card program can be MSME sector workers who have been laid off and new workers who have not found work. This policy is in line with the entrepreneurship development policies carried out by several countries such as the United States, the Netherlands, England, South Korea, Australia and Italy (Sugiri, 2020).

#### **g. MSME Credit Risk Development**

In terms of credit risk developments, the NPL of MSME loans in the first quarter of 2021 increased compared to conditions in the previous quarter. The NPL for MSME credit in the first quarter of 2021 was recorded at 2.86%, higher than the fourth quarter of 2020, which was 2.66%. The increase in the NPL for MSME loans was due to the 2.02% increase in the NPL from the micro scale business compared to the 1.45% in the previous quarter. Based on the type of use, MSME NPLs for working capital and investment loans increased in the first quarter of 2021. MSME NPLs for working capital and investment loans were recorded at 2.77% and 1.67%

The realization of the distribution of non-cash social assistance in Bengkulu Province in the first quarter of 2021 reached 99.29% for the Family Hope Program (PKH) and 100% for the basic food assistance program. The number of PKH Non-Cash Social Assistance Recipients was recorded at 78,172 people with a total nominal value of Rp56 billion. As for the recipients of Non-Cash Social Assistance BPNT recorded throughout Bengkulu Province were 114,883 people with a total nominal value of IDR 68.9 billion. The distribution of beneficiaries of the PKH and basic food programs is almost evenly distributed in all districts/cities. North Bengkulu Regency, Rejang Lebong and Bengkulu City are the areas with the most PKH beneficiaries. Meanwhile, North Bengkulu Regency, Rejang Lebong, and Bengkulu City became the largest distribution areas for families receiving basic food assistance

### **4.4 MSME Strategy and Contribution of the Agricultural Sector and Small Traders in Economic Recovery Due to the Covid-19 Pandemic**

Bengkulu's economic growth is good and has the potential to grow higher if there is an improvement in the problem, one of which is through the strategy of SMEs in the agricultural sector and small traders

#### **1. The Strategy of Small and Medium Enterprises in the Agriculture Sector and Small Traders Rises During the Due to the Covid-19 Pandemic**

Small traders have the potential to support economic growth, namely the creation of jobs and can also be a contribution to regional income if managed properly. And if a good arrangement and guidance can be carried out, this sector will be able to contribute



in solving social problems such as unemployment. However, the situation became different during the Covid-19 pandemic.

As for some of the business strategies of small traders in Bengkulu Province in maintaining their business due to the Covid-19 pandemic, including:

1. Expanding the market by going online This strategy can be applied by several sellers who have the ability to take advantage of science and technology, namely they offer their merchandise by utilizing existing social media such as WhatsApp, Instagram, and FaceBook, or by telephone directly. In addition to aiming for marketing, they also carry out buying and selling transactions with delivery facilities through social media. Because during a pandemic, people tend to limit themselves from going out of the house. So that this method is very helpful to increase their business income which has fallen due to the implementation of social distancing. But unfortunately this method cannot be applied by all small traders, because of the limitations they have such as the lack of knowledge and skills on the use of social media, which on average is due to the age factor, namely the small traders who are old. So they still stick with traditional trading methods.
2. Increasing the number of workers, the addition of workers here is more as a result of the implementation of buying and selling facilities with the delivery method, because it is not possible to deliver and maintain merchandise at the same time, which is done by only one person, so there is someone who looks after the merchandise on duty. delivering goods. Usually they take the workforce from their own family members considering that these street vendors do not earn much income, so if they hire paid workers like in general, they are worried that their business income will be used up to pay the workers.
3. Creating new products, creating new products, is done by following trends such as contemporary food and beverages, namely adding product variants that are sold, which aims to attract customers so that the number of customers increases which in turn increases their business income.
4. Conducting promotional collaborations with other business actors. Promotional cooperation is done by asking friends, acquaintances, or relatives for help to help promote their business through their social media. Henceforth they will share the profits when the promoted merchandise is sold. With the hope that more and more people will promote more products that are known and sold, because the ability to promote through social media is of course limited to friends or contacts they have.

## 2. Farmers' Strategies to Maintain Business During the Pandemic

From the results of the research, the agricultural sector is known as the only economic sector that can survive various turbulences and crises, including during the Covid-19 pandemic. However, it is undeniable that the agribusiness chain will be disrupted in producing agricultural products. For this reason, various efforts are needed to maintain the existence of farming activities in order to maintain the stability of food security. The strategies include:

1. In addition to farmers who are at the forefront of agriculture in producing agricultural products in the midst of a pandemic, the role of extension workers as facilitators of the learning process for farmers is important, including in terms of motivating farmers to continue producing agricultural products.
2. Maintaining price stability is important, especially during the Covid-19 pandemic. This is because the stability of economic activity is threatened during the pandemic. Agricultural products need protection not only to maintain prices at the consumer level but also prices at the farm level so that there is no loss to farmers. Government

policies and efforts to maintain stability are needed. Indeed, the demand for agricultural products at the household consumer level increases, but it does not necessarily benefit farmers.

3. The need for online media is increasing due to the limited direct interaction in this case the marketing of agricultural products through online media becomes more effective and minimizes the risk of virus transmission. The use of online transportation services is also used as an alternative in distributing agricultural products online.
  4. Millennials as a Demographic Bonus Product The agricultural sector is the largest employment provider sector and its performance needs to be optimized so that the productive age population can be absorbed into employment. With this pandemic condition, not a few workers have been laid off so that they become unemployed. The agricultural sector is one of the solutions for the workforce, including millennials. Millennials as a demographic bonus are the successor agents in farming activities, which at this time are certainly no longer familiar with technological developments and are very much needed, especially in the marketing of agricultural products.
3. The Contribution of SMEs in the Agricultural Sector and Small Traders in Economic Recovery in Bengkulu Province

#### 1. Agriculture Sector

When viewed from the production side, the agricultural sector is one of the largest contributors to Gross Regional Domestic Product. The agricultural sector during the Covid-19 pandemic continued to survive and grow in the first quarter and experienced a slump in the second and third quarters of 2020 and in the first quarter of 2021 economic growth improved compared to other sectors. This shows the contribution of the agricultural sector to the rate of economic growth. in Bengkulu province.

#### 2. MSME Contribution

The wholesale and retail sector and in this sector the largest contribution is small or retail traders who have an important role as a sector that contributes to GRDP. This leading sector means that with the rise of the small business sector, it will spur and lift the development of other sectors such as the agricultural sector and the service sector. The rapid growth of small traders will stimulate the growth of the agricultural sector to provide raw materials for the small business sector. The service sector also developed with the industrialization, for example the establishment of financial institutions, marketing institutions, and so on.

## V. Conclusion

Based on the results of the discussion, it can be concluded that the National Economic Recovery Program (PEN) has a positive impact on the MSME sector during the COVID-19 pandemic as a policy step taken by the government to support the recovery of the national economy, especially the MSME sector which has a significant contribution. Policy stimulus for handling the MSME sector pandemic which includes delays in principal and interest for MSMEs and UMi, subsidies for loan interest and UMi, tax incentives for MSMEs, guarantees for working capital loans for MSMEs, Regional Incentive Funds (DID), the inclusion of productive banks and banpres is a strategy to save MSME business actors to be able to survive during the pandemic and increase MSME productivity and performance. Policy recommendations for strengthening SMEs, small traders, especially the agricultural sector, can survive during the pandemic and it is proven

that the main employment community for farmers is faster economic recovery so that the acceleration of national economic recovery can achieve stability.

The agricultural sector is the largest contributor to the economy of Bengkulu Province. For this reason, the relevant local government ranks together with Bank Indonesia Bengkulu Province who are members of the Regional Inflation Control Team (TPID) strictly maintain the stability of agricultural commodity prices at the farmer level and the stability of the prices of raw materials purchased by farmers in the Bengkulu area.

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