

Bali Province Government Strategic Policy to Promote the Digitalization of MsMEs as an Effort to Support the Economic Recovery of Communities Affected by The Covid-19 Pandemic

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Abstract. The Covid-19 pandemic has had a significant impact on all aspects of the economy, including tourism. Especially for the Province of Bali, the impact is very pronounced and influential considering that Bali is a major tourism destination. Many companies are unable to pay their employees, so they have to lay off them as well as the MSME sector which has been the backbone of the economy, delays from MSME actors are declining sales, difficulty in obtaining raw materials, and hampered distribution. The government's policy to prevent the spread of COVID-19 through physical interaction with the community has, in various informal economic activities, except for the perpetrators who switch to brave platforms that have proven to be able to survive. there is an urgent need for digitalization, both in terms of providing training and providing technology platforms so that more MSMEs in Bali can embrace digitalization and survive in this new normal era. Are interested in conducting research with the title "Bali Provincial Government Policy Strategy to Encourage the Digitization of MSMEs as an Researchers Effort to Support the Economic Recovery of Communities Affected by the Covid-19 Pandemic". This study uses qualitative research methods with descriptive research type. Primary data obtained through the process of observation, interviews, and documentaries. The selection of informants was done by purposive sampling. Data validation is done by triangulation of data sources so that the data presented is valid data. The results of this study are expected to be able to find out the strategic steps taken by the Bali Provincial Government to encourage the digitization of MSMEs as an effort to recover the community's economy from the discovery of the COVID-19 pandemic such as improving the quality of human resources, promotion and economic stimulus for MSME actors, technology assistance for MSME promotion.

Keywords: Government Strategic Policy, Digitalization of MSMEs, Community Economic Recovery

1 Introduction

The pandemic caused by the corona virus has also had a serious impact on the economic sector. The impact that is most felt is the economy. The following are the economic conditions in Bali Province and the Bali National Economy in the second quarter of 2020 which

experienced a contraction in the midst of the Covid-19 pandemic. Bali's economy with a real output of Rp35.86 trillion recorded a growth of -10.98% in the second quarter of 2020, lower than the first quarter of 2020 which was -1.14% and also lower than the national economic growth in the same period, of -5.32%). Bali's share of the national economy in the second quarter of 2020 was 1.48%, slightly lower than the previous quarter (1.54%). This is due to the decline in Bali's tourism performance due to the Covid-19 pandemic. The Corona Virus Disease 2019 (Covid-19) pandemic has had a significant impact on all aspects of the economy, including tourism. Especially for the Province of Bali, the impact is very pronounced and influential considering that Bali is a major tourism destination.

Many companies cannot afford to pay their employees and have to lay them off. COVID-19 has become increasingly honed the MSME sector, which has been the backbone of the economy, has become the most influential sector because of the impact. Complaints from MSME actors are declining sales, difficulty in obtaining raw materials, and hampered distribution. Even so, not all MSMEs experienced a decline. MSMEs and the informal sector which are the pillars of the national economy are so large. The government's policy to prevent the spread of COVID-19 through physical interaction with the community has resulted in various informal economic activities, except for the perpetrators who switch to brave platforms that have proven to be able to survive.

This condition causes public consumption to drop drastically, even though public consumption has a major contribution to the economy, which is almost 59%. The latest data in 2018, there were 64.2 million MSME business units operating in Indonesia which represented 99.99% of businesses in this country. The dominance of the number of business units is also in line with the labor absorption capacity of the informal economy, which is 116 million people or 97% of the total workforce. Although the number of business units and labor absorption dominate, productivity problems are a classic problem for MSME businesses. In the management of MSMEs, changes continue to occur, interrupting past normality's and bringing new normal into existence.

Adaptation is the only answer so that the probability of survival is maintained. Adaptation can also be a momentum to rearrange the ways of managing MSMEs by integrating health protocols, adopting digital transformation. Enter the digital ecosystem. The digital ecosystem offers a wider marketing reach for MSMEs. Not only because of the ease of access, across time and across locations, the digital ecosystem promises extraordinary growth. Sales growth through electronic media in Indonesia reaches 300% per year. Meanwhile, monthly sales in the digital market rose 26% compared to the average monthly transaction in the second quarter of last year. Likewise, daily transactions rose to 4.8 million transactions from an average of 3.1 million transactions. Even the rate of increase in new consumer acquisitions reached 51%.

MSMEs that "go digital" also have greater opportunities to access financing. Several financial institutions have started to look at digital records as an instrument to measure business health as well as being able to function as a substitute for collateral. This can be a solution to the classic problem faced by MSMEs that are difficult to get financing from banks and financial institutions because of the limited assets they have to serve as collateral. The number of MSMEs was recorded at 327,310 with a percentage growth of 4 percent in 2019. When compared to the total population of Bali, which was recorded at 4,230,051, the ratio of entrepreneurship in Bali is still small, which is only 7.71 percent.

The provincial government also pays attention to SMEs, IKM (small and medium industries) and the informal sector. Despite the many obstacles faced in the midst of the COVID-19 pandemic, cooperatives and MSME actors are expected to build optimism by adapting to new habits in building markets. The first step to take is to recognize changing behavior and

consumers and transform proactively. The COVID-19 pandemic has significantly changed the pattern of interaction between sellers and customers. In line with the adaptation of new habits, consumers will visit physical meetings. Shopping boldly is predicted to be an option after this pandemic ends. This shows that there is an urgent need for digitalization, both in terms of providing training and providing technology platforms so that more MSMEs in Bali can embrace digitalization and survive in this new normal era.

MSMEs must be able to undergo a pattern of changing consumer behavior in this era, including the desires, expectations and needs of consumers in the new era order. Facing the global pandemic and the order of the new era, businesspeople must also find ways to stay connected with their customers/customers. Another way is by utilizing social media platforms, not only to offer the latest products or services, but also to create a network of loyal customers. Based on the above problems, researchers are interested in conducting research with the title "Bali Provincial Government Policy Strategy to Encourage the Digitization of MSMEs as an Effort to Support the Economic Recovery of Communities Affected by the Covid-19 Pandemic".

2 Theoretical Foundation

Government Strategic Policy

Strategy is an approach that is all related to the implementation of ideas, planning and execution in activities that have a certain time. A good strategy lies in coordinating within a work team, having a theme, and carrying out supporting activities that are in accordance with the principles of implementing rational ideas, being efficient in generating resources, and having a way to achieve a goal effectively and effectively. Strategy has differences in narrow tactics, narrower scope and shorter time, although in general it is often confused between the two words.

Policies are a series of concepts and principles that serve as guidelines and the basis for plans in the implementation of a job, leadership, and ways of acting. it can be applied to governments, private sector organizations and groups, as well as individuals. Policies are different from rules and laws. If the law can eliminate or prohibit a behavior (such as a law requiring the payment of income tax), the policy only guides the actions that are most likely to have the desired result. (Accessed November 12, 2020).

Policymaking is a goal-directed activity, as distinct from a purely expressive and physical activity whose purpose is to influence alternatives in future directions. This view of policymaking as an activity affecting the future is comprehensive for the whole of policy analysis and policy development and underlies the part as a whole. Government as a state apparatus can be interpreted broadly (in a broad sense) and in a narrow sense (in a narrow sense). Government in a broad sense includes all state apparatuses which basically consist of executive, legislative and judicial branches of power or other apparatuses acting for and on behalf of the state. In a narrow sense. The government is the executive power.

Government strategy is an approach taken by the government where the basic concept of the plan is applied for the benefit of the community and can be used in the short and long term.

Digitizing MSMEs

Digitization is a term to describe the process of transferring media from printed, audio, or video forms to digital forms. Meanwhile, MSMEs are a driving force for the economy in all regions of Indonesia. So the digitization of MSMEs is an activity carried out with the modernization method of providing credit by the government through online media to the community in order to help the economic recovery felt by the community.

Economic Recovery of Communities Affected by Covid-19

Economic activities

Economic activity is an activity carried out by the government for the needs of its people as economic beings, which is carried out by providing effort to the community in the form of abilities, skills, and expertise to do and do things in an appropriate and efficient way. What is meant by usefulness here is the ability to meet every need of humans. (Chourmain and Concern, 1994:32-33).

Public

Society is a unit of human life that interacts according to a certain continuous customary system, and which is bound by the same sense of identity (Koentjaraningrat, 2000:146). According to Shadily (1993:47) society is a large or small group consisting of several humans who are naturally interconnected in groups and influence each other.

Business Training for the Community

The business training provided to the community is very necessary so that the community better understands the concepts of entrepreneurship with all kinds of intricacies of the problems that will be faced in the future. The purpose of the training is to provide a more thorough and actual insight so that it can foster motivation for the community besides being expected to have knowledge of entrepreneurial techniques in various aspects, especially the digital aspect during the current pandemic.

The current covid pandemic is felt by most of the community, not in the trade sector, the tourism sector is also very disturbed due to the current covid pandemic, the government always tries to provide the best service to the community so that people can return to their income during this pandemic. In this modernization era, the government seeks to provide assistance to the community in the form of MSMEs that are useful for the community so that people can return to their income. Efforts to increase the ability to generate added value must at least improve access to four things, namely resources, access to technology, access to markets, and access to demand. Patterns in improving the community's economy in an effort to improve people's living standards during the current pandemic, the right form is to help provide opportunities for community business groups to plan and implement what programs they run.

In addition, the community is also given the power to manage their own funds, both from the government. How can the community be productive during the pandemic while everything must be limited, such as maintaining distance and others? That is by means of a digital method, what is meant by this digital method is a method that is carried out through smart phones so that it makes it easier for people to make buying and selling transactions so as to reduce the possibility of the spread of the covid-19 outbreak spreading to the community, as we take for example in people who buy and sell online, Online buying and selling is done by someone ordering goods from the merchants, then the traders start preparing the ordered goods that are desired by the buyer and sent via online motorcycle taxi couriers. This is done to improve the community's economy productively so that it is able to generate added value during the pandemic.

3 Results and Discussion

Improving the Quality of Human Resources

The capacity and quality of a nation through the improvement of superior Human Resources (HR) is a shared task in creating a strong nation and a prosperous country. Through superior, tough and quality human resources both physically and mentally, it will have a positive impact

not only on increasing the nation's competitiveness and independence, but also in supporting national development. In this regard, there are several things that must be the main priority in developing the quality of human resources, among others, first, is a good and quality education system.

To achieve this, it is necessary to reorganize the education system as a whole, especially with regard to the quality of education, as well as its relevance to the needs of society and the world of work. The government in this case has an important role in the implementation of an effective and efficient education system, oriented to the mastery of science and technology and evenly distributed throughout the country. HR transformation is the key to driving the digitization of MSMEs in order to increase productivity in the midst of a pandemic.

Increasing productivity in MSMEs also needs to be supported by a comprehensive MSME development strategy that includes improving the quality of goods, expanding market access, and increasing the capacity of human resources equipped with skills regarding digital technology. Innovation is needed in preparing workforce competencies, including the importance of changing mindsets and increasing productivity towards digitalization, including in the scope of MSMEs.

Programs and Economic Stimulus for MSME Actors

The economy of the Province of Bali, which is supported by tourism, felt a tremendous impact during the COVID-19 pandemic. The series to improve the Balinese economy is like the policy issued by the Bali Provincial Government in recovering the impact of Covid-19, one of which is a program and stimulus for MSME actors.

Technology Assistance and Promotion of SMEs

The development of digital technology has a positive impact on human life in all joints. One of them is in the business world. This technology plays an important role in elevating the status of MSME actors to be even better. Emphasizing the important role of technology in accelerating MSMEs to be able to sell boldly. This acceleration is needed through young innovators so that MSMEs throughout Indonesia can increase their income significantly, specially to support the expected promotion and marketing virtually, so that they are still able to make an optimal contribution during the pandemic to the economy.

4 Conclusion

Improving the quality of human resources as one of the policies of the Bali provincial government to encourage the digitization of MSMEs is important to implement. The government plays an important role in preparing strategic programs to produce quality human resources and ready to enter the job market and as an MSME actor. Community coaching and development, especially the younger generation. As the main support for the wheel, empowering the younger generation is expected to create a generation that is creative, innovative and highly competitive. These characteristics of the younger generation are expected to be able to contribute and win the global competition.

Considering the role of HR strategy for accelerating the country's development, policies and strategic steps for a comprehensive work program must be realized in order to produce many superior Indonesian human resources who are able to compete at the global level. Policy synergy between stakeholders in related sectors and across sectors is absolutely necessary without the existing resources and potential to accelerate the development of Indonesian human resources.

These efforts, of course, require the cooperation of all, especially families, in terms of providing education and expertise in accordance with the standards set by the government. Awareness and enthusiasm to continue to improve self-quality and competitiveness are also

needed from the younger generation who are agents of development for this nation. In addition, monitoring and evaluation is needed to ensure the program runs as expected and has a significant impact in increasing the productivity of the workforce, especially the younger generation. With quality human resources, targets in Indonesia's development will be easier to achieve

Furthermore, the Bali provincial government's strategic policy in terms of Programs and Economic Stimulus for MSMEs is also important to help capital loans for business actors so that they can continue to run their businesses. Lastly, technological assistance and promotions, the technological assistance in question is apparently not providing their business facilities and infrastructure but rather to market their business results instead of using conventional door-to-door methods, currently it is greatly facilitated with the help of several different marketplaces in Indonesia. For the promotion of Bali, the provincial government has implemented a program by utilizing digital platforms for business continuity and encouraging the expansion of MSME financial access through various efforts, including increasing knowledge.

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