

# Community Empowerment Program Model for MSMEs' Actors Affected by Covid-19 in Special Region of Yogyakarta

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## ABSTRACT

This study focuses on modeling community empowerment programs for MSMEs affected by Covid-19 in DIY. Pandemic Covid-19 that have occurred since the end of 2019 has impacted the cessation of activity of MSMEs in DIY. The absence of activity in the tourist area, the implementation of online learning has a slight influence on this condition. The research method used in this research is descriptive exploratory qualitative research method. The purpose of this research is to determine the appropriate empowerment model for MSMEs during the Covid-19 pandemic and to contribute in the form of an academic policy paper for relevant stakeholders. This study uses a desk study and interview technique. Desk studies are carried out through secondary data tracking. Interviews were conducted with regional apparatus organizations (OPD) which handle MSMEs and MSMEs' actors. From the research conducted, it is known that the efforts made by the Provincial / Regency / City Governments within the scope of DIY or CSO in order to help MSMEs actors to survive in this pandemic situation if they are framed by using the empowerment models are used the second and third models. The second model seeks to strengthen the potential or power possessed by the community by implementing concrete steps, accommodating various inputs, providing good infrastructure and facilities. The third model seeks to empower the community in the sense of protecting and defending the interests of the weak community. From the research it concludes that the model of empowering MSMEs affected by Covid-19 in DIY, both carried out by the local government and by CSO such as Muhammadiyah / 'Aisyiyah is done to strengthen the potential or power possessed by MSMEs by implementing real steps, accommodating various inputs, providing infrastructure and facilities good and empowering the community in the sense of protecting and defending the interests of MSMEs.

**Keywords:** MSMEs, Empowerment Model, Covid-19

## ABSTRAK

Kajian ini berfokus pada pemodelan program pemberdayaan masyarakat bagi UMKM terdampak Covid-19 di DIY. Pandemi Covid-19 yang terjadi sejak akhir tahun 2019 berdampak pada terhentinya aktivitas UMKM di DIY. Ketiadaan aktivitas di kawasan wisata, pelaksanaan pembelajaran online sedikit mempengaruhi kondisi ini. Metode penelitian yang digunakan dalam penelitian ini adalah metode penelitian kualitatif deskriptif eksploratif. Tujuan dari penelitian ini adalah untuk menentukan model pemberdayaan yang tepat bagi UMKM di masa pandemi Covid-19 dan memberikan kontribusi dalam bentuk makalah kebijakan akademik bagi pemangku kepentingan terkait. Penelitian ini menggunakan teknik desk study dan wawancara. Studi kepustakaan dilakukan

melalui penelusuran data sekunder. Wawancara dilakukan dengan organisasi perangkat daerah (OPD) yang menangani UMKM dan pelaku UMKM. Dari penelitian yang dilakukan diketahui bahwa upaya yang dilakukan oleh Pemerintah Provinsi/Kabupaten/Kota dalam lingkup DIY atau CSO dalam rangka membantu pelaku UMKM untuk bertahan dalam situasi pandemi ini jika dibingkai dengan menggunakan mod pemberdayaan. - els digunakan model kedua dan ketiga. Model kedua berupaya memperkuat potensi atau daya yang dimiliki masyarakat dengan melakukan langkah-langkah konkrit, mengakomodir berbagai masukan, menyediakan sarana dan prasarana yang baik. Model ketiga berupaya memberdayakan masyarakat dalam arti melindungi dan membela kepentingan masyarakat yang lemah. Dari penelitian disimpulkan bahwa model pemberdayaan UMKM terdampak Covid-19 di DIY, baik yang dilakukan oleh pemerintah daerah maupun oleh CSO seperti Muhammadiyah/Aisyiyah dilakukan untuk memperkuat potensi atau kekuatan yang dimiliki UMKM dengan menerapkan langkah-langkah nyata, menampung berbagai masukan, menyediakan sarana dan prasarana yang baik serta memberdayakan masyarakat dalam arti melindungi dan membela kepentingan UMKM.

**Kata Kunci:** *MSMEs, Empowerment Model, Covid-19*

## INTRODUCTION

This study focuses on modeling community empowerment programs for MSMEs affected by Covid-19 in DIYin. The previous research was carried out on MSMEs groups that were affected by natural disasters ([Samantha, 2018](#)) ([Isa & Mangifera, 2019](#)). Therefore, the theme of this research was chosen as a new paradigm because it's so rare about previous research themes focused on empowering MSMEs that were affected by non-natural disasters. Based on various previous studies, MSMEs can provide job opportunities for millions of people in Indonesia who are not accommodated in the formal or large business sectors ([PRASETYO, 2020](#)) ([Weldeslassie et al., 2019](#)).

Since the economic crisis hit Indonesia in 1997-1998, the MSMEs have contributed significantly to the national economy. Contribution includes the number of business units, provision of employment, national income, non-oil and gas exports, and investment. In terms of business units, during the period 1997- 2019, the number of national MSMEs increased from year to year. In 1997, MSMEs recorded about 39.8 million units. The crisis in 1998 resulted in a decrease in the number of MSMEs to 36.8 million units. After the 1997-1998 economic crisis, the number of MSMEs in Indonesia increased, reaching 57.8 mil- lion

units in 2013. During those 15 years, the number of MSMEs had risen by 46 percent. The latest data from the Ministry of Cooperatives and Small and Medium Enterprises shows, in 2018, Indonesia had 64.19 million businesses or around 99.99 percent of the total well-known business units throughout the country. In terms of labor absorption, MSMEs are a sector that absorbs a large number of workers. In 1997, the number of workers in the MSMEs was 65.5 million workers. Fifteen years later (2013), the work force in the MSMEs grew by 74 percent to 114.1 million workers (<http://www.depkop.go.id/data-umkm>). The latest data from BPS shows that MSMEs absorb 117 million workers or 97 percent of the absorption of the business world workforce in 2019. The rest, as much as 3 percent, is fascinated by corporations ([BPS.go.id](https://www.bps.go.id)). These data indicate that the role of MSMEs in the Indonesian economy is very significant. This also applies to the context of DIY. MSMEs in DIY can absorb 79 percent of total employment. Data for 2017 shows that the contribution of MSMEs to the Yogyakarta economy reaches 98.4 percent. In this context, MSMEs in DIY are still the Yogyakarta economy's main pillars ([Yogyakarta Office of Cooperatives and MSMEs, 2018](#)).

Pandemic Covid-19 that has occurred since the end of 2019 has impacted the cessation of activity of MSMEs in DIY. Not only in DIY, Indonesia. A similar case occurred in many parts of the world, such as in Pakistan ([Shafi et al., 2020](#)) India ([Sipahi, 2020](#)) ([Dubey & Sahu, 2020](#)) Nigeria ([Dubey & Sahu, 2020](#)). The absence of activity in the tourist area, the implementation of online learning, the implementation of Large-Scale Social Restriction (PSBB) policy has a slight influence on this condition ([Chaudhary et al., 2020](#)). So that MSMEs do not fall deeper into the brink of collapse as an impact of the Covid-19 pandemic, the role of

stakeholders, society (CSO), and other parties is needed to strengthen their position. Efforts to improve the function of MSMEs to remain competitive and support the national/regional economy can be manifested in empowerment models.

Likewise, MSMEs in DIY, Data obtained from the Office of Cooperatives and MSMEs in DIY shows that more than 59 percent of MSMEs experience marketing difficulties ([Yogyakarta Office of Cooperatives and MSMEs, 2020](#)). To MSMEs in DIY do not suffer losses due to the pandemic Covid-19, it is necessary to intensify the empowerment of MSMEs to become active activism efforts in pandemic situations.

Many empowerment studies for MSMEs have been carried out before. Among these studies is research that tries to find a Strategy Model for empowerment and progress of MSMEs ([Habiburahman et al., 2019](#)). This study uses primary data from MSMEs and informants. It uses descriptive analysis, multiple linear regression analysis, and the Ordinary Least Square method. The results show that the Empowerment strategy and the development of MSMEs are predominantly determined by internal factors, namely Management, Finance, Marketing, and External factor, namely the role of the Regional Government

Another study is about the formulation of the empowerment model of MSMEs in the Indragiri Hilir Regency, Riau, Indonesia ([Zulkarnain et al., 2018](#)). The MSME empowerment model in the Indragiri Hilir Regency consists of three dimensions: external factors that include the role of government, the role of State-owned Enterprises/ Private Enterprises, and the part of Non Bank Financial Institutions/Cooperatives/NGO's and the role of higher education. Besides that, it is also necessary to strengthen internal aspects such as; financial, marketing,

production, and human resources. Supporting factors include management information systems and natural resources.

The following study is about empowering MSMEs through digital lending ([Priyono et al., 2020](#)). The initiatives for business are already transforming the way commerce is conducted and are expected to position the country among the top seven globally to go entirely digital. However, the initiative for business cannot be done if only by ignoring the unorganized, small and medium scale enterprises. Several aspects and functions of business are now monitored and regulated digitally. The procurement of funds to run the company is no exception. There is significant scope for digital lending platforms to fund MSMEs (Micro, Small, and Medium Enterprises) who are ill-equipped to deal with the procedures and lead time involved. These platforms often serve as 'white knights' to firms in distress. Digital lending platforms have gained prominence recently as there is a funding crisis in India due to a sharp downturn in the banking and non-banking-financial services (NBFC) sectors. Access to funding at a viable cost and when needed has become a critical success factor for the MSME sector. Digital lending as an industry by itself or a segment of a broader industry owes its growth to the power of IT and acceptance of digital financial transactions by regulating authorities like central banks. IT has made evaluating credit worthiness smarter and quicker. The increased penetration of smartphones and websites has enhanced access to customer data (individual and corporate) and processing at speeds not experienced before. This gives digital lenders a competitive advantage of efficient evaluation of credit risk in lending to MSMEs and startups. This paper focuses on the study of traditional lending practices for MSMEs and identifying the potential for digital lending to the MSME

sector in India.

The last study is about the linkage program of Islamic institutions and government institutions in empowering MSMEs ([Sukmana, 2020](#)). The results of this study indicate that there are four parties involved in the empowerment linkage program, and each party has its respective roles to empower MSMEs. Furthermore, there is also some increasing range of empowerment in terms of the amount of empowerment program funding and improving the quality of MSME, since the COVID-19 are rushing in many lines.

This article will focus on modeling community empowerment programs for MSMEs affected by Covid-19 in DIY to fill the gap. The purpose of this research is to determine the appropriate empowerment model for MSMEs during the Covid-19 pandemic and to contribute in the form of an academic policy paper for relevant stakeholders. The benefits of conducting this research are scientifically beneficial for developing public administration science, especially in the study of empowerment policies. The practical uses for government administrators are expected to become a reference material for local governments in academic texts in the study of MSMEs empowerment. In addition, this research is also likely to provide a reference for Muhammadiyah / 'Aisyiyah in choosing the suitable model for empowering MSMEs during the Covid-19 pandemic. The research question is how the suitable empowerment model for MSMEs in the context of the Covid-19 pandemic in the Special Region of Yogyakarta? What roles can stakeholders play in initiating the right empowerment model for MSMEs?

## LITERATURE REVIEW AND RESEARCH FOCUS

The empowerment model chosen also influences the success of empowerment ([Rifa'i, 2013](#)). Therefore, to find an effective empowerment model for MSMEs' actors,

modeling needs to be made. In the previous research, no one has specifically discussed the modeling of community empowerment programs for MSMEs. The study conducted by Wahyuningsih and Niswah on Empowerment of the Tanggulangin Bag and Luggage Industry (Intake) Post-Lapindo Mud Disaster by The Office of Trade, Industry and Cooperatives Sidoarjo Regency and published in 2016 is one of the previous studies on the empowerment of MSMEs. This study aims to describe the Tanggulangin bag and luggage industry mandate after the Lapindo mud disaster by The Office of Trade, Industry, and Cooperatives of Sidoarjo Regency. The focus of this research study is the empowerment program carried out by the government. The results showed that the empowerment carried out by the Trade, Industry and Cooperatives Office of Sidoarjo Regency. In the other hand, overcoming the problems of the bag and luggage industry can be said to be good in Tanggulangin District. Still, the performance is not optimal as seen from the aspect of enabling, strengthening aspects, aspects of protection, aspects of support, and maintenance aspects.

Similar research has also been conducted by ([Maryanti et al 2019](#)) in West Nusa Tenggara Province with the title "Moving the Economic Through the Recovery of Micro, Small and Medium Enterprises and Industries " the Earthquake Disaster in West Nusa Tenggara ([Maryanti, S., Netrawati, I. O., & Faezal, 2019](#)). This study conducted a mapping of the distribution of MSMEs in NTB to facilitate the implementation of the MSMEs recovery programs to revive the economy. However, the title of this research is related to the recovery of MSMEs after a disaster; there is no recommendation on what kind of program most appropriate to be mobilized to restore the economy of MSMEs and in NTB Province. However, the advice from this study has invited

all stakeholders (not only the government) to take part in the recovery program.

In 2011 ([Hamid, E. S., & Susilo, Y., 2011](#)) also conducted similar research in DIY. The focus of this research is on MSMEs development strategies ([Hamid & Susilo, 2015](#)). The results of the study, entitled "Strategies for Development of Micro, Small and Medium Enterprises in the Province of Yogyakarta Special Region," resulted in several strategies for developing MSMEs in DIY based on the problems faced by MSMEs in DIY. Among them are: 1) Marketing; 2) Capital and funding; 3) Innovation and utilize the information technology; 4) Use of raw materials; 5) Production equipment; 6) Labour absorption and empowerment; 7) Business development plan; 8) Readiness to face external environmental challenges. The recommended strategy is that it is hoped that there will be support from employers' associations, universities, and related agencies/agencies in the district/city and provincial governments, as well as policy support from the Government, including:

1. Various training in more varied and quality-oriented product development based on local resources;
2. Government support for the development of the production process by revitalizing more modern machines and equipment;
3. Development of highly competitive products with regional characteristics;
4. Credit policy by banks with lower interest rates and a more straightforward approach will support the acceleration of the revitalization process of the production process;
5. Improving the quality of physical and non-physical infrastructure reduces distribution costs so that MSME products will have higher competitiveness;
6. Policy support for developing promotions to export and domestic markets with various more modern and varied media.



But unfortunately, again, the recommendations from this study only demand the role of the Government with its policies. The parts of other stakeholders are not analysed.

## RESEARCH METHOD

The research method used in this research is the descriptive exploratory qualitative research method. This research method produces descriptive data about spoken and written words and the observable behavior of the people studied (Taylor and Bogdan, 1984). Meanwhile, descriptive qualitative research aims to explain something through a study that seeks to describe it, not looking at relationships or comparing (Ulm and Juanda, 2016). Qualitative descriptive research here explores how The Yogyakarta Office of Cooperatives and MSMEs and the stakeholders who are interested in empowering MSMEs in implementing their empowerment model for MSMEs in the pandemic era can respond to the problems faced by MSME's actors in Yogyakarta. This research has been carried out during September - December 2020 in Yogyakarta. Moreover, in this research, the researcher utilizes two data collection methods: desk study and interview. The data analysis method is an integral part of data collection. This research is based on qualitative data. The study is using Data analysis to processing, collecting, and obtained some materials and interviews in collecting the data supporting this study (Sugiyono, 2012).

## RESULT AND DISCUSSION

Community empowerment can be used as an appropriate approach to overcome various existing problems, such as social, economic, environmental, and so on, which can be implemented by multiple institutions, starting from the

government, business sector, and the common people. Community empowerment is also used to build the power itself by encouraging, motivating, and raising awareness of its potential and trying to develop it. These efforts are followed by strengthening the potential or strength possessed by the community itself. The critical point is that community empowerment is an effort to provide power or ability for the district to get out of the problems it faces. The community can live independently and meet all kinds of obstacles in their lives.

Pandemic Covid-19 has been a particular challenge for the global and national economy. MSMEs, as part of the support of the national economy, also face these challenges. In this context, community development for MSMEs is necessary to raise awareness of its potential and try to get out of the problems it confronts due to the pandemic Covid-19. MSMEs in the context of the economy in DIY have a very significant contribution. The number of MSMEs in DIY in 2020 is 287,682.[1] Based on Yogyakarta's Office of Cooperatives and MSMEs, it was recorded that 98.2 percent of the economy in DIY was contributed by the MSMEs sector ([Yogyakarta's Office of Cooperatives and MSMEs, 2020](#)). MSMEs in DIY is also one of the most significant business sectors in absorbing labor in DIY. This condition is especially true in the micro-business sector, which dominates around 80 percent of the total 230 thousand MSMEs in DIY.

However, due to the Covid-19 pandemic, MSMEs in DIY are experiencing setbacks. More than 59 percent of MSMEs actors admitted that they had difficulties in marketing because during the pandemic, tourism did not operate, and the education sector was carried out online. The cause is that MSMEs actors have no buyers. Apart from marketing difficulties, the large-scale social restriction (PSBB) policy in several regions has also made it difficult for

MSMEs in DIY to obtain raw materials. Regions that implement PSBB automatically cannot send the raw materials needed by MSMEs in DIY. Therefore, so that MSMEs do not fall further into this pandemic situation, rescue steps are required. This rescue step can be carried out by many stakeholders using an empowerment framework. As for community empowerment carried out in the scope of DIY, it is carried out by various stakeholders, including the Government, State-Owned Enterprises (BUMN), community organizations, and organizations that are concerned with MSMEs. In the other hand, the DIY's government through The MSMEs and Cooperative officer has prepared a strategic policy as a frame- work for economic recovery in the DIY region during the COVID 19 pandemic. The strategic approach aims to create social & economic resilience in facing the COVID 19 pandemic in DIY, which is prepared and run by the DIY's government to maintain the sustainability of MSMEs' actors, among others, are the empowerment of human resources through MSMEs assistance, IT-based online marketing training, and other similar programs. Besides 59 percent of MSMEs actors that the pandemic has impacted, Yogyakarta also has around 78,000 small and medium industries that support the trade sector affected by this pandemic. This sector forms the informal workers or gig workers in Yogyakarta and forms the backbone of Yogyakarta's economy with a relatively significant contribution. Moreover, the COVID-19 pandemic has also made MSMEs' actors unable to move. Apart from marketing difficulties, the Large-Scale Social Restriction (PSBB) policy in several regions also made it difficult for MSMEs in Yogyakarta to obtain raw materials. Regions that implement PSBB automatically cannot send the raw materials needed by MSMEs in Yogyakarta. In the early stages of this

process, The MSMEs and Cooperative Officer made adjustments by making improvements to the MSMEs baseline data through SIBAKUL, surveying the impact of covid on MSMEs, establishing operational procedures & SOPs for cooperatives and MSMEs in the New Normal Era, as well as the socialization of SOPs for cooperatives and MSMEs in the New Normal Era. In general, these programs are summarized in the following table:

TABLE 1. THE OFFICE OF COOPERATIVES AND MSMEs' PROGRAMMED IN INTERVENING MSMEs IN PANDEMIC COVID 19

Programmed	2020		2021	
	Budget (IDR)	Number of MSMEs	Budget (IDR)	Number of MSMEs
Halal Certificate	552,218,000	200	65,215,000	90
Food Safety Licensed (PIRT)	78,873,000	60	-	-
B POM Distribution License Registration	68,920,000	20	114,995,000	20

Source: DIY Cooperative & Small Medium Enterprise Office, 2021

Meanwhile, according to the Sibakul program, DIY Cooperative & Small Medium Enterprise Office has a number of activities to maximize the free shipping service that has been running so far. Among them are the development of the Sibakul application feature and the addition of the free shipping budget which was originally only IDR 147,500,000 to IDR 1,299,280,000, with a target of 2,000 MSMEs that can be served

TABLE 2. SUPPORTING ACTIVITIES FOR SIBAKUL PROGRAMMED IN PANDEMIC COVID 19

Sibakul Programme	Budget (IDR)	Number of MSMEs	Budget (IDR)	Number of MSMEs
Application Creation	98,000,000	-	-	-
Application Development	80,000,000	-	50,000,000	-
Free Shipping	147,500,000	988	1,299,280,000	2.000

2020

21

20

Source: DIY Cooperative & Small Medium Enterprise Office, 2021

The adjustment process is accompanied by program acceleration by collaborating with partners, namely Grab and Gojek, in helping MSMEs' distribute their products to consumers through a free shipping policy. The free shipping policy implemented as of July 2020 is a policy of exempting postage for consumers who shop for MSMEs products in DIY with a minimum IDR 50,000. The free shipping costs for consumers will be charged to the 2020 DIY's Regional Budget to handle COVID 19 and regional incentive funds. The registration process can be done through the application and uploading the best photos of the products owned. An additional requirement for the product to get free shipping facilities is that the product must pass a curation assessment. The Office of Cooperatives and MSMEs will accompany MSMEs who do not pass the curation to repair their products until they are declared eligible to be included in curation again. As of January 2021, at least 986 MSMEs have taken advantage of the free shipping facility with a total transaction of 19.178 transactions and a total nominal shipping fee of IDR. 163,355,000. The nominal total expenditure from MSMEs is IDR. 2.268.652.170, -. This value has driven the economy of MSMEs, consumers, and online motorcycle taxis (Grab and Gojek) by 6.39 times, which is around IDR 2.689.249.395, - million; the economy of MSMEs is rotating. Ordering MSMEs products can be made online via the following pages: (1) the [sibakul-jogja.jogjaprovo.go.id](http://sibakul-jogja.jogjaprovo.go.id) web as a market hub, and (2) the JOGJAKARTA play store application, which includes the SIBAKUL JOGJA menu. In simple terms, MSMEs are provided with marketing media assistance with postage exemption because postage costs will be borne by local governments who partner with online motorcycle taxis. On

the other hand, consumers are entirely free of shipping costs for products purchased from MSMEs. Furthermore, orders for couriers are made by the Customer Service (CS) of the DIY Cooperative & Small Medium Enterprise Office, which continues to stand by for seven consecutive days to help MSMEs and encourage increased public consumption. The de-livery process by courier partners is also carried out while adhering to standard health protocols.

In addition, there are also activity programs that shift the focus of production for MSMEs' actors. MSMEs' actors who previously engaged in batik and handicrafts are encouraged to produce masks that many parties currently need. The production results are then distributed to the Marine, Office of The Agricultural, and Office of the Transportation, totaling approximately 43,940 masks. The masks are then distributed by the Office of fishers, market traders, farmers, and other objects. Another empowerment program is related to providing 250 handwashing tools/places and involving Kasongan ceramic artisans. The de-livery of these products collaborates with the Tourism Office, which then distributes them to approximately 50 tourist destinations in DIY. Besides this program, there is also another program support related to licensing facilities. The facilitation of halal permits is also given by the DIY's Government in collaboration with the National Agency of Drug and Food Control (BPOM) so that MSMEs' products can be more competitive and more advanced. Facilitation programs and efforts to bridge financial assistance are also being encouraged. What has been done is to collaborate with State-Owned Enterprise (BUMN), such as Bank Mandiri, BNI, BPD DIY, Angkasa Pura, and PT Kereta Api Indonesia. As for the context of districts/cities in DIY, in general, they have empowerment programs that are almost similar to those carried out by the DIY's Government. Such

as Yogyakarta City and Bantul Regency's empowerment focus is quite identical to those of DIY, namely data collection, training, and mentoring. However, each district/city government in DIY also has a unique empowerment program owned by the region. For example, in Sleman Regency, there is a data collection program, such as any training and mentoring programs held in DIY. Sleman regency also has an exciting empowerment program, namely strengthening capital through technical service unit (UPT) capital in Sleman Regency. The main agenda of providing business loans with interest facilities 6 % per year. This program also includes installment relief, where in the first four months, the installment interest is only sufficient. Only in the fifth month began to carry out the obligation to pay principal installments and interest.

Another program that Sleman Regency owns is establishing an association of partners for providing personal safety equipment (APD), which is confirmed by the Head of The Office of Cooperative and MSMEs. With this program, it is expected to facilitate access to procurement and facilities for MSMEs. The fulfilled requirements are that MSMEs are already in the form of groups, communities, or any form of association with a community group whose statutes and bylaws (AD-ART) are confirmed by an authorized official. There are other exciting things related to the empowerment of MSMEs in the Sleman Regency that empowering MSMEs is synergized with village-owned enterprises (BUMDes). When BUMDes has activities that bring guests, the supporting components are ordered through the related MSMEs. In addition, BUMDes also plays a role as a marketing forum for MSMEs products in Sleman Regency.

Another interesting MSMEs' empowerment program is found

in Kulon Progo Regency. Kulon Progo Regency's Government focuses on three main things, namely strengthening institutions, facilitating access to capital, and empowering businesses. In general, Kulon Progo Regency has more than 40 thousand MSMEs' actors, 98% of which are micro businesses which, of course, are also affected by the COVID 19 pandemic. Efforts to recover from this impact are then carried out in various programs and policies. The first thing done by The Office of Cooperatives and MSMEs was to collect data on MSMEs' actors affected by the pandemic. The data collection results then become a priority to be empowered through the Toko Siap Antar (ready to delivery) program. This program aims to empower business actors, especially providers of necessities, to become partners with the Government in distributing products to the community (including as a distributor of products/goods for the Program Keluarga Harapan (PKH)). At least 185-190 micro-businesses are ready to become partners in the Toko Siap Antar program and ready to distribute goods in the Kulon Progo Regency area. Second, in coordination with the Special Region of Yogyakarta to empower business actors with Kulon Progo regency who are ready to produce equipment needs related to the COVID 19 pandemic, to distributed in area of DIY. In addition, by coordinating with the DIY's Government, the Kulon Progo's Office of Cooperative and MSMEs also continues to oversee access to information so that later MSMEs' actors can participate in the procurement process at the provincial level through e-catalogs. Third, strengthening efforts are also carried out in terms of capital. Among them are facilitating and assisting the registration of central government assistance, registration of pre-employment cards, a grant from the Center of National Amil Zakat Agency (Baznas) in collaboration with Baznas' Kulonprogo to help affected poor and poor MSMEs. The



assistance will be adjusted to the needs of each MSMEs' actor. In addition, the Kulon Progo's Office of Cooperatives and MSMEs also facilitated the registration of intellectual property rights and trademarks. However, a typical mainstay program in Kulon Progo Regency is the Gayeng Regeng Blonjo Bareng (GRBB) program, which is a derivative of the main Bela Beli Kulon Progo program. GRBB carries 2 (two) main agendas that are very important in realizing the strength of the community in the Kulon Progo Regency, namely preserving the relationship between residents and migrant residents and finding creative and innovative solutions to stimulate the community's economy. In general, the technique is to share information and products needed by both residents and migrants (which will be provided by residents and Kulon Progo residents who have mi-grated outside the region).

Furthermore, the empowerment program carried out by Gunungkidul Regency is an MSMEs empowerment program that focuses on empowering micro-entrepreneurs. In 2018 Gunungkidul Regency had 23 thousand MSMEs, of which more than 90% are micro-business actors. If we refer to current conditions, of course, almost all MSMEs' actors in Gunungkidul Regency are affected and experience a significant decrease in in-come. However, although nearly all sectors have experienced a decline in revenue, there are still business sectors that are relatively able to survive, namely the processed food business sector. Based on the results of the interviews, it is known that the processed food sector is still capable of producing and selling its products to consumers. Still related to the current pandemic condition, the Gunungkidul Regency government, through the Office of Cooperatives and MSMEs, cannot develop new policies and stick to efforts to maximize the program of activities that

have been planned through budget implementation document (DPA) in 2020. In addition, there is also a refocusing pro-gram directed at activities to groups. The form of activities includes entrepreneurship training in training for beginner entrepreneurs.

Apart from this training, vocational training was also held by increasing specific skills to rise and continue developing. Through these activities, it is hoped that micro business actors can produce various products according to current needs. In this training, different interactions can provide additional benefits for participants in developing their business. Another positive impact of this vocational training is establishing intensive communication between participants after the workout is completed through the Whatsapp Group forum. This forum is then used to offer products to each other, become a reseller, and expand the sales market. One of the weaknesses in Gunungkidul Regency is the lack of a qualified digital media platform. Even though Gunungkidul has Gunungkidul's Smart City, which contains a page related to local products that can be used as an online marketing medium, generally, MSMEs actors have not understood well.

In line with the empowerment program carried out by the Government, empowerment of UMKM actors is also carried out by Muhammadiyah as part of the civil society organization (CSO). As a CSO born and raised in Yogyakarta, Muhammadiyah also tried to save MSMEs' actors during this pandemic. Through its autonomous organizations, Muhammadiyah continues to step up and innovate in the face of the pandemic. It is 'Aisyiyah, an autonomous Muhammadiyah organization that carries out various MSMEs empowerment programs to survive during the pandemic. 'Aisyiyah, through the Economic and Employment Council, works hard to improve the standard of living and welfare of

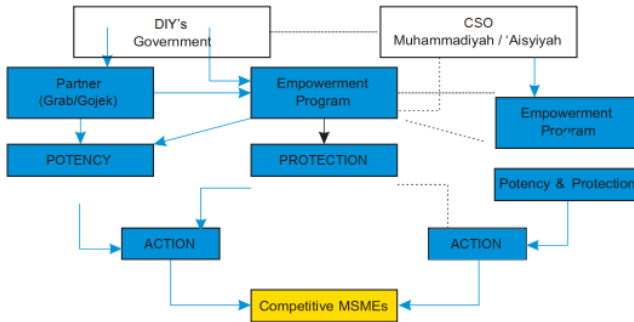
citizens, people, and society. Among them is through the optimization program for economic assistance and development through the Aisyiyah Family Economic Development Program (BUEKA) in the community, developing efforts to improve the skills of community groups, especially the poor, and strengthening the position and condition of micro and small businesses managed by women in terms of access and control of economic resources. Since the Covid-19 pandemic hit 'Aisyiyah, which has had several priority programs, it can still be carried out by making various adjustments. Among them is the family economic empowerment movement through the 'Aisyiyah Family Business Development (BUEKA), developing and strengthening Microfinance Institutions (LKM) and 'Aisyiyah Cooperatives, developing new business actors from among TKI / TKI Retired / Informal Sector Workers and the community through the 'Aisyiyah Entrepreneurship School (SWA), developing models for the family food security movement, and building consumer and distribution networks.

Through that priority programs, 'Aisyiyah is innovating to empower MSMEs' actors during the pandemic. Among these innovations is organizing an online marketplace with various possible platforms for all Regional Leaders, Regional Leaders, Branch Managers, and Branch Leaders of 'Aisyiyah. With this policy, automatically, the fifth priority program, namely building consumer and distribution networks during the Covid-19 pandemic, is getting stronger. Another policy is developing a program to strengthen the 'Aisyiyah Family Business Development Program (BUEKA), which continues to be expanded to the branches of 'Aisyiyah by developing Caffe as known by Kedai BUEKA. Departing from the spirit of mutual help and mutual strengthening, Kedai

BUEKA is one of the places for MSMEs'actors to entrust their products (the majority of which are daily necessities) to meet the needs of residents. The concept of returning to "declaring" neighboring stalls is very much felt in this program, and the products they buy are also cultivated and pro-vided by MSMEs actors within their scope. With this concept, it becomes mutually reinforcing and beneficial. Then the development of the SWA School program with an online system and strengthening capital through savings and loan cooperatives for affected MSMEs actors.

The efforts made by the Provincial / Regency / City Governments within the scope of DIY or CSO to help MSMEs actorssurvive in this pandemic situation if they are framed by using the empowerment models that have been presented in the early part of this paper, the more empowerment models are used arethe second and third models. The second model seeks to strengthen the potential or power possessed by the community by implementing concrete steps, accommodating various inputs, providing good infrastructure and facilities. Whether by providing a policy, improving baseline data, providing training, assistance, strengthening capital, etc. The third model seeks to empower the community to protect and defend the interests of thevulnerable community. In this empowerment process, a solidarity buying movement emerged, namely the tendency to buy goods produced by friends, neighbors, and colleagues. This movement was manifested in providing 250 tools/washing places and in-volving Kasongan ceramic artisans by the Yogyakarta's Office of Cooperative and MSMEs Department, the Gayeng Regeng Blonjo

FIG 1. GOVERNMENT AND CSO EMPOWERMENT SCHEMES



Notes of figure 1:

- The white column is the empowerment formulator
- The blue column is an empowerment post
- The yellow column is the result of empowerment
- The blue arrow is the empowerment that has been carried out
- The dotted black line is a pattern of cooperation that has been made possible by the DIY's Government and Muhammadiyah Regional Governments / 'Aisyiyah in an effort to empower MSMEs' actors

Bareng (GRBB) program, which is a derivative of the main BelaBeli Kulon Progo program. In addition to this program, in the second model of empowerment category, there is also a halal permit facilitation program also provided by the DIY's Government in synergy with the National Agency of Drug and Food Control (BPOM) so that MSMEs' products can be more competitive and more advanced. Facilitation programs and efforts to bridge financial assistance are also being encouraged; currently, what has been done is to collaborate with State-Owned Enterprises, such as Bank Mandiri, BNI, BPD DIY, Angkasa Pura, to PT Kereta Api Indonesia. This empowerment aims to anticipate that the

weak will get weaker or July be marginalized in facing stronger business actors or facing a situation.

## **CONCLUSION**

The model of empowering MSMEs affected by Covid-19 in DIY, both carried out by the local government and by CSO such as Muhammadiyah / 'Aisyiyah is done to strengthen the potential or power possessed by MSMEs by implementing fundamental steps, accommodating various inputs, providing infrastructure, and facilities good and empowering the community in the sense of protecting and defending the interests of MSMEs. The MSMEs were realized, among others, by providing strategic policies as a framework for economic recovery in the DIY region during the COVID 19 pandemic. More technically, this policy was translated by improving baseline data, providing training, providing assistance, strengthening capital, solidarity buying movement, and so on.

Empowerment models, as implemented, are expected to stimulate the emergence of innovation from MSMEs so that they can continue to produce and market their products to consumers. The ability of this innovation in the next stage can make MSMEs players adapt and survive in a pandemic situation. However, innovation and adaptation from MSME actor require support from several stakeholders so that the process can run well. Therefore, collaboration with various stakeholders, such as the government, the banking sector, entrepreneurs, community organizations, and other stakeholders, is necessary.

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