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## ***Indonesian Government Policies for Supporting Post COVID-19 Pandemic Economic Recovery of Small Medium Enterprise***

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### **Abstract**

*The impact of the COVID-19 pandemic on MSMEs led to a decline in the national economy. This phenomenon prompted the government to take steps toward revitalizing the national economy by supporting this sector. The purpose of this policy is to create a conducive and mutually beneficial business climate, where large companies have both social and economic responsibilities. The research method used is a qualitative approach through analysis techniques based on primary and secondary data aiming to determine policy support that can develop post-pandemic MSMEs. Theoretically, the content analysis of this policy review highlights several dimensions to consider, including First, equity, which refers to the extent to which the policy can provide justice to the target group. Secondly, organizational support, which refers to the support provided by the organization for the implementation of the policy. Thirdly, benefits and profitability. Fourthly, Financial Support, which is the financial resources provided for the implementation of the policy. The findings of this research suggest the following regarding policy support for post-pandemic MSME development. First, the impact of the regulation serves as a legal framework and offers benefits when viewed from the aspects of equity, organizational support, benefits, profitability, and financial support. Second, the implementation of this policy requires collaboration among multiple actors, including the central and local governments, in order to promote post-pandemic MSME development. Third, the development of modern shops has led to the creation of regulations aimed at promoting partnerships for the establishment of small and medium enterprises.*

**Keywords:** *Policy Support, MSMEs Economic Recovery, Post-COVID-19.*

### **Introduction**

The significant economic downturn due to COVID-19 has prompted aggressive steps by world authorities. In addition to policy steps to strengthen the health sector, the authorities are also paying attention to efforts to overcome the impact of the economic downturn by launching various stimulus. The policy targets are also very broad, starting from households, corporations, MSMEs, even local governments, and targeting various economic sectors. Various institutions

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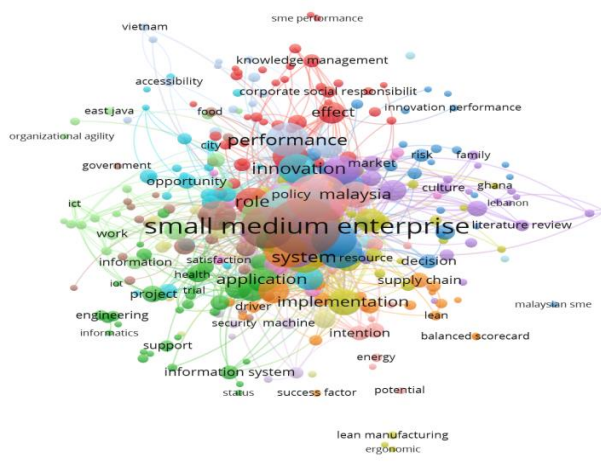
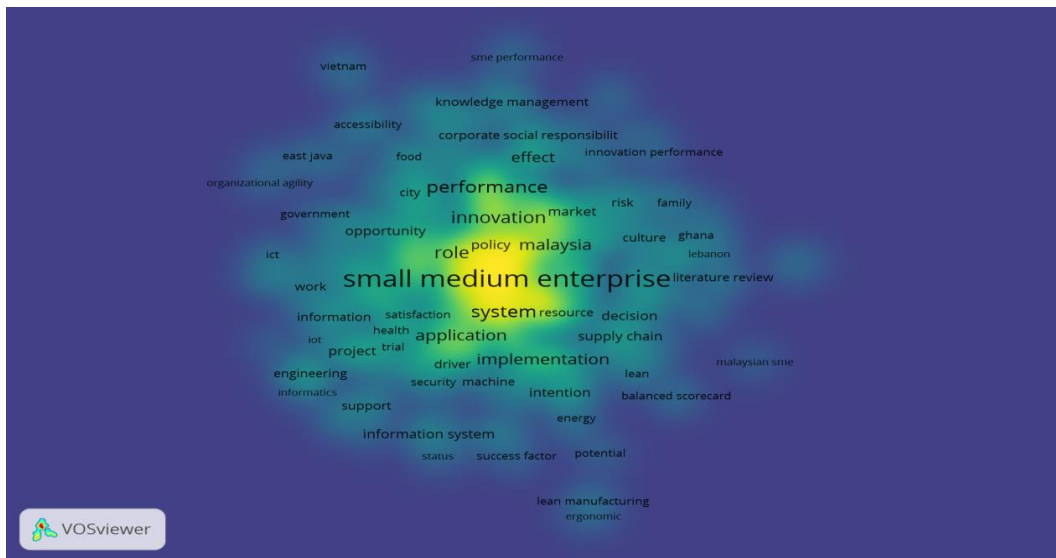
such as the IMF, World Bank, ASEAN have also called for the importance of international cooperation to overcome the impact of the pandemic (Soleha, 2020; Suksmonohadi & Indira, 2020).

Based on these problems, in general, the response to government policies in each country is carried out by means of policy diversification, including in the category of deferral measures, policies related to personal/corporate income tax are the most widely adopted policies. In the category of financial instruments, the policy of providing direct loans specifically to MSMEs through public sector financial institutions is the most widely adopted policy. This policy is implemented by Indonesia, Malaysia, Singapore and Thailand. In the last category, namely structural policies, training and redeployment policies are the most widely adopted policies. This policy is implemented by Indonesia, Malaysia, Singapore and Thailand. For redundancy policies, the search for alternative markets, and business and environmental sustainability steps were not taken by the five countries as a policy response (Yudistira & Jesasta, 2022).

In Indonesia, there are several regulations aimed at supporting post-COVID MSMEs development. The first one is the Law of Indonesia Number 11 of 2020 concerning Job Creation, which provides organizational support and benefits to help businesses compete in a globalized economy. In order to support creative work and drive progress, modifications to regulations are imperative. These changes must provide ease, protection, and empowerment to both cooperatives and MSMEs, improve the investment ecosystem, accelerate national strategic projects, and simultaneously enhance the protection and welfare of workers. Following this, the second regulation is Law Number 2 of 2020 on the Establishment of Government Regulation in Lieu of Law Number 1 on Financial Policy and Financial System Stability for Handling the COVID-19 pandemic, which focuses on equity, organizational support, benefit, profitability, and financial support for affected businesses and communities. This regulation prioritizes spending for health, social safety nets, and economic recovery. The third regulation is Presidential Regulation No. 108 of 2020 on the Committee for Handling the Corona Virus Disease 2019 (COVID-19) and National Economic Recovery. This regulation monitors the implementation of strategic policies related to the recovery and transformation of the national economy, including the quick and accurate resolution for implementation problems faced by real business sectors. Furthermore, the regulation also focuses on equity, organizational support, benefit, profitability, and financial support for businesses.

During the COVID-19 pandemic, the substantial research focus was on MSMEs, such as the study conducted by Thaha (2020), which examines the impact of the pandemic on the MSMEs in Indonesia. Thaha argued that the pandemic has greatly impacted the Indonesian economy through its effects on the MSME sector. Accordingly, the pandemic has affected 1,785 cooperatives and 163,713 MSMEs, with cooperatives that are engaged in daily necessities such as food and beverages being the most affected. The lack of sales, capital, and distribution delays was felt by cooperative managers. Furthermore, according to Pratiwi (2020), MSMEs experienced a decrease in income due to the pandemic. The following year, Utami (2021) examined the aspect of consumption and purchasing power, which has also been affected by the pandemic as the income of many workers were either lost or reduced. This has led to a

decrease in people's purchasing power and has in turn put pressure on producers and sellers. Ayu Frihatni, Sudirman, and Mandacan (2022) showed that there was a drastic drop in sales, hence, the government should help MSMEs recover their economy through policy support during the COVID-19 pandemic. Based on this, it can be seen that the position of the novelty of the research can be seen in the following Figure 1:



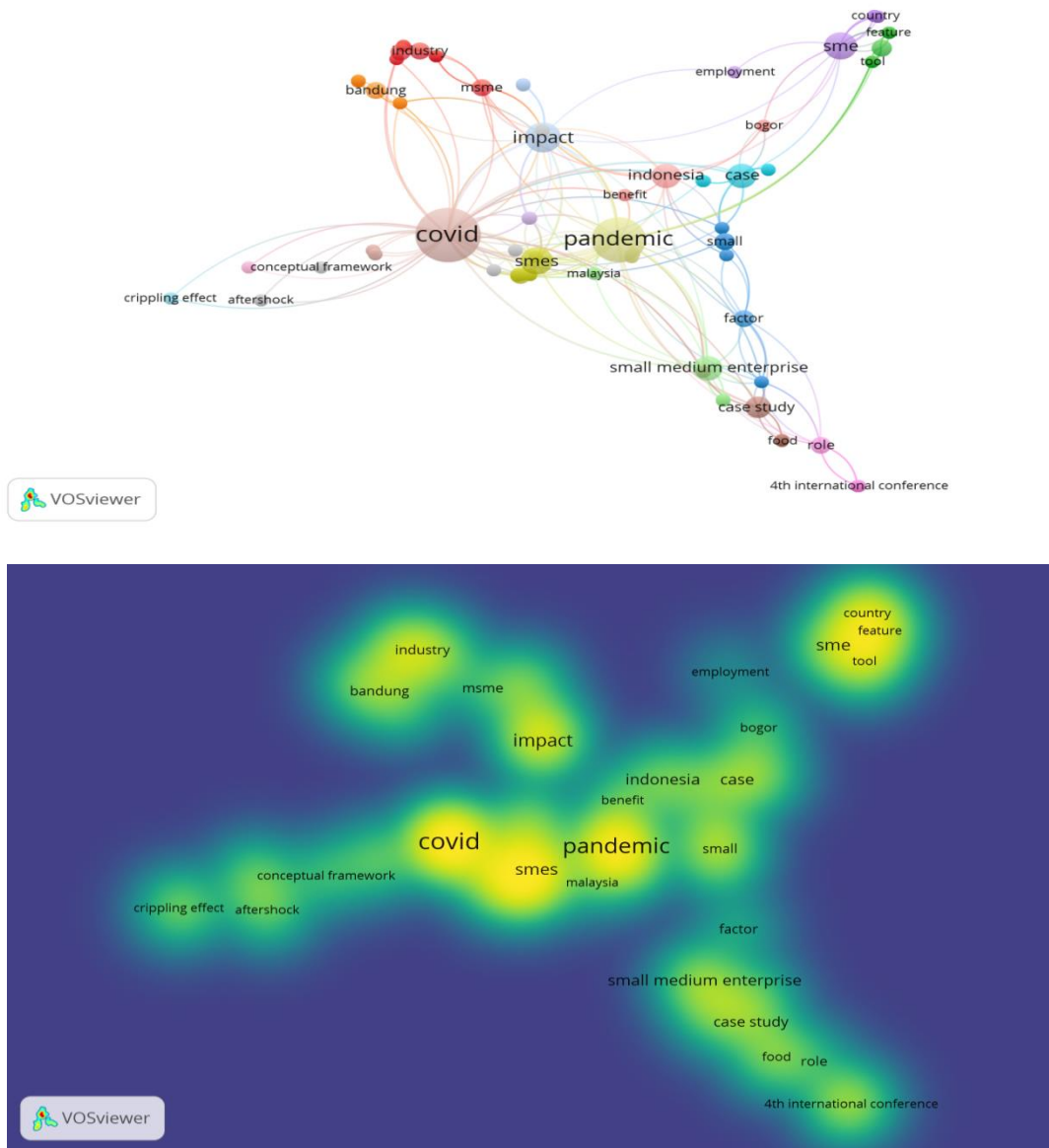


Figure 1. Position of Policy Support Research in Post-Pandemic MSME Development

Sources: Researcher Analysis, 2023

**Literature Review**

Theoretically, the research on policy in content analysis shows that several dimensions play a crucial role in its examination, including: first, equity, which is related to the extent to which the policy can provide justice to the target group (Basri& Hill, 2020). Walker et al., (2022) found that the policy must bring about the justice that can be felt by minority groups, likewise, the implementation of health policies should be equitable (Zamora, Flores-Urrutia, &Mayén, 2016). Similarly, Gadson, (2020) indicated that in order to tackle the impact of the COVID-19 pandemic, the policies made by the government should provide social justice, especially to vulnerable groups that were impacted. Second, organizational support for policy implementation. This includes support from various organizations in sectors related to the policy, such as agriculture (Iliopoulos, 2013) or natural resource management (Reiter, Meyer, & Parrott, 2019). Political support from the implementors is also needed to tackle issues such as unemployment (Jones, Nielsen, &Popiel, 2014). Third, the benefit and profitability brought about by the policy. Studies showed that the implementation of policies in areas such as forestry management can provide both ecological benefits and contribute to reducing poverty (de Vries et al., 2015; Wong et al., 2017; Athari&Bahreini, 2021; Tercero-Lucas, 2021). Fourth, financial support is also crucial for policy implementation across various sectors, such as education, healthcare, and agriculture (Gebhardt, 1994; Ragas & Tran, 2015; Mezias& Goutam, 2016; Bilger, 2017; Campbell &Magnan, 2018; Hasan, Yajuan, & Mahmud, 2020; Hendrikse et al., 2020; Kim, 2020; Alves & Lourenço, 2022; Cao & Zhang, 2020; Ekpo et al., 2022; Millett, 2022). These studies found that sufficient financial support is necessary for effective policy implementation.

**Method**

Content Analysis of Regulations	(1) Data sources: <a href="https://www.peraturan.go.id">https://www.peraturan.go.id</a> , <a href="https://www.jidhn.go.id">https://www.jidhn.go.id</a> and <a href="https://www.kemenkopukm.go.id/">https://www.kemenkopukm.go.id/</a> (2) Data period: 19 April 2019- 1 September 2022 (3) Type of data: Central Government Regulations from Laws, Regulations in lieu of Laws, Ministry Regulations (4) Implementation of regulatory data collection: This regulation was taken from 2019 to 2021
Data Collection Technique	Interviews with multi-0 including local government, regional apparatus organizations, and MSMEs business actors.
The Scope of Regulation used in the Analysis	Government policies that are relevant to supporting the economic recovery of MSMEs during the COVID-19 pandemic
Data Analysis and Policy Categorization	(1) Equity (2) Organizational support (3) Benefit and Profitability (4) Financial Support

**Result and Discussion**

Several policies that support post-pandemic MSME development in Indonesia include:

Table 1. Policy Mapping

No	Regulation	Year	Setting Point	Setting Categories			
				E	SO	BP	SF
1	Law Number 11 of 2020 Concerning Job Creation	2 November 2020	<p>Job creation is expected to absorb as many workers as possible amid increasing competitiveness and the demands of economic globalization. To support this, adjustments are needed in various regulation aspects related to ease, protection, and empowerment of cooperatives and MSMEs, the improvement of the investment ecosystem, the acceleration of national strategic projects, and the improvement of workers' protection and welfare. The regulations related to the aspects above are currently spread across various sectors. Admittedly, when laws cannot meet the legal needs for accelerating job creation, then changes are needed. Efforts towards changing the regulations can be performed by changing sector laws that do not support the realization of synchronization in ensuring the acceleration of job creation. Subsequently, a legal breakthrough is needed to consolidate various problems into a single comprehensive law.</p>		√	√	
2	Law Number 2 of 2020 concerning the Stipulation of Government Regulation in	16 May 2020	The COVID-19 crisis has brought about various consequences, among them being a reduction in the pace of economic growth on a national scale, a decline in government income, and a surge in both	√	√	√	√

	Lieu of Law Number 1 of 2020 on State Finance policies and Financial System Stability for Handling the COVID-19 Pandemic		government expenditures and financing needs. Consequently, various efforts from the government are needed to rescue national health and the economy, with a focus on spending for health, social safety, and economic recovery for both businesses and communities affected by the pandemic.				
3	Government Regulation Number 28 of 2021 concerning the implementation of the industrial sector	2 February 2021	Non-fiscal facilities as referred to in paragraph (3) can be provided at least in the form of a. ease of permit services; b. ease of obtaining land/location; c. technical assistance.	√	√	√	√
4	Presidential Regulation Number 108 of 2020 Concerning the Committee for Handling Corona Virus Disease 2019 (COVID-19) and National Economic Recovery	10 November 2020	The implementation, management, and monitoring, as well as the quick and effective resolution of implementation issues of strategic policies related to the national economic recovery and transformation, such as the problems faced by real-sector businesses.	√	√	√	√
5	Government Regulation Number 7 of 2021 Concerning Ease, Protection, and Empowerment of Cooperatives		(1) The establishment of an integrated information system and database for MSMEs and cooperatives; (2) Integrated management of micro and small businesses in the organization of clusters; (3) Legal assistance and guidance for micro and small businesses;	√	√	√	√



	and Micro, Small to Medium Enterprises		and Improving the capacity of cooperatives and MSMEs through training and guidance.				
6	Government Regulation in lieu of Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the 2019 Corona Virus Disease (COVID-19) Pandemic in the framework of dealing with threats that endanger the national economy and financial system stability	31 March 2020	The COVID-19 pandemic has some effects, such as a reduction in the pace of national economic growth, a decrease in state revenue, and an increase in government spending and financing. Consequently, various efforts from the government are needed to rescue national health and the economy, with a focus on spending for health, social safety net, and economic recovery including for businesses and communities affected by the pandemic.				
7	Government Regulation Number 39 of 2021 concerning the Implementation of the Halal Assurance Field	2 February 2021	The government is responsible for conducting the Halal Product Assurance to obtain a Halal Certificate, as recognition of the halal status of a product issued by the Halal Product Assurance Agency based on a written fatwa issued by the Indonesian Ulema Council.	√	√	√	
8	Regulation of the Minister of Cooperatives as	16 April 2019	The Electronic Integrated Business Permit or Online Single Submission (OSS) is a business permit issued by	√		√	



	<p>well as Small and Medium Enterprises Number 2 of 2019 Concerning Electronically Integrated Business Permits for Micro and Small Enterprises (Minister of Cooperatives and Small and Medium Enterprises, 2019)</p>		<p>the OSS Agency on behalf of the Minister, Head of Agency, Governor, or Regent/Mayor to the Business Actor through an integrated electronic system.</p>				
9	<p>Decree of the Minister of Cooperatives and Small and Medium Enterprises Number 22 of 2020 concerning procedures for submitting cooperative debtor data in the context of providing interest/margin subsidies for credit/financing of micro, small and medium enterprises to</p>	<p>19 Augusts 2020</p>	<p>The cooperative submits a list of debtors as candidates for receiving interest subsidies.</p>	√	√	√	√

	support the implementation of the economic recovery program						
10	Regulation of the Minister of Finance Number 85 /PMK.05/2020 concerning procedures for granting interest/margin subsidies for credit/financing of micro, small and medium enterprises to support the implementation of the economic recovery program. (Minister of Finance, 2020)		To implement the provisions of Article 20 paragraph (4) of Government Regulation No. 23 of 2020 on the Implementation of the National Economic Recovery Program in support of the National Financial Policy to Handle the Corona Virus Disease 2019 (COVID-19) Pandemic and/or to Address Threats that Endanger the National Economy and/or Financial System's Stability and National Economic Rescue, the Minister of Finance Regulation No. 65/PMK.05/2020 on the Procedure for Providing Interest/Margin Subsidy for Micro, Small, and Medium Enterprises (MSMEs) for Credit/Financing in support of the Implementation of the National Economic Recovery Program has been established. The National Economic Recovery Program hereinafter referred to as the PEN Program, is a series of activities for the recovery of the national economy as part of the financial policy implemented by the government to speed up the handling of the COVID-19 pandemic and/or to address threats that endanger the national economy and/or financial system stability as well as national economic rescue.			√	√

11	Implementation Guideline number 01 of 2021 concerning financial assistance programs for entrepreneurs		Various government support and assistance to MSMEs have been channeled to the relevant ministry/agency handling MSMEs.	√	√	√	√
12	Regulation of the Minister of Cooperatives and Small and Medium Enterprises Number 2 of 2021 with regards to allocating government aid to small business owners to aid in the national economic recovery and address challenges that pose a threat to the country's economy.	17 March 2021	In an effort to support and sustain micro-entrepreneurs who are facing the adverse effects of the COVID-19 pandemic, the government has initiated assistance programs to aid the recovery of these businesses and preserve the stability of the national economy amidst the pandemic-related threats.	√	√	√	√

Description:

E : Equity

SO : Support Organization

BP : Benefit and Profitability

SF : Support Financial

Based on the data above, it can be seen that Benefit and Profitability, one of which is contained in Number 11 of 2020 Concerning Job Creation, has a Support Organization and Benefit and Profitability. This shows that this work copyright law involves many actors and work copyright

is one of the government's supports. The benefit in this law is MSME Support. This law claims that it will make it easier for Micro, Small and Medium Enterprises (MSMEs) to register Intellectual Property Rights (HAKI) and establish an individual Public Company (PT) and provide convenience by requirements and affordable costs so that there is certainty of legalization for MSME actors for the establishment of the PT. It is hoped that with the Job Creation Law, the ability of MSMEs to absorb employment will be even greater considering that MSMEs are the spearhead of Indonesia's economic growth because 99 percent of business actors in the country are MSMEs with employment reaching 97 percent (Jumanah, 2020).

In addition, the policy structure is a dimension that plays a role in the development of MSMEs, namely the regulations contained in table no. 1-12 concerning Micro, Small and Medium Enterprises. The basis for the consideration of the emergence of this regulation is that the empowerment of Micro, Small and Medium Enterprises as necessary is carried out in a comprehensive, optimal and sustainable manner through the development of a conducive climate, provision of business opportunities, support, protection and business development as wide as possible, so that they are able to increasing the position, role and potential of Micro, Small and Medium Enterprises in realizing economic growth, equity and increasing people's income, creating jobs and alleviating poverty as well as an increasingly dynamic and global economy.

Conceptually, this regulation explains that (1) Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for Micro Enterprises as stipulated in this Law. (2) Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branch companies that are owned, controlled, or become part either directly or indirectly of Medium or Large Businesses which meet the criteria for Small Enterprises as referred to in this Law. (3) Medium Enterprises are productive economic enterprises that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become part of either directly or indirectly with Small Businesses or Large Businesses with total net assets or annual sales proceeds as regulated in this Law. Specifically, this regulation explains that it is necessary to develop a business climate, through aspects; funding, facilities and infrastructure, business information, partnerships, business licensing, business opportunities, trade promotions and institutional support. The government must also carry out business development through sector facilitation; production and processing, marketing, human resources, technology design. The need for partnerships between the Government, Regional Government, the Business World, and the community to facilitate, support, and stimulate partnership activities, which need, trust, strengthen, and benefit each other. (2) Partnerships between Micro, Small and Medium Enterprises and Partnerships between Micro, Small and Medium Enterprises and Large Enterprises cover the process of transferring skills in the fields of production and processing, marketing, capital, human resources and technology. The forms of partnerships can be implemented in the following pattern: plasma nucleus, sub-contract, franchising, general trading, agency distribution.

Micro, Small and Medium Enterprises are business activities capable of expanding employment opportunities and providing broad economic services to the community, and can play a role in the process of equity and increase in people's income, encourage economic growth, and play a role in realizing national stability. In addition, Micro, Small and Medium Enterprises are one of the main pillars of the national economy which must receive the main opportunity, support, protection and development as wide as possible as a form of firm alignment with the people's economic business group, without neglecting the role of Large Enterprises and Business Entities. State Owned. Even though Micro, Small and Medium Enterprises have shown their role in the national economy, they still face various obstacles and constraints, both internal and external, in terms of production and processing, marketing, human resources, design and technology, capital, and climate. business. In order to increase the opportunities, capabilities and protection of Micro, Small and Medium Enterprises, various policies have been established regarding business reserves, funding and development but they are not optimal. This is because the policy has not been able to provide protection, business certainty, and adequate facilities for the empowerment of Micro, Small and Medium Enterprises. In this regard, Micro, Small and Medium Enterprises need to be empowered by: a. growth of a business climate that supports the development of Micro, Small and Medium Enterprises; and b. development and fostering of Micro, Small and Medium Enterprises. As an effort to increase the capacity and institutional role of Micro, Small and Medium Enterprises in the national economy, this empowerment needs to be carried out by the Government, Regional Government, the Business World and the community in a comprehensive, synergistic and sustainable manner.

The basis for forming this regulation is also to foster a business climate which is an effort by the government and regional governments to synergistically empower Micro, Small and Medium Enterprises through the establishment of various laws and policies in various aspects of economic life, so that Micro, Small and Medium Enterprises obtain partiality, certainty, opportunity, protection, and business support as wide as possible.

Micro, Small Enterprises and Medium Enterprises are one of the main pillars of the national economy which must receive the main opportunities, support, protection and development as wide as possible as a form of firm alignment with people's economic enterprises, as is the case with home industry activities and business groups. along with not neglecting the role of Large Enterprises and State Owned Enterprises. Taking into account the foregoing, and to empower Micro, Small and Medium Enterprises in an effort to improve the capacity and quality of their business, take sides to provide more business protection and certainty as well as to serve as a guide for the Government, Regional Government, the Business World and the community, it is necessary to draw up Regulations aimed at; (1) that freedom to do business is a public and private right that must be encouraged as a consequence of more competitive and fair business opportunities opening up, so as to be able to spur investment to increase the pace of sustainable economic growth. (2) that with the development and expansion of Shopping Centers and Modern Stores, Traditional Markets and Micro, Small and Medium Enterprises need to be protected and empowered so that they can grow and develop harmoniously, synergistically, mutually reinforcing businesses, mutually beneficial and competing in a healthy

manner. (3) that it is necessary to regulate the placement of Shopping Centers and Modern Stores in certain locations, so that there is synergy with micro, small and medium scale traders in Traditional Markets. (4) that in order to improve supervision, control and balance of trading businesses, it is necessary to develop partnerships between large, medium, small and micro trading businesses, ease the movement of capital, goods and services and prevent unhealthy business practices. When viewed from the intent and purpose of regional regulations include; to provide legal certainty to business actors to develop their business while continuing to provide protection and empowerment to Traditional Markets and MSMEs as well as ensuring a balance between the growth of large, medium and small trading businesses.

In Indonesia, legal measures have been established to safeguard the advancement of enterprises through the implementation of regulatory policies. (Metaxas & Duquenne, 2015). A study conducted in Ireland has demonstrated that government support programs, such as a food assistance initiative for small business owners, can have a positive impact on the growth and advancement of these businesses (Quinn et al., 2014). Public-private partnership programs also allow micro-enterprises to benefit from assistance rendered by the government. Admittedly, government policies play a significant role in shaping the types and quality of businesses in a country or region (Smallbone & Welter, 2010). Policies for small businesses should be designed to help them overcome growth barriers and improve their competitiveness (Crichton, 2007; Kaikkonen, 2006; Bennett, 2008). The results of a formal policy analysis and in-depth interviews conducted within the Lebak Regency have led to the following conclusions.

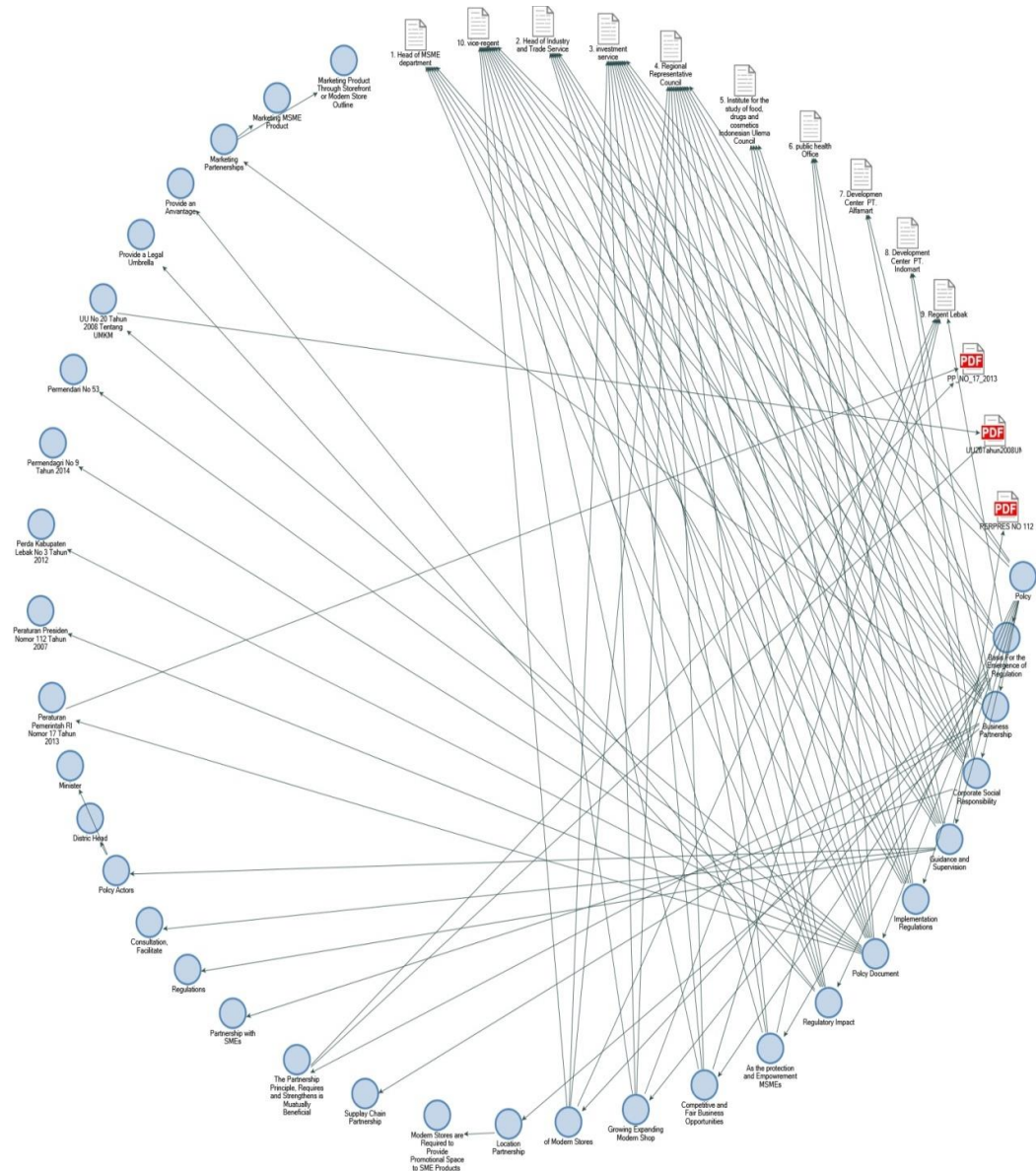


Figure 2. Coding the results of interviews with informants

Source: Processed Data, 2023

According to interviews with various informants, **the first aspect of equity** in government programs is not perceived as fair by the community. This is due to a lack of information and



inaccessible locations. Therefore, in order to ensure equal welfare, the government needs to consider the equity of the recipients. The government has instituted support measures that are aimed at promoting equity, such as the Government Regulation Number 28 of 2021, which outlines the implementation of the industrial sector, including non-fiscal facilities as outlined in paragraph (3). These facilities may be provided in the form of a. ease of permit services b. ease of obtaining land/location and c. technical assistance. Furthermore, Government Regulation Number 7 of 2021 on the ease, protection, and empowerment of cooperatives and micro, small and medium enterprises, was put in place to aid in the implementation of an integrated information and data system for micro, small, and medium enterprises and cooperatives the integrated management of micro and small enterprises in the cluster arrangement legal assistance and support for micro and small enterprises and the increase of capacity for cooperatives and micro, small and medium enterprises.

**Secondly, support organizations**, both in the government and private sectors, have been established, but full collaboration is still lacking. Indonesia has regulations in place to support institutions, such as Law Number 11 of 2020 on Job Creation, Implementation Guidelines Number 01 of 2021 on entrepreneurial funding programs, and Ministerial Regulation No. 2 of 2021 on the Distribution of Government Assistance to Micro-Entrepreneurs for Supporting the National Economy During Threats.

**Third, Benefit and Profitability.** This aspect highlights the lack of significant progress in the ability of micro, small, and medium-sized enterprises (MSMEs) to collaborate with minimarkets. The government has however, supported post-COVID-19 MSME development through the following policies, a. Government Regulation No. 7 of 2021 Concerning Facilitation, Protection, and Empowerment of Cooperatives and Micro, Small and Medium Enterprises and, b. Regulation of the Minister of Cooperatives and Small and Medium Enterprises No. 2 of 2021 on the distribution of government assistance to micro-business actors to support national economic recovery in the face of threats that could endanger the national economy.

**Fourth, Financial Support.** This aspect indicates the scarcity level of financial assistance and the challenges faced in obtaining capital support on the field. The government provides financial support as reflected in policy documents, such as Regulation of the Minister of Cooperatives and Small and Medium Enterprises No. 2 of 2021 on the distribution of government assistance to micro-business actors to support national economic recovery in the face of threats that endanger the national economy, Regulation of the Minister of Finance No. 85 / PMK.05/2020 on the procedure for granting interest/margin subsidies for credit/financing of micro, small, and medium business to support the implementation of the economic recovery program. (Minister of Finance, 2020), and lastly, the Decision of the Minister of Cooperatives and Small and Medium Enterprises No. 22 of 2020 on the procedure for submitting data on cooperative debtors to receive interest/margin subsidies for credit/financing of micro, small, and medium businesses in support of the implementation of the economic recovery program.

The empirical conditions that became the findings in this study show that: first, the basis for carrying out commitments is the cooperation agreement, the Regent's circular letter, the Regent's instructions and appeals, regional regulations regarding MSME partnerships. Second, the reason why commitment between stakeholders is needed is that Lebak has the potential for unique and distinctive MSMEs, that the government has the responsibility to develop MSMEs, the need for companies to have social responsibility. Third, the form of commitment that has been carried out is the implementation of CSR by minimarkets, training, establishing partnerships between business actors, and holding cooperation agreements. Fourth, the objectives of committed stakeholders include; increasing competitiveness and competition, developing business activities of MSME actors, fostering a synergistic and conducive business climate, and establishing partnerships between business actors.

Researchers see that the field results have relevance to several studies that commitment appears as a responsibility, for example (Baldoni, Baroglio, & Capuzzimati, 2014; Burby & May 1998) found that the need for commitment in maintaining the environment as a form of responsibility, then Robertson & Choi (2012) saw that the need for commitment from the results of stakeholder deliberations. However, the results of this study are slightly different from management studies as stated by Marshall (1998) that commitment is used to increase productivity and performance. In addition, Slocombe & Dougherty (1998) and Dhyani, Batra, & Dhillon (2006) see that commitment arises because of loyalty within the organization and the relationship between traders and customers.

Based on these empirical conditions, governance is needed which involves many actors to collaborate (Broccardo, Culasso, & Mauro, 2019) in this case the local government (Handa et al., 2012). This problem is also the same as in water management research, where there is unilateral handling (Yeboah-Assiamah, Muller, & Domfeh, 2018). health (Elizabeth C. Whipple1, Mirian Ramirez1, 2022). The diversity of institutional structures also influences collaboration (Baird, Plummer, Schultz, Armitage, & Bodin, 2019). To establish a partnership between minimarkets and MSMEs actually legally already has legitimacy as the basis for how institutions play a role as stated by Buchanan & Keohane (2006).

Then, if you look at the results of interviews with some of the informants' opinions above, this is in accordance with Uhlaner's research (2003) showing that entrepreneurship is stated as a major issue on the EU policy agenda. Then it was strengthened based on the results of research conducted by Arenal, Feijoo, Moreno, Ramos, & Armuña (2021) which states that the policy agenda in the United States requires public involvement in entrepreneurship. This is in line with the results of a study presented by Kidalov & Snider (2011) Policy for Small and Medium Enterprises is a state effort to seek results such as ensuring domestic sources of supply, overcoming past discrimination, boosting the local economy, promoting innovation, and increasing competition. Regarding the need for partnership space, this is in line with the research of Steele, Ruskin, & Stuckler (2020), which states that the food industry needs promotion, one of which is to encourage partnerships. The need for partnerships is due to problems as previously studied by Bartlett (2001) that SME Development Policy in Various Transitional Stages is dominated by large companies.

Based on the document review, the results of the literature review and the interviews, the researcher tries to synthesize that in the dimension that contains the following rules: first, the impact of this regulation has the effect of a legal umbrella and benefits. Second, the actors in this policy require multi-actors, starting from the central government to regional governments. Third, the basis for the emergence of regulations due to the development of modern shops, the need for partnerships to hold small and medium enterprises. Fourth, the purpose of this policy is to create a conducive and mutually beneficial business climate, large companies have social and economic responsibilities.

Additionally, the government has been providing financial support for MSMEs through the National Economic Recovery (PEN) program. More than 30 million MSMEs benefited from the program, which had a total budget of IDR 112.84 trillion in 2020. In 2021, the government sustained its support for MSMEs with a budget allocation of IDR 121.90 trillion to aid the economic recovery. Also, the government is trying to promote MSMEs to adopt digital platforms through the National Movement Proud of Indonesian Products (Gernas BBI) program. By the end of 2020, 11.7 million MSMEs had joined the program, with a target of ensuring that 30 million MSMEs adopt digital platforms by 2030. Additionally, the government is promoting the export of Indonesian products through the ASEAN Online Sale Day (AOSD), which occurred in 2020, and has passed the Job Creation Law to facilitate, protect, and empower MSMEs. All these measures were put in place by the government with hopes that the law will help MSMEs grow and become more competitive.

Studies showed that entrepreneurship is a key issue in the EU policy agenda (Uhlaner, 2003) and public involvement in this area is necessary for the policy agenda in the United States (Arenal et al., 2021). The policy for MSMEs is an effort by the state to achieve various results, such as ensuring domestic supply sources, overcoming discrimination, improving the local economy, promoting innovation, and increasing competition (Kidalov & Snider, 2011). In the food industry, there is a need for partnerships and promotion, as the MSMEs Development Policy in Various Transition Phases is dominated by large companies (Steele, Ruskin, & Stuckler, 2020; Bartlett, 2001).

### **Conclusion**

In conclusion, the analysis of policies, literature reviews, and interviews with key stakeholders showed that the post-pandemic support policy for MSMEs development includes the following and the findings in this research are; firstly, the provision of legal protection and benefits for MSMEs in terms of equity, organizational support, benefits, and profitability, as well as financial support. Secondly, the implementation of the policy requires collaboration between the central and local governments to support post-pandemic MSME development. Thirdly, the growth of modern stores and the need for partnerships between MSMEs have led to the development of this policy. Lastly, the goal of the policy is to create a supportive and mutually

beneficial business environment where large companies have social and economic responsibilities.

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