Medium, Small and Medium Enterprises and Digital Platforms

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The Covid-19 pandemic has further eroded people's income and purchasing power. People's savings are increasingly decreasing for consumption needs, especially for those who experienced termination of employment or were laid off, resulting in an increasingly depleted source of household funds. Deflation in July and August 2020 was triggered more by falling prices for a number of food, beverage and transportation groups, indicating the large demand in the midst of the Covid-19 pandemic. Trends in other countries show that there is a slowdown in inflation and deflation that is hitting supply and demand. The decline in demand for food was correlated with a decrease in the exchange rate of agricultural food crops by 0.25%, or to be 110.17. Likewise, there was a decrease in the exchange rate of horticultural agricultural products by 0.74%, or to be 99.77; including deflation in the Household Consumption Index of 0.13%. In terms of the contribution of public expenditure, it appears that the 20% group (upper class) reaches 45.49% of the total national consumption, the 40% group (middle class) contributes 36.78%, and the 40% group (lower class) only contributes 17%.

The results of a survey conducted by the Central Bureau of Statistics of the Republic of Indonesia (September 2020) explained that there was a decrease in the income of micro and small businesses by 84% and 82% in medium and large businesses. The sharpest declines were in the accommodation, food and beverage, other services, transportation and warehousing services, construction, manufacturing, and trade sectors. Furthermore, the results of a survey conducted by the Asian Development Bank (April-May 2020) in 4 countries such as Indonesia, the Philippines, Thailand and Laos involving 3,831 MSME respondents explained that the contribution of MSMEs to Gross Domestic Product in the 4 countries was more than 50%. The imposition of regional restrictions had a negative impact on MSMEs, but some MSMEs were still operating despite a decrease in income of more than 40%. Based on the results of the ADB survey, it can be seen that 61.1% of MSMEs in Indonesia reduced the number of workers in March 2020, 59.8% of MSMEs reduced workers in March 2020, and 59.8% of MSMEs reduced workers in April 2020. Large scale reduction of workers was carried out in March-June 2020 and continued until October 2020.

In Law Number 20 of 2008, it is explained that the criteria for micro businesses are having a net worth of at most IDR 50 million, excluding land and buildings for business premises, or having annual sales of at most IDR 300 million. The criteria for small businesses are having a net worth from more than IDR 50 million to IDR 500 million, excluding land and buildings for business premises, or having annual sales from more than IDR 300 million to a maximum of IDR 2.5 billion. The criteria for medium-sized businesses are having a net worth

from more than IDR 500 million to a maximum of IDR 10 billion, excluding land and buildings for business premises, or having annual sales from more than IDR 2.5 billion to a maximum of IDR 50 billion. In the Job Creation Law, in the third part of article 6, it is stated that the criteria for MSMEs can include business capital, turnover, net worth indicators, annual sales results, investment value, incentives and disincentives, application of environmentally friendly technology, local content, or the number of workers according to the criteria of each sector. The MSME criteria listed in the Job Creation Law will be further elaborated in Government Regulations, relevant Ministerial Instruction, and Regional Regulations.

Social protection programs, such as social assistance, are demand-side interventions in preventing a decline in people's purchasing power with the aim of restoring the purchasing power of the poor and vulnerable to poverty. The economic recovery program is aimed more at MSMEs which contribute 99% to the national economy. Entrepreneurs are badly in need of a liquidity assistance program starting from restructuring, relaxation, and new capital assistance. Various programs for economic recovery have been launched by the government, such as the distribution of Presidential Assistance for micro-businesses, distribution of salary subsidies for formal workers through the Social Security Administering Body on Employment (BPJS-Ketenagakerjaan), launching the MSME website, and launching the MSME Digital Market for buying domestic MSME products. All these government programs for economic recovery must be carried out transparently and accountably

MSMEs in the food sector require access to technology, especially in the processing or production of food and beverages at the household kitchen scale, including packaging techniques that are able to extend the storage period of food, maintain food quality, and make food safe during the delivery process. Basically, consumers want leak-proof food packaging. In addition, the food packaging must be able to maintain the food temperature and moisture level, have a separator if the food consists of more than one component, and can be heated in a microwave or oven. The food and beverage packaging not only has a tight and transparent lid, but also has heat resistance and wearable quality according to health standards.

In an effort to expand the market, both domestic and foreign, MSMEs need halal certification in order to be able to penetrate the member countries of the Organization of Islamic Cooperation (OIC) in food products, cosmetics, and medicines. It should be noted that the market share of the three products is still below Brazil, France, Germany and the United States. The Ministry of Trade of the Republic of Indonesia seeks to take advantage of policy instruments, such as the export-import relaxation policy for halal products, to increase exports, strengthen access to international markets, and strengthen the position of exporters of halal products. In addition, the government is also trying to make halal certificates Indonesia acceptable in all export destination countries and able to penetrate the export market without being

The market for special products is a form of market that must be worked on by MSMEs, considering that the uniqueness or locality of MSME products in the creative field has its own selling value compared to mass manufactured products.

DAFTAR PUSTAKA

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