Christopher Carlos Thedy
130218361
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Medium, Small and Medium Enterprises and Digital Platforms

The result 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.

Furthermore, the result of a survey conducted by the Asian Development Bank (April-May 2020) in 4 countries such as Indonesia, Philippines, Thailand and Laos involving 3,831 MSME respondents explained that the contribution of MSME 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. With a contribution of 61.1% to Gross Domestic Product, the recovery of the ultra-micro and MSME sectors is very urgent amidst the pressure of the Covid-19 pandemic. However, the facts show that the problems faced by entrepreneurs are so complex that stimulus and capital assistance only are still inadequate. Other assistance that is needed by MSMEs includes entering the digital system economy, opening new markets, and increasing product competitiveness. Communication and socialization are also needed in an effort to empower MSMEs, including solutions to raw material problems and increasing MSME certainty consistently. The recovery of MSME cannot be separated from the use of information technology, considering that digitalization is the key so that entrepreneurs can survive and develop amid the Covid-19 pandemic.

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