STRATEGY FOR MSMe EMPOWERMENT OF INSANA WOVEN FABRIC IN THE COVID-19 SITUATION

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ABSTRACT

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In the development of the national economy in Indonesia, the priority is Micro, Small and Medium Enterprises (MSMEs). MSMEs are the backbone of the people's economy that can reduce poverty problems and their development is able to expand the economic base and can make a significant contribution to improving the regional economy and national economic resilience. In order for the MSMEs of ikat buna and sotis from Insana to survive the Covid-19 pandemic situation, an appropriate strategy pattern is needed to maintain the existence of MSMEs of Insana's buna and sotis woven fabrics. The research uses qualitative methods with interview data collection methods, participant observation and documentation studies. Then the data analysis technique in this study uses data collection, data reduction, data display and conclusions from data analysis. The results of the study suggest that the pattern of developing MSMEs for insana woven fabrics is by innovating, updating products and then implementing social capital by increasing business networks and increasing income even though the situation is completely limited in the midst of the COVID-19 pandemic.

KEYWORDS

MSMEs; Buna and sotis woven fabrics; Innovation, Technology

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INTRODUCTION

The impact of the corona virus outbreak (covid-19) which first appeared in Wuhan, China has hit all corners of the world and has devastated the economy of all countries, both underdeveloped countries, developing countries and developed countries including Indonesia. The Covid-19 pandemic has had an impact on changes in the order of social life and a decline in economic performance for most countries in the world. The Indonesian economy also experienced a significant impact, various Micro, Small and Medium Enterprises (MSMEs) experiencing business bottlenecks. In an effort to develop the economy nationally, in Indonesia, making MSMEs a priority scale to be developed as MSMEs is considered the backbone in generating the people's economy so that it can reduce the problem of poverty in the community and can expand the people's economic base and make a significant contribution in improving the economy in each region. or region and increase national economic resilience. According to Kurniawan, 2011 in (Efriidyanti & Cerya, 2021), MSMEs are considered as the pillar of the nation's economy. Meanwhile, according to Nuhung (2012) entrepreneurship development through MSMEs has an important role in reducing the number of community unemployment, being able to increase the availability of jobs, reduce the number of poor people and can improve people's welfare and build the mental and character of the country's economy.

The Covid-19 pandemic has had such a bad impact on the community's economy, no doubt that various business sectors were affected, including more than 80 percent of MSME actors. Santoso (2020) stated that MSMEs are the backbone of the economy that generates 60 percent of local GDP, so it is important that the government needs to make efforts to help MSMEs to survive during the pandemic and survive. Based on data released by the Indonesian Ministry of Cooperatives and MSMEs (2020) that 99.99 percent of business actors in Indonesia are MSMEs with a total of 64 million units and MSMEs have absorbed up to 97 percent of the workforce, while large companies only absorb around 3 percent of the workforce. Meanwhile, research from the Indonesian Ministry of National Development Planning found that throughout 2020, there were two main problems faced by MSMEs affected by the pandemic, namely financial problems and supply or demand. Apart from the lack of operational facilities, resources, and funding, MSMEs are also still lacking in mastering digital platforms. From a Bank Indonesia survey, in 2020 only around 12.5 percent of MSMEs were not economically affected by the COVID-19 pandemic and only 27.6 percent of them were able to increase sales turnover. This is also influenced by changes in consumer spending habits directly and a shift to online method platforms.

As digitization increases, e-commerce and e-commerce penetration are predicted to increase significantly and the growth of traditional e-commerce will contribute to online purchases. The e-commerce sector can develop appropriate services to increase the digitization of MSMEs. An adaptive approach needs to be applied by generating profits through MSME services. Extended services for delivery and payments, logistics, inventory management or bookkeeping, electronic money and loans can be used as a reference. Maximizing the services offered by e-commerce platforms is not easy. Cooperation efforts to educate MSMEs in using digital services are still a challenge. Some e-commerce sites such as Shopee and Tokopedia have started to provide education for sellers, but MSMEs still don't understand this consolidated service and digital platform. so the educational approach needs to be improved. By strengthening cooperation, the e-commerce sector can identify some of the main difficulties and identify barriers to MSME development. One of them is the lack of digital platform literacy. After solutions for MSMEs are developed, the e-commerce sector can provide a better
understanding of using their online platform so that MSMEs can market their products effectively (Stawicki et al., 2020).

With the National Economic Recovery (PEN) program which was developed to support MSMEs by disbursing a stimulation fund of Rp. 112.84 trillion has been received by more than 30 million MSME units in 2020. One of the policies that stand out to take sides with MSME development is the tax exemption for MSME units during the COVID-19 pandemic. MSMEs are greatly affected by the decline in consumption and sales, so the extension of the tax exemption is important for sustainability considerations. MSMEs can set aside tax money for operational or working capital expenditures, so they can survive during the pandemic. The government can also manage tax revenues to encourage consumption and growth (Ji et al., 2021). The momentum for economic recovery must continue to be maintained by facilitating access to capital through appropriate regulations. Furthermore, Indonesia’s digital ecosystem can be improved by cooperating with local governments, start-ups and e-commerce can encourage the growth of MSMEs by increasing the purchase of local products (Yin, Moon, & Lee, 2019). Distribution and marketing agents can be deployed for MSMEs through a strong network of partnerships. Meanwhile, a more transparent and efficient supply chain system needs to be implemented for local producers. Start-ups or e-commerce can contribute as an incubator for MSMEs in ensuring product quality and business development (Adawiyah, 2021).

The condition of MSMEs during the Covid-19 Pandemic Based on the results of a Katadata Insight Center (KIC) survey conducted on 206 MSME actors in Greater Jakarta, the majority of MSMEs of 82.9% felt the negative impact of this pandemic and only 5.9 percent experienced positive growth. even caused 63.9 percent of the affected MSMEs to experience a decrease in sales turnover of more than 30 percent. Only 3.8 percent of MSMEs experienced an increase in production and sales turnover. The survey also shows that MSMEs make a number of efforts to maintain their business conditions by taking a number of efficiency measures such as: reducing the production of goods or services, reducing working hours and the number of employees as well as sales or marketing channels. However, there are also MSMEs who take the opposite step, namely by adding marketing channels as part of their survival strategy (Katadata.co.id, 2020).

Meanwhile, survey results from several institutions such as BPS, Bappenas and the World Bank show that this pandemic has caused many MSMEs to have difficulty paying off loans as well as paying electricity, gas and employee salaries. Some of them even had to do layoffs. Other obstacles faced by MSMEs include the difficulty of obtaining raw materials, capital, declining customers, distribution and production being hampered. In addition, changes in consumer behavior and the map of business competition also need to be anticipated by business actors due to activity restrictions. Consumers do more activities at home by utilizing digital technology.

Meanwhile, the changing industrial landscape and the new competition map are marked by four business characteristics, namely Hygiene, Low-Touch, Less Crowd, and Low-Mobility (Andayani, Tjahyadi, & Wafa, 2021). From these conditions, it can be seen that the MSME sector, the majority of which are the lower middle class, has been heavily affected by the Covid-19 pandemic. Companies that are successful in the pandemic era are companies that can adapt to these four characteristics (Priyono, Moin, & Putri, 2020). Business actors including MSMEs need to innovate in producing goods and services in accordance with market needs. These business actors can also develop various new business ideas and ideas that can also contribute to solving the socio-economic problems of the community due to the impact of the pandemic (Rowan & Galanakis, 2020). One of the solutions and challenges for the recovery of MSMEs is incentives for MSMEs.
through the central government's National Economic Recovery (PEN) program in 2020 and continued in 2021 (Fadhli & Rohmah, 2021). The result is that some of the informal sector and MSMEs can survive the impact of the Covid-19 pandemic, which means no experienced a very severe crisis compared to some large industries. In addition, this program is expected to help reduce the decrease in termination of employment rights (PHK) in MSMEs (Susanti & Widajatun, 2021). According to BPS data as of August 2020, there has been the creation of new job opportunities with the addition of 760 thousand people opening businesses and an increase of 4.55 million informal workers (CNBC Indonesia, April 2021). Of the total budget of Rp. 699.43 trillion until May 2021, the realization of the national economic recovery program (PEN) has reached Rp. 172.35 trillion. The budget realization of 24.6 percent of the total budget increased by Rp. 49.01 trillion from the realization of the first quarter, which was Rp. 123.26 trillion. As for these sectors, namely health of Rp 24.90 trillion or 14.2 percent of the Rp 175.22 trillion ceiling, social protection absorbed Rp 56.79 trillion or 37.8 percent of the Rp 150.28 trillion ceiling, priority programs Rp 21.8 trillion or 17.6% of the Rp 123.67 trillion ceiling, support for MSMEs and corporations of Rp 42.03 trillion or 21.7 percent of the Rp 193.53 trillion ceiling and business incentives of Rp 26.83 trillion or 47.3 percent of the Rp56.72 trillion ceiling. On the other hand, the acceleration of the distribution of government social protection can also be seen from the amount of budget absorption or MSME support in particular, the government must ensure that support funds can be distributed quickly and on target. The problems faced today are the lack of integration of existing MSME data and the MSME support scheme through the people's business credit interest subsidy (KUR) which also needs more attention considering that there are still many MSMEs that are still untouched by banking services.

The people of East Nusa Tenggara especially The dawan community in North Central Timor (TTU) Regency has recognized the existence of an appreciated cultural art that can be used as a medium for small businesses in the dawan community, known as micro, small and medium enterprises (MSMEs). The people in TTU who have made ikat weaving a family business that can support the family economy (Tuames, Kase, & Nursalam, n.d.). Ikat is referred to as a medium for transforming people's messages through objects in the form of woven fabrics. For the people of TTU, each tribe has its own uniqueness in terms of the patterns and motifs outlined in ikat creations and none of them are identical (Budiarto, Artiono, & Setianingsih, 2019) In traditional Timorese society, weaving is a valuable family property because this handicraft is difficult to make. Because in the process of making and casting the woven motifs, it is only based on the imagination of the weaver, so that from an artistic point of view, it is very artistic (Devendorf & Di Lauro, 2019). Weaving is very culturally valuable in terms of the symbolic value contained therein, including the meaning of the existing decorations, because certain decorations contained in the woven have spiritual and mystical values according to custom. Weaving is a textile craft that is quite important in the life of the people of NTT Province, in addition to meeting daily clothing needs as well as to increase family income.

Timor ikat, especially in the North Central Timor district, is a home industry inherited from the ancestors carried out by women. Woven fabrics were originally made to meet daily needs as clothing covers and body armor as daily clothes, sleeping blankets. Then developed for the needs of official ceremonies (party, religious ceremony, traditional ceremony, dance, marriage, death etc.). Until now, it is an official and modern clothing material that is designed according to fashion developments. Over time the work of ikat weaving is growing rapidly to meet market demands and needs both locally, nationally and even internationally (Bessie, Langga, & Sunbanu, n.d.). Ikat weaving craft
developed at TTU has penetrated the national and even international markets. However, during the COVID-19 pandemic, which has damaged the structure of the national and international economy, the marketing of ikat woven products has become stagnant, while the production of woven fabrics continues (Widiana, 2021). This requires weavers of ikat cloth, especially women, to have sufficient knowledge and skills by selling online, given the limited conditions due to the corona virus. Various strategies that can be carried out by ikat craftsmen who have many patterns and motifs such as buna and sotis weave are generally in great demand by the wider community, many from developed countries, only by relying on social media which is still very limited in its Internet network. This requires the craftsmen to be more tenacious and creative to make many patterns and motifs that give a very deep impression.

The difference between sotis and buna motifs can be seen in the following pattern image:

Buna Motif

Sotis Motif

Sotis cloth motifs are dominantly carried out by the people of North Central Timor district, but the choice of colors and patterns is adjusted to moral messages, messages of nature, human characters and so on. Especially for the Buna motif, it is only carried out by the people of the Insana sub-district with a combination of several basic modes and special methods. Now the woven fabric of North Central Timor Regency can be used as clothing with modern designs with traditional nuances. Thus, this weaving cultural heritage can be preserved without losing its original elements. Over time, competition in the ikat industry from all corners of the province of East Nusa Tenggara and the territory of Timor Leste, which has similar ikat weavings, has become the main competitor. The appearance of Buna and Sotis fabrics must be able to adapt to market demands by carrying out new innovations but still maintaining traditional basic nuances and basic patterns. In its development, weaving is a source of income for the people of North Central Timor, especially people in rural areas.

Buna and Sotis fabrics are distinguished by the manufacturing process and length of work. The process of making buna fabric is more complicated because it stretches flat like sotis woven but the motif appears like embroidery, while sotis is only flat woven by forming patterns and colors without embroidering but through a binding and dyeing process. In terms of working time, the process of buna takes longer than sotis, this also has an impact on the thickness of the fabric and the price. Buna cloth is much more expensive, on average between 2 million rupiah to 10 million rupiah compared to sotis which ranges from 1 million to 3 million. The two types of woven fabric motifs are in great demand by the public as materials for traditional clothing (wedding, traditional houses, offices), souvenirs, souvenirs and so on. Especially for buna weaving, it has been categorized as classy weaving and is only used or used by people who have a higher social status (elite) and who have above average income. Such conditions encourage people to continue to be creative in providing far more woven fabrics and create new innovations to attract consumers. This is an opportunity for people in rural areas to use woven fabrics as a new economic creation to increase their family income. These traditional weaving crafts have the potential to be able to accommodate a lot of workers, support the community's economy and in turn can improve the welfare of people's lives.
RESEARCH METHOD

The research methodology in this study uses a qualitative approach. This is based on the pattern of strategies that emerged in this study which required researchers to conduct exploratory studies in order to understand and explain the pattern of development strategies for SMEs in buna and sotis woven fabrics which became the focus of the problem in this study. Then the collection of various data and information will be carried out through participatory observation, interviews, and documentation studies of the required data sources. The research was carried out in the Insana swapraja area which has a unique identity for Buna and sotis ikat fabrics. In this study, researchers visited subject informants, namely traditional weavers of buna and sotis woven fabrics to obtain research information about the pattern of MSME development strategies related to the business of buna and sotis woven fabrics.

Researchers used focus group discussion techniques among key informants in determining informants in this study. Focus Group Discussion is a socially oriented data mining instrument. The key informants in this research consist of people who have information, capabilities, and network knowledge of the research subjects which will ultimately direct the researcher to the selected informants. The key informants in this study were officials from related offices (the UMKM and TTU Regency Cooperatives) and the heads of weaver groups engaged in the production of ikat fabrics and then marketed them.

The data used in this study are primary data and secondary data. Primary data comes from direct interviews with the heads of weaver groups. Observation aims to record the pattern of MSME strategies, then the interview is continued to the MSME and Cooperative Office of TTU Regency. In this study, researchers used an interactive data analysis model according to Miles and Huberman (1993) in Herdiansyah (2013). This data analysis model has 4 stages, namely the first stage of data grouping, the second stage of data reduction, the third stage of data display and the fourth stage of drawing conclusions and verifying the data.

RESULT AND DISCUSSION

In research in the Insana swapraja area, the results of data analysis showed that the development strategy carried out by entrepreneurs or SMEs of Insana ikat fabrics was always updating their products to be able to win consumer interest in buying buna and sotis woven products. This is in line with the statement (informant 1) regarding the pattern of SMEs development strategies for insana woven fabrics.

“… every day I always innovate in developing buna and sotis woven fabric products, even every time I always try to make patterns and colors that attract a lot of consumer tastes, but with the corona virus outbreak we have difficulty marketing my woven products. I am with my son who has a Facebook account to try to market our woven products through social media, but no one has responded yet…”

The statement of informant 1 is the same as the statement of informant 2

“… if I concentrate and focus on only one product, for example buna woven fabric, which although the process takes quite a long time, from a marketing and price point of view, it is fast and provides a fairly high economic value. I also have a network in selling buna woven fabric products to international markets such as in Germany.
However, during this covid pandemic, we experienced problems because there were no more visits from overseas buyers. We try to use Facebook social media to promote the woven fabrics that we produce…”

The statement of informant 1 has similarities with the statement of informant 2 which has the same thing that in the results of the research the pattern of business development strategies for insane ikat woven fabrics must innovate by utilizing telecommunication media to market their woven products. Even though it feels foreign and relatively new for craftsmen in using social media to market their woven products, there have been efforts to market their products by utilizing existing technology. In informant 2, he also attaches importance to networks or business partners in selling products. In this study, business networks are also called social capital, in the statement of informant 3, in developing their SMEs also requires social capital.

“… I tried to contact family, relatives or acquaintances/friends who were in town so that by using WhatsApp (WA) they could help promote our weaving products. Because where I live the internet network is not yet reachable…”

The statement of informant 3 is slightly different from the statement of informant 4 which describes it.

“… if I entrust the woven buna and sotis fabrics to my family in the city to be able to sell them directly to employees or entrepreneurs who need ikat cloth…”

From the conclusion of the statements of informant 3 and informant 4 stated that social capital plays a role in the pattern of development strategies for SMEs in insane woven fabrics in dealing with the Covid-19 situation even though there are restrictions on community activities. Even though the covid conditions are less than possible, there are always efforts of ikat woven fabric craftsmen to produce and market their woven products.

The ability of MSMEs in dealing with the increasingly uncertain COVID-19 situation needs to be improved in order to remain able to survive for the stability of the Indonesian economy. In addition, the human resource factor in it also has its own share. The strategy for developing MSMEs to survive can be done by increasing the use of communication technology so that they continue to produce and market their tenants, including through distributing people's business loans (KUR), providing access to marketing information and developing communication information technology to reach every corner.

The tough challenge in developing MSMEs in the current COVID-19 pandemic situation is marketing techniques for woven products that require a telecommunications network. According to Novandari (2013) the intensity of competition in this industry requires MSMEs in the country to have product advantages and the uniqueness of the products produced that are sustainable in order to survive and win the competition.

SMEs must be able to take advantage of technological advances in marketing their products. The use of e-commerce as one of the promotional media as well as sales will be able to expand the sales network of insane woven fabrics to all over Indonesia and even the world. The use of this technology can be an effective strategy in dealing with the increasingly uncertain COVID-19 situation. In addition, the competitive advantages of ikat canine craftsmen must always be improved in order to be able to compete at the international level.

The development strategy in the context of the cultural industry, in this case the human ikat weaving industry, includes:
1) The process or method used by craftsmen/entrepreneurs in an effort to develop their cultural industry products (management strategy)

2) Efforts made by craftsmen/entrepreneurs to make the raw materials and production equipment used, as well as increasing the capacity of the workforce (investment strategy)

3) Efforts made by craftsmen in competing and cooperating between craftsmen/entrepreneurs in marketing their products.

In this regard, the development strategies to be known from the human ikat weaving industry include: 1) Creativity, including: design, shape innovation, artistic taste, values, and others. From this point it will be known whether there are specific things in the craftsman's place, such as: local knowledge, values that limit creativity, and so on. 2) Manufacturing technology, including: provision of raw materials, manufacturing process, developed technology, required expertise, and others. 3) Strategies to market handicrafts. This strategy also includes the role of the organization in which they belong.

**CONCLUSION**

Based on the results of the research and discussion that have been stated, it can be concluded that the evaluation of the government's internal quality control system in the implementation of good governance at the Gorontalo Regency Regent's Office is in the effective category. With the acquisition of this percentage is an accumulation of: Evaluation of the government's internal quality control system in the implementation of good governance with indicators of the control environment in the less effective category with a percentage of 69.93%. Evaluation of the government's internal quality control system in the implementation of good governance with risk assessment indicators is in the less effective category with a percentage of 68.01%. Evaluation of the government's internal quality control system (SPIP) in the implementation of good governance with indicators of control activities in the effective category with a percentage of 70.48%. Evaluation of the government's internal quality control system in the implementation of good governance with indicators of information and communication is in the effective category with a percentage of 74.19%. Evaluation of the government's internal quality control system (SPIP) in the implementation of good governance with indicators of monitoring and internal control is in the less effective category with a percentage of 68.81%.

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