

CHAPTER I

INTRODUCTION

1.1 Background

The spread of the Corona virus that has occurred in various parts of the world has an impact on the world economy, including Indonesia, especially if it is good in terms of trade, investment, and tourism (Nasution et al, 2020). Corona virus disease 2019 (COVID-19) has infected millions of people around the world. The impact on the economy is huge and can cause a country's economy to slump. Millions of people will fall into poverty due to increasing unemployment due to the cessation of some production activities due to lack of demand that can stimulate production activities.

The government has several policies to minimize the spread of the Covid-19 virus, one of which is by limiting people's mobility, both in and out of the district or the region itself, limiting operational time imposed in the place of macro business actors and MSME businesses. The impact of the government policy is the weakening of people's purchasing power caused by a decrease in income or company income so the company provides policies on this by termination of employment (layoffs) and reducing employee salaries. Kartiko (2020), stated that the consequences of social distancing and physical distancing policies during this pandemic have caused constraints on the value chain of the business world, causing various kinds of problems in the Indonesian economy, namely by causing shocks to sectors in the economy.

Several countries affected by the coronavirus or Covid-19 experienced negative economic growth, including: Japan minus 4.8%, Germany minus 5%, France minus 8.2%, the United States minus 3.5%, Italy minus 8.9%, The United Kingdom minus 9.9%. Negative growth was also experienced by several countries in ASEAN, the worst

being the Philippines minus 9.5%, Malaysia minus 5.6%, Singapore minus 5.4%, Thailand minus 6.1%. Similar to other ASEAN countries, Indonesia's economy also experienced minus 5.32% in the second quarter of 2020 (Hasanuddin, 2021).

Based on an administrative compilation conducted by Pusdatinaker (2020) mentioned around 2,265,366 people were recorded affected by Covid-19. The number consists of those who were laid off from the companies where they worked, those who experienced layoffs and the Group of Informal/Bankrupt/Lost Business Workers Interns in Japan who were repatriated as many as 465 people. The following is data on the number of layoffs in Indonesia.

Figure 1. 1 Data on the number of layoffs in Indonesia in 2014-2020

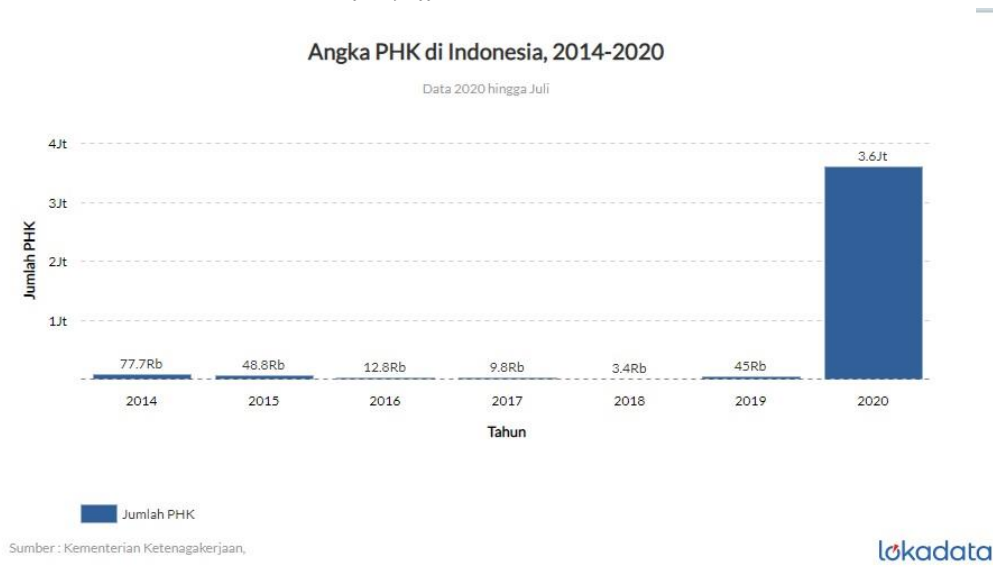


Table 1. 1 Data on the number of poor people in Java
(Source: lokadata data angka PHK di Indonesia)

Figure 1.1 shows that the highest number of layoffs was in 2020 which Covid-19 outbreak entered Indonesia. The Covid-19 pandemic not only has an impact on the economic class of the upper middle class but also has an impact on the economic class

of the lower middle class. Due to Covid-19, many traders or small and medium enterprises have decreased their income and some have even closed their businesses. In addition, the pandemic also affecting poverty day by day. The following data from BPS RI in 2021 regarding the number of poor people in 6 provinces on the island of Java.

No	Nama	Nilai / Persen
1	DI Yogyakarta	11,91
2	Jawa Tengah	11,25
3	Jawa Timur	10,59
4	Jawa Barat	7,97
5	Banten	6,5
6	DKI Jakarta	4,67

(Source: BPS RI data, 2021)

Figure 1.1 indicate that the highest number of layoffs was in 2020 which Covid-19 outbreak entered Indonesia. The Covid-19 pandemic not only has an impact on the economic class of the upper middle class but also has an impact on the economic class of the lower middle class. Due to Covid-19, many traders or small and medium enterprises have decreased their income and some have even closed their businesses. In addition, the pandemic also affecting poverty day by day. The following data from BPS RI in 2021 regarding the number of poor people in 6 provinces on the island of Java.

The number of poor people due to the Covid-19 pandemic in Central Java Province certainly has an impact on regional economic growth, one of which is Bajarnegara Regency. This is in line with the statement (Ertur & Koch, 2007) that, the economic growth of a region is not only influenced by determinants in the region itself but also influenced by determinants from other regions and economic growth of other

regions. BPS data (2022) states that Banjarnegara Regency is the number six highest poverty rate in Central Java Province.

Table 1. 2 Districts with the highest poverty rates in Central Java

No	Nama	Nilai / Persen
1	Kebumen	17,83
2	Wonosobo	17,67
3	Brebes	17,43
4	Pemalang	16,56
5	Purbalingga	16,24
6	Banjarnegara	16,23
7	Rembang	15,8
8	Sragen	13,83
9	Banyumas	13,66
10	Klaten	13,49

(Source : databoks.katadata.co.id, 2022)

The Covid-19 pandemic has an impact on people in Banjarnegara Regency according to BPS Banjarnegara (2020), the results of a survey of 816 respondents from January to June 2020 showed that 51.47% of respondents were still working, 17.40% were laid off, 11.40% did not work because they were laid off and 19.73% did not work. The employment sectors most affected by the Covid-19 outbreak include the service sector by 40%, the construction sector by 17.77% and 15.5% by the large trade and retail sector, car and motorcycle repair.

The people of Banjarnegara Regency experienced a decrease in income by 55.76%. Of the 55.76% of respondents who experienced a decrease, as many as 15.93% of respondents experienced a decrease in income by 1 to 25%, 17.28% of respondents experienced a decrease in income by 26 to 50%, 17.16% of respondents experienced a

decrease in income of 51 to 75%, and the remaining 5.39% of respondents experienced a decrease in income by 76 to 100% (BPS Banjarnegara, 2020).

Table 1. 3 Population poverty data in Banjarnegara District

Kemiskinan	Angka Kemiskinan Kabupaten Banjarnegara		
	2018	2019	2020
Garis Kemiskinan (Rp/kapita/bln)	278 210,00	301 792,00	318 334,00
Jumlah Penduduk Miskin (ribu jiwa)	141,70	136,10	144,90
Persentase Penduduk Miskin (persen)	15,46	14,76	15,64

(Source: BPS Provinsi Jawa Tengah. [Jateng.bps.go.id](http://jateng.bps.go.id))

Based on some of the data above, it can be seen that the Covid-19 pandemic has had a severe impact on the economy of the people of Banjarnegara Regency. The economic activities of the people of Banjarnegara Regency before the Covid-19 pandemic were running normally, namely business actors were active from 06.00-23.00 WIB, there were even several business places that were open 24 hours such as coffee shops and small stalls with an average amount of income ranging from 2-3 million / month.

The implementation of PSBB resulted in the economic situation of the people of Banjarnegara Regency changing drastically, where the community's economy weakened because they only stayed at home and were not free to carry out economic activities. As a result of this, many employees are laid off and become unemployed, this condition triggers theft and other crimes to meet increasing needs. Business premises are also limited to operating hours, starting from 06.00-21.00 WIB, income has decreased dramatically because many consumers find it difficult to gather and carry out ordinary activities, forced to stay at home.

The economic crisis must be overcome immediately so as not to plunge deeper into an economic depression. Therefore, economic recovery must be immediately designed and implemented. The role and policies of the government in fighting this

outbreak are certainly very important for the survival of all levels of society, especially for people affected by the pandemic from the economic side. How the government is able to play a role in maintaining economic stability caused by the Covid-19 outbreak with effective policies that are expected to revive the economy of the people of Banjarnegara Regency.

The role of government can be divided into three forms, namely as a regulator, as a producer, and as a consumer (Hanida & Ladi, 2021). The role of the government in carrying out its duties as a regulator can determine policies that generally aim ultimately at the welfare of the community. The role of the government that aims to restore the economy and increase revenue is several activities as before the Covid-19 pandemic. This recovery is supported by the district government through BLT, MKM, UEK-SP, the procurement of houses for certain groups of people, fertilizer subsidies for farmers, fuel subsidies for non-industrials and others. Domestic funds are used for business aid, so that with the support of the government, the economy of the business community can develop.

The Banjarnegara Regency government's policy regarding handling the Covid-19 outbreak will be rationally accepted by the community if the government also produces policies that can ensure the availability of economic energy sources for its citizens. The Banjarnegara Regency government's effort in dealing with the economic downturn due to the Covid-19 pandemic is to issue policies that are under national economic policies. The role and policies carried out by the government are expected to run effectively so that the government's strategy to restore the economy can be realized.

Based on this background, this study was conducted to see and explain the efforts made by the government, including the Banjarnegara Regency government, efforts to recover the economy amid the Covid-19 pandemic.

1.2 Problem Formulation

- 1) How did the Banjarnegara Regency government strategy to recover the economy amid the Covid-19 pandemic?

1.3 Research Objectives

This study aims to determine the strategy of the Banjarnegara Regency government in efforts to recover the economy amid the Covid-19 pandemic.

1.4 Research Benefits

1.4.1 Theoretical Benefits

The theoretical benefits in this study are worthwhile for producing a thesis report on the strategy of the Banjarnegara district government to recover the economy due to covid 19 as one of the requirements to obtain a Bachelor of Government Science (S.IP.) in the Department of Government Science, University of Muhammadiyah Yogyakarta

1.4.2 Practical Benefits

1. Institutions

It can be used as a reference, reflection, and comparison to be used further in analyzing government strategies to recover the economy due to Covid 19 can be a reference so that research does not stop here.

2. Researchers

As a document that can be a contribution to the government's strategic thinking in order to restore the economy in Banjarnegara Regency due to the Covid-19 pandemic.

1.5 Literature review

(Murapi et al., 2022) Explained that the NTB Provincial Government has a special strategy in economic recovery due to the Covid-19 pandemic. One of the

economic recovery strategies is carried out in the tourism sector. The method used in the research is qualitative descriptive using a content analysis technique approach and literature studies related to the tourism sector as an economic recovery strategy. Based on the results of this study, the potential for the West Nusa Tenggara tourism industry to bounce back due to this pandemic is by taking policies that lead to the use of technological systems and changes in community behavior. The use of technology must increase, all using online, and all virtual. On the other hand, community behavior must be willing to change towards a social safety net, awareness of managers and visitors in interacting, sanitation, health and hygiene, comfort and safety are priorities in welcoming the reopening of tourism.

(Rapitasari, 2021) Explained that the East Java Provincial Government has an economic recovery strategy due to the Covid-19 pandemic with the "Jatim Bangkit" program. The National Economic Recovery Strategy in East Java includes the recovery of trade and industrial activities, overcoming trade barriers both import duties and export-import regulations, the majority of the budget allocated to health and education in order to ease the burden on the community, increasing disposable income through creative efforts, encouraging household consumption which is a contributor to aggregate expenditure, continuing the small industry and cooperative subsidy program and optimism East Java economic growth.

(Widiarsih et al., 2021) Explained that the Riau Provincial Government has an economic recovery strategy policy in the fiscal and monetary sectors. Fiscal policy is represented by variable government spending, while monetary policy is represented by the money supply. This study used the Vector Error Correction Model Method (VECM). Based on the results of the VECM test, it can be concluded that there is a stable long-term relationship between the variables and the research model. The results of data

processing show that the most effective policy due to changes in economic growth in Riau Province is fiscal policy, namely government spending. This can be: judging from the contribution of fiscal policy to economic growth variability which is the largest compared to the contribution of monetary policy.

(Tajuddin, 2021) Explained that the Makassar City Government has an economic recovery strategy policy, especially in the cooperative and MSME sectors after the Covid19 pandemic. Mix method research design that aims to find data and information about the condition of MSME and Cooperative actors, strategies and policy directions of the City Government in economic recovery after the Covid-19 pandemic in Makassar City. The results of this study show that the strategies and policy directions that can be taken by the Makassar City Government in economic recovery for MSMEs and Cooperatives in Makassar City include: first, the provision of social assistance for business actors. Second, the expansion of working capital financing, namely facilitating to obtain soft loans or revolving fund loans through certificates and recommendations on the feasibility of cooperatives in obtaining assistance or revolving fund loans from institutions that will provide loans such as from the Ministry of Cooperatives, known as LPDB. Third, the provision of product buffers through administrative and bookkeeping guidance from the Cooperative Office, assistance in the production process and marketing from the Tourism Office for hallway activities. Fourth, the strategy of developing tourist destinations is through alley tourist destinations.

(Kusuma et al., 2021) The growth of tourists during the pandemic period was negative, as well as the growth rate of hotels was also negative. Tourism industry players suffered heavy losses and many workers were laid off without pay until they experienced job cuts. The recovery of the tourism sector requires a long stage and will be carried out gradually. The first phase began in June 2020 and is expected to lead to

a new normal in 2022. Several action plans are drawn up for the recovery process. The action plan includes the preparation of health protocols, creating digital tourism, tourism information systems, and SMART Tourism. Local governments and tourism actors in DIY need to build SMART Tourism for sustainable tourism after the Covid-19 pandemic. SMART Tourism is an innovation in the tourism sector by utilizing information technology in integrating tourism activities.

(Nafis Dwi Kartiko dan Ismi Fathia Rachmi, 2021) The government itself has launched the PEN Program to reduce the impact on the economy. One of the concerns in the PEN Program is the non-distribution of credit/capital to the MSME sector, and the high unemployment rate due to the pandemic. One strategy that can be proposed to overcome this problem is to provide stimulus to the economy. The research was conducted using qualitative research methods to make interpretations to capture the deepest meaning. Researchers choose financial technology or fintech as an alternative solution to the problem of access to capital for the MSME sector. Fintech was chosen for its ability to increase financial transactions in the economy. Researchers also propose tax incentives for parties involved in fintech transactions in order to attract more investors and businesses.

(Agus Lukman Hakim et al., 2022) Entitled Post-Disaster Economic Recovery for Coastal Communities in Pandeglang Regency, namely, post-disaster economic recovery strategies for coastal communities in Pandeglang Regency, namely business recovery assistance for tourism sector economic actors and MSMEs, counseling and training for creative economy businesses and MSMEs for coastal communities, providing business capital for coastal communities, counseling and economic training for women household entrepreneurs, as well as the provision of soft loans, restructuring loans for disaster victims, and optimizing fishing cooperatives.

(Mayasari et al., 2022) in their research said that the COVID-19 pandemic had a direct impact on the decline in the income of tourism sector players in Palembang City, hotel occupancy rates, tourism sector players' income, and the contribution of the tourism industry to economic growth. per capita income of Palembang City. To mitigate the impact of the Covid-19 pandemic on the tourism sector in Palembang City, several strategies have been established. Among them are preparing and opening tourist destinations with strict health protocols, implementing the Cleanliness, Health, and Safety (CHS) program for all tourism sector actors, and innovating and improving the tourism sector. and improve the quality of tourist attractions and creative economy products.

(Ikhsanti, 2020) in a research entitled Economic Planning Strategy in Overcoming the Impact of the Covid-19 Pandemic in West Sumatra said that the Covid-19 pandemic could be a momentum for the development of the agricultural sector in West Sumatra. The implementation of PSBB hinders the distribution of agricultural products from other regions, this can be used by West Sumatra to be able to increase production and meet local needs. Increasing production can be done by optimizing the role of agricultural extension workers and the application of appropriate agricultural technology. Suboptimal land use, such as dry land and swamps and preventing agricultural land conversion needs to be done so that clover agricultural output increases. The government can reallocate the budget to provide assistance in the form of seeds/seeds and fertilizers to poor farmers in West Sumatra. In addition, the government needs to establish a mechanism for mobility and distribution of agricultural products by utilizing existing farmer shops throughout the region. All parties need to play an active and aligned role so that the goals are achieved and the agricultural sector can survive in the face of the impact of Covid-19.

Based on the book *Government Business in the Framework of Economic Recovery During the Pandemic* mentioned (Nainggolan, 2020) in the book *Government Business in the Framework of Economic Recovery During the Pandemic* states, national economic recovery is carried out by taking comprehensive fiscal and monetary policies. The policy is implemented simultaneously with synergy between fiscal policy holders, monetary policy holders and related institutions. One of the drivers of the national economy is domestic consumption, the more consumption the economy will move. Consumption is closely related to people's purchasing power, the Government has allocated a budget of Rp172.1 trillion to encourage consumption/purchasing power. The funds are distributed through Direct Cash Assistance, Pre-Employment Cards, electricity exemptions and others. The government also encourages consumption of ministries/institutions/local governments through accelerating the realization of the APBN/APBD. For MSMEs, the government provides, among others, postponement of installments and interest subsidies on bank loans, interest subsidies through People's Business Loans and Ultra Micro, In order to support the national economic recovery, Bank Indonesia maintains rupiah exchange rate stabilisation, lowers interest rates, purchases of government securities, and macroeconomic and financial system stability. The objective of lowering interest rates is to increase financial liquidity to stimulate business activity.

Based on the literature review above, it provides a difference between previous research and this research. Previous research examined the government's strategy in improving the economy in other regions, therefore the researcher intends to find out the economic recovery strategy in Banjarnegara due to the Covid-19 pandemic.

1.5.1 Strategy

1.5.1.1 Strategy Definition

Strategy is something that comes from the Greek word *stratego*. The *stratego* which is a translation that can be interpreted as "military commander" comes from the Athenian democratic era (Suardi, 2022). In general, the term strategy is used to win a war in military problems. While in terminology many experts put forward different points of view about strategy, but basically it has the same meaning, namely the achievement of goals effectively and efficiently. In Hutapea's opinion (2017), strategy is a continuous and adaptive response to external opportunities and threats as well as internal strengths and weaknesses that make an impact on the development in an organization. According to Siagian (2006), strategy is a series of fundamental decisions or actions made by top management and implemented by the ranks so that an organization can achieve the goals of the organization (Kasmira, 2020). Strategy is a means shared with long-term goals to be achieved.

Business strategies include geographic expansion, diversification, acquisitions, product development, market penetration, tightening, divestitures, liquidations, and joint ventures. Strategy is a potential action that requires top management decisions and large amounts of company resources. Strategy is an action or activity carried out by a person or company to achieve goals or objectives that have been set. Shirley (J Salusu, 2015) said strategy is the overall actions that are set as rules and planned by an organization. Strategy refers not only to the fundamental vision, mission, goals and objectives of the organization, but also to policy and program strategies and methods that are extended to ensure that the strategy is implemented to achieve the goals of the organization or company. According to Fred R, David (2011) the following policies and programs:

- 1) Policies are basically provisions that have been determined by the authorities to be used as guidelines, guidelines, or guidelines in the development or implementation of programs or activities in order to achieve smoothness and cohesiveness in the realization of the goals, objectives, and vision and mission of the government.
- 2) Program is a collection of systematic and integrated activities to obtain results carried out by one or several government agencies or in the framework of cooperation with the community, in order to achieve certain objectives.

Policy strategy development needs to pay attention to several aspects, including setting priorities, coordination, and consensus builders. An organization must have limited resources. Therefore, it is necessary to set priorities, the main key to priorities is awareness of stages, which are things that need to be done first before anything else. The process of strategy development plays an important role, to help form consensus not only about the broad discourse about the future of an organization and its short and medium-term goals, but also an important part of achieving these goals. Consensus building is not only important as part of achieving social and political stability, but also leads to "ownership" of policies and institutions that can increase opportunities in achieving goals (Suardi, 2018).

1.5.1.2 Strategy Stages

Fred R David (2011), stated that strategy is not enough just to formulate concepts and implementation of the strategy but in strategy also requires evaluation of strategies that have been done successfully or not. In Fred R's strategic management theory, David suggests three stages of strategy, including:

1) Strategy Formulation

Strategy formulation is the first stage in the strategy. In this stage the creators, formulators, conceptualizers must think carefully about opportunities and threats from outside the company and determine strengths and weaknesses from within the company, and determine the right goals. Generate a backup strategy and choose the strategy to be implemented. In strategy formulation try to find problems within the company. After that, an analysis is carried out on the steps that can be taken for success towards the goals of the strategy.

2) Strategy Implementation

Strategy implementation includes developing a culture in supporting strategy, creating an effective organizational structure, changing direction, preparing budgets, developing and utilizing incoming information systems. Strategy implementation is often referred to as action in strategy because implementation means mobilizing to turn a formulated strategy into action. Setting goals, complementing policies, allocating resources and developing a culture that supports strategy are efforts made in implementing strategies. Successful implementation requires disciplined support, motivation, and hard work. In the implementation stage of the strategy that has been chosen requires commitment and cooperation from all units, levels and organizations.

3) Strategy Evaluation

Strategy evaluation is a way for individuals to help identify the actions needed to bring performance back in line with the objectives of the Strategy. This last stage is a necessary stage because in this stage the success that has been achieved can be measured again for the next goal setting (Lianjani, 2018).

1.5.1.3 Strategy Management Model

Hunger & Thomas (2009) states that, the strategic management process includes environmental observation, strategic planning or long-term planning, strategy implementation, evaluation and control.

1) Environmental observation

Environmental observation is seen from two aspects, namely, external analysis and internal analysis. The external environment (opportunities and threats) consists of variables that are outside the organization. These variables shape the state of affairs in the organization in which this organization lives. The external environment has two parts, namely, the work environment and the social environment.

The work environment consists of elements or groups directly affected or influenced by the main operations of the organization. Some of those elements are shareholders, governments, suppliers, local communities, competitors, customers, creditors, labor unions, special interest groups, and trade associations.

2) Strategy Formulation

Strategy formulation is the development of long-term plans for effective management of environmental opportunities and threats, judging from the strengths and weaknesses of the organization. Strategy formulation includes the organization's mission, goals to be achieved, strategy development and policy guidance.

3) Strategy Implementation

Strategy implementation is the process by which management embodies its strategies and policies in action through a change in the overall culture, structure or management system of the organization as a whole. Except when drastic changes are required in the organization, middle and lower-level managers will implement their

strategies specifically with consideration from top management. Strategy implementation often involves day-to-day decisions in resource allocation.

4) Evaluation and Control

Evaluation and control is the process of the company's activities. Managers at all levels use performance information to take corrective action and solve problems. While evaluation and control are the main final elements of strategic management, they can also pinpoint weaknesses in the implementation of previous strategies and encourage the overall process to restart.

1.5.1.4 Dimensions of Strategy Decisions

A plan can be said to be good if it includes efforts to take into account various factors that are expected to affect the implementation of the plan. In general, theorists and practitioners understand that planning activities always carry risks because no matter how carefully calculated and predicted about the future, there will always be an element of uncertainty. To reduce the impact of uncertainty, according to Oktosilva (2018) there are five dimensions of strategic decisions that absolutely need to be recognized and taken into account:

- 1) Dimensions of top management involvement. One of the characteristics of strategic decisions is that they concern all aspects of the organization. Involvement is a must because it is only at the top management level that the implications of various internal and external environmental challenges and demands will be seen that may not be visible to lower level managers. Top management also has the authority to allocate facilities and infrastructure and other resources needed to implement the decisions taken.
- 2) Dimensions of allocation of funds, facilities, and infrastructure. Top management's decisions about assigned work units play a strategic role in general determining the

nature of the allocation of funds, facilities, infrastructure and manpower that may exceed what is allocated to other work units. If the sources of funds, facilities and infrastructure available internally are insufficient, top management has the authority to seek external sources.

- 3) Time dimensions and strategic decisions. One of the strategic decisions is the relatively long time range ahead. Strategic decisions mean that top management binds organizations within a certain period of time which is categorized as "long-term". Changing strategic decisions in the way will have an impact on the image of these organizations. For this reason, extreme caution is needed in making a strategic decision.

1.5.2 Economic Recovery

Economic recovery is the initial part of an expansion, where the economy regains its strength to grow after a recession. Economic growth is showing signs of strengthening. The economic situation is in a conjuncture pattern marked by the beginning of increasing production and consumption (Rahmaddian, 2021). Economy is also something related to the needs of human life and all human actions or efforts to meet their needs. So in general economics is defined as the study of human behavior in using scarce resources to produce goods and services needed by humans.

The scope of economics includes one area of human behavior related to consumption, production, and distribution. The daily life of every human being always carries out economic activities so that economic activities can also be interpreted as all human activities carried out for his life. Based on the opinions mentioned above, it can be understood that economic recovery is the same as building the economy, which is the way or effort made by humans in regulating the household economy to be better with the aim of meeting the needs of life. The economic aspect is the impact that

receives the most attention after the health aspect. The economy of Banjarnegara Regency has decreased due to external influences and conditions in its own region, especially during the Covid-19 pandemic. The economic crisis must be overcome immediately so as not to plunge deeper into an economic depression. Therefore, economic recovery must be immediately designed and begin to be implemented. Through a qualitative descriptive study, this paper aims to reveal the economic base in Banjarnegara Regency to carry out economic recovery due to the Covid-19 pandemic. Economic recovery certainly cannot be separated from the Government's support in achieving success in alleviating economic problems, as for government support through assistance for communities affected by the pandemic in the form of BLT and MSMEs which play a role in strengthening the economic recovery program for business people affected by the COVID-19 pandemic.

1) Direct Cash Transfer (BLT)

The policy of providing Direct Cash Transfer (BLT) to rural communities aims to maintain the purchasing power of the poor in villages affected by the Covid-19 situation. Village BLT is the provision of cash to poor or indigent families in the village sourced from the Village Fund allocation. The goal is to reduce the economic impact on residents in rural areas due to the Covid-19 pandemic. The purpose of distributing Village BLT is:

- a. Maintaining the purchasing power of rural communities in the midst of the national economic downturn due to the Covid-19 pandemic.
- b. Helping poor and underprivileged rural communities to survive and meet their daily needs.
- c. Helping rural communities affected by layoffs and suffering from chronic diseases

- d. Helping the village economy with more cash in the village by encouraging villagers to shop in their village. Economic handling policies are aimed at increasing purchasing power and economic resilience.

The criteria for BLT recipients are poor or indigent families who live in the village concerned: Not recipients of other assistance programs, such as:

- a. Family Hope Program (PKH))
- b. Basic food cards
- c. Pre-employment card
- d. Social aid cash loss of livelihood
- e. Have a family member who is vulnerable to illness or has a chronic illness.

BLT as part of the social safety net is intended for poor people who have lost their livelihoods due to the COVID-19 pandemic and have not received any assistance, the amount of BLT handed over is IDR 600,000 per month starting from April, May, and June 2020. The program is extended until December 2020 to Rp. 300,000 per month. For every poor citizen in the village and intended to restore the national economy. Government assistance programs are expected to be able to maintain purchasing power amid the economic downturn that has been felt by rural communities since the beginning of the pandemic (Pratama, 2020).

2) Micro, Small and Medium Enterprises (MSMEs)

In Chapter I article 1 of Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs), what is meant by Micro, Small and Medium Enterprises is:

- a. 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.

- b. Small business is a productive economic business that stands alone, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become part either directly or indirectly of medium enterprises or large businesses that meet the criteria for small businesses as referred to in this Law.
- c. Medium enterprises are productive economic enterprises that stand alone, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become part either directly or indirectly with small businesses or large businesses with total net worth or annual sales proceeds as stipulated in this Law.

Based on the definition above, in essence, Micro, Small and Medium Enterprises are a form of productive economic business carried out by individuals or individual business entities that meet the criteria for Micro, Small and Medium Enterprises. In accordance with Article 19 of Law No. 20 of 2008 concerning MSMEs, development in the field of human resources as referred to in Article 16 paragraph (1) point c is carried out by:

- a. Socializing and empowering entrepreneurship
- b. Improve technical and managerial skills
- c. Establish and develop educational and training institutions to conduct training, counseling, motivation and business creativity, and the creation of new entrepreneurs.

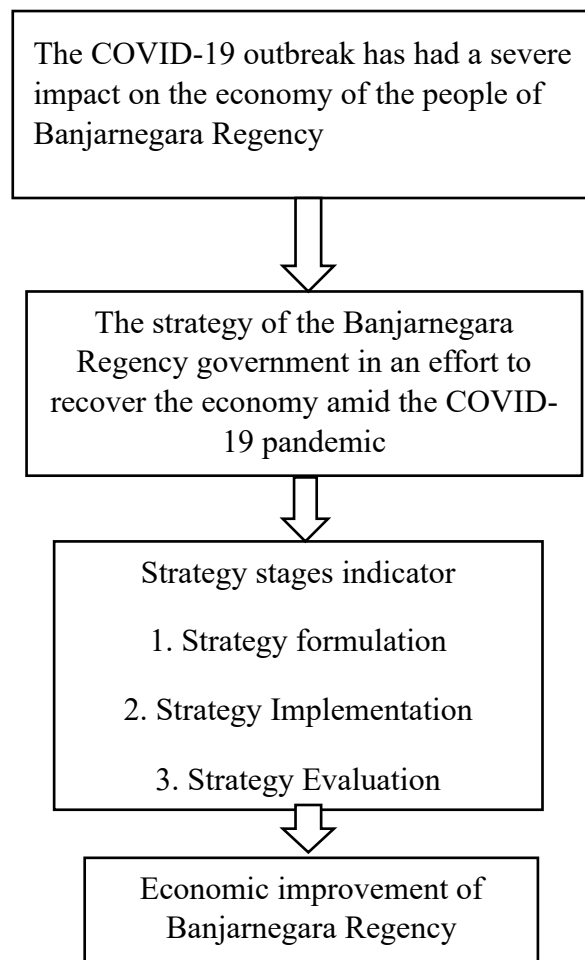
From these three aspects, it means that human resources are the most important subjects in the development of Micro, Small and Medium Enterprises in order to create entrepreneurs who are independent from the community. Therefore, the community needs to be empowered to improve the quality of human resources so that it can affect

the quality of production produced in order to improve the community's economy for the welfare of the community. MSMEs are intended for all micro business actors whose businesses were affected during the Covid-19 pandemic.

There are requirements for micro business actors who want to get, as follows:

- 1) Indonesian Citizen (WNI)
- 2) Have an Identity Card (KTP)
- 3) Own a micro business
- 4) Not State Civil Apparatus (ASN), TNI/Polri, BUMN and BUMD employees.
- 5) Not currently receiving People's Business Credit (KUR) (Anggraeni, 2013).

1.6 Basic Theoretical Framework



1.7 Conceptual Definition

Conceptual definition is a limitation related to variable problems that are used as guidelines in research so that it will be easier to operationalize it in the field. To understand and facilitate in interpreting the many theories in this study, several conceptual definitions related to those to be studied will be determined, including:

1.7.1 Government Strategy

Strategy is a series of fundamental decisions or actions made by top management and implemented by the ranks so that an organization can achieve the goals of the organization (Kasmira, 2020).

1) Strategy Formulation

Strategy formulation is the first stage in the strategy. In this stage the creators, formulators, conceptualizers must think carefully about opportunities and threats from outside the company and determine strengths and weaknesses from within the company, and determine the right goals. Generate a backup strategy and choose the strategy to be implemented. In strategy formulation try to find problems within the company. After that, an analysis is carried out on the steps that can be taken for success towards the goals of the strategy.

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implementing strategies. Successful implementation requires disciplined support, motivation, and hard work. In the implementation stage of the strategy that has been chosen requires commitment and cooperation from all units, levels and organizations.

3) Strategy Evaluation

Strategy evaluation is a way for individuals to help identify the actions needed to bring performance back in line with the objectives of the Strategy. This last stage is a necessary stage because in this stage the success that has been achieved can be measured again for the next goal setting (Lianjani, 2018).

1.7.2 Economic Recovery

Economic recovery is the initial part of an expansion, where the economy regains its strength to grow after a recession. Economic growth is showing signs of strengthening. The economic situation is in a conjuncture pattern marked by the beginning of increasing production and consumption (Rahmaddian, 2021). Economy is also something related to the needs of human life and all human actions or efforts to meet their needs. So in general economics is defined as the study of human behavior in using scarce resources to produce goods and services needed by humans.

1.8 Operational Definition

1.8.1 Government Strategy

1) Environmental Observation

Environmental observations are carried out to determine the factors that are the weaknesses and strengths of the Banjarnegara Regency Government. In terms of economic improvement, the Banjarnegara Regency Government conducts research on economic sectors that are weaknesses as problems and sectors that are economically strong to make economic improvements runs quickly.

2) Strategy Formulation

The strategy formulation is formulated based on economic problems in Banjarnegara Regency due to Covid-19. An effective strategy is expected to return to stable conditions by making several policies for the recovery of the economic recession due to Covid-19. Some of the strategies offered in this study are the Post-Pandemic Economic Recovery Strategy with efforts to implement MSME, BLT, and KUR policies.

3) Strategy Implementation

The implementation of the strategy that will be carried out by the government in economic recovery in Banjarnegara Regency is MSMEs, BLT, and KUR. MSME development policy (Micro, Small and Medium Enterprises). The policy of providing Direct Cash Transfer (BLT) to rural communities aims to maintain the purchasing power of the poor in villages affected by the Covid-19 situation. KUR (People's Business Credit) is the provision of loans directly to MSME actors so that they can have sufficient capital to maintain a business.

4) Strategy Evaluation & Control

This strategy evaluation is used to assess which policies are most effective as an effort to recover and how the government control the strategy to maintain the sustainability of the economic recovery in Banjarnegara District.

1.8.2 Economic Recovery

The Economic Recovery Strategy is an effort made by the government to overcome or overcome the impact of crises, recessions, pandemics that can cause shocks to the economy. The economic recovery strategy in this study is to encourage the growth of the trade sector through various policies issued by the Government, such as :

- 1) MSMEs
- 2) (Direct Cash Assistance) BLT
- 3) (People's Business Credit) KUR

1.9 Research Method

1.9.1 Location and Time of Research

This research will be conducted at the Banjarnegara Regency Government Office, Central Java Province. The research will be conducted in June-July 2023.

1.9.2 Data Analysis Unit

The unit of analysis is a certain unit that is taken into account as the subject of research. Unit analysis is a sampling procedure which includes sampling and unit studies. The data unit in this study is the Banjarnegara Regency Government, Central Java Province.

1.9.3 Data Type

The source of data in research is the subject from which the data is obtained. This research will use two kinds of data sources, namely primary and secondary data. Primary data is data obtained directly from the subjects studied through interviews and other data (Sugiyono, 2013). Primary data was obtained directly from the office and interviews with the internal Banjarnegara Regency Government about the strategies used in economic recovery efforts amid the COVID-19 pandemic. Secondary data is complementary data than primary data in the form of other sources that support and are relevant to the discussion (Sugiyono, 2013). Secondary data used by researchers are books, literature and company documents that provide information related to the discussion.

1.9.4 Data Collection Techniques

Data collection is the most strategic step in research because the main purpose of this research is to obtain data. Without knowledge of data collection techniques, researchers will not be able to obtain data that conforms to data set standards. Based on the type of research, the method used by the author in collecting data is:

a. Interview

Interviews were conducted with the Head of the Economic Section of the Banjarnegara Regency Regional Development Planning Agency (Bappeda), Rifai Azim, S.T, M.T, Economic Section Staff, Restu S.I.Kom, Business Development and Tourism Section of Bapperlitbang Banjarnegara, Purwaningsih, SE., Reni Program Research and Planning Section Tri Handayani, S.STP., M.E.

b. Documentation

Documentation is carried out by taking photos, videos and voice recordings during interviews with the Head of Bappeda.

1.9.5 Data Analysis Techniques

Data analysis techniques are methods used in analyzing and developing data that has been collected. Sugiyono (2009) stated that data analysis is an effort to find and find things that are important and that can be learned and decide what will be exposed to others by managing, organizing data and synthesizing it. Data analysis serves to facilitate the understanding of data with a logical and systematic description so that the focus of research can be understood and the conclusions are disturbed. Activities in data analysis include data reduction, data presentation (data display) and conclusion drawing.

a. Data Reduction

Data reduction is summarizing, selecting, and paying attention to things that matter, looking for themes and patterns and discarding those that are not needed (Sugiyono, 2009). Therefore, the reduced data will provide a clearer picture and make it easier for researchers to collect data.

b. Data Presentation

After the data is reduced, the next step is the presentation of the data, which is to separate the different schemas by type. Researchers will present data in descriptive form, making it easy to understand (Sugiyono, 2009).

c. Conclusion Drawing

The third step in qualitative data analysis is to conclude that the conclusions presented are initially tentative, but become credible if supported by valid evidence.