

## THE IMPACT OF COVID-19 PANDEMIC ON THE INCOME OF MICRO SMALL MEDIUM ENTERPRISES IN SELLING EEL CHIPS AT GODEAN DISTRICT

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### ABSTRACT

*The aim of this study was to explain the difference between the income before and after the Covid-19 pandemic for the selling of eel chips by the micro small medium enterprises (MSME) in Godean district. The method of the study is quantitative with the Wilcoxon test. The sample on this study were 38 sellers. The data collection was done by using a questionnaire via google form or was done directly to the target sellers. The results of the study based on the Wilcoxon test showed that there was a significant difference between the income before and after the Covid-19 pandemic on the eel chips sellers in Godean district that has decreased the sales during the Covid-19 pandemic.*

**Keywords:** *Income, Covid-19, Pandemic, Eel chips, Godean*

### 1. INTRODUCTION

The Covid-19 pandemic that hit Indonesia has caused the economic sector into the destruction. According to the Minister of Finance of Indonesia, Sri Mulyani Indrawati, she stated that there were four sectors that got the most depressed due to this virus outbreak were the households sector, the small micro medium enterprises sector, corporations, and the financial sector (Saubadi, 2020). The problems on these sectors were caused due to the government's policy to reduce activities outside the home, which was called as the social distancing policy. Moreover, there was an appeal to do self-isolation at home, which was expected to reduce the transmission of the corona virus. However, the existence of this policy had a negative impact that caused a reduction in the rate of buying and selling among people, so, it gave an impact on the community, including the existing MSME.

Deputy Governor of Bank Indonesia, Doni P. Joewono, said that 72.6% of the MSMEs were affected by the Covid-19 pandemic, in which MSME entrepreneurs experienced a drop in sales, capital difficulties, and the scarcity of raw materials (Fadliansyah, 2020). The MSME sector is included in the informal sector which prioritizes the tenacity and patience as well as skills or expertise. This informal sector activity includes a variety of activities like trading activities as the example. The existence of this informal sector cannot be ignored in economic development. This is because businesses in the MSME sector are very potential and takes an important role in providing employment opportunities by absorbing workers independently.

According to Hanum (2017), the entrepreneur in the informal sector were considered as less able to develop their businesses to be bigger even though these businesses have a fairly high selling power. This thing can occur due to several factors, which will be explained as follows:

- a. Management capabilities are still done traditionally,
- b. The available capital is still relatively small,
- c. The information about the business world is still limited,
- d. Limited quality of labor, and
- e. The goods for sale has limited or relatively low quality.

Micro, Small and Medium Enterprises MSME is a businesses that have an important role, especially in Indonesia. With the large number of MSMEs, there will be more job opportunities for the unemployment. Moreover, MSME can also be used as a source of the income, especially in rural areas and the households area with low-income (Suhery et al., 2020).

One of the main purposes of trading activity is to earn profit or income to fulfill daily needs. According to Rohmah (2017), the income is the result of selling production factors such as goods or services to consumers. The income is also an indicator of the prosperous life, therefore it is necessary to pay attention to how the covid-19 pandemic affects the income of the eel chips business sellers in Godean sub-district.

In 2019 the processing industry was in the first position to contribute to the Gross Regional Domestic Product (GRDP) of Sleman Regency, which was about 12.62%. However, in 2020 several business fields experienced a decreasing contribution, one of them is the processing industry which also decreased the performance (BPS Kabupaten Sleman in Figures 2021). One of the reasons for the decreasing contribution on the processing industry was because of the Covid-19 pandemic, for example, it was experienced by the eel chips industry in Godean District.

When people visiting the Godean area, there are eel chips products which become the culinary mascot in Godean District, and it is because this area is the forerunner of the eel chips. In addition to eel chips, there are several other kind of chips that are produced and sold, such as lung chips, spinach chips, claw chips, mlinjo skin chips, eel shredded, catfish shredded, and others. Therefore, in this study, we want to examine how the income of the eel chips business sellers in Godean District is during the Covid-19 pandemic.

## 2. RESEARCH METHOD

Population is a generalization area consisting of objects or subjects that have certain quantities and characteristics determined by the researcher to be analyzed and then be drawn as a conclusion. The sample of the study which were the eel chips business sellers were observed by distributing questionnaires to them (Sugiyono, 2009). This study used quantitative methods which the analytical material used was the primary data. In this study, the research population was eel chips sellers in Godean sub-district. The population was 38 people as sellers, which the sample was taken from the entire population by using saturated sampling technique. The way to obtain the data was by distributing questionnaires to the MSME sellers of eel chips in Godean District.

After collecting data in the field through questionnaires and direct interview, the data obtained were analyzed using quantitative descriptive research methods. The analysis aimed to improve the result of the analysis by finding a phenomena that occurred from data that cannot be explained rigidly based on quantitative analysis in understanding conditions on the field.

This test was used to determine whether there was a difference between two dependent samples that were paired or related and used as an alternative to the two-average difference test if the data was not normally distributed. The Wilcoxon test was used to test the differences between paired data, to test the comparison between two observations before and after (before after design) and to determine the effectiveness of a treatment. In this study, we would analyze the income of the sellers of eel chips before and after the Covid-19 pandemic.

## 3. RESULTS AND DISCUSSIONN

Godean District is commonly known by its tile industry. Besides that, it is also famous for its eel chips. When visiting this area, there are lots of sellers who selling various eel chips and other chips, such as spinach, lung, mlinjo and others. According to the Industry and Trade Service of Sleman, the eel chips business in the Godean area is the largest eel chips center in Sleman Regency.

The early history of the spread of eel chips sellers in the Godean area started in 1980, but only a few sellers who had a lot of capital to sell these eel chips. Then, with the intervention of the Forestry and Agriculture Service of Sleman, this business was increasingly cultivated by the local society and became growing as time went by. At first most of the eel chips sellers sold their wares on the roadside of the Godean Market, but with the increasing number of sellers causing congestion on the road, so the eel chips sellers were moved to the former Godean District which is located 3 km from Godean Market, which is known as Godean Eel Culinary Center.

This study aimed to determine whether or not there is a difference in income received by eel chips sellers in Godean District between before and after the Covid-19 pandemic.

**Table 1. Wilcoxon Test**

		Ranks		
		N	Mean Rank	Sum of Ranks
Pendapatan Sesudah Covid-19 - Pendapatan Sebelum Covid-19	Negative Ranks	38 <sup>a</sup>	19,50	741,00
	Positive Ranks	0 <sup>b</sup>	,00	,00
	Ties	0 <sup>c</sup>		
	Total	38		

a. Pendapatan Sesudah Covid-19 < Pendapatan Sebelum Covid-19  
 b. Pendapatan Sesudah Covid-19 > Pendapatan Sebelum Covid-19  
 c. Pendapatan Sesudah Covid-19 = Pendapatan Sebelum Covid-19

**Table 2. Statistic Test**

Test Statistics <sup>a</sup>	
	Pendapatan Sesudah Covid-19 - Pendapatan Sebelum Covid-19
Z	-5,398 <sup>b</sup>
Asymp. Sig. (2-tailed)	,000

a. Wilcoxon Signed Ranks Test  
 b. Based on positive ranks.

The Wilcoxon test was used to determine whether or not there is a difference (similarity) in the average between two data samples if the data was not normal. If the value of asymp sig <0.05, then there was a significant effect.

Based on the table, the negative rank or negative difference between income before and after the Covid-19 pandemic was 38, so it could be interpreted that 38 respondents experienced a decreasing income between before and after the Covid-19 pandemic with an average decrease of 19.5 while the total negative rating was 741.00.

Based on table 2, it could be seen that the level of sig was 0.00 <0.05 so it can be concluded that the income of eel chips sellers in Godean District from before and after the Covid-19 pandemic decreased. The following statement was the opinion of one of the eel chip sellers who is called as Mr. Wagiyo:

“Starting from a decrease in the number of requests, sales volume, a decrease in customers, to the impact on a decrease on the income. This could happen because of the impact of the Covid-19 pandemic.”

As a result of the COVID-19 pandemic, people's purchasing power decreased, and the impact on the income of the eel chip MSME reduced and tent to decrease. This phenomena related with the research of Khaeruddin et al., (2020) who argued that sellers in Bantar Jaya Village experienced a decrease on the income between before and after the Covid-19 pandemic. Then, there was also a crisis because of the rising raw material prices caused income to decrease. Moreover, Putri et al., (2020) also stated that the Covid-19 outbreak caused the income of MSMEs in Blado Village to decrease. Even though the New Normal policy had been able to increase income, but still there were a few sellers felt that there was no change with the implementation of the New Normal.

The decreasing in the income level of MSME, especially eel chips in Godean sub-district, had to be overcome so that eel chips sellers would be able to survive in the midst of the covid-19 pandemic. According to Hardilawati, (2020) suggested some survival strategies for MSME by doing e-commerce selling, digital marketing, always making improvement on the product quality and service enhancements as well as establishing and optimizing customer marketing relationships. The results of this study were important to be understood and adopted by eel chips MSME and it was hoped that eel chips business sellers would always be responsive and adapt to environmental changes in order to survive. In addition to e-commerce selling, eel chips MSME sellers were also required to be able to introduce and communicate the products intensively by doing products marketing through digital market and utilizing social media to be able to reach consumers directly and could reduce promotional costs (Hardilawati, 2020).

#### 4. CONCLUSIONS

The Covid-19 pandemic impacted on the decreasing of people's purchasing power which caused some MSMEs to experience a decrease in income. From the results of a study on eel chips MSME sellers in Godean sub-district, there was a change in the income received by eel chips sellers of MSME in Godean District between before and after the Covid-19 pandemic. Overall, the income of eel chips MSME actors in Godean sub-district experienced a decrease in income during the Covid-19 pandemic.

It was really needed or the government to take role in providing stimulus to MSME sellers, especially on eel chips sellers in Godean sub-district. Special attention from the government in providing support to eel chips sellers could provide fresh air so that eel chips sellers in Godean sub-district could still survive during the Covid-19 pandemic.

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