

## **Policy for Providing Assistance for Micro, Small and Medium Enterprises (MSMEs) in the Covid-19 Pandemic Era (*Maslahah* Review of Government Policies)**

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### **Abstract**

*This article aims to find and explain several government policies in dealing with Micro, Small and Medium Enterprises (MSMEs) in Indonesia with a review of the problems in the era of the Covid-19 pandemic. This research is a qualitative research approach, namely the statute approach, the case approach, and the philosophical approach. The results showed that the rules put forward by the government aimed to uphold people's rights, especially in matters of the economy. Based on the review of the issue, this is justified, and indeed MSME assistance from the government is to revive the decline of MSMEs caused by the Covid-19 pandemic. Besides, this policy is also in line with Islamic law's objectives, such as protecting religion, soul, descent, reason, and property.*

**Keywords:** *MSMEs, Covid-19, Maslahah, The Purpose of Islamic Law*

### **Abstrak**

Artikel ini bertujuan untuk mencari dan menjelaskan tentang beberapa kebijakan pemerintah dalam penanggulangan Usaha Mikro Kecil dan Menengah (UMKM) di Indonesia dengan

tinjauan *masalah* di era pandemi Covid-19. Penelitian ini merupakan penelitian kualitatif dengan pendekatan yaitu *statute approach*, *case approach*, dan *philosophical approach*. Hasil penelitian menunjukkan bahwa aturan yang disodorkan oleh pemerintah bertujuan untuk menegakkan hak-hak rakyat khususnya dalam perihal ekonomi. Berdasarkan tinjauan masalah hal tersebut dibenarkan dan memang bantuan UMKM yang berasal dari pemerintah untuk membangkitkan kembali keterpurukan UMKM yang diakibatkan oleh pandemi covid-19. Selain itu, kebijakan tersebut juga sepaham dengan tujuan-tujuan hukum Islam seperti perlindungan terhadap agama, jiwa, keturunan, akal, dan harta.

**Kata Kunci:** UMKM, Covid-19, Masalah, dan Tujuan Hukum Islam

## INTRODUCTION

The Corona Disease 2019 (Covid-19) virus first appeared/was born in China<sup>1</sup>. This virus is hazardous, so it needs good handling so that people can be saved. Historically, this virus's origin came from Wuhan on December 31, 2019, which shocked the world over the virus's danger. However, at that time, researchers/scientists ignored it by not researching it seriously so that this virus spread very quickly to the world's exhaustion as Covid-19<sup>2</sup>. Because it was not handled effectively and efficiently, the virus was spread to various parts of the world. In Indonesia alone, the Covid-19 case was first discovered in Jakarta, starting from two people to thousands of people exposed to the disease. This is very natural if it hits very widely and quickly because the government is not alert, and the people underestimate it<sup>3</sup>.

Covid-19 has had an enormous impact<sup>4</sup>. One of them is the impact on Micro, Small and Medium Enterprises (MSMEs) in Indonesia, there are 1,785 cooperatives and 163,713 MSMEs stranded by Covid-19. Specific from the data above, those that have a significant impact are cooperatives engaged in daily needs and the MSME

<sup>1</sup> Lu Chengping, Yao Huochun, and Werner Eichhorn, "Coronavirus as an Agent of Neonatal Calf Diarrhea in a Chinese Dairy Cattle Farm," *Journal of veterinary medicine. Series B* 38 (1991): 473–476, <https://epub.ub.uni-muenchen.de/3463/>.

<sup>2</sup> Manuel Battegay et al., "2019–Novel Coronavirus (2019–NCoV): Estimating the Case Fatality Rate – a Word of Caution," *Swiss Medical Weekly* 150, no. February (February 7, 2020): 2019–2021, <https://doi.emh.ch/smw.2020.20203>.

<sup>3</sup> Detik.com, "Penyebab, Asal Mula, Dan Pencegahan Virus Corona Di Indonesia," last modified 2020, accessed April 7, 2020, <https://news.detik.com/berita/d-4956764/penyebab-asal-mula-dan-pencegahan-virus-corona-di-indonesia>.

<sup>4</sup> Chairul Iksan Burhanuddin and Muhammad Nur Abdi, "Ancaman Krisis Ekonomi Global Dari Dampak Penyebaran Virus Corona (Covid-19)," *AkMen* 17, no. 1 (2020): 90–98.

sector, which significantly impact the food and beverage sector. All fields are also stranded, which results in decreased sales, lack of capital, and distribution delays<sup>5</sup>.

Therefore, to deal with the difficulty of this problem, the government has made several efforts in the form of several programs that have been planned in the annual book, namely by including cooperatives and MSMEs to be granted assistance rights for the impact of Covid-19, such as pre-employment cards, electricity tariff subsidies, and hope family. Besides, the government also provides tax breaks with an estimated time of 6 months, from April 2020 to September 2020, and the government also provides loans for MSME actors who are stranded by Covid-19<sup>6</sup>.

The above efforts give very great attention to the community because they can rebuild with a new plan to be revived. However, what was very disappointing was that the assistance that was sought did not run optimally because it did not have clear targets, inappropriate data, and embezzlement of money that was not the right of individuals. This is a big disappointment for MSME actors<sup>7</sup>. Therefore, with firm action from the President, the government issued a new policy, the new policy in the form of MSME assistance through a program from BPUM (Presidential Assistance for Productive Businesses), which was given to 15 million MSME players in Indonesia free of charge by the government in the amount of Rp. 2.4 Million<sup>8</sup>.

The policy of assisting aims to help small business players from the negative impacts of the Covid-19 pandemic. Besides, to motivate the community, minimal business actors, to remain viable in the cycle of production and income in their business. Although the government has taken this policy with great effort, the contra against it is still not over. The pretext that the assistance is not evenly distributed is only limited to people who meet the requirements. Also, those who are contra think that the government is not open to making decisions on the amount of money offered to the public. Therefore, the policies taken so far by the government seem not to be good in front of the public.

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<sup>5</sup> Andi Amri, "Dampak Covid-19 Terhadap Umkm Di Indonesia," *jurnal BRAND* 2, no. 1 (2020): 123–130, <https://ejournals.umma.ac.id/index.php/brand/article/view/605>.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Kominfo.go.id, "Pemerintah Salurkan Banpres Kepada 15 Juta UMKM," last modified 2020, accessed April 7, 2021, <https://www.kominfo.go.id/content/detail/29166/pemerintah-salurkan-banpres-kepada-15-juta-umkm/0/berita>.

Several previous studies discuss MSMEs in Indonesia in terms of their impacts, namely from Amri (2020), the research researched by Andi Amri was only limited to the impact of Covid-19 on the losses suffered by MSMEs<sup>9</sup>. Also, research from Juaningsih, Consuello, Tarmidzi, and NurIrfan (2020) discusses how solutions should be given to the government to maintain MSMEs in Indonesia against the impact of Covid-19<sup>10</sup>. These studies have not been discussed in their juridical perspective, let alone the juridical context referred to here is more about the study of Islamic law, meaning that this research has a critical urgency to straighten out all the efforts made by the government, which is seen in the study of Islamic law because after all the majority of people in Indonesia are Muslims. Of course, they will feel all the enjoyment of the policies that come from the government.

Based on the description above, the writer is interested in exploring further the policies taken by the government in the Covid-19 era, especially the policy of MSME assistance provided free of charge. Interestingly, whether the assistance provided by the government so far has been effective and efficient in providing welfare for the community, especially the determined amount and other facilities, or on the contrary, the provision of assistance offered by the government has been less beneficial for the community and even detrimental to the state. Therefore, the authors are interested in exploring it by using the *maslahah* approach. *Maslahah* is a principle of reasoning in Islam that prioritizes goodness over something, meaning that goodness can be accepted by society and legal<sup>11</sup>. Researchers try to examine from the side of the benefit of the policies that have been taken by the government, especially the new MSME policies booming in today's society. This article aims to find and explain several government policies in tackling MSMEs in Indonesia with a review of the problems in the era of the Covid-19 pandemic.

## RESEARCH METHOD

<sup>9</sup> Amri, "Dampak Covid-19 Terhadap Umkm Di Indonesia."

<sup>10</sup> Imas Novita Juaningsih et al., "Optimalisasi Kebijakan Pemerintah Dalam Penanganan Covid-19 Terhadap Masyarakat Indonesia," *SALAM: Jurnal Sosial dan Budaya Syar-i* 7, no. 6 (2020): 509–518.

<sup>11</sup> Hayatullah Laludin and Abdul Karim Ali, "Al-Maslahah (Public Interest) with Special Reference to Al-Imam Al-Ghazali," *Jurnal Syariah* 14, no. 2 (2006): 103–120, <https://ejournal.um.edu.my/index.php/JS/article/view/22810>.

This research is qualitative research with approaches, namely statute approach, case approach, and philosophical approach<sup>12</sup>. The statute approach is used to study the policy content material that the government has established. In this case, the law deals with MSME assistance through programs from the BPUM (Business Productive Presidential Assistance). The case approach is used to study how the law's application in the community in dealing with the problems of MSMEs stranded by Covid-19. Meanwhile, the philosophical approach is used to study the Indonesian government's issues in determining the amount of MSME assistance and the facilities provided by other governments.

## RESULT AND DISCUSSION

### 1. Portrait of Covid-19 in Indonesia

Covid-19 is a disease that spreads rapidly. In terms of transmission, Covid-19 is the same as influenza, all of which are caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-Co-V-2). This virus usually attacks the respiratory tract. Covid-19 has several characteristics such as cough, runny nose, fever, headache, shortness of breath and even loss of the sense of smell<sup>13</sup>. The beginning of Covid-19 occurred in Wuhan City, Hubei Province, China, on December 1, 2019. This virus was declared a pandemic by WHO on March 11, 2020.

There are several Covid-19 transmissions, namely through coughing, sneezing, holding the surface of an object held by a person affected by Covid-19 and then directly touching the face. The mode of transmission of Covid-19 can also be through the air because in order not to be infected by transmitters, it is necessary to have 3M (Maintain distance, Wash hands correctly and adequately for 20 seconds and wear a mask)<sup>14</sup>. If someone is exposed to Covid-19, someone should not feel panic and worry even though there is no cure for Covid-19, but there is already a vaccine that can prevent

<sup>12</sup> Jonaedi Efendi and Johnny Ibrahim, *Metode Penelitian Hukum Normatif Dan Empiris* (Depok: Prenadamedia Group, 2018).

<sup>13</sup> Leon A. Abdillah, "Stigma Terhadap Orang Positif COVID-19," in *Pandemik COVID-19: Antara Permasalahan Dan Refleksi Di Indonesia* (Medan: Yayasan Kita Menulis, 2020), 11–24, <http://eprints.binadarma.ac.id/4163/>.

<sup>14</sup> Wikipedia.org, "Pandemi COVID-19," accessed April 7, 2021, [https://id.wikipedia.org/wiki/Pandemi\\_COVID-19](https://id.wikipedia.org/wiki/Pandemi_COVID-19).

the immune system from increasing<sup>15</sup>. Efforts that must be made when someone is exposed to Covid-19 is to keep the body and mind in good condition with not many thoughts, independent isolation, sunbathing in the morning for 15 minutes, eating four healthy five perfect, taking vitamins and if things get worse immediately contact emergency Covid-19<sup>16</sup>.

The spread of Covid-19 in Indonesia at first only two people were detected on March 2, 2020. Gradually, many people underestimated Covid-19, so that the spread of this virus was increasingly widespread and increasing. There are many habitual changes experienced by the Indonesian people, especially in overcoming the epidemic with several policies taken. One of them is by closing schools, closing tourist attractions, airports, postponing events, closing all public facilities, the existence of PSBB and even several traders are not allowed to trade to reduce the spread of Covid-19.

The Covid-19 pandemic is very unsettling and disrupts Indonesia's economy to become unstable<sup>17</sup>. The panic about a lack of food sources makes Indonesians buy up all foodstuffs, which results in foodstuffs in various purchases<sup>18</sup>. There are so many impacts that have caused losses to the spread of Covid-19, MSMEs in Indonesia. The efforts made by the government have drawn controversy in the case of handling Covid-19 because, during the pandemic, MSMEs could not run properly. Some closed due to decreased income. Many employees were fired and paid only half the salary. MSMEs feel disadvantaged in this case because it impacts decreased turnover, decreased orders, decreased opinions, and other constraints related to business activities such as production, marketing, and distribution processes<sup>19</sup>.

## 2. The impact of Covid-19 on MSMEs in Indonesia

<sup>15</sup> Abdillah, "Stigma Terhadap Orang Positif COVID-19."

<sup>16</sup> Wikipedia.org, "Pandemi COVID-19."

<sup>17</sup> Ibid.

<sup>18</sup> Abdurrahman Firdaus Thaha, "Dampak Covid-19 Terhadap UMKM Di Indonesia," *Brand 2*, no. 1 (2020): 148–153, <https://ejournals.umma.ac.id/index.php/brand/article/view/607>.

<sup>19</sup> Rais Agil Bahtiar and Juli Panglima Saragih, "Dampak Covid-19 Terhadap Perlambatan," *Kajian Singkat Terhadap Isu Aktual Dan Strategis* 12 (2020): 20, [https://berkas.dpr.go.id/puslit/files/info\\_singkat/Info\\_Singkat-XII-6-II-P3DI-Maret-2020-1982.pdf](https://berkas.dpr.go.id/puslit/files/info_singkat/Info_Singkat-XII-6-II-P3DI-Maret-2020-1982.pdf).

The Covid-19 virus, which is proliferating and consuming more deaths, requires fast and swift handling. The virus is straightforward to spread to humans with other humans regardless of age, race, religion, and others. The transmission mode is elementary, only through contact with the patient either by touching or touching the same object. However, unfortunately, the cure for this virus has not been found so far, all that can be done is to minimize it so that the virus does not spread quickly. Therefore, governments worldwide are currently implementing lockdown policies so that people do not carry out activities for a while. It is the same in Indonesia, implementing a complete isolation policy even though it does not apply a complete lockdown policy due to constraints with minimal economic conditions.

Experts say that the Covid-19 Pandemic has an impact on tourism, trade, and investors. As is well known, all of these things have a critical role in the nation's economy, but the presence of Covid-19 has brought about the disappearance of a million of the nation's hopes for this economy. This impact is very clear from the aspect of production to the dwindling number of workers. In 2018 the Kemenkop UMKM showed 64,194,057 MSMEs in Indonesia or around 99% of business units employing around 97% of the workforce. With the study by the ministry of finance, the Covid-19 outbreak has had a very negative impact on the domestic economy, such as a decline in company performance, banking and financial threats, the existence of MSMEs and a decrease in the level of people's purchasing power<sup>20</sup>.

Based on the explanation above, it is evidence that the development of Covid-19 is a bad burden on the people's economy. The government's efforts to estimate the growth of the coronavirus at this time are pretty frightening for residents. In 2006-2010, MSMEs faced an encouraging increase because MSMEs contributed 57% of the Gross Domestic Product (GDP), where MSMEs could increase not because of quantity but because of their labour, capital and assets. UMKM can be said to be a reasonably robust and productive business, which if there is turmoil or a crisis they will not result due to the principle of independence they have. This means that they do not depend on any institutions and have their capital to be independent. UMKM is very much needed

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<sup>20</sup> Khofifah Nur Ihza, "DAMPAK COVID-19 TERHADAP USAHA MIKRO KECIL DAN MENENGAH (UMKM) ( Studi Kasus UMKM Ikhwa Comp Desa Watesprojo, Kemlagi, Mojokerto)," *Jurnal Inovasi Penelitian* 1, no. 7 (2020): 1325–1330.

by society in the economy. The MSME zone that was shaken during the COVID-19 pandemic was food and beverage and stranded, such as creative industries and agriculture. Some of the strategies for surviving MSMEs during a pandemic include: 1) using e-commerce; 2) carry out product promotion through digital marketing; 3) product revisions and service revisions to consumers; 4) maintain the quality of products and customers already owned.

Based on the explanation above, it can be seen that the Covid-19 pandemic has had an immediate impact on MSMEs in Indonesia, this impact is certainly not a good impact but an impact that brings losses to production. So it is necessary as soon as possible policies that can provide certainty, justice, and benefit to the community so that MSMEs can be increased their existence again as before.

### **3. Government Policy in Handling MSMEs in Indonesia**

The impact of the Covid-19 pandemic is very detrimental to MSMEs in Indonesia today. It attracts the government's attention to take a policy so that MSMEs in Indonesia can exist as usual, especially in their sales turnover. The government has much to pay attention to in order to recover MSMEs during the Covid-19 pandemic, including the contribution of MSMEs to business units, GDP contribution, labour absorption, exports and investment to the Indonesian economy, which is very fast, so from here it is necessary there is a government policy to restore the decline that occurred in the MSME business<sup>21</sup>.

The government produces some policies in prosecuting MSMEs, namely short-term policies, medium-term policies and long-term policies. In short-term policies, the government only focuses on accumulating and reducing Covid-19 casualties by emphasizing stimuli in the health sector and encouraging welfare for stranded people. In the medium-term policy, the government allows businesses to immediately operate, protect sustainability in the logistics zone, and urge the health industry's independence, which is the key. The government's long-term policy focuses on the introduction and use of digital technology for MSMEs, along with preparations to enter

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<sup>21</sup> Bahtiar and Saragih, "Dampak Covid-19 Terhadap Perlambatan."



the Industrial 4.0 era<sup>22</sup>, namely in an era where many aspects have been digitized, including trade activities<sup>23</sup>.

The Covid-19 pandemic cannot yet be determined when it will end. MSMEs as a business entity are expected to be able to manage business cycle management which can observe some types of business in 4 business cycles, namely the peak of the cycle (prosperity), recession (decline), trough (very severe mental stress), recovery (expansion) of the four business cycles of this type. It is hoped that it can describe the type of business in the business field or business opportunity during the Covid-19 pandemic. It is hoped that the industry can overcome the challenges that exist by properly managing business cycle management, changing business models and digital transformation that can get used to the Covid-19 pandemic. It is hoped that the combination of macro government policies with micro-industrial policies can help MSMEs overcome the challenges of the Covid-19 pandemic crisis<sup>24</sup>.

The Covid-19 pandemic, as it is known, is very detrimental to all aspects of the industrial zone, so the Financial Services Authority (OJK), to reduce the impact of this pandemic, has shared the ease with which debt payments are made for the MSME zone entrepreneurs. This convenience is to delay the payment of the principal debt by prioritizing credit interest. Moreover, the government also provides a hotline to identify the business conditions of cooperatives and SMEs. Some of the government's efforts are more focused on the tourism zone, which significantly impacts the MSME zone. However, the encouragement is given to MSMEs still needs a social distancing appeal that has a significant influence on MSMEs because they still require face-to-face contact<sup>25</sup>.

Linked to the economic slowdown caused by the Covid-19 pandemic, the government also made policies, including adding more days to leave together,

<sup>22</sup> Thaha, "Dampak Covid-19 Terhadap UMKM Di Indonesia."

<sup>23</sup> Mhd. Rasidin, Imaro Sidqi, and Doli Witro, "Drop Shipping in Islamic Economic Law Perspective: E-Commerce Study Inter Marketplace Drop Ship in the Industrial Revolution Era 4.0," *Nurani* 20, no. 1 (2020): 97–106; Muhamad Yusuf et al., "Digital Parenting to Children Using the Internet," *Pedagogik Journal of Islamic Elementary School* 3, no. 1 (May 19, 2020): 1–14, <https://ejournal.iainpalopo.ac.id/index.php/PiJIES/article/view/1277>; Muhamad Yusuf, Mira Zuzana, and Doli Witro, "Literacy Education Urgency for Centennial Generation in Industrial Revolution 4.0," *Paedagogia: Jurnal Pendidikan* 9, no. 2 (November 24, 2020): 1–14, <http://jurnalpaedagogia.com/index.php/pdg/article/view/61>.

<sup>24</sup> Thaha, "Dampak Covid-19 Terhadap UMKM Di Indonesia."

<sup>25</sup> Bahtiar and Saragih, "Dampak Covid-19 Terhadap Perlambatan."

distributing incentives in the tourism sector, and distributing debt payment relief for MSME players. Not only that, the DPR, in order to supervise it, needs to urge the government to use its geographic advantage, which makes the government build MSME points whose areas are free from Covid-19, which is very important for export purposes. The government is also expected to distribute stimulus to protect the purchasing power of residents in crisis in the Covid-19 pandemic so that the facilities provided can be experienced directly by residents. The stimulus given by the government is in the form of reduced electricity rates and reduced fuel prices, and the availability of raw materials also needs to be ensured so that MSME business activities do not choke up rapidly and can return to normal<sup>26</sup>.

After that came, another boost is given to MSMEs to share a boost for working capital to expand economic activity. President Joko Widodo stated that soon, the government will hand over a working capital boost called "Productive Presidential Encouragement" to 9.1 million MSME players in Indonesia. This encouragement is intended for working capital bonuses which are expected to ease the burden on MSME players. Jokowi explained that this encouragement would be given directly later in the amount of IDR 2.4 million through the recipient's account. For Jokowi, the economic shrinkage has been experienced by all business actors, including micro and small, due to the pandemic in the last few months. Because basically, the national economic recovery can be tried, one of which is the method of urging the revival of MSMEs. In the context of economic recovery, Indonesia needs the business world, including local MSMEs, to rise quickly<sup>27</sup>.

Based on the explanation above, the government's policies are starting to have an increase that leads to a better direction. Especially for advancing MSMEs in Indonesia, the government has more concern for people who have MSMEs' status. However, several policies are still not optimal, including the 2.4 million UMKM assistance, which is still not clear in overcoming the people's economy.

#### **4. Pros and Cons of Government Policies in Overcoming MSMEs in Indonesia**

<sup>26</sup> Ibid.

<sup>27</sup> Hukumonline.com, "Beberapa Bantuan UMKM Guna Pulihkan Ekonomi Nasional," last modified 2020, accessed April 7, 2021, <https://jurnal.hukumonline.com/berita/baca/lt5f436514d1fc8/beberapa-bantuan-umkm-guna-pulihkan-ekonomi-nasional>.

In experiencing economic and business challenges due to the Covid-19 pandemic, various approaches are needed, such as a macro approach or even spoken government policies or a micro approach, which is through business management of MSMEs. From a macro approach, through government policy, the OECD3 says that in order to help MSMEs at this time, the government is obliged to think about at least three meaningful actions, namely the initial ones: 1) the government is obliged to announce current business economic support measures and progressively adopt a more support strategy. Focus on recovery; 2) the government is obliged to justify that the flow of industry in and out is tried gradually, followed by methods of supporting inclusive recovery; 3) government support must reach out to entrepreneurs and MSME players who can increase the resilience of the economy and citizens in the post-Covid-19 period<sup>28</sup>. To tackle the Covid-19 pandemic.

In the short term, the government focuses on reducing casualties' accumulation by emphasizing the health zone stimulus and encouraging welfare for stranded people. On the other hand, liquidity from non-banking financial institutions is primary insurance. The government is expected to estimate liquidity pressure from the side of pension funds as a result of the withdrawal of Old Age Security (JHT) for workers who are facing layoffs<sup>29</sup>. Intermediate policy proposals, among others, justify the business world to operate directly to protect the sustainability of the logistics zone and urge the health equipment industry's independence to protect the food, food, and beverage sector's sustainability. Hopefully, the government will produce industrial strengthening in the country, most importantly, the health equipment industry.

On a micro level, through industrial policies in order to reorganize the economic condition of MSMEs, which continues to become weak, it is necessary to manage the business cycle in a management manner considering that the business area is very dynamic so that it needs evaluation and revision of its business cycle, with the following methods: 1) producing industry as an opportunity to achieve success; 2) view the differences between people and phenomena as opportunities, not difficulties; 3) experimenting to find updates leading to business development; 4) be an expert for your own business; 5) be a servant for others and have a humble character. With the

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<sup>28</sup> Thaha, "Dampak Covid-19 Terhadap UMKM Di Indonesia."

<sup>29</sup> Ibid.

expertise in managing the business cycle above, the industry is also required to grow and grow in the long term.

UMKM is one of the spearheads of the national economy. Everyone certainly hopes that MSMEs can play a role as before Covid-19. To save MSMEs in Indonesia, Teten Masduki, as Minister of Cooperatives and Small and Medium Enterprises, offers some solutions to protect MSMEs during the Covid-19 Pandemic, including<sup>30</sup>:

- a. Throughout the pandemic, Indonesian citizens must love domestic products to meet their needs (love domestic products), thereby making MSME players always exist in producing goods. Always make social distancing effective, and at the same time, business actors always operate by implementing proper health protocols.
- b. Banks are required to distribute low loan interest rate subsidies to MSME players so that they do not have trouble obtaining funds during the pandemic.
- c. Carry out a particular loan restructuring for cooperatives and MSMEs, if needed in terms of requirements, it will be made more manageable, but always pay close attention not to run aground.
- d. Residents and especially UMKM players are always required to wear masks when selling, and if they need MSME players in each region to produce these masks, even though their main business is ending but they are always productive by looking for new business opportunities throughout the pandemic.
- e. Distributing pre-work cards to business actors who are vulnerable to being stranded by Covid-19.
- f. Distributing Direct Cash Assistance (BLT) primarily to business actors who have been affected by covid-19.
- g. The government must be willing to allocate Pph 21 results, import income tax and Pph 25, and tax refunds for MSMEs.

In order to overcome the weakening of the tourism sector, which has a big impact on MSMEs, the government plans to disburse funds of Rp. 298.5 billion to boost the tourism zone. With Rp. The Ministry of Tourism will use 73 billion to partner with influencers or foreign influencers on social media to promote Indonesia. The rest will

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<sup>30</sup> Ahmad Muharrom, *Adu Strategi Dan Lentur Menghadapi Kondisi Perekonomian* (Jakarta: Rajawali Press, 2020).

be used as incentives for airlines and travel agents, promotions and tourism activities. This step has generated a lot of criticism from residents because it is feared that it will open the door to the spread of Covid-19. The government, through the Joint Ministerial Decree (SKB) 3 Number 174 of 2020 and Number 1 of 2020 concerning the Substitution of National Holidays and 2020 Joint Leave, increases public holidays and leave from 20 days to 24 days. The accumulated 4 days are May 28 and 29 as joint leave for Eid al-Fitr, August 21 as joint leave in the Islamic New Year, and October 30 as joint leave commemorating the birthday of the Prophet Muhammad s.a.w. Through the accumulation of national holidays, it is hoped that this can be a stimulus so that tourism businesses can increase. The government coincides on March 14, 2020, announcing a stimulus package to maintain the performance of the economy which is being depressed due to the Covid-19 virus outbreak. Coordinating Minister for Economic Affairs Airlangga Hartarto said, in the second session of the stimulus package to reduce the impact of the Covid-19 virus on the economy, the government allocated a budget of Rp. 22.9 Trillion. When added with the budget allocation for the first session of the stimulus package for the tourism, housing and Social Assistance (Bansos) industry of IDR 10.3 trillion, the total government budget to reduce the consequences of Covid-19 is IDR 33.2 trillion<sup>31</sup>.

From the efforts that the government has tried, many are still focused on the tourism zone, which has a significant influence on MSME deposits, not only that, the leniency of credit is also thought to be suitable to ease the burden on MSMEs. However, encouragement/incentives for special MSMEs still need to be scrutinized, especially considering the current social distancing appeal, which has a significant impact on small and micro businesses that still require face-to-face contact<sup>32</sup>.

## 5. Masalah Review of Government Policies in Tackling MSME Assistance in Indonesia

Etymologically, the word *masalah* comes from Arabic and has been standardized into Indonesian to become the word *masalah*, which means to bring good or benefit

<sup>31</sup> Sintya, *Usaha Kecil Menengah Sebagai Potret UKM Indonesia* (Jakarta: Gramedia, 2009).

<sup>32</sup> Maya Intan Pratiwi, "Dampak Covid-19 Terhadap Perlambatan Ekonomi Sektor Umkm," *Jurnal Ners* 4, no. 2 (2020): 30–39, <https://journal.universitaspahlawan.ac.id/index.php/ners/article/view/1023>.

or reject destruction. The original word *maslahah* comes from the word *saluha*, *yasluhu*, *salahan*, means something good, appropriate and useful. In simple terms, *maslahah* is a good thing and can be accepted by a healthy idea. Received an idea means that the idea can identify why. Every commandment of Allah can be understood by the human mind that is why Allah instructs humans to do this because it has benefits for humans<sup>33</sup>.

In Islamic law, the purpose of establishing the law is none other than to realize the benefit of humans so that rejecting *maslahah* is the same as freezing *syari'ah*. This is based on the word of Allah s.w.t. in Q.S. al-Anbiya': 107:

وَمَا أَرْسَلْنَاكَ إِلَّا رَحْمَةً لِّلْعَالَمِينَ ١٠٧

Meaning:

And We have not sent you, [O Muhammad], except as a mercy to the worlds.<sup>34</sup>

From the above explanation, at least if it is related to several government policies in overcoming MSMEs in Indonesia, it aims to benefit the people, especially for MSME traders. This means that the policy aims to create mutual benefits in realizing a better and more prosperous life and community as mandated by the purpose of creating Islamic law itself. If described in detail, the classification of *maslahah* based on its strength is divided into three, as follows: 1) *Al-Maslahah ad-dharuriyah* is benefit related to the basic needs of humanity in this world and the hereafter; 2) *Al-Maslahah al-hajjiyah* is the benefit needed in perfecting the former primary benefit in the form of relief for maintaining and maintaining basic human needs, and distributing freedom to him to expand his goals; 3) *Al-Maslahah at-tahsiniyah* is a *maslahah* that is contained by all deeds and actions in order to bring beauty, courtesy and glory to human life as a whole<sup>35</sup>.

The *maslahah* concept above, if it is related to the juridical facts which have been explained that the policy in tackling MSMEs in Indonesia is undoubtedly fast and precise, especially MSME assistance with a range of 2.4 million, which is given free

<sup>33</sup> Ahmad Sanusi and Sohari, *Ushul Fiqh* (Jakarta: PT RajaGrafindo Persada, 2017).

<sup>34</sup> Departemen Agama RI, *Al-Quran Dan Terjemahnya* (Bandung: Syaamil Qur'an, 2010).

<sup>35</sup> Anisa Sholekha, "Tinjauan Maslahah Terhadap Implementasi Peraturan Daerah Kabupaten Ponorogo Nomor 15 Tahun 2011 Tentang Retribusi Jasa Usaha Di Kecamatan Balong Kabupaten Ponorogo," *Skripsi*, no. IAIN Ponorogo (2019), <http://etheses.iainponorogo.ac.id/7832/>.

of charge to the community by meeting the criteria that have been previously arranged. . The argument from the government itself is that the purpose of the assistance is to recover the losses suffered by the MSMEs by returning to their former existence. So if this is true, of course, it will have the same goals as those regulated in the objectives of Islamic law, namely to provide benefits to the broader community, because the money given can help cover the losses suffered by small micro traders due to the impact of the Covid-19 pandemic.

Besides, the achievement of *maslahah* must also have the principle of five essential things that must exist for human existence as a characteristic or completeness of human life. This five principle in other languages is also called *maqashid syari'ah*<sup>36</sup>. These five principles are the main things (goals) that must be fulfilled in order to achieve human life both in this world and in the hereafter, namely:

- a. *Hifzu ad-din* (Preserving Religion), to maintain belief, is mandatory for humans to worship Allah s.w.t., carry out His commands & stay away from all His prohibitions. Also, for syari'ah maintaining one's belief can be done utilizing *da'wah*, the obligation to  *Jihad*,  *amar ma'ruf* and *nahi munkar*. If you look at the philosophical framework of policies that the government has put forward, it can be seen that the policy has protected or is based on religious principles, even though all equitable maintenance does not lean towards one or several religions only.
- b. *Hifzu an-nafs* (Preserving Souls), to maintain the existence of the soul that Allah has given, humans are obliged to meet their needs to survive. For example, eating, drinking, covering the body and getting sick. Humans must also try to use and do everything possible to improve the quality of life. If the UMKM assistance offered by the government can be used by the community properly, of course, this money can overcome the losses it has suffered and can help Indonesian citizens to survive during a pandemic.
- c. *Hifzu al-'aql* (Preserving the mind) is the most valuable gift of God. Every human being is obliged to look after and use it for good things, like not consuming anything that blocks reason in thinking, for example, using drugs and drinking

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<sup>36</sup> Doli Witro, "Maqashid Syari'ah as a Filter of Hoax through Al-Quran Perspective," *Jurnal Ilmiah Al-Syir'ah* 18, no. 2 (2020): 187–200, <http://journal.iain-manado.ac.id/index.php/JIS/article/view/1133>.

alcohol. The government's policies so far have not harmed human reason, especially citizens.

- d. *Hifzu an-nasl* (Preserving Offspring), to maintain offspring, every human being is forbidden to commit adultery and will be flogged for those who do it. It is mandated to marry to reproduce offspring, and then the syari'ah protects it by keeping it away from things that can lead to adultery. Likewise, it is forbidden to accuse good women of adultery. The policy of overcoming MSMEs, especially the assistance provided free of charge, will indirectly have a hereditary impact if implemented effectively and equally. However, if this assistance is evenly distributed, the money given can be implemented for maximum protection of the offspring.
- e. *Hifzu al-mal* (Preserving Property) in Islam allows all kinds of muamalah unless there are arguments against it. Apart from that, Islam also obliges its people to try to make ends meet. Islam forbids stealing and losing other people's property. UMKM assistance policy, directly or indirectly, has obvious objectives to protect and safeguard the community's economy.

Based on the explanation above, it is clear that the policies taken firmly by the government in helping MSMEs in Indonesia. This policy is good and correct and does not conflict with a philosophical, juridical, and even sociological framework. However, some social approaches are still contradictory to the government's policies on the pretext that MSME assistance has not been evenly distributed. However, the decision to choose this policy was the right decision because of the greater danger when the MSME tackling is not carried out quickly, as a rule, says which means "if there are two *mudharat* (dangers) facing each other, the lightest is taken"<sup>37</sup>. This means that the government chooses a path that is less dangerous than the danger that will be greater in the future.

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<sup>37</sup> Duski Ibrahim, *Al-Qawa'd Al-Fiqhiyah (Kaidah-Kaidah Fiqih)* (Palembang: CV. Amanah, 2019).



## CONCLUSION

Covid-19 is a hazardous virus, the presence of the Covid-19 virus has a significant impact on the economic, political, legal, social and other sectors. For example, in the economic context, it is detrimental to the community, especially for MSMEs, which have suffered huge losses due to the Covid-19 pandemic. Therefore, the government provides a quick and precise solution so that the handling of MSMEs can be resolved effectively and efficiently because, after all, if it is not handled correctly, it will have fatal consequences and harm many other communities.

Some of the policies that have been formed are still weak, so the government has firmly issued a regulation that all MSMEs in Indonesia will get 2.4 million free assistance from the government. The assistance is intended as a capital for traders to re-exist MSMEs, but this good intention still gets much criticism from the community because the policies are not evenly distributed. When viewed from a *maslahah* approach, the government's policy policies have reflected the principle of benefit, especially for MSMEs in Indonesia. Although they are still not maximal, these good intentions must be well appreciated. Therefore, if you look at some of the government's goals, the MSME assistance policy is a policy that brings broad benefits to the people of Indonesia, especially for the advancement of MSMEs in Indonesia.

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