

## Moral Economic Behavior of Micro, Small and Medium Enterprises (MSMEs) in Three Provinces During the Covid-19 Pandemic

### *Perilaku Moral Ekonomi Usaha Mikro Kecil Menengah di Tiga Provinsi pada Masa Pandemi Covid-19*

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#### **Abstract**

The purpose of this research is to identify the condition of MSMEs and the actions taken to survive the COVID-19 pandemic. The subjects in this study were MSMEs in three provinces, namely East Java (Surabaya and Gresik), Central Java (Pekalongan and Cilacap) and Riau (Pekanbaru). The method used in this research is literature review with descriptive research type. The literature sources in this article are five journals of research results on MSMEs in East Java (Surabaya and Gresik), Central Java (Pekalongan and Cilacap) and Riau (Pekanbaru) during the COVID-19 pandemic. To carry out the analysis, the researcher used the concept of J. Scott (1981) moral economic behavior theory which has two basic assumptions. It is a subsistence economy and safety-first behavior to avoid risk. The results show that, firstly, the researchers looked at the conditions of MSMEs in East Java, Central Java and Riau which were in a subsistence condition or were in minimal conditions during the COVID-19 pandemic such as decreased sales turnover, difficulty in raw materials, reduced consumers due to social restrictions and regulations. the distribution system was also obstructed because of the social restrictions imposed by the government. Second, the researchers also looked at the moral economic behavior & safety-first of MSMEs actors in two categories. The first category is the one that has a positive impact on the behavior such as improving the quality of production, keeping product prices affordable, and maintaining good relations with consumers to form consumer loyalty to MSMEs. Then, for the second category, those that have a negative impact on the sustainability of MSMEs in the midst of a pandemic can be seen in the use of conventional marketing methods, lack of innovation in products and some even implement a “loss-sold” as long as it can be sold; strategy because of lack of product quality and to minimize losses.

**Keywords:** Moral Economy, Subsistence, Safety-first, MSMEs and COVID-19

#### **Abstrak**

Tujuan penelitian ini adalah untuk mengidentifikasi kondisi UMKM dan tindakan-tindakan yang dilakukan untuk tetap bertahan pada masa pandemi COVID-19. Subjek pada penelitian ini adalah UMKM yang berada di tiga provinsi yaitu Jawa Timur (Surabaya dan Gresik), Jawa Tengah (Pekalongan dan Cilacap) dan Riau (Pekanbaru). Metode yang digunakan dalam penelitian ini adalah kajian pustaka dengan tipe penelitian deskriptif. Sumber literatur pada artikel ini merupakan lima jurnal hasil penelitian pada UMKM di Jawa Timur (Surabaya dan Gresik), Jawa Tengah (Pekalongan dan Cilacap) dan Riau (Pekanbaru) pada masa pandemi COVID-19. Untuk melakukan analisis, peneliti menggunakan konsep teori perilaku moral ekonomi J. Scott (1981) yang memiliki dua asumsi dasar yaitu ekonomi subsistensi dan perilaku dahulukan selamat untuk menghindari risiko. Hasilnya, pertama, peneliti melihat kondisi UMKM di Jawa Timur, Jawa Tengah dan Riau yang berada pada kondisi subsisten atau berada pada kondisi yang serba minimal di masa pandemi COVID-19 seperti penurunan omzet penjualan, kesulitan bahan baku, berkurangnya konsumen karena aturan pembatasan sosial dan terhambatnya sistem distribusi juga karena adanya aturan pembatasan sosial yang diterapkan oleh pemerintah. Kedua, peneliti juga melihat perilaku moral ekonomi “dahulukan selamat” pelaku UMKM pada dua kategori. Kategori pertama adalah yang berdampak positif terlihat pada perilaku perbaikan kualitas produksi, menjaga harga produk tetap terjangkau, dan menjaga hubungan baik dengan para konsumen sehingga mampu membentuk loyalitas konsumen terhadap UMKM. Kemudian, untuk kategori kedua adalah yang memiliki dampak negatif bagi keberlangsungan UMKM di tengah pandemi terlihat pada penggunaan metode pemasaran yang masih konvensional, kurang berinovasi pada produk dan bahkan ada yang menerapkan strategi “jual asal laku” karena kualitas produk yang kurang dan untuk meminimalkan kerugian.

**Kata Kunci:** Moral Ekonomi, Subsistensi, Dahulukan Selamat, UMKM dan COVID-19

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## Introduction

Ahimsa-Putra (2003) explains that economic anthropology is one of the studies in socio-cultural anthropology that explores economic phenomena and their symptoms in society to meet their needs. However, economic studies in the perspective of anthropology are not only limited to human efforts to meet the needs of life but also include other matters related to it such as profits and networks. This is because according to Boeke and Berger (1973), human economic activities are closely related to culture and human social functions in society. In the current era, the economic system in society is increasingly diverse and increasingly complex. According to Setioputro (2018), the emergence of variations in the economic system is due to the adaptation of society to the entry of modernization which is a form of global adaptation. According to Geertz (1983), the variation in the economic system of the community is due to the increasing number of labor forces and the depletion of agricultural land. One variation of the economic system is the industrial economic system in which there is a type of small industry commonly called Micro, Small, and Medium Enterprises (MSMEs).

In July 2019, for one month, Universitas Airlangga (UNAIR) held the 60th Thematic Student Study Service [*Kuliah Kerja Nyata*] program which was conducted in several cities. One of it was held in Surabaya. The Community Service Program in the city of Surabaya is focused on mentoring and developing MSMEs. Based on Department of Cooperatives, Small and Medium Enterprises, East Java Province, Surabaya city is one of the cities with the most MSMEs in Indonesia, as many as 260,762 consisting of various industrial sectors with a total workforce that can be absorbed as many as 466,779 people (Setioputro 2018).

The reason for the need for assistance and development of MSMEs through the Student Study Service program is because according to Gunartin (2017), in general MSMEs in the nation's economy have a role as the main actor in economic activity, the largest provider of employment, an important player in the development of the local economy and community empowerment. New market creators and sources of innovation and their contribution to the balance of payments.

A country that can build and develop various kinds of small industries in its region as a modernization effort will have a high chance of achieving success in industrialization (Saith in Setioputro 2018). Therefore MSMEs, especially in the city of Surabaya, need to get attention from scholars to assist and develop theirs.

However, at this time, the economic condition of Indonesia and even the world is being rocked by the COVID-19 pandemic. Almost all sectors of the economy, including trade and industry, have been affected by this pandemic. A study conducted by the OECD (*Organization for Economic Co-operation and Development*) in 2020 entitled *COVID-19: SME Policy Response*, illustrates that MSMEs in many countries are forced to experience various pressures such as what happened on the product supply side which was disrupted due to the risk of workers who were positive for the Covid-19 virus.

In addition, some workers need to focus more on their children due to school closures. Then, there are the implementation policies of *social distancing* that disrupt the economic activities of production and distribution of products from MSMEs. In addition, the distribution of raw goods for the production of MSMEs is also experiencing obstacles due to the implementation of regional quarantine and a reduction in goods distribution activities (Quoted from news.detik.com, accessed on May 17, 2020).

Before entering into the discussion, researchers in making reasons for choosing a topic must be based on an experience regarding the topic being studied. The researcher's empirical reason for choosing the topic of this research is the news about the impact of the COVID-19 pandemic on MSMEs. The news was on the topic "Corona Hit, Here Are 5 Complaints of MSME Actors" (Quoted from money.kompas.com, accessed on May 17, 2020). The 5 complaints of MSME actors became the empirical basis for researchers in conducting this research.

First, sales are declining. There are 774 cooperatives and MSMEs that have complained about the decline in sales due to the impact of the COVID-19 pandemic. The decline in sales was occurred in DKI Jakarta, Banten, West Java, Central Java, East Java, DIY, North Sumatra, West Sumatra, Riau, Bengkulu, Bali, West Kalimantan, East Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi, South Sumatra. and South Kalimantan.

The second is about the difficulty of raw materials. A total of 63 cooperatives and MSMEs located in Banten, DKI Jakarta, DIY, West Kalimantan, East Kalimantan, West Java, East Java, and Central Java found it difficult to get raw-material supplying. Third, distribution is hampered. A total of 111 cooperatives and MSMEs are located in Yogyakarta, West Java, East Java, Central Java, West Kalimantan, DKI Jakarta, Riau, North Sulawesi, and Banten feel there are obstacles in the distribution of their products.

Fourth is capital difficulties. There are 141 cooperatives and MSMEs in Banten, DKI Jakarta, Central Java, East Java, South Kalimantan, West Kalimantan, North Kalimantan, East Kalimantan, Bali, Jambi, West Java, Yogyakarta, Bali, and the Riau Islands complaining of the difficulty of accessing business capital assistance. Fifth, production is hampered. A total of 42 cooperatives and MSMEs in Banten, West Java, Central Java, East Java, Yogyakarta, Bengkulu, Riau Islands, and DKI Jakarta also complained about the obstacles to the production of their products. The researcher's experience in reading the news is the empirical reason for choosing the topic of this research.

For choosing a research topic, researchers also need to consider the rationale (reasonable or not) of this research topic. The rational reason for the researcher in choosing the topic of this research is that there is a lot of news that discusses the impact of the COVID-19 pandemic on MSMEs.

Several reports have been mentioned by researchers in the previous section. In addition, based on the news that the researcher has mentioned, MSMEs actors and related parties, such as the government, must think of ways or strategies for maintaining various kinds of economic activities so as not to drowning on rock-bottom. The author assumes that one of the ways used to maintain the economic activity of MSMEs is through their economic behavior.

Then, the topic in this research can be called actual because the condition of MSMEs during the COVID-19 pandemic, is actual and still new. On May 17, 2020, there was a lot of news (which some researchers have described) regarding the COVID-19 pandemic. Policies regarding the COVID-19 health protocol are still enforced by the government.

One of them is the social-distancing policy which is very stressful for MSMEs. Starting from the pressure on capital, pressure on the production process to pressure on the distribution process. From here, once again, the researcher would like to emphasize that the reason for choosing the title of this research is because the topics discussed are topics that are still new, topics that occur in reality, and topics that are still very hotly discussed by the public and also both national and international news.

Based on these various explanations, this study discusses the economic behavior of MSMEs during the COVID-19 pandemic using moral economics approach by James Scott. By this theory, the researcher understands that two important basic assumptions can be related to the topic of this research. First, the principle of "safety-first" and second, the principle of "economy subsistence ". Research question for this article is What is the moral condition of the subsistence economy and the safety of MSME actors in three provinces during the COVID-19 pandemic?

The moral economic perspective of Scott (1981) points to the existence of patron-client ties as a means to support the subsistence needs of farmers and divert them from subsistence ethical behavior patterns to maintain the community (Ahimsa-Putra 2003). According to Scott (in Ahimsa-Putra 2003), moral economic behavior [subsistence] is more directed at fulfilling the necessities of life in moderation rather than getting the benefits. Setioputro (2018) explained that the *Tempe* UMKM stands solely to maintain the continuity of its business to survive in the face of fluctuations in the price of imported soybeans which tend to rise, not profit-oriented.

In economic moral behavior, there is a subsistence economic principle. Freely, the researcher interprets subsistence economics as economic behavior based on the principle of subsistence. According to Scott (1981), this subsistence economic behavior can be referred to as behavior safety-first and he also explains that farmers have the view that security is a priority.

If it is profitable, the farmer will participate and if it is at risk, the farmer will tend to avoid it. For example, in Scott (1981), farmers use traditional methods, which is a classic way that is used by farmers to prioritize the safety and security of their farms. Farmers prioritize the sustainability of their agriculture to meet the needs of life rather than to seek the maximum profit. He further added that what is meant by subsistence here is the principle of working to meet his daily needs first. He gave an example that farmers produce enough rice, mainly for the family's food needs and the fulfillment of other important needs that cannot be contested. In essence, Scott (1981) explains that farmers in meeting their needs have the most minimal reference needs (subsistence ethics).

## Method

The type of research that the researcher chooses in this thesis is a descriptive type of research. Lexy and Moleong (2006) explain that descriptive research must be able to describe the phenomenon being studied completely or holistically (seeing the relationship of the phenomenon to other relevant aspects). Therefore, in research on the survival strategy of MSMEs during the COVID-19 pandemic with this moral economic theory, the researcher seeks to fully explore the actions taken by MSMEs in defense against the COVID-19 pandemic. From a moral economic perspective which is safety-first *and* subsistence condition for MSMEs.

In collecting data, the researcher used the internal literature review method. The use of the literature review method is because researchers cannot do research directly in the field due to the COVID-19 pandemic which has a fairly high risk. So, once again, researchers are not able to conduct studies in the field. According to Zed (2004), the literature review can be understood as a series of activities to conduct research using data collection methods sourced from various library sources that researchers must read, understand and *review* and then record and process to become materials in research.

Because the data collection technique in this study uses the literature review method, the source of data in this study is secondary data originating from related works of literature. Sanusi (2016: 32) explains that many data sources can be used such as books, scientific journal articles, statistical data, other research results (such as under-graduate-thesis, master-thesis, and dissertations), internet sources, and various other sources that are relevant and can be scientifically justified and accountable. academic.

In this study, researcher used four library sources in the form of journals with research topics regarding culinary MSMEs and the COVID-19 pandemic in East Java. The journals that the researcher uses are journals that can be tracked using the *academic database* because the researcher obtained the journals through the page *Google Scholar* which is low-reputed journal page that can be used as a journal search page for literature-based research. To provide clarity regarding the journal, below the researchers include the identity of the journal (library source).

Table 1. Articles for Data

No.	Articles
1.	Sugiarti, et al. entitled "The Role of E-Commerce to Improve the Competitiveness of Sambal Micro, Small and Medium Enterprises (MSMEs) in Java East". With the research subject of UMKM Sambal Dede Satoe Surabaya. Published in Kumawula: Journal of Community Service, Vol. 3, No. 2 of 2020.
2.	The journal by Narto and HM entitled "Strengthening Puduk's Marketing Strategy during the COVID-19 Pandemic to Increase Competitive Advantage of Micro, Small and Medium Enterprises in Gresik City". With the research subject of Puduk Gresik MSMEs. Published in the INTECH Journal of Industrial Engineering, Serang Raya University Vol. 6 No. 1 of 2020.
3.	Awal and Rohmah entitled "The Urgency of Using <i>E-Marketing</i> on the Sustainability of MSMEs in Pekalongan City during the Impact of COVID-19". With the research subject of Batik MSMEs in Pekalongan. Published in Balance: Journal of Islamic Economics and Business, E-ISSN 2715-6370.
4.	The journal by Kuswanto and Alfi entitled "Financial Strategy for Cilacap MSMEs in Facing the COVID-19 Pandemic (Case Study of MSMEs in Cilacap Regency)". With the research subjects of lodging, tourism, sifting livestock, and also fried food traders in Cilacap. Published in the Journal of Technology and Business, Vol. 2, No. 1, p. 40-51.
5.	Hardilawati's journal entitled "MSME Survival Strategy in the Midst of the COVID-19 Pandemic". With the research subject of UMKM (no mention of type) in Pekanbaru. Published in Journal of Accounting and Economics Vol. 10 No. 1.

## Result and Discussion

Through the literature review method on 5 research journals on MSMEs in East Java, Central Java, and Riau during the COVID-19 pandemic, researchers found out data on the condition of MSMEs and the actions taken by the actors to remain able to survive during a pandemic. The researchers analyzed and categorized the data using J. Scott's (1981) moral economic theory with two basic assumptions, namely subsistence conditions, and safety-first behavior.

### Sambal Dede Satoe MSME Surabaya during the COVID-19 Pandemic

Sugiarti et al. (2020) explained that these MSMEs are certainly engaged in producing chili with varied flavors which Surabaya and Sidoarjo as the main marketing areas. Interestingly, Sugiarti et al. (2020) also saw that the main consumers of MSMEs were middle-class people by seeing the selected consignment outlets in quite strategic and exclusive locations such as *Keris* Gallery at the airport, Chicco, Bonet, Carrefour, Ranch Market, Farmer and Gelael Group. The reason, MSMEs can market products in these exclusive locations is because they are assisted by government agencies, namely the Industry Service, Cooperatives Service, and also Telkom which is sometimes able to provide opportunities to participate in exhibitions.

During the pandemic, these MSMEs also experienced subsistence conditions. Quoted directly, Sugiarti et al. (2020) stated that "In 2020, *offline* sales decreased drastically due to the COVID-19 pandemic. Some *retail* outlets even temporarily suspended orders." This statement clearly shows that Sambal Dede Satoe MSME was also impacted by the COVID-19 pandemic on drastic-

declining sales. This situation certainly can be called as subsistence condition which means that they are in minimal conditions due to the impact of the COVID-19 pandemic.

If analyzed, for sure, the occurrence of the subsistence condition of MSMEs has its cause. Sugiarti et al. (2020) explained that the cause of the decline in sales of MSME Sambal Dede Satoe during the COVID-19 pandemic was because they over-rely on retail system which means that they could not get the sales profit independently. They are waiting for the sales profit from each of these outlets. The limitations of the marketing area, especially in a conventional way and market competition, are the reasons MSMEs living in a subsistence condition or a minimum all-round situation.

To survive in this subsistence condition, these MSMEs carry out safety-first behavior. The safety-first behavior seen in the SME Sambal Dede Satoe is in its production strategy, namely the existence of food certification which provides evidence that the production process of the MSME Sambal Dede Satoe is guaranteed to be hygienic. Sugiarti et al. (2020) also explained that the strategy to maintain the quality of production is very important for consumers, especially during the COVID-19 pandemic.

In addition, other safety-first behavior carried out by Sambal Dede Satoe MSME can be seen through the explanation of Sugiarti et al. (2020), namely the safety-first behavior which lies in the marketing aspect carried out by Sambal Dede Satoe. MSME Sambal Dede Satoe chooses to carry out a strategy. The marketing strategy is still conventional, namely through outlets and also on several occasions participating in exhibitions that are encouraged by the local government. This kind of marketing strategy is researchers analyze as a safety-first behavior.

Such a marketing method, based on the explanation of Sugiarti et al. (2020), makes Sambal Dede Satoe SME depend on sales results from each outlet. Sugiarti et al. (2020) explained that by continuing to use conventional marketing methods through these outlets, their sales (offline) experienced a drastic decline and it was even mentioned that there were outlets that temporarily stopped their sambal orders from MSME Sambal Dede Satoe. The reason, according to Hardilawati (2020), is because consumers are worried about all conditions outside the home, likewise with MSME products.

#### ***Pudak Gresik* MSMEs in the COVID-19 Pandemic**

*Pudak Gresik* MSME also experienced the impact due to the pandemic. Narto and HM (2020) explained that in general, MSMEs in the city of Gresik (one of places for *Pudak* MSMEs) experienced a decrease in the sales revenue which was only around 7% of normal sales results within 1 month. Although this information is general for MSMEs in Gresik City, researchers can understand that *Pudak Gresik* MSMEs are also one of the MSMEs in Gresik City whose sales (turnover) have decreased within 1 month.

Therefore, it can also be analyzed that *Pudak Gresik's* MSMEs are in a subsistence condition or minimal condition due to the impact of the pandemic. In addition to the subsistence condition as seen from the decline in sales results, *Pudak Gresik's* MSME also experienced other conditions that triggered the emergence of subsistence conditions. Narto and HM (2020) mention that there are 5 obstacles for the *Pudak Gresik* MSME, namely the emergence of new competitors, palm

fronds (raw materials) that are difficult to obtain, the emergence of new flavor variants from competitors, rising prices of raw materials and distribution constraints. These constraints further make it clear that *Pudak Gresik's* MSMEs during the COVID-19 pandemic were in a state of subsistence or minimal conditions. When viewed from the aspect of MSMEs, the subsistence condition of *Pudak Gresik's* MSMEs is in the aspects of sales, production, and distribution marketing.

Concerning the safety-first behavior of *Pudak Gresik* MSMEs, the researcher's analysis of Narto and HM's research (2020) shows that the safety-first behavior of *Pudak Gresik* MSMEs lies, first, in maintaining affordable prices, guaranteed products, and flavors because they do not use preservatives. Second, the weak points of MSMEs can be seen in-store management which is still traditional, simple production equipment, lack of innovation in taste and sales only in own stores. From this, it can be seen that the moral behavior of the economy first and foremost, which is categorized into the strengths and weaknesses of *Pudak Gresik* MSMEs by Narto and HM (2020), can be a factor for making *Pudak Gresik* MSMEs survive during the COVID-19 pandemic, and some are able to become a weakness of *Pudak Gresik's* MSMEs which made them in a subsistence condition during the COVID-19 pandemic

#### **MSMEs in Pekalongan City Batik during the COVID-19 Pandemic**

During the COVID-19 pandemic, MSMEs in Pekalongan City especially MSMEs in the batik industry, were also affected by the COVID-19 pandemic. The impact felt by the MSMEs of Pekalongan Batik is certainly quite significant for productivity Bags and sales of MSME batik products, Batik Pekalongan, according to the results of the interview by Awal and Rohmah (2020) with one of the perpetrators of MSME Batik Pekalongan. Based on the interview results from Awali (2020), it shows that the Pekalongan Batik MSME actors feel that the COVID-19 pandemic has had a tremendous impact on the MSME actors. The burden on MSME actors also increases because it is also necessary to maintain the economy of the people who work in MSMEs.

For handling this sales-decreasing condition, e-marketing become the best strategy to keep having income even though the profit must be so much less than before Covid-19 pandemic. By using this strategy, MSMEs of Batik Pekalongan can carry out marketing and increase interaction with consumers at the same time. That way, according to Awal and Rohmah's (2020) explanation about the benefits of good communication between MSMEs and consumers, it will make consumers feel comfortable for shopping on SME products because of the good interaction and communication.

Researchers see that the safety-first behavior that appears in the behavior of MSMEs in Pekalongan batik in the research journal Awal and Rohmah (2020) is in the behavior to increase interaction with consumers. According to Awal and Rohmah (2020), consumers become more comfortable shopping for SME products because of the good way of communication carried out by MSME actors to consumers which can give positive impact on both sides.

The strategy of increasing intense interaction with consumers through the application of this strategy *e-marketing*, the researchers analyzed it as safety-first behavior. Because of increasing interactions with consumers, MSME actors are also attracting consumers to be loyal to MSMEs so that even during the COVID-19 pandemic, consumers are not worried about shopping for



MSME products. Then, the implementation of a strategy *e-marketing* to conduct a lot of interaction with consumers also aims to defend the business from the risk of bankruptcy during the pandemic.

### **MSMEs in Cilacap during the COVID-19 Pandemic**

Based on the research of Kuswanto and Alfi (2020), many types or types of MSMEs in Cilacap are experiencing the impact of the COVID-19 pandemic. For example, the owner of an inn or hotel business in Cilacap who experienced a deficit in business income which caused by the occupancy rates decreasing or those who did lodging. In addition, there is also a tourism business in Cilacap which was forced to close due to social restrictions. The closure of these tourist sites has an impact on traders who usually trade in these tourist locations.

Furthermore, Kuswanto and Alfi (2020) also mentioned that the Cilacap livestock business actors were also significantly affected by the COVID-19 pandemic. Kuswanto and Alfi (2020) explained that the condition of subsistence in this business was successfully done when business actors sold their farm chickens with the original mechanism of behavior, some even distributed them for free because the chicken's nutritional intake was not well enough. The reason for it is the livestock partners stopped their supply to Cilacap chicken farm communities.

Another MSME in this area works on fried-food sector which usually sell *mendoan* [fried tempe], *bakwan*, tofu, and also coconut ice drinks which often closing their business. This is basically because of the restriction for going-out from home so all of the areas become desolate and nobody will buy those fried-food. If they insist on keeping their business open, fried food business actors admit that their sales have fallen quite drastically, up to 50% of sales in normal conditions. In addition, Kuswanto and Alfi (2020) also mentioned that the fishermen in Cilacap with stable catches but having less consumer demand and selling prices. Like the price of *dogol* prawns which decrease from the price of Rp. 70,000 per kilo to Rp. 45,000 per kilo.

In this research journal by Kuswanto and Alfi (2020), researchers were only able to find one Cilacap MSME action during the Covid-19 pandemic that could be analyzed as safety-first behavior. Namely the behavior of MSME actors to take actions whose main priority is safety and continuity business. This action was carried out by Cilacap chicken farm business actors. By the information from the results of Kuswanto and Alfi' article, that the Cilacap chicken farm business actors during the COVID-19 pandemic were also affected, such as a decrease in sales results and the cessation of supply of chicken feed from partners due to social restrictions. As a result, farm chickens will eventually lack nutrition and are threatened with starvation. Before that happened, instead of the farm chickens not selling well because they were not healthy or even starved to death, the Cilacap chicken farm business players chose to carry out a selling strategy as long as it can be sold even for the minimum price. Indeed, the journal did not mention the reason. However, the researchers assumed that this was done because the Cilacap chicken farm business actors were reluctant to bear the risk of the chicken's deaths. Such as the opportunity to cause diseases that are transmitted through poultry, incur additional costs for sterilizing the cage from the presence of dead farm chickens, and other risks due to the discovery of dead farm chickens even though the initial cause was due to lack of nutritional intake and due to starvation.

### **Pekanbaru MSMEs in the COVID-19 Pandemic**

Some of the data that researchers analyzed as a subsistence condition of Pekanbaru MSMEs was based on data found by Hardilawati (2020) from the observation that MSMEs in Pekanbaru on average felt a decrease in turnover due to reduced activities outside the home by consumers so that they are unable to buy MSME products directly, difficulties in raw materials, transportation constraints, and decreased public confidence in products that are outside because they are worried about their health.

The results of Hardilawati's research (2020) shows that some MSMEs even go as far as to lay off or temporarily suspend their staffs with the excuse of temporarily closing their business productivity first. This can happen, of course, because of the underlying subsistence conditions such as a decrease in turnover. However, based on Hardilawati's findings (2020), there are still MSMEs that do not experience a decline in turnover and even are in a stable condition. Hardilawati (2020) analyzed that this could happen because the MSMEs were able to make product adjustments and also maximize their marketing.

Regarding the safety-first behavior carried out by Pekanbaru MSME actors, researchers saw the MSME strategy which, according to Hardilawati data (2020) was able to make MSMEs survive during the COVID-19 pandemic. Hardilawati (2020) stated that MSMEs are MSMEs that able to make product adjustments and also maximize their marketing strategies.

The first behavior that the researcher analyzes as safety-first behavior is behavior to improve the quality of products and services for MSMEs. Hardilawati data (2020) states that there are MSMEs in Pekanbaru that can be survived because they can improve and ensure the quality of their products. Thus, consumers who were initially worried about MSME products became even more confident in buying these MSME products. The next behavior is maintaining good relations with consumers who have the aim of retaining existing consumers to be more loyal to MSMEs.

### **Conclusion**

Based on literature review to 5 journals about MSMEs condition during the COVID-19 pandemic in three provinces (East Java, Central Java, and Riau), the researchers drew 2 conclusions. Firstly, it relates to the subsistence condition that MSMEs in three provinces during the COVID-19 pandemic were in a subsistence condition except for MSMEs in Riau which it was also mentioned that some were still surviving due to product and service adjustments. This subsistence condition can occur due to the decreasing in sales, turnover, distribution, consumer confidence, and the difficulty of obtaining raw materials

Second, concerning safety-first, MSME actors in three provinces during the COVID-19 pandemic also carried out behaviors aimed at prioritizing safety and business continuity. The behavior that appears to be safe first, the researchers categorized into 2 things, which have a positive impact and have a negative impact on MSMEs during the pandemic. Safety-first behavior that has a positive impact is the behavior of MSME actors who are carried out to maintain their business with constructive strategies such as improving quality of products and services, and also increasing the interaction as much as possible with consumers to reshape consumer confidence in MSME products. Meanwhile, safety-first behavior that has a negative impact is the behavior of SME actors

carried out to maintain their business but with strategies that can be detrimental to MSMEs themselves. Such as reluctance to innovate on products and services, reluctance to innovate in conventional marketing methods which rely heavily on direct consumer visits, and also the sales system as long as the behavior does not set a price because what is important is selling.

The researcher suggests to academics that when they want to examine a research phenomenon using Scott's (1981) moral economic theory, in addition to studying in full and in detail Scott's (1981) moral economic theory, it is also necessary to study rational economic theory to be able to provide a broad picture of how behavior can be categorized as economic moral behavior or can also be categorized into rational economic behavior. Second, the researcher suggests that further research can focus more on one type of business in MSMEs. Because when researching directly on MSMEs, the subject matter will be very broad considering that in MSMEs there are types of the micro, small and medium enterprises whose characteristics have been regulated in Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises. If it is specified, perhaps further research will be able to discuss small businesses in the coffee shop sector. Because, according to the observations of researchers, especially in the city of Surabaya, there are almost no coffee shops that are empty of customers even though they are during the COVID-19 pandemic.

Practically, researchers provide advice to MSME actors and also to the government as a regulator. First, for MSMEs. Researchers provide suggestions, based on research so that MSME actors have the will and desire to make updates and adjustments. Then the second, for the government. Researchers suggest that there should be a socialization and assistance program regarding stimulus programs for MSMEs. The reason is that although the MSME stimulus program initiated by the government is a good plan, if MSMEs do not understand or even do not know how the process and program run, researchers feel that it will be useless.

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