

The Impact of Covid-19 Pandemic on Poverty in the Socio-Economic Field

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ABSTRACT

The Covid-19 (Coronavirus) pandemic is a virus that causes disease in humans and animals. The virus that has spread since the beginning of 2020 more or less in March, all residents are shocked by this Covid-19 Pandemic. The COVID-19 pandemic has changed everything, from lifestyle and caused a lot of losses for everyone. This study aims to determine the impact of Covid-19 on Poverty in Tirto, Pekalongan. The research method used is qualitative research and library studies to support this research. From the results of research that has been carried out, the impact of Covid-19 is very large. Everything changes and there is not a single person who is not harmed by this Pandemic. Starting from rich entrepreneurs, employees, traders, even online motorcycle taxi drivers. Covid-19 makes everyone have to be able to rack their brains to think how to survive during this Pandemic. However, on the other hand, the government participates in assisting the community in tackling poverty by providing social assistance. Such as providing subsidy funds for Micro, Small and Medium Enterprises (MSMEs) through BRI bank.

Keywords: Covid-19, Pandemic, Poverty, Online Transportation.

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I. INTRODUCTION

Covid-19 which is also known as Corona Virus has caused a stir in the world. Its presence since the end of 2019 in the city of Wuhan, China. Covid-19 has been rampant in Indonesia since March 2020, starting with two people infected with the corona virus. Covid-19 makes everyone panic and fear, because transmission occurs due to physical contact with people who are positive or infected with the covid-19 virus. The Covid-19 pandemic has put pressure on economic and social conditions in Indonesia since the end of 2019. This economic impact has had a wide impact throughout Indonesia. The economy of each region is threatened, plus the regional conditions are worse than before. (Kurniasih, 2020).

In dealing with the increasing number of people affected by the COVID-19 Virus, Indonesia, especially the government, provides a solution to carry out Lockdown. Lockdown is an effort to anticipate the transmission of Covid-19 by closing access to and from entering the territory of Indonesia. In addition, it is useful to limit each individual from direct physical contact with other individuals. Due to the lockdown, all activities outside the home have been suspended. Work is done from home or WFH, school is going online or online is done with Virtual Meeting. The impact of Covid-19 is very influential for all groups and sectors, such as the economic sector, transportation, tourism, and health. Especially for the economic sector, the effect is very large. The spread of COVID-19 is seen from two perspectives, namely supply and demand. It is clear that the point of view of declining demand in the areas of consumption, transportation. And supply will experience a decline due to decreased productivity of trading activities (Sayuti & Hidayati, 2020).

II. LITERATURE REVIEW

As for the basis of the author's thinking in taking the theme of this research is research that has been done by previous researchers. The following is the previous research that became the reference for this research. The first research entitled "The Impact of the Covid-19 Pandemic on Poverty in Indonesia" by Herlina Tarigan, Juni H Sinaga, and Rika R. Rachmawati. In this study, it can be concluded that poverty is increasing due to the Covid-19 pandemic, the increase in the number of poverty rates occurs due to the large number of unemployed and decreased employment opportunities because there are less available jobs. To overcome poverty, the government thinks quickly to deal with poverty so it doesn't get worse. By providing socio-economic assistance by providing consumption assistance such as basic necessities and electricity with provisions and income, namely money. In addition, providing assistance to MSMEs or pre-employment cards. (Tarigan et al., n.d.).

The second study with the title "Increasing Unemployment Amid the Pandemic (COVID-19), by Fahri, Abd. Jalil, and Sri Kasnelly. The research was carried out due to the Covid-19 pandemic that continues to run rampant in Indonesia. There is a detrimental impact because many people have lost their jobs due to layoffs, or even become unemployed due to the unavailability of job opportunities. The impact of unemployment from an economic point of view, a decrease in the income of the population per capita, a decrease in tax revenues, and an increase in state debt. Furthermore, if from the community itself it is very clear to make psychological and psychological problems for the unemployed and even their families. (Jalil & Kasnelly, n.d.)

III. METHODOLOGY

The research method uses a qualitative research approach and literature study, the researcher seeks to understand systematically the concept under study. Regarding research data, here the researcher uses two types of data sources. Primary data and secondary data, primary data obtained through interviews with communities around the area of Tirta, Pekalongan. While secondary data was obtained through various reference literatures related to the research theme such as journals, articles and books as supporting materials for this research.

IV. RESULT AND DISCUSSION

1. Poverty in Indonesia

Poverty is an economic condition in which a person cannot fulfill their daily needs, starting from clothing, food, and housing. Low income makes individuals unable to meet needs that should be fulfilled, such as in the field of Health or Education. In addition, decent housing is included in the standard of welfare in one's life. (Prasetyandari, 2021).

2. The impact of the Covid-19 pandemic seen from the labor sector

Covid-19 data As of October 11, 2020 in Indonesia, 328,952 people were confirmed positive, 251,481 people were declared cured and 11,765 people died. Indonesia is seen from Southeast Asia (ASEAN) as the country with the number 2 Covid-19 case after the Philippines and for the world level it is in the number 21 position. The impact of Covid-19 is felt by all parties, from low, middle to upper class workers. Judging from the Ministry of Manpower (Kemnaker), since the Covid-19 Pandemic the number of workers affected by layoffs has reached more than 3.5. The consequences of this layoff will certainly have an impact on the family's economy, besides that due to the Covid-19 pandemic, several companies have decided to temporarily lay off employees, many of them even whose wages are not paid in full. This is because the company is also in difficult times due to the Covid-19 Virus. Workers who are laid off are vulnerable to contracting Covid-19, because those who have to carry out activities outside will interact with many people to find work to meet their daily needs. (Syahrial, 2020)

3. The impact of the Covid-19 pandemic seen from the tourism sector

The Central Statistics Agency (BPS) noted that the number of foreign tourist arrivals to the country in early 2020 had decreased, in 2020 in January, foreign tourist visits reached 1.27 million visits. However, this figure dropped 7.62 percent when compared to the number of foreign tourist visits in December 2019 of 1.37 million visits. The decline in foreign tourist visits to Indonesia can also be seen from the data on foreign tourists who come through the air entrance. The tourism industry is facing a major decline in international tourist arrivals with massive cancellations and a drop in bookings. The decline occurred due to a slowdown in domestic travel caused by public doubts about traveling in the midst of the Covid-19 Pandemic. The outbreak of the Covid-19 pandemic, in addition to making a decline in the tourism business, also has an impact on MSMEs and disrupts job vacancies or employment opportunities. In addition, small traders in the tourism sector also experience a loss of livelihood due to the absence of data visitors, which causes them to be able to think about meeting their daily needs. With the Covid-19 pandemic, which limits individuals to outside activities, it reduces in various aspects, especially in the income obtained from the tourism sector. (Ananta et al., n.d.).

4. The Impact of the Covid-19 Pandemic on the Community Economy.

The Covid-19 pandemic is felt by all circles, both the upper middle class and the lower middle class. The existence of this pandemic has completely changed the lifestyle and activities carried out. Examples of people who feel include:

5. Ojek Online

Since the Covid-19 Pandemic, online motorcycle taxis have felt the impact of the losses caused by the Covid-19 virus. The job of being an online motorcycle taxi is a promising job, because this application that can be used by all groups is equipped with complete features. Such as, bicycles to deliver customers, food to buy customer food and so on. It can be said that the income obtained from online motorcycle taxis can meet daily needs and even save money. However, in the midst of the Covid-19 outbreak, many customers do not access the application and use its services because it is not for their safety. Which resulted in a decrease in income earned. (Hapsari et al., 2021)

6. Labor

Labor is one of the workers who discovered the existence of the Covid-19 Pandemic. They have to experience layoffs, at home and experience salaries that are not fully disclosed because the company is experiencing a crisis due to Covid-19. Companies are in crisis because the goods or services they produce are not in great demand by consumers anymore. Factors affecting the occurrence of layoffs due to Covid-19, among others. First, the depletion of raw material availability, Second, the weakening of the exchange. (Syahrial, 2020)

7. Entrepreneur (Car Rental Service)

One of the efforts to encourage economic growth and reduce poverty and has become the focus of the government in recent years is in the form of Micro, Small and Medium Enterprises or MSMEs. In the car rental service business, here I met a young man aged 25 with the initials MGM who runs a car rental service business with the address Tirta, Pekalongan. In the interview, he said that the impact of Covid-19 greatly affected daily income. Before the Covid-19, every day car rental services were always flooded with customer orders that rented between 12 hours and even 24 hours. However, after the Covid-19 outbreak and the tourism sector closed, the car, which is usually always empty or has been booked or ordered, is stuck, which can be said to be empty of customers. This happens because of customer concerns in car rental because the Covid-19 outbreak is still rampant everywhere. However, along with the New Normal Regulations from the Government gradually starting to work, by always following the Health protocol, you must wear a mask, and everything is clean. (Bilal et al., 2021)

8. Entrepreneur (Batik)

Pekalongan City is a city with Batik characteristics, the dominant development of batik on the island of Java is caused by population density from ancient times to the present. As an Indonesian citizen, you must be proud of Batik as an asset. (Trixie, 2020). In the Batik business, I met a woman with the initials RF, aged 59. She has a batik business located in Pringlangu, Pekalongan. The existence of covid-19 has made consumers' buying interest not exist, which has led to a crisis in their financial cycle. However, the strategy in dealing with the impact of Covid-19 made Mrs. RF think hard to keep attracting consumers to buy. By way of making masks from Batik which is currently being needed by the community. In addition, sellers also take advantage of Online Buying and Selling with E-commerce which is easily accessible by all

people to facilitate transactions and reduce direct contact or interaction so as not to be affected by the Covid-19 Pandemic. (Sutrisni, 2020)

9. Government Efforts in Overcoming Community Poverty

The Central Statistics Agency (BPS) noted that the poverty rate of the Indonesian population has increased due to the Covid-19 pandemic. In September 2020, the poverty rate increased compared to March 2020. Poverty in the community occurred due to the Large-Scale Social Restrictions (PSBB), in April 2020 which limited human activities outside the home to reduce direct interactions between individuals. It greatly affects people's income and consumption. In this case, the government needs to anticipate an increase in poverty caused by access to food due to job losses due to layoffs. News coverage in print and electronic media illustrates how difficult life is out there after Covid-19 is below the poverty line. Everything is full of limitations and it is certain that those who feel the impact of the Covid-19 pandemic are people with low economic income. The impact of the Covid-19 pandemic is increasingly troubling, making more and more people without jobs and even making the percentage of homeless people explode. However, the government is trying to reduce or even eliminate homeless people by taking preventive, repressive and rehabilitative measures. (Barlinti, 2007). In tackling poverty, the government has 5 programs, including:

- a. Maintain price stability for basic necessities.
- b. Encouraging pro-poor growth.
- c. Improving and expanding the scope of community-based development programs.
- d. Improving access of the poor to basic services.
- e. Develop and improve the social protection system for the poor.

Of the five focus programs carried out by the government, it is hoped that the poor can be handled little by little. In addition, in the field of education, the government provides scholarships for poor students at the elementary school (SD) to high school (SMA/SMK) levels. In addition, in the health sector, the government also provides referral assistance for health services for poor families. In the economic field, the government helps people who do not have jobs by opening job training or pre-employment card assistance, besides that in running MSMEs, the government issues financial assistance as a capital turnover that can be obtained through Bank BRI. (Setiono, n.d.).

V. CONCLUSION

Based on the background, problem formulation and discussion that have been described, a conclusion can be drawn as follows. Poverty is a low economic condition of a person who cannot fulfill his daily needs. The current condition of poverty occurs due to the impact of the Covid-19 Pandemic. Judging from the workforce, the tourism sector and the impact of the economy in a society that has decreased due to a decrease in income. One of the causes of poverty is the lack of employment opportunities, not proportional to the number of people in Indonesia. The government's efforts to deal with the impact of Covid-19 in various ways, such as providing social assistance to the community in a fair manner, providing financial assistance to MSMEs through Bank BRI, providing health insurance, then in education providing scholarships to poor people and outstanding students.

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