

**THE PURCHASE POWER OF THE COMMUNITY AND GOVERNMENT SUBSIDIES ON MSME PRODUCTION PERFORMANCE IN THE COVID-19 PANDEMIC**

Prasetio Ariwibowo<sup>1</sup>); Bakti Toni Endaryono<sup>2</sup>)  
wibowoprasatio648@gmail.com<sup>1</sup>); baktitoni@gmail.com<sup>2</sup>)

Economic Education Study Program, Indraprasta University PGRI, Jakarta, Indonesia<sup>1</sup>)  
Sharia Economics Study Program, IAI-N Laa Roiba, Bogor, Indonesia <sup>2</sup>)

**Info Artikel***Sejarah Artikel:*

Diterima : 27-09-2021

Disetujui : 22-12-2021

Dipublikasikan: 28-12-2021

*Keywords:*Covid-19, Purchase Power;  
Subsidy; SMEs.**Abstrak**

*This study was conducted to find out how much influence the purchasing power of the people and government subsidies have in maintaining the existence of MSME entrepreneurs during the Covid-19 pandemic which has been running for almost 2 years. The total sample of this research is 100 MSME entrepreneurs in Jakarta and Bogor Regency by purposive sampling who are engaged in the food and beverage sector. Descriptive quantitative method with analytical test tools using SEM-PLS 3.0. with the analysis technique carried out, namely descriptive analysis, inferential analysis, validity test, reliability test, R-square test, T-test and F-test. The results of data analysis obtained in this study are that in the middle of the condition of people's purchasing power, it simultaneously affects performance. MSME production and subsidies from the government have no simultaneous effect on MSME revenue performance during the Covid-19 pandemic. Simultaneously, brand image and price affect purchasing decisions.*

**KEKUATAN DAYA BELI MASYARAKAT DAN SUBSIDI PEMERINTAH TERHADAP KINERJA PENDAPATAN UMKM DI MASA PANDEMI COVID-19****Abstract**

Penelitian ini dilakukan untuk mengetahui seberapa besar pengaruh kekuatan daya beli masyarakat dan subsidi pemerintah dalam mempertahankan eksistensi pengusaha UMKM di masa pandemi Covid-19 yang sudah berjalan selama hampir 2 tahun, khususnya di bidang pendapatan usaha. Total sampel dari penelitian ini adalah 100 pengusaha UMKM di Jakarta dan Kabupaten Bogor secara purposive sampling yang bergerak di sektor makanan dan minuman. Metode kuantitatif deskriptif dengan alat uji analisis menggunakan SEM-PLS 3.0. dengan teknik analisis yang dilakukan yaitu analisis deskriptif, analisis inferensial, Uji validitas, Uji Reliabilitas, Uji R-Square, Uji -T dan Uji F. Hasil analisis data yang diperoleh pada penelitian ini yaitu di tengah kondisi daya beli masyarakat berpengaruh secara simultan terhadap kinerja produksi UMKM dan subsidi dari pemerintah tidak berpengaruh secara simultan terhadap kinerja pendapatan UMKM di masa pandemi di masa Covid-19. Secara simultan, citra merek dan harga berpengaruh terhadap keputusan pembelian

✉Alamat korespondensi :

Jl. Raya Tengah No.80, RT.6/RW.1, Gedong, Kec. Ps. Rebo, Kota Jakarta Timur,  
Daerah Khusus Ibukota Jakarta 13760  
E-mail: wibowoprasatio648@gmail.com

ISSN

1799-4800 (cetak)  
2580-8451 (online)

## **PRELIMINARY**

The economic aspect most affected by Covid-19 is the domestic sector (households) considering that this sector is the fundamentals of the economy (Sugiri, 2020). The Covid-19 pandemic has hit the economic sector not only in Indonesia but also the world. Micro, Small and Medium Enterprises (MSMEs) in various regions are no exception, especially in the Jakarta and Bogor areas affected by the pandemic, which has not yet ended. According to data from the Central Statistics Agency (BPS), the contribution of Micro, Small and Medium Enterprises (MSMEs) to Indonesia's Gross Domestic Product (GDP) reached 61.41%, with the number of MSMEs almost reaching 60 million (Yayan Sudaryana, Hamsinah, Umi Rusilowati, Agung Nugroho, 2020). Data from the Ministry of Cooperatives and Small and Medium Enterprises (SMEs) shows that in 2018 there were 64,194,057 MSMEs in Indonesia and employed 116,978,631 workers (Kemenkop.go.id, 2021). Indonesia is dominated by MSMEs which are the backbone of the national economy and are seriously affected not only in terms of their production and income, but also on the number of workers that must be reduced due to this pandemic. (Pakpahan, 2020). The impacts felt by MSME actors include the impact on income, the impact on the workforce, the impact on credit repayment, and the impact on the availability of capital (Masruroh, et al., 2021). So that MSME business actors are required to be able to adapt to existing business developments because a business that is able to survive is a business that is responsive to the times.

When the economic situation slumps due to the Corona Virus, business people must be really observant in making decisions. The right strategy is needed to maintain the business existence of MSME actors. One way that can be done by the government is to provide subsidies to business actors as well as to consumers, so that there will be a market balance between the amount of demand (through people's purchasing power) and the amount of supply (output generated) into performance for MSME business actors both subsidies in the form of business capital, interest subsidies on loans for consumers and SMEs, tax subsidies and other subsidies. In addition, the inhibiting factors for business development that have the highest frequency are capital and financial problems of 23.2%, economic crisis factors and decreased purchasing power. consumers by 20.6%, and the market power factor or competitors by 15.5%. (Ediraras, 2010)

According to the results of the analysis that has been done by (William, 2021) shows that the effect of providing tax incentives and the provision of interest subsidies has a positive and significant effect on the national economic recovery. This type of small business is indeed very strong and resilient even to the economic crisis. Therefore, the government is the most responsible and has a big role in the development of small and medium enterprises in Jakarta and Bogor. One of them is the local government in Jakarta and Bogor (from the provincial level to the sub-district level) needs to create a conducive business climate in the form of tax relief, ease of licensing and others. In addition, partnership development and training, coaching for entrepreneurs need to be carried out. The local governments of Jakarta and Bogor (provinces to urban villages) essentially have an obligation to participate in solving three classic problems that often hit SMEs, namely market access, capital, and technology, which have often been the subject of discussion. Overall, there are several things that must be considered in developing small and medium business units,

including: working conditions, promotion of new businesses, access to information, access to finance, market access, product quality improvement and human resources, availability of business development services, cluster development, business networking, and competition.

During the COVID-19 pandemic, through the PPKM (Community Activity Restriction Program) program, not a few MSMEs experienced a business crisis. Therefore, it is important for MSME actors to have a survival strategy so that they are safe from the crisis due to the Covid-19 pandemic. Therefore, this study aims to analyze the purchasing power of the public (consumers) and government subsidies to SMEs in the food and beverage sector in Jakarta and Bogor during the Covid-19 pandemic. It is hoped that this research can provide insight or knowledge about the important role of factors in analyzing the purchasing power of the public (consumers) and government subsidies affecting the fluctuations in performance (income) of MSME actors in the food and beverage sector in Jakarta and Bogor during the Covid pandemic. -19.

## **REVIEW LIBRARY**

### **Purchasing power**

Society has necessities that are bought regularly. The goods purchased are referred to as consumer goods. Consumer goods sold in retail are divided into various sectors. Some are in the form of basic needs such as food and clothing. These two types of goods move quickly because they are always needed and are basic needs.

There are also consumer goods that include luxury goods, such as electronics, jewelry, and vehicles. Because the prices tend to be high and the goods have a long service life, the fluctuations in luxury goods do not change quickly.

Researching people's purchasing power will usually result in a conclusion whether people can only buy consumer goods in the form of basic goods or have reached luxury goods.

According to Supawi Pawengan (2016), purchasing power is the ability of people as consumers to buy goods or services needed. The purchasing power of this society characterized by an increase or decrease, where purchasing power increase if it is higher than the previous period while decreased purchasing power is indicated by higher ability buy people than in the previous period. Factors that can affect people's purchasing power among others (Pawengan, 2016), namely:

1. Income Level

Income is a reward from someone for energy or thought that has been donated, usually in the form of wages or salaries. The higher a person's income the higher the purchasing power and the more diverse various needs that must be met, and vice versa.

2. Level of education

The higher a person's education, the higher needs to be fulfilled. An example of a undergraduates need a computer more than an elementary school graduate.

3. Level of Need

Everyone's needs are different. Someone who living in a city the purchasing power will be higher if compared to those living in villages.

4. People's Habits

In this modern era, there is a tendency consumerism in society. Application of lifestyle economically, namely by buying goods and services that really needed, then indirectly has improve the welfare of life.

## 5. Price of goods

If the price of goods increases, the purchasing power of consumers tends to decrease, whereas if the prices of goods and services decreases, the purchasing power of consumers will increase. It fits by law of demand.

## 6. Mode

Items that have just become fashionable in society usually will sell well in the market so consumption increase. Thus the mode can affect consumption.

## **Government Subsidy**

In economic terms, a subsidy is defined as a “payment by the government (or possibly some private individuals) which forms a wedge between the price consumers pay and the costs incurred by producers, such that price is less than marginal cost (sassen, 1996).” Subsidies are used to transfer societal wealth to a particular class, to influence the supply or demand for a particular good, and most commonly, to complement a price stabilization program (Pandey, 2005). Classical economic theory holds that subsidies distort the market outcome that would not have occurred, ‘absent the subsidy’ thereby creating inefficiencies in resource allocation, which lower global welfare. Because subsidies provide a benefit to the manufacturers from one country that competing manufacturers from other countries do not receive, the subsidized manufacturers can compete more effectively in an export or domestic market (Pandey, 2005). If the subsidized goods are sold only in the subsidized manufacturer's domestic market or a third country's market, producers-competitors, who are not availing subsidies, cannot counteract the effects of the subsidy. In markets where non-subsidized manufacturers compete with the subsidized product, they will lose sales as a result of the foreign government subsidizing its manufacturer.

Subsidy could be defined as, “a payment in cash or in kind made in support of an undertaking other than the payment by the purchaser or consumer for the goods or services, which it produces. An aid is a very similar concept, which, however, places emphasis on its purpose and seems especially devised for a particular objective, which cannot normally be achieved without outside help. The concept of aid is nevertheless wider than that of a subsidy because it embraces not only positive benefits, such as subsidies themselves, but also interventions which, in various forms, mitigate the charges which are normally included in the budget of an undertaking and which, without therefore, being subsidies in the strict meaning of the word, are similar in character and have the same effect (Rydelski, 2001).”

In fact, government subsidy has been the focus of scholarly research. For instance, Zhao et al. (2018) developed a decision-making model considering both consumers’ preference for remanufactured products and effect of the government subsidy and found that the optimal price and the subsidy-sharing percentage are inversely proportional to the weighted-sum of the price elasticity of demand. He et al. (2019) explored channel structure and pricing decisions for the manufacturer and government’s subsidy policy with competing new and remanufactured products. they found that government can encourage the manufacturer to adopt the desired channel structures by setting appropriate subsidy levels. Furthermore, higher subsidy level always benefits consumers and the whole supply chain, but not always so to the environment. In addition, some scholars have studied how the government should subsidize prefabricated buildings. For example, Chen et al. (2018) used evolutionary game theory from the demand side and supply side of fabricated building development in order to solve the problem of poor incentive effect and explain how to design the incentive mechanism for the development of prefabricated buildings. It points out that the government guides developers to build prefabricated buildings through subsidies, market mechanisms, and interventions, prompting consumers to pay attention to and participate in the transformation of the construction industry and can achieve a win-win situation for the three

parties. Chen et al. (2015) established a government subsidy model under the condition of asymmetric information and complete information. The results show that the benefits brought by the subsidy policy to the government are affected by the construction cost, the payment of the end user and the developer's preference for green buildings, and other factors.

### **Performance**

From a theoretical point of view, several authors provide an articulation of company performance in different ways. Comprehensively, Mwita (2000) explains performance as a link between behavioral variables (processes), outputs and outcomes (value added or impact). Chakravarthy (1986) states that company performance is a construct that is generally used to measure the impact of a company's strategic orientation. Pelham and Wilson (1996) define company performance as the success of new products in market development, where company performance can be measured through sales growth and market share. Based on the measurement, Neely (1999) explains that business performance measurement can be done by combining two factors, namely; (1) company performance measurement can adopt existing measures, (2) performance measurement must be relevant so that companies must always make changes every time. Tsang et al., (1999) explained that performance can be measured through financial performance, customer satisfaction, internal processes and learning and growth. The study conducted by Bititci, et al. (2000) explains that the performance of a business can be measured from; level of sales, cost of sales, assets owned, brand image and fixed assets owned by the company.

One of the benchmarks to determine the performance of MSMEs is the income sector. Income or revenue is the result of all sales of goods or services, an commodity. Income can also be interpreted as income arising from activity of a business. According to Mankiw (2010), it is stated that income formulated as the result of multiplying the number of units sold with the price per unit.

### **The Influence of Public Purchasing Power on MSME Business Performance**

Based on the results of research by Prasetyani and Novitasari (2019), it is stated that the decline in purchasing power has a significant effect on the decline in sales of retail companies that go public. Based on the ROE and ROI profitability ratios in the financial ratio results table, all analyzed companies experienced a decline from 2012 to 2017. From the results of the t-test hypothesis, TATO, ROE and ROI variables partially affect MBV. With the decline in profitability and resulting in a decline in stock prices, these six companies must be able to create new strategies to survive and be able to overcome this challenge.

This is also supported by research conducted by Mahliza, Priatna, and Burhanuddin (2016), which states that people's purchasing power is related to the ability of consumers to purchase tofu which is influenced by people's income. People's purchasing power is related to the income of people who are consumers of tofu. Tofu is not a luxury side dish, like meat, where household income increases, consumption also increases. Usually consumers know are the lower middle class. When the income of middle to lower income consumers rises, they have the opportunity to be able to buy and enjoy side dishes that are more expensive than tofu. As a result, the purchase of tofu, which is an income for SMEs, tofu and tempeh has decreased.

### **The Effect of Government Subsidies on MSME Business Performance**

Based on the results of research conducted by Hardiani and Umiyati (2015), said that:

1. The empirical equilibrium price is relatively higher in the monopoly market than in the perfect competition market and higher in the condition of subsidized goods compared to non-subsidized goods in either the double action or decentralized transaction system.
2. In terms of the coefficient of diversity on the condition of subsidized goods and non-subsidized goods, both in the double action and decentralized transaction systems, it shows that the price diversity is lower in the monopoly market than in the perfect competition market. However, there is no clear pattern of differences in the coefficient of variance between transaction systems.
3. In general, a monopoly market with subsidized goods has a better level of market efficiency than a perfectly competitive market both with subsidies and without subsidies.
4. Allocation of surplus in the monopoly market which is almost entirely enjoyed by the seller. On the other hand, in a perfectly competitive market, although the relative surplus is enjoyed by the buyers, the difference is not too large compared to the surplus enjoyed by the sellers.

Based on the results of Hardiani and Umiyati's (2015) research, it can be seen that overall government subsidies have a strong influence on the performance of MSME business actors both in terms of income, profit, and market share in the form of the number of consumers who buy MSME products both in monopoly market as well as in a perfectly competitive market.

However, this is slightly inversely proportional to the results of research conducted by Sjari (2005), which states that without a subsidy from the government of Rp. 50 billion (0.3% Development expenditure), actually there is no significant decrease in the decline in the income per capita of the farmer group. This is due to the efficiency and effectiveness of the distribution of subsidized fertilizer distribution specifically intended for MSME entrepreneurs or small farmers, it is expected to save on government spending (subsidies) which also helps farmers/non-farmers (SME entrepreneurs in agriculture) to save production costs. So that it is expected to reduce the income gap between farmer and non-farmer households which is reflected by the smaller per capita income of farmer and non-farmer households.

This is reinforced by the results of statistical tests and discussions conducted by Maharani and Jaeni (2021), stating that:

1. The provision of social assistance affects the development of MSMEs during the Covid-19 pandemic, meaning that the larger the social assistance, the faster the development of MSMEs.
2. Tax incentives affect the development of MSMEs during the Covid-19 pandemic, meaning that the greater the tax incentives, the faster the development of MSMEs.
3. Credit restructuring has proven to have an effect on the development of MSMEs during the Covid-19 pandemic, meaning that the greater the interest subsidy from the government, the faster MSMEs will be recovered.

So, according to Maharani and Jaeni (2021), it can be seen that government subsidies through tax incentives, social assistance, and business loan restructuring have a significant positive effect on the performance of MSMEs during the Covid-19 pandemic.

## **METHOD**

In this study, a quantitative approach was used. The sample in this study was determined as many as 100 MSME entrepreneurs in Jakarta and Bogor Regency by purposive sampling engaged in the food and beverage sector. The next step is the preparation of a questionnaire, the preparation of the questionnaire is compiled through related theories, namely public purchasing power, government subsidies and income. Business. After obtaining the indicators or dimensions, the instrument grid was compiled which was then converted into a statement form for the research

questionnaire. Each answer to the statement uses a Likert scale, which has 5 different types of answers, namely strongly disagree (STS), disagree (TS), undecided (RG), agree (ST), strongly agree (SS). The statements that have been compiled are then converted into googleform. The questionnaire in the form of a googleform link was distributed via whatsapp.

## RESULTS AND DISCUSSION

### Respondent Profile

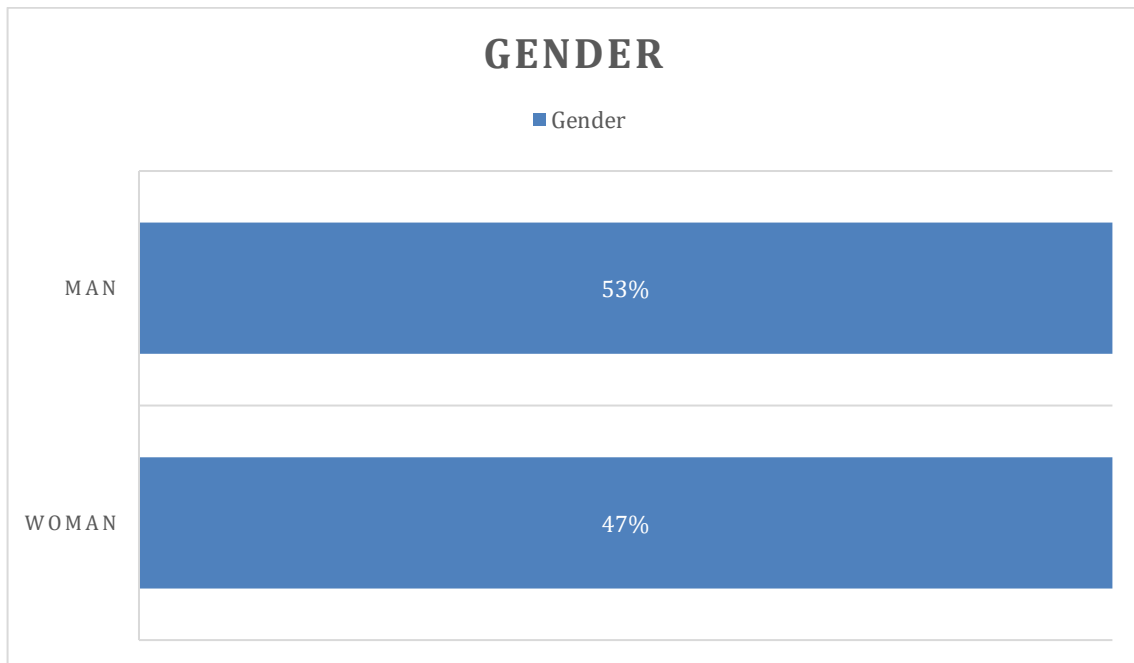


Figure 1. Gender Responden

Based on the gender graph, male respondents were 53% (53 people), and women were 47% (47 people). So it can be said that in this study, the dominant gender in this study was female respondents.

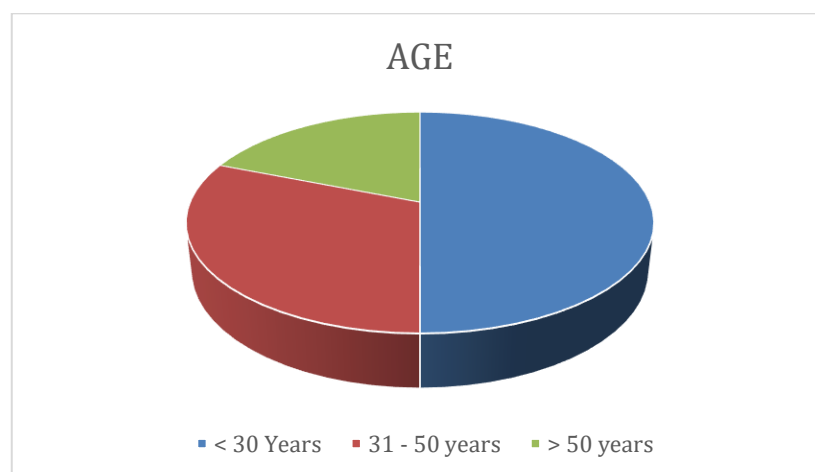


Figure 2. Respondent's Age

Based on the age chart, respondents are divided into 3 categories. The first category is respondents aged 30 years and under where the percentage in this category is 50% (50 people). The second category is respondents aged 31 to 50 years where the percentage is 31% (31 people). The third category is respondents aged 51 years and over where this category is classified as a minority because the percentage is only 19% (19 people). So it can be said that the most dominant age in this study were respondents under 30 years of age.

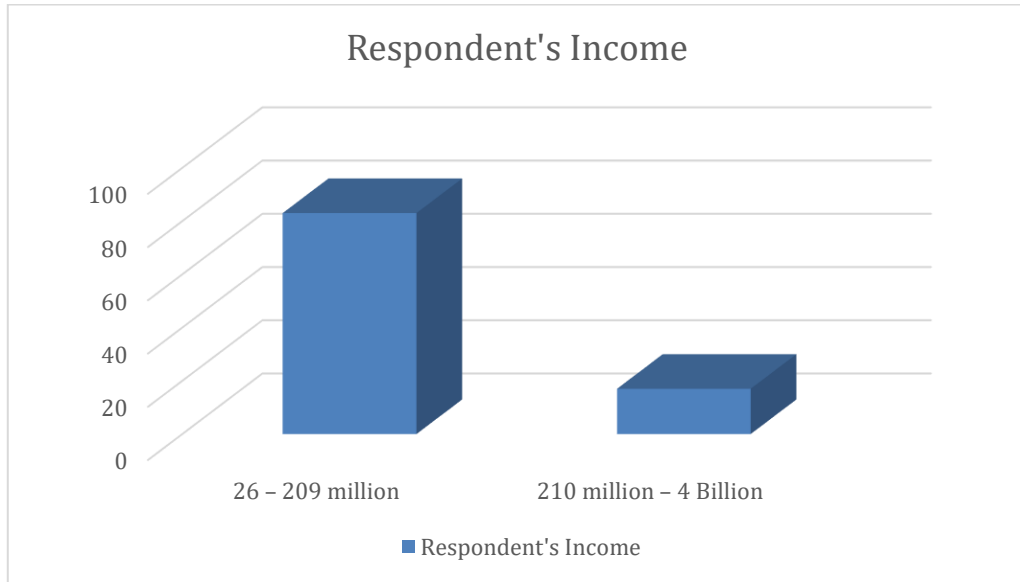


Figure 3. Respondents' Business Income

Furthermore, based on the income graph, the respondents in this study were divided into 2. Respondents with an income of 26 – 209 million were included in the small business category. Meanwhile, respondents with an income of 210 million – 4 billion are included in the medium business category. The percentage of small and medium enterprises category is 83% (83 people) for small businesses and 17% (17 people) for medium businesses. This means that small businesses in this study are more dominant.

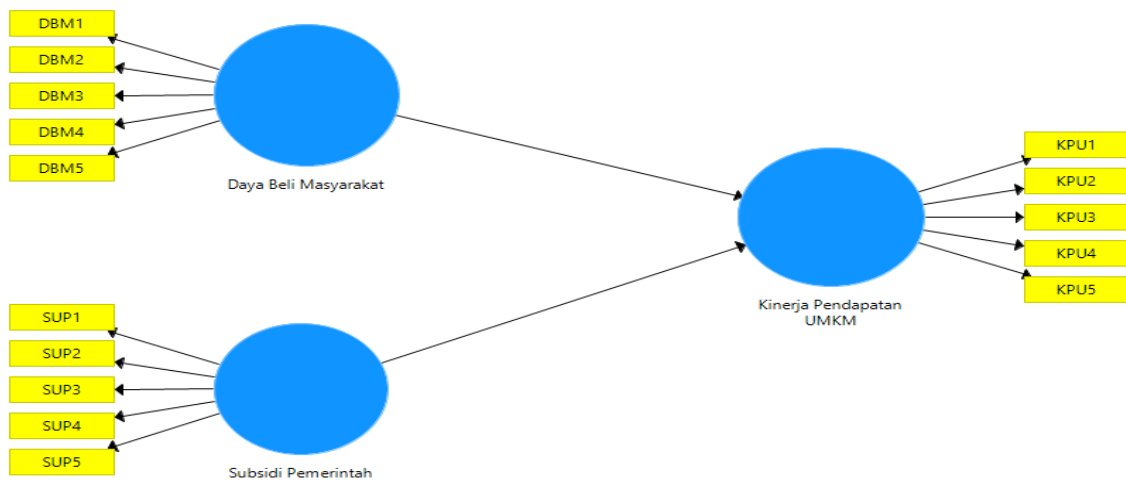


Figure 3. Model PLS- Algorithm



The PLS Algorithm model in Figure 3 is an initial SEM-PLS model based on the research hypothesis that has been compiled. Then in Figure 4. Shows a processed image where there are 2 indicators of business performance variables that have been deleted, namely indicators of People's Purchasing Power that have been deleted are DBM2, DBM4, DBM5, Government Subsidy indicators consisting of SUP2, SUP4, SUP5, and performance operating revenues include KPU2, and KPU5. This is because the deleted indicators are worth below the SEM-PLS requirement value, which is a minimum of 0.70. So that the final PLS Algorithm model from this research that is feasible to be continued in the next calculation is shown in Figure 4. This is because when viewed from the path scores of the indicators on the variables already meet the PLS requirements.

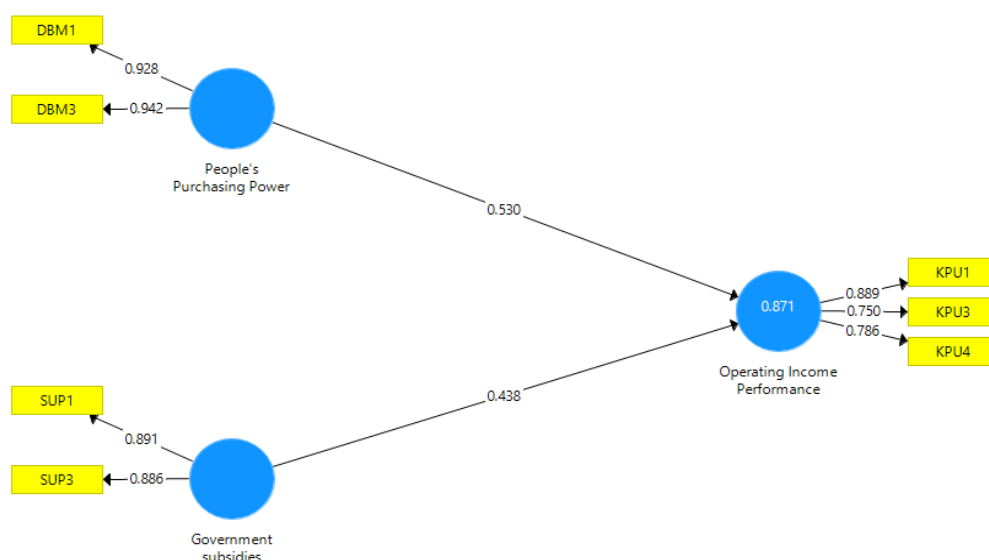


Figure 4. Model II PLS- Algorithm

The outer loading table in table 1 is a table that has met the PLS criteria where the outer loading requirement to meet convergent validity is that the outer loading value is above 0.7. The table above shows that each indicator already has an outer loading value above 0.7. Therefore, convergent validity when viewed from the outer loading has met the requirements.

Tabel 1. Outer Loading

Item	Variable	Outer Loading
DBM1	People's Purchasing Power	0,928
DBM2		0,942
SUP1	Government Subsidies	0,891
SUP3		0,885
KPU1	Operating Income Performance	0,889
KPU3		0,750
KPU4		0,786

Source: data processed 2021

The AVE table is a value that is used as another way to assess convergent validity whether it has met the requirements or not. The required value for the AVE to be accepted is that each variable has a value above 0.5.

Based on the table above, it can be said that the convergent validity when viewed from the AVE value has met the requirements because the four variables above already have an AVE value above 0.5.

Table 2. Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
People's Purchasing Power	0,874
Government Subsidies	0,789
Operating Income Performance	0,657

Source: data processed 2021

The results of cross loadings which serve as a method to see whether the discriminant validity has been met or not. The condition for the discriminant validity to be met is that the cross loadings value of each indicator on the variable must be above 0.7. From the table above, it can be said that the research data has met the requirements of discriminant validity, because the table shows that the value of each indicator on the variable has a value above 0.7.

Table 3. Cross Loadings

Item	People's Purchasing Power	Government Subsidies	Operating Income Performance
DBM1	0,928	0,891	0,800
DBM3	0,942	0,725	0,889
SUP1	0,928	0,891	0,889
SUP3	0,525	0,886	0,750
KPU1	0,942	0,725	0,786
KPU3	0,629	0,542	0,800
KPU4	0,595	0,886	0,786

Source: data processed 2021

The results below are the results that show the assessment of reliability which is assessed in 2 ways, namely based on Cronbach's alpha and based on composite reliability. The conditions needed so that the research data is said to be reliable is that the value of Cronbach's alpha is above 0.7 and the value of composite reliability is above 0.7. So it can be concluded that the data in this study is reliable because the table shows the value of Cronbach's alpha and composite reliability of each variable having a value above 0.7.

Table 4. Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability
People's Purchasing Power	0,856	0,933
Government Subsidies	0,733	0,882
Operating Income Performance	0,739	0,851

Source: data processed 2021

The results of calculations from this study in table 5 are values that show the relationship of variables to other variables. Because in this case the dependent variable is business performance, the column used is Operating Income Performance. From this column, it can be seen that the highest value was contributed by People’s Purchasing Power of 0.906. This shows that of all the independent variables in this study, People’s Purchasing Power has the highest influence on Operating Income Performance. Entrepreneurial orientation is associated with business performance by 91%.

Table 5. Latent Variable Correlations

Variable	People’s Purchasing Power	Government Subsidies	Operating Income Performance
People’s Purchasing Power	1,000	0,859	0,906
Government Subsidies	0,859	1,000	0,893
Operating Income Performance	0,906	0,893	1,000

Source: data processed 2021

The results of the study in table 6 show how much the independent variable in this study can explain the dependent variable under study. The dependent variable in this study is Operating Income Performance, so the row used in the table is the Operating Income Performance row. From the table, it can be seen in the Government Subsidies line, the value is 0.871. This means that in this study, People’s Purchasing Power and Government Subsidies can explain 87% of Operating Income Performance, and the remaining 13% is explained by other variables outside the study. This, when referring to the research method, means that the model in this study is strong/high because its value is above 0.50.

Table 6. R Square

Variable	R-Square
Operating Income Performance	0,871

Source: data processed 2021

To see if the hypothesis is accepted, you can see the T-Statistic value, if the T-Statistic value is above 1.96 then the hypothesis is accepted and if the T-Statistic value is below 1.96 then the hypothesis is rejected. To see the direction of the effect, you can see the value of the original sample, if the original sample shows a negative number, then the effect is negative, if the original sample shows a positive number, then the effect is positive. To see whether the effect is significant or not, you can see the P Values, if the P Values are below 0.05 then the effect is significant and if the P Values are above 0.05 then the effect is not significant. The following is a hypothesis test in this study.

Table 7. Total Effects

	Original Sample (O)	T Statistics (O/STDEV)	P Values
<b>Efek Langsung</b>			
People's Purchasing Power -> Operating Income Performance	0,530	5,646	0.000
Government Subsidies -> Operating Income Performance	0,438	4,423	0.000

Source: data processed 2021

## Discussion

Based on table 7 regarding the value of the hypothesis test, it is shown that the influence of People's Purchasing Power on Operating Income Performance has a T-Statistic value of 5.646 with an original sample of 0.530 and a P Value of 0.00. This means that hypothesis 1 is accepted, there is an influence of People's Purchasing Power on Operating Income Performance. With a positive original sample value and a p value of 0.00. This means that if consumers increase and decrease purchasing power of various products produced by MSME entrepreneurs, there will be a positive and significant increase and decrease in performance (income) for food and beverage MSME entrepreneurs in Jakarta and Bogor. Similarly, in table 7 regarding the value of the hypothesis test, it is shown that the influence of Government Subsidies on Operating Income Performance which has a T-Statistic value of 4.423 with an original sample of 0.438 and a P Value of 0.00. This shows that hypothesis 2 is accepted, which means that there is an effect of Government Subsidies on Operating Income Performance on food and beverage MSME entrepreneurs in Jakarta and Bogor. So that the government can issue policies to increase or decrease the amount of subsidies in the form of subsidies for business operating capital, loan interest subsidies, business grants, and so on to increase or decrease Operating Income Performance for food and beverage MSME entrepreneurs in Jakarta and Bogor even though MSME entrepreneurs are able to afford it. controlling the existence of performance (Revenue) by carrying out efficiency and effectiveness in carrying out business activities, especially during the Covid-19 pandemic.

## CLOSING

Based on the results of the research and discussion, the researchers formed conclusions related to the research objectives, namely: 1) People's Purchasing Power has an influence on Operating Income Performance on food and beverage MSME entrepreneurs in Jakarta and Bogor; 2) Government Subsidies has an influence on Operating Income Performance on food and beverage MSME entrepreneurs in Jakarta and Bogor.

## REFERENCES

Alexandra Antoniadis. (2010). The Financing of Public Service Broadcasting in M Rydelski (ed), The EC State Aid Regime: Distortive Effects of State Aid on Competition and Trade (Cameron May, 2006); Karen Donders, 'De openbare omroep onder druk: toepassing van de staatssteunregels tussen 1992 en 2010' (2010) 12 *Mediaforum* 270.

- Bititci, U.S., Turner, U. and Begemann, C. (2000), "Dynamics of performance measurement systems", *International Journal of Operations & Production Management*, Vol. 20 No. 6, pp. 692-704. <https://doi.org/10.1108/01443570010321676>.
- Chakravarthy, B. 1986. Measuring strategic performance. *Strategic Management journal*, 6: 437-458. DOI : <https://doi.org/10.1002/smj.4250070505>.
- Chen, W., & Hu, Z.-H. (2018). Using evolutionary game theory to study governments and manufacturers' behavioral strategies under various carbon taxes and subsidies. *Journal of Cleaner Production*, 201, 123–141. doi:10.1016/j.jclepro.2018.08.007.
- Citra Maharani, Hemas Jaeni, Jaeni. (2021). Determinan Kebijakan Pemerintah Sebuah Solusi Keberlangsungan Usaha UMKM di Tengah Pandemi Covid-19. *Akses : Jurnal Ekonomi dan Bisnis*, Vol. 16, NO. 1 (2021), Page 26-39. DOI: <http://dx.doi.org/10.31942/akses.v16i1.4469>.
- Ediraras, D. (2010). Akuntansi Dan Kinerja Ukm. *Jurnal Ilmiah Ekonomi Bisnis*, 15(2), 5936. <https://doi.org/10.35760/eb>.
- He, P., He, Y., & Xu, H. (2019). *Channel Structure and Pricing in a Dual-Channel Closed-Loop Supply Chain with Government Subsidy*. *International Journal of Production Economics*. doi:10.1016/j.ijpe.2019.03.013
- Isaac Mwita, J. (2000). Performance management model: A systems-based approach to public service quality. *International Journal of Public Sector Management*, Vol. 13 No. 1, pp. 19-37. <https://doi.org/10.1108/09513550010334461>.
- akob; Michael, Chen, Claudine; Fuss, Sabine; Marxen, Annika; Edenhofer. Ottmar. (2015). Development incentives for fossil fuel subsidy reform. *Nature Climate*, Germany. DOI : [https://www.mccbberlin.net/fileadmin/user\\_upload/Jakob/Jakob\\_et\\_al\\_Development\\_incentives\\_for\\_fossil\\_fuel\\_subsidy\\_reform\\_NCC\\_2015.pdf](https://www.mccbberlin.net/fileadmin/user_upload/Jakob/Jakob_et_al_Development_incentives_for_fossil_fuel_subsidy_reform_NCC_2015.pdf).
- Mahliza, F., Priatna, W. B., & Burhanuddin, B. (2017). Pengaruh Keluarga dan Lingkungan Ekonomi Terhadap Kinerja Usaha Tahu di Kabupaten Bogor. *Jurnal Agribisnis Indonesia (Journal of Indonesian Agribusiness)*, 4(1), 17-26. <https://doi.org/10.29244/jai.2016.4.1.17-26>.
- Masruroh, & Hayati, N. (2021). Media poster sebagai sarana edukasi masyarakat dalam upaya pencegahan covid-19. *Jurnal Inovasi Hasil Pengabdian Masyarakat (JIPEMAS)*, 4(36), 169–176. <https://doi.org/10.33474/jipemas.v4i2.9207>.
- Mulyadi, Andi; Hardiani, Hardiani; Umiyati, Etik. (2018). Faktor-faktor yang mempengaruhi penyerapan tenaga kerja pada sektor industri kecil di Kabupaten Muaro Jambi. *E-Jurnal Perdagangan, Industri dan Moneter* Vol. 6. No.1, Januari – April 2018 ISSN: 2303-1204 (online). Page 35-44. DOI : <https://doi.org/10.22437/pim.v6i1.4815>.
- Neely, A. (1999), "The performance measurement revolution: why now and what next?", *International Journal of Operations & Production Management*, Vol. 19 No. 2, pp. 205-228. <https://doi.org/10.1108/01443579910247437>.
- Pakpahan, A. K. (2020). Covid-19 Dan Implikasi Bagi Usaha Mikro, Kecil, Dan Menengah. *Jurnal Ilmiah Hubungan Internasional*, 0(0), 59–64. <https://doi.org/10.26593/jihi.v0i0.3870.59-64>
- Pandey, I.M. (2005). *Financial management, 9th edition*. Vikas publishing house Pvt Ltd, New Delhi.
- Pawenang, Supawi. (2016). *Modul Perkuliahan Lingkungan Ekonomi Bisnis*. Surakarta: Program Pascasarjana. UNIBA.
- Prasetyani, E., & Novitasari, S. (2019). *Penurunan Daya Beli Di Indonesia Periode 2012 - 2017 Dan Dampaknya Terhadap Harga Saham Perusahaan Ritel Go Publik*. *Majalah Ilmiah Bijak*, 16(1), 30–37. DOI : <https://doi.org/10.31334/bijak.v16i1.321.g194>.

- . Pelham, A. and Wilson, D. (1996). A longitudinal study of the impact of market structure, firm structure, strategy, and market orientation culture on dimensions of performance. *Journal of the Academy of Marketing Science*. Vol. 24, pp. 27-43.
- Saskia Sassen (1996) New employment regimes in cities: The impact on immigrant workers, *Journal of Ethnic and Migration Studies*, 22:4, 579-594, DOI: [10.1080/1369183X.1996.9976561](https://doi.org/10.1080/1369183X.1996.9976561).
- Sugiri, D. (2020). Menyelamatkan Usaha Mikro, Kecil dan Menengah dari Dampak Pandemi Covid-19. *Fokus Bisnis : Media Pengkajian Manajemen Dan Akuntansi*, 19(1), 76-86. <https://doi.org/10.32639/fokusbisnis.v19i1.575>
- Tsang, A.H.C., Jardine, A.K.S. and Kolodny, H. (1999), "Measuring maintenance performance: a holistic approach", *International Journal of Operations & Production Management*, Vol. 19 No. 7, pp. 691-715. <https://doi.org/10.1108/01443579910271674>.
- William, J. (2021). *PENGARUH PEMBERIAN INSENTIF PAJAK DAN PEMBERIAN SUBSIDI BUNGA TERHADAP PEMULIHAN EKONOMI NASIONAL PADA PELAKU UMKM YANG TERDAMPAK COVID 19 [STIE MULTI DATA PALEMBANG]*. <http://rama.mdp.ac.id:85/id/eprint/238>
- Yayan Sudaryana, Hamsinah, Umi Rusilowati, Agung Nugroho, I. M. (2020). Abdi abdi laksana. *Jurnal Pengabdian Kepada Masyarakat*, 2(1), 15–27. <http://openjournal.unpam.ac.id/index.php/JAL>