Strategic Planning for Sustainable Economic Recovery in the New Normal Period in the City of Surabaya

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ABSTRACT

The Covid-19 pandemic has had a considerable impact on the economy in the city of Surabaya, especially in the fields of Micro, Small, and Medium Enterprises and the creative industry, tourism, and employment. The City of Surabaya. By using SWOT analysis, it can be concluded that although the economic growth of the City of Surabaya during the Covid-19 pandemic has decreased, the economic growth in the City of Surabaya is still positive and always above the national and East Java economic growth and improved the economy after the covid pandemic. These include empowering MSMEs, integrating tourist destinations, both natural tourism, populist-based history, and religion, improving the quality of the workforce to suit the company’s needs, and so on.

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INTRODUCTION

The cumulative number of positive confirmed cases of COVID-19 in the city of Surabaya is the highest in East Java. As of August 20, 2020, the number of positive cases of COVID-19 in the city of Surabaya was 15,375 cases. However, the number of COVID-19 patients who have recovered is also quite high, reaching 14,030 cases. The number of patients who are still under treatment in 213 cases.

The Surabaya City Government has made various efforts to prevent the spread of the Covid-19 virus. One of them is by implementing Large-Scale Social Restrictions (PSBB) which are valid until June 9, 2020. The enactment of this policy has an impact on the deteriorating economy of the City of Surabaya, especially the trade and industrial sectors which have decreased since the Covid-19 pandemic. The purchasing power of the people also decreased because their incomes decreased, as many as 5,526 people were affected by the economy. The impact that is most felt is the decrease in people's income, especially for daily workers such as (ojeg/ojol, market traders, retailers, laborers, etc.). Even 1,524 people were laid off and 571 people were laid off.

In order to ensure the safety and health of residents and to restore the economy of the City of Surabaya after the pandemic, the Surabaya City Government-issued Perwali Number 28 of 2020 concerning Guidelines for the New Normal Order in the Covid-19 Pandemic Conditions in Surabaya as amended in Perwali Number 33 of 2020. This new regulation is a form of tightening of the previous regulations, especially in the application of the protocol to prevent the transmission of Covid-19. As for what is regulated and added to this regulation, it is the obligation of workers from outside the city to bring evidence of a rapid test with a non-reactive result, or a negative swab test when entering the city and setting a curfew.

For restrictions on activities outside the home are implemented starting at 22.00 WIB. Restrictions on activities outside the home are excluded for activities to fulfill health needs, markets, stations, terminals, ports, gas stations, delivery services, and minimarkets that are integrated with buildings as community service facilities.

Based on the description of the background above, it is necessary to evaluate the policies implemented in the new normal period. By evaluating the implementation of this new normal policy, it is possible to obtain any weaknesses that can be corrected and find out how effective this policy is in encouraging the economic recovery of the City of Surabaya after the pandemic. Thus, the right strategy can be formulated to restore the economic condition of the city of Surabaya in the future.

Since Covid-19 cases have increased in Indonesia and in Surabaya in particular, various social and economic problems have emerged in the community. It is undeniable that Covid-19 has almost paralyzed the socio-economic conditions of the community, especially in some areas with the highest rates of spread.

As a result of this Corona case, the government has begun to carry out various policies such as issuing social distancing appeals, issuing appeals for Work From Home for employees, imposing regional restrictions, building special hospitals for handling Covid-19, and others. This government policy and the increasingly precarious situation, of course, will have an impact on the community, both the lower middle class and the elite. Various socio-economic problems emerged and the impact was felt by the community. The effects of the Covid-19 pandemic include:

Scarcity of goods is an impact that occurs due to the Covid-19 pandemic. Some items that have become scarce include masks, hand sanitizers, germ-killing liquids, and PPE. These items are
now being sold at a much higher price than the original price. This is in accordance with the law of economics where when demand increases but goods are running low, the price will increase. Even people with middle and upper economic conditions have a tendency to buy up these goods so that there is a buildup of goods, but the middle and lower people, can’t get them. Not only happened to personal protective equipment, people also flocked to buy basic necessities in large quantities. Hoarding of goods due to something emergency is called panic buying.

Disorganization and social dysfunction. An interesting fact that occurred during the COVID-19 pandemic was the existence of prejudice and discrimination against Covid-19 victims. This prejudice and discrimination are caused by people’s fear of the uncertain situation due to the spread of the Coronavirus. This can be seen clearly from the attitude of people who keep their distance when interacting with other people, avoid shaking hands, avoiding gatherings, and others. The attitude of this society begins with prejudice it then gives rise to discriminatory attitudes. This prejudice and discrimination is a manifestation and social disorganization (Syaifudin, 2020).

Criminal action. The issue of Covid-19 is also feared to have an impact on increasing criminal acts. The criminal acts carried out can be various, such as theft of personal protective equipment which is currently rare, the manufacture of fake hand sanitizers or disinfectants that actually endanger health, fraud on the price of basic commodities, and others. Other larger criminal acts such as robbery, murder, and looting, may occur if the situation gets out of control.

The weakening of the tourism sector. The impact of Covid-19 on the tourism sector is not without threats. The number of tourists who came to Indonesia in the first quarter of 2020 dropped dramatically to only 2.61 million visits, a decrease of 34.9 percent when compared to last year. The reason is the inter-state flight ban which was imposed in mid-February. The number of passengers for land, air, and sea transportation has decreased since the enactment of the PSBB (Muyana, 2020). Poverty and unemployment rates have increased. Corona cases have almost paralyzed people’s economic activities. Since the government implemented various policies such as Work From Home, regional restrictions, and the closure of various public places such as tourist attractions, many companies or offices have laid off their employees. There are also MSME entrepreneurs who even lay off employees (PHK) in anticipation of the impact of closing their businesses in an undetermined time. This of course can cause poverty and unemployment to increase. If the handling of the pandemic lasts a long time, the period of restriction and decreased mobility of people will be even longer. As a result, the vulnerable poor and near-poor who work in the informal sector and rely on daily wages will very easily lose their livelihoods and fall below the poverty line.

Corona forced all regions to revise their development planning. The targets that have been made are adjusted to the current reality, then the assumptions are changed according to the current situation and most of the short-term programs are shifted to dealing with the Covid-19 epidemic. The social and economic impacts require local governments to make corrections to the development plans that have been set. The positive impacts of Covid-19 include reducing daily global emissions, and increasing healthy living behaviors (Quere, 2020).

Okay, et.al 2020 said the opportunity to use new technology, reduce information asymmetry, and optimize subsidies as experienced by China. The Covid-19 pandemic poses the threat of a
global economic crisis. This of course also threatens the Indonesian economy. The Covid-19 pandemic has had a different economic impact on each region in Indonesia. This happens because there are different characteristics of each region in Indonesia according to the Organization for Economic Cooperation and Development (OECD, 2020).

The purpose of this research is to find alternatives that can be recommended for policy implementation in the new normal period so that it can be used as a basis for determining future policies in restoring the economy of the city of Surabaya. Meanwhile, the objectives of this study are (1) to identify alternative policies that are carried out/implemented by the Surabaya city government to restore the economic condition of the city of Surabaya, (2) to develop strategic steps that must be taken by the Surabaya city government in order to restore economic conditions in the new era. normal.

**METHODODOLOGY**

The basic method used in this research is the quantitative exploratory and descriptive research method which is carried out in stages. Quantitative exploratory research aims to evaluate the implementation of feeding programs for the very poor and neglected elderly based on the results of existing primary and secondary data surveys, while descriptive research seeks to understand and explain the framework thoughts that have been compiled so that a conclusion can be drawn.

The type of data used in the Evaluation of the Strategy for Sustainable Economic Recovery During the New Normal Period in the Framework of Encouraging Economic Growth in the City of Surabaya is secondary data. Secondary data is data obtained or collected by researchers from various existing sources (researchers as second hand). Secondary data needed in this activity include (1) Data on the Distribution of Covid-19 in the Surabaya City Area, (2) Economic Data for the City of Surabaya, (3) Regional Financial Data for the City of Surabaya, (4) Investment Data for the City of Surabaya and (5) Surabaya City Poverty Data.

The data collection technique in this activity is carried out with documentation techniques. The necessary documents needed in this research are related to regulations and policies (regional regulations regarding the arrangement of culinary tourism centers in the city of Surabaya) and an overview of the city of Surabaya ranging from geography, demography, economy, etc.

While the analysis technique used is descriptive statistics, the SWOT technique. The existing SWOT table is built based on the main ideas related to the spread of Covid-19 in the region, the economy, regional finance, investment, and poverty in the city of Surabaya which will later be used to formulate and define a strategy for sustainable economic recovery during the new normal period in the city of Surabaya. SWOT analysis as a strategy formulation tool for various factors systematically to formulate the strategy of research. This analysis is based on the logic that can maximize strengths and opportunities but simultaneously minimize weaknesses (weaknesses), and simultaneously minimize threats (Rangkuti, 2019).
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Cell A: Comparative Advantages
This cell is a meeting of two elements of strength and opportunity so as to provide the possibility for an organization to be able to develop faster.

Cell B: Mobilization
This cell represents the interaction between threat and force. Here, efforts must be made to mobilize resources that are the strength of the organization to soften the external threat, even then turn the threat into an opportunity.

Cell C: Divestment/Investment
This cell is an interaction between organizational weaknesses and external opportunities. Situations like this provide a choice in a vague situation. The available opportunities are very convincing but cannot be exploited because the existing power is not sufficient to work on them.

Cell D: Damage Control
This cell is the weakest condition of all cells because it is a meeting between organizational weaknesses and external threats, and therefore the wrong decision will bring great disaster to the organization. The strategy that must be taken is Damage Control (controlling losses) so that it does not become more severe than expected.

The qualitative SWOT data above can be developed quantitatively through the calculation of the SWOT analysis developed by Pearce and Robinson (1998) in order to know for sure the real position of the organization.

Table 1
Matriks SWOT Kearns

<table>
<thead>
<tr>
<th>EKSTERNAL</th>
<th>INTERNAL</th>
<th>OPPORTUNITY</th>
<th>TREATHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRENGTH</td>
<td>Comparative Advantage</td>
<td>Mobilization</td>
<td></td>
</tr>
<tr>
<td>WEAKNESS</td>
<td>Divestment/Investment</td>
<td>Damage Control</td>
<td></td>
</tr>
</tbody>
</table>

The decision choices taken are (releasing existing opportunities to be used by other organizations) or forced to work on those opportunities (investment).
Quadrant I (positive, positive)
This position indicates a strong and potential organization. The strategic recommendation given is Progressive, meaning that the organization is in prime and stable condition so that it is very possible to continue to expand, increase growth and achieve maximum progress.

Quadrant II (positive, negative)
This position signifies a strong organization but faces big challenges. The strategic recommendation given is Strategy Diversification, meaning that the organization is in a stable condition but faces a number of severe challenges, so it is estimated that the wheels of the organization will have difficulty continuing to spin if it only relies on the previous strategy. Therefore, organizations are advised to immediately increase their variety of tactical strategies.

Quadrant III (negative, positive)
This position indicates an organization that is weak but very likely. The strategy recommendation given is Change Strategy, meaning that the organization is advised to change its previous strategy. This is because the old strategy was feared to be difficult to capture the existing opportunities and at the same time improve organizational performance.

Quadrant IV (negative, negative)
This position indicates an organization that is weak and faces major challenges. The strategy recommendation given is the Defensive Strategy, meaning that the internal conditions of the organization are in a dilemma choice. Therefore, the organization is advised to use a survival strategy, controlling internal performance so that it does not fall further. This strategy is maintained while continuously trying to improve itself.

RESULT AND DISCUSSION
A total of 31.14% or 4,538 positive confirmed cases were in the East Surabaya area. Although the cumulative number of positive confirmed cases was the highest in the East Surabaya area, this was also offset by the number of recovered cases reaching 4,379 cases. Meanwhile, the lowest number of cases was in the Central Surabaya area. The data on the distribution of COVID-19 cases in Surabaya is as follows.

The Covid-19 pandemic caused economic shocks that led to a global recession. Various policies are taken to suppress the spread of Covid-19, such as closing schools and some business activities, large-scale social restrictions, and even lockdowns resulting in a decrease in consumption and investment levels. The following are some of the impacts of Covid-19 on the economy in the city of Surabaya:

Production sector experienced shocks with production and marketing factors hampered. The most affected business groups are Micro, Small, and Medium Enterprises (MSMEs), Farmers, Fishermen, and Livestock. The sectors that experienced weakness were the tourism sector, including transportation and hospitality, agriculture, and manufacturing industries. Sectors that continue to grow are The information and telecommunication Industry, Financial Services and Insurance, Health Services, and education. A total of 2,053 workers from 248 companies were affected by COVID-19 with details of 161 workers being laid off and 1,524 workers being laid off. A total of 805 are workers who come from non-Surabaya ID cards. For Surabaya KTP workers who are heavily affected by Tambaksari District, there are 149 workers.

The Surabaya City Government continues to make various efforts to improve the economy after the ongoing covid-19 pandemic. One alternative economic improvement can be done through MSMEs. Given a large number of MSMEs in the City of Surabaya and one of the business sectors that is able to absorb
labor. So that MSMEs must be able to survive if they want to revive the economy. If not, it has the potential to increase the unemployment rate and of course, it will have an impact on increasing the poverty rate.

The Surabaya City Government can carry out a recovery program for MSMEs affected by COVID-19. This program can be started by collecting data on affected MSMEs. The data collection is carried out as an effort to map problems and adjust recovery targets and targets including the nature of the assistance, assistance, and other empowerment models. MSME actors must also be able to take advantage of digital-based sales during the COVID-19 pandemic. Because digital-based sales are able to boost MSME business income while accelerating regional economic recovery. However, the problem is that there are still many MSMEs who do not understand the online market. To support this, MSME actors also need to be given the training to expand market access and improve business processes in the digital era. Another strategy that can be done is by collaborating with a number of well-known e-commerce to absorb various MSME products.

Based on data from the Department of Cooperatives and Micro Enterprises, the majority of MSMEs in Surabaya are engaged in the culinary sector. So, MSME actors need to be encouraged to produce foods that are in demand by the market so that MSME players can enter the export market. Another important thing to increase the competitiveness of MSMEs in the export market is the existence of an intellectual property rights certificate (IPR). In addition to getting legal certainty over the brands they own, the ownership of brand certificates can also increase the turnover of MSME actors.

One of the efforts that have been made by the Surabaya City Government is to provide free facilities to administer IPR. MSMEs that get free facilities for managing IPR are only MSMEs assisted by the Surabaya City Government and adjusted to MBR data because later there will also be a field survey. Meanwhile, for MSMEs with large enough capital but still, on the MSME scale, the Trade Office will provide a certificate and will later get a discount.

To register this IPR, MSME actors can come to the Siola building by bringing a photocopy of their ID card, an MSME certificate issued by the Cooperatives and Micro Business Office or the Trade Office, as well as a brand e-ticket in the form of a logo or image or color of the brand to be registered.

To accommodate the products of these MSME actors, the Surabaya City Government provides MSME centers spread across various locations in the city of Surabaya. To revive the economy of these business actors, the city government needs to rebrand the street vendors center by structuring the layout and physical improvement of the SWK as well as fostering traders and rebranding typical menus.

Besides that, to help increase the turnover of UKMK actors during the pandemic, the Surabaya City Government through the Trade Office collaborated starting from making masks, Personal Protective Equipment (PPE) such as hazmat clothes and face shields, to processed food products which were then distributed to residents affected by Covid-19. For dry tempe products, the Surabaya City Government involves almost 165 MSMEs. Meanwhile, for shredded, there are around 10 SMEs, and 49 SMEs for chili sauce. For the manufacture of PPE, there are 11 SMEs and approximately 41 SMEs for masks.

Apart from MSMEs, economic improvement can also be done through the tourism sector. Because during the COVID-19 pandemic, the tourism sector was the sector that was most
severely affected. Thus, the government was also restoring the tourism sector through activities directed at restoring the condition of hotels and tourist destinations. Several strategies were carried out, namely integrating religious and tourist destinations. History-based populist economy and revitalization in several areas. In addition to religious and historical tourism, the Surabaya city government also optimizes the development of natural tourism through mangrove ecotourism and forest parks. This development is expected to be able to attract visitors to enjoy tourist destinations in the city of Surabaya. Considering the number of tourist visitors in 2020 has decreased very significantly compared to previous years.

Meanwhile, in terms of employment, the City Government of Surabaya City through Bappeko has made an MoU (Memorandum of Understanding) with tourism business actors to prioritize labor from Surabaya City residents. Along with the growth in the value of an investment in the city of Surabaya, through the MoU, the community is expected to be part of the investment itself. So that it can reduce the unemployment rate. To realize this, the standards needed by tourism business actors must also be met. This program can be started by collecting data on residents. For residents who have not worked, data will be recorded based on their education and age to classify the type of training that is appropriate to participate in.

In addition to sectors that have decreased economic contribution, sectors that have increased contributions also need to be encouraged so that the economy in the city of Surabaya is growing. This sector is related to the virtual implementation of MICE. To support virtual MICE, it can be seen through the readiness of Surabaya in implementing the Surabaya smart city. Steps that have been taken by the city government to realize a smart city in Surabaya include providing 52 BLC location points in parks, offices, public places, and flats, providing free wifi facilities at 1,900 points starting from parks, SWK, schools, BLC, health centers, and other public facilities, implementation of traffic integration systems, 112 emergency numbers, implementation of superior villages, implementation of urban farming, and so on.

In the context of restoring conditions in these various sectors, the Surabaya City Government of Surabaya implemented an integrated economic sector information system through ECObis.

Strategy formulation cannot be separated from the SWOT Analysis that has been prepared previously. SWOT analysis is an analysis that identifies strengths, weaknesses, opportunities, and threats. The results of the SWOT analysis are as described below.

**Strength**
1. Handling the spread of the covid-19 virus is handled properly so that the number of patients in treatment tends to decrease.
2. There is a reserve fund for people affected by COVID-19
3. There are programs to improve the quality and competence of employment in the City of Surabaya
4. There is a collaboration program between the Surabaya City government and business actors, namely by making masks, Personal Protective Equipment (PPE) such as hazmat clothes and face shields, to processed food products which are then distributed to residents affected by Covid-19.

**Weakness**
1. The ability of HR in utilizing technology and innovation is still lacking
2. There is a curfew that applies from 22.00 WIB

**Opportunity**
1. Utilization of the digital economy so that businesses become more efficient in the midst of the Covid-19 pandemic
2. There is a formulation of policies
and programs that focus on economic recovery

**Challenge**

1. The development of digital technology that changes various aspects of life and is increasingly accelerated during the Covid-19 pandemic
2. Employment adjustment in line with changing skill needs triggered by technological developments
3. Identification of new sources of economic growth and development of economic sectors that have not been worked on so far
4. There needs to be a target for improving economic performance that includes aspects of welfare and resilience

So that in order to restore the economy of the city of Surabaya in this new normal period, appropriate strategic steps are needed so that the economy continues to improve and does not continue to decline. Here are some strategic steps that can be taken.

1. Pendataan usaha yang terdampak dan permasalahan yang dihadapi
2. Refocusing dan realocating APBD tahun anggaran 2020, untuk jaring pengamanan kesehatan, jaring pengamanan sosial dan jaring pengamanan ekonomi
3. Untuk pengamanan ekonomi dilakukan melalui:
   - Subsidi bahan baku dan barang modal untuk UMKM
   - Akses pasar melalui pembelian produk Pertanian, Peternakan, Perikanan dan barang kerajinan
   - Peningkatan ketrampilan dan kompetensi usaha untuk wirausaha baru
   - Subsidi bunga kredit dan imbal jasa penjaminan dalam rangka menolong modal kerja
   - Restrukturisasi kredit perbankan/lembaga keuangan/pembiayaan dengan skema kebijakan OJK
   - Program kerja padat karya untuk pekerjaan konstruksi, untuk pemeliharaan, perawatan dan konstruksi sederhana.
4. Mempersiapkan pusat pengembangan ekonomi baru untuk menampung investasi pasca covid-19

Selain dengan 4 strategi di atas, Pemerintah Kota Surabaya juga merancang pemulihan ekonomi dengan 3 (tiga) kluster program yaitu:

1. Kluster Usaha kecil (UMKM), Petani dan Nelayan, dengan memperkuat faktor produksi dan permodalan serta akses pemasaran
2. Kluster Industri Menengah dan Besar, menerapkan insentif pajak dan ketrampilan tenaga kerja dan kemudahan perijinan untuk shifting usaha dan penciptaan pangsa pasar ekspor baru
3. Kluster pengembangan wilayah pengembangan pusat pertumbuhan baru, melalui kemudahan investasi, penyiapan kawasan industri

Agar lebih fokus dalam pemulihan ekonomi Kota Surabaya disusun juga beberapa langkah strategis untuk masing-masing bidang urusan diantaranya bidang perdagangan, UMKM dan Industri kreatif:

**Bidang Perdagangan:**

- Melakukan realokasi dan refocusing anggaran diantaranya malalui program bantuan untuk pasar rakyat dalam menangani dampak covid-19
- Menjaga stabilitas harga dan jaminan stok barang kebutuhan pokok melalui deregulasi kebijakan terkait pangan dan menjamin kelancaran distribusi barang kebutuhan pokok
- Fasilitas ekspor di masa pandemi. Salah satunya dengan memfasilitasi kegiatan business matching secara visual
- Pengawasan barang beredar dan/ atau jasa dalam perdagangan daring.

**Bidang UMKM dan Industri Kreatif:**
• Memberikan fasilitas pelatihan online karena adanya pergeseran tren penjualan dari luring menjadi daring untuk membantu para pelaku UMKM agar dapat bersaing di masa pandemi covid-19. Salah satunya mengadakan webinar dengan beberapa narasumber yang ahli di bidangnya, selain materi juga bisa diadakan sharing session dan praktik langsung supaya para peserta webinar dapat memahami apa yang disampaikan
  • Perlusas akses pasar
  • Peningkatan daya saing
  • Akselerasi pembiayaan dan investasi dalam bentuk aktiva tetap dalam rangka meningkatkan kapasitas usaha dan pelaku UMKM
  • Kemudahan dan kesempatan berusaha
  • Program smart UMKM atau virtual UMKM yaitu sebagai mediator UMKM dengan e-commerce dan menjadikan branding UMKM yang diintegrasikan dengan marketplace dan e-commerce yang ada

C. Pariwisata
• Menyiapkan protokol dan prosedur yang detail untuk para wisatawan seperti pengecekan suhu, penggunaan masker, pengaturan jarak, pembatasan jumlah pengunjung, pengunjung wajib mengisi data diri dll.
  • Mengubah tren wisata dari mass tourism menjadi individual dan privat tourism.
  • Memaksimalkan event-event yang dilaksanakan di ruang terbuka atau outdoor.

Namun terdapat beberapa tantangan dalam penerapan strategi-strategi atas, diantaranya: (a) Infrastruktur telekomunikasi belum terbangun secara merata dan (b) Kemampuan SDM dalam memanfaatkan teknologi dan inovasi masih kurang. Banyak pelaku ekonomi kreatif yang gagap dalam perkembangan teknologi.

CONCLUSION
Based on the data that has been collected by the researcher and then analyzed using the SWOT method, the results of this study can be concluded: Although the City of Surabaya has the highest number of confirmed cases in East Java Province, the number of confirmed patients under treatment in the City of Surabaya tends to decrease. In addition, the Covid-19 pandemic has an impact on the economy in the City of Surabaya, especially in the fields of Micro, Small and Medium Enterprises and the creative industry, tourism and employment. Positive value and always above the national economic growth and East Java. Meanwhile, to improve the economy after the COVID-19 pandemic, the Surabaya City Government has empowered MSMEs, integrated tourist destinations, both natural tourism, populist-based history, and religion, improving the quality of the workforce to suit company needs, etc.

REFERENCE


