

ECONOMIC RECOVERY STRATEGY FOR SMALL TOURISM ENTERPRISES DURING COVID-19 PANDEMIC IN JAYAPURA MUNICIPALITY

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Abstract. The research objectives are to; (1) assess the impact of Covid-19 on tourism small and medium-scale enterprises and their resistance; (2) outline the government intervention supporting small and medium enterprises; (3) examine local government programs for small and medium enterprises economic recovery and provide recommendations (4) identify strategies to recover businesses. The method used was descriptive qualitative and a content analysis. This research focused on small and medium-scale enterprises (SMSE) in tourism site from Hamadi to Holtekamp beach, Jayapura Municipality. The identification of income from the nine SMSEs studied found that only three SMSEs experienced a significant impact from the Covid-19 pandemic. In addition, from the workforce aspect, five SMSEs experienced a reduction in workforce during the Covid-19 period. In terms of visitor trends, Six SMSEs encountered the impact of the pandemic. Regarding the government policy intervention, there were budgets allocated for the prevention of Covid-19 in the SMSE sector, namely, Unexpected Expenditures Budget as well as Grant Budget with total of Rp. 7,314,685,000 which was realized at only Rp. 3,078,448,925 or 42.09%. In addition, the SMSE business managers viewed that the designed policies, program and activities were not precise for them. This research proposes some strategies: (1) providing assistance to increase SMSE resistance during the pandemic; (2) encouraging collaboration between government and business actors to improve business innovation which will increase SMSE business capacity (3) maximizing the use of digital platforms. As this research only relied on the perspectives of business owners and on regulations as well as government financial report documents, it is suggested that further research using various empirical data can be conducted, hence the factors determining the economic recovery strategy among SMSE can be more persistent. This study contributed to identification of SMSE strategy to sustain the business during covid-19 in eastern part of Indonesia.

Keywords: Eastern Indonesia; Papua; small and medium enterprises; persistency during pandemic

I. INTRODUCTION

Though nowadays Covid-19 has been on its final phase (some countries have changed pandemic status to endemic one), it has brought wide impacts among society as well as limiting their activities. In response to this, government has made some policies aimed to decrease the spreading of Covid 19 and recover the affected sectors. Implementing various policies, government tends to be more flexible in handling the situation as written in Kompas daily newspaper (March 10th, 2022) stating that the strategy to control the pandemic impacts will depend on the situation. Government will be more protective if the spreading increases and will be more relaxing when it decreases; which means the policy is quite dynamic. This policy rationality likely affects businessmen and entrepreneurs in some sectors when choosing their recovery strategy to continually sustain their business during pandemic.

Meanwhile, tourism has been regarded as a promising sector. This sector is able to provide ample room for national economic growth, regional and local while creating employment and absorbing workforce respectively. Tourism

is a labor intensive which is able to employ 13 million of workers (I Dewa Gde Sugihamretha, 2020). While this sector has a role adding competitive advantage in East Indonesia, especially in Papua, it has been hit by Covid-19 proven from the decreasing visitor trend. During Covid-19, the falling trend of tourism and travel business affected Medium Business Enterprises (MBE) which in turn disturbed the availability of work fields (I Dewa Gde Sugihamretha, 2020). Unfortunately, since the beginning of pandemic, the tourism visit trend has been dropping. During the period of January-April 2020, in their Social-Economic Report, Central Bureau of Statistics (BPS) stated that the tourism visit trend decreased for 45% compared to the trend in 2019. The obvious impact was experienced by the workers as they received reduced income, especially those working in accommodation, food and beverages business; wholesale and retail; car and motorcycle repair; warehousing and repair (BPS 2020 Andi Setyo et al, 2020). Based on its type, according to BPS (2022) there are 452 types of restaurants related to tourism business spreading in some tourism points in Jayapura. These do not include other types of business

(government-led business and capital provider) which are also located in some tourism spots.

This research proposal entitled: economic recovery strategy for small-scale tourism business during Covid-19 in Jayapura municipality aimed to: (1) study the extent of Covid-19 effects on small and medium scale tourism sectors and their resistance during the pandemic; (2) elaborate to what extent government intervention in supporting the small and medium scale enterprises during the pandemic; (3) study to what extent the government policy and program can recover the medium and small scale enterprises in addition to providing recommendations as problem solution; (4) find out what strategy to recover the affected small scale enterprises.

II. RESEARCH METHODS

This is a case study. The case study has become media in digging deeper information on phenomena of entities in response to Covid-19 pandemic. The qualitative approach was designed to explain what and how a phenomenon occurred. This study used chronological study on secondary documents such as:

1. Statement of Financial Report of Jayapura Government year 2020 and 2021
2. Covid-19 Data Report year 2020 and 2021
3. Statement of Covid-19 Budget Refocusing of Jayapura year 2020 and 2021
4. Number of SSME led by Jayapura Government
5. Related Regulations
6. Other Secondary data

Research Object

The object of this research was some areas for tourism small and medium enterprises in Jayapura Municipality. This research is limited to tourism areas along Hamadi to Holtekamp beach as can be seen on Figure 1. Besides geographical limit, this research also focused on SSMEs which meet the classification of the Act No 20 of 2008 on SSME.



Figure 1. Area of Research: Economic Recovery Strategy for Small Tourism Enterprises

Types and Sources of Data

The data for this research were Primary and Secondary Data. Primary Data:

1. Acceptance Data of micro-small and medium scale enterprises (SMSE)
2. Business establishment year, number of labor, level of education, gender presentation of SMSE before and after Covid-19.

The secondary data for this research:

1. Audited Financial Report of Local Government (LKPD) of Jayapura Municipality in 2020.
2. Acceptance of Economic Revival Stimulus for Covid 19.

Method of Data Analysis

This research used qualitative approach using content analysis technique. The content analysis technique has been long used in accounting research for getting more information in the practices of accounting (Steenkamp & Northcott, 2007) (Milne & Adler, 1999) (Salle, 2020). (Steenkamp & Northcott, 2007) defined content analysis as “a systematic method of categorising and analysing the content of texts”. (Salle, 2020) cited Hsieh and Shannon (2005) suggested three approaches when using content analysis which are conventional, directed, and summative. The conventional method was conducted by analysing and categorizing information into a concept or a construct by coding taken from the text inside the data. The second approach was a directed approach started by doing analysis in choosing the concept of theories and other research findings which turn to be the basis for coding. The third one was summative content analysis covering calculation and comparison of content prior to context interpretation.

III. RESULTS AND DISCUSSION

Data of Research Findings

The data were gathered from interview with tourism SMSE business actors located along Hamadi - Holtekamp beach of Jayapura Municipality. Three questions given were about: 1) basic information related to business profile; 2) condition before, during, and after Covid-19 pandemic; (3) Digital platform and financial literacy.

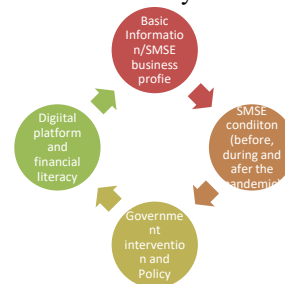


Figure 2. General Description of Questionnaire Information

Table 1. Detail of Questionnaire Information for SMSE Business actors

Basic Information	Condition of Before, During and After Covid-19	Government Policy / Intervention During Covid-19	Financial Literacy and Digital Platform
1) Type of business	1) Visitors during Covid-19	1) Identification of government policy intervention toward SMSE during Covid-19 pandemic	1) Opinion on digital platform to support sustainability and promotion of business during Covid-19 pandemic.
2) Business Establishment Year	2) Workforce (absorbed in work field) during Covid-19	2) Assessment of model or scenario of government support for SMSE during pandemic.	2) Type identification of digital platform (facebook, twitter, instagram, whatsapp) to support the business and how to use the features in review, plot area, and others.
3) Business Identification Number (NIB)	3) Daily income before Covid-19	3) Identification of government mentoring program	
4) Work force	4) Monthly income before Covid-19		
5) % composition of gender and education level-based workforce	5) Daily Income during Covid-19		
6) Age	6) Monthly Income during Covid-19		
	7) Average Reduction of workforce during Covid-19		

Research Findings

Some tourism SMSE along the research area, from Hamadi to Holtekamp beach (Figure 1), have been the main object of this research. The business enterprises were (1). Caffè Kaka Idola (2) Djuragan Dapur (3) Mayo Resort and Lounge (4) Papitos (5) Soetijah Beach Caffè (6) Mutiara Yasyani Caffè (7) Yasbeer (8) Haven Beach Caffè dan (9) Warung Noken. There were other cafes apart from these nine, and were excluded as 1) the business was started in 2022, and 2) refused to give their necessary data to the researcher due to some unknown reasons.

Identification of Covid-19 affected SMSE

This part describes information collected from interview with tourism SMSE business actors along Hamadi-Holtekamp beach). The two parameters to assess the SMSE affected by Covid 19 were : Income, Workforce and Visitors.

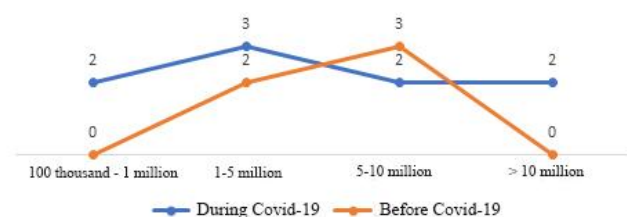


Figure 3. Comparison of SMSE Daily Income Before and During Covid-19.

Figure 3 and Table 2 show income classification of four categories. The first category is those which earn Rp 100.000-Rp 1.000.000 per day. The second category is the SMSE with income Rp 1.000.000-Rp 5.000.000 per day. The third category is the SMSE with income Rp 5.000.000-Rp 10.000.000 per day and the fourth category is the SMSE with income > Rp 10.000.000.

Before Covid-19 there were only five SMSE that informed their data (see table 2), as the rest objected to be the part of this research. Meanwhile, during Covid-19 (early years of 2020-2021) only nine business units that allowed data access. Some other business units rejected to do so with various reasons.

Table 2. Income Category of SMSE before and during Covid-19 Pandemic

Income Category	Before Covid-19	Name of Business Units	During Covid-19	Name of business unit
100 thousand-1 million	0	None	2	Haven Beach, Warung Noken, Caffè Kaka Idola, Soetijah Beach Caffè, Mutiara Yasyani Caffè
1-5 million	2	Mayo Resort & Lounge, Warung Noken	3	Caffè Kaka Idola, Yesbeer Caffè, Haven Beach
5-10 million	3		2	Mayo Resort & Lounge, Yesbeer Caffè
> 10 million	0		2	Papitos, Djoeragan Dapur

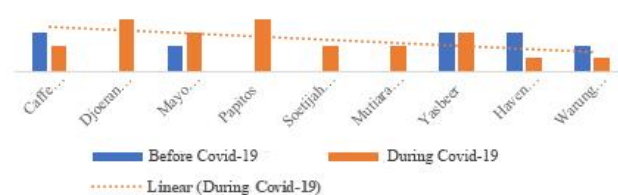


Figure 4. Income Comparison Before and During Covid-19

Identification of both affected and non-affected SMSE can be seen on table 3. The data shows that only three units of SMSE were directly affected by Covid-19: Caffè Kaka Idola, Haven Beach Caffè and Warung Noken. The identification was based on the income trend which was bigger before the Covid-19.

Table 3. The Category of Covid-19 Affected and Unaffected SMSE Based on Daily income

Business Name	Establishment Year	Identification Findings
Caffe Kaka Idola	2020	Affected
Djoerangan Dapur	2021	Unaffected
Mayo Resort & Lounge	2020	Unaffected
Papitos	2021	Unaffected
Soetijah Beach Café	2020	Unaffected
Mutiara Yasyani Café	2021	Unaffected
Yasbeer	2021	Unaffected
Haven Beach Café	NA	Affected
Warung Noken	2019	Affected

General Description of Workforce Before and During Covid-19

The general description of workforce in some SMSE business units along Holtekamp beach can be seen on Figure 5 and Figure 6. During Pandemic: The SMSE with the most number of workforce were Djoeragan Dapur (50 people), Yasbeer (48 people), Mutiara Yasyani Café (19 people), Mayo Resort & Lounge dan Papitos (15 people), Haven Beach and Warung Noken (8 people), Soetijah Beach Café (4 people) and Café Kaka Idola (3 people). At present the SMSE with the most number of workforce are: Djoerangan Dapur (50 people), Yasbeer dan Mayo Resort & Lounge (30 people), Papitos (8 people), Café Kaka Idola and Soetijah Beach Café (6 people), Haven Beach (4 people), and Warung Noken (2 people). The comparison and distribution of the workforce can be seen on figure 5 and 6.

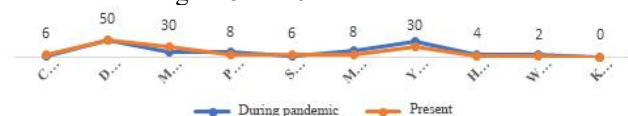


Figure 5. The Comparison of the number of tourism SMSE's Workforce during Covid-19 and Present

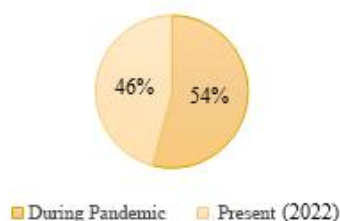


Figure 6. Percentage (%) of Workforce Absorbance During Covid-19 and Present

Figure 5 shows the percentage of workforce at 54% during pandemic, while today at 46%. This is interesting as it shows the anomaly in workforce distribution, which will be later explained on a discussion part. The trend shows differently, either positive or negative, in each SMSE of the research area.

Table 4. Illustration of SMSE's workforce Before and During Covid-19 Pandemic and Average Percentage of Increase/Decrease

Business Name	During Pandemic	Present (2022)	% Increase/Decrease
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Caffe Kaka Idola	3	6	100.0
Djoerangan Dapur	50	50	0.0
Mayo Resort & Lounge	15	30	100.0
Papitos	15	8	-46.7
Soetijah Beach Café	4	6	50.0
Mutiara Yasyani Café	19	8	-57.9
Yasbeer	48	30	-37.5
Haven Beach Café	8	4	-50.0
Warung Noken	8	2	-75.0
Average Number of Workforce			-1.9



Figure 7. Trend of Tourism SMSE's Workforce During Covid-19

Referring to Table 5, workforce is classified into three categories. First, SMSE with the demand of workforce addition, seen from the plus (+) sign. Those falling into this category were: Café Kaka Idola, Mayo Resort and Lounge and Soetijah Beach Café. The second category is SMSE which did not add nor reduce the number of workforces. This means more stable in response to the condition of labor force. The only sample here was Djoeragan Dapur whose condition of workforce was more stable before and during the pandemic. The third category, those whose number of workforces decreased were Papitos, Mutiara Yasyani Café, Yasbeer, Haven Beach Café and Warung Noken.

Table 5. Identification of Affected and Unaffected SMSE Based on percentage of Workforce

Business Name	% increase /decrease	Remark
Caffe Kaka Idola	100.0	Unaffected
Djoerangan Dapur	0.0	Unaffected
Mayo Resort & Lounge	100.0	Unaffected
Papitos	-46.7	affected
Soetijah Beach Café	50.0	Unaffected
Mutiara Yasyani Café	-57.9	affected
Yasbeer	-37.5	affected
Haven Beach Café	-50.0	affected
Warung Noken	-75.0	affected
Average number of Workforce	-1.9	

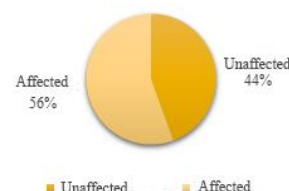


Figure 8. % Affected and Unaffected SMSE Based on Workforce Trend

Visitor Trend

This research is aimed at studying the impact of Covid-19 to SMSE judging from their visitor trend during the pandemic. However, as the quantitative data were not available, the quantitative approach was chosen by conducting interview with the SMSE business actors and adding two categories of trends; increasing and decreasing. The answers can be seen on table 6.

Table 6. Description of Visitor Trend (from the interview)

Business Name	Visitor Trend During Covid-19	Remark
Caffe Kaka Idola	Decreasing	Affected
Djoerangan Dapur	Increasing	Unaffected
Mayo Resort & Lounge	Decreasing	Affected
Papitos	Increasing	Unaffected
Soetijah Beach Café	Decreasing	Affected
Mutiara Yasyani Café	Decreasing	Affected
Yasbeer	Increasing	Unaffected
Haven Beach Café	Decreasing	Affected
Warung Noken	Decreasing	Affected

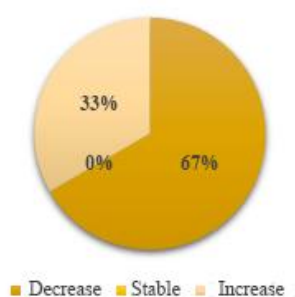


Figure 9. Percentage (%) of SMSE visitor trend During Covid-19

Table 6 and Figure 9 show the trend that visitor arrival fell 67% during Covid-19. Meanwhile, the rest 33% claimed the arrival increased during the pandemic. The SMSE on table 6 (of affected and unaffected ones) were assumed to have a direct impact from Covid-19.

Identification of Government-Intervention/Scenario Model

This part explains government-funds for SMSE, policy intervention, the right scenario model, capital provider for a facilitator.

This part identifies direct government assistance to SMSE during the pandemic; policy intervention for business support, and the right scenario models needed by SMSE business actors.

Table 7. Suggestion for Intervention and Scenario Model for Government

Unit / SMSE Business Actors	Suggestion for Intervention and Scenario Model for SMSE
Caffe Kaka Idola	"We do not have any ideas on government intervention model for SMSE but we do hope there will be no such pandemic in the future."
Djoerangan Dapur	"Interest/Margin subsidies"
Mayo Resort & Lounge	Not answering
Papitos	"In the field of tourism and culinary, we suggest that the government outreach us (the SMSE entrepreneurs) under Jembatan Merah, as we just use our own strategy along this time. It will be much better if we can collaborate with the government, (so that) we can compete with Bali or even can go international if local government supports us."
Soetijah Beach Café	No suggestion
Mutiara Yasyani Café	"As today's condition is not stable just yet, we don't have any suggestions for the scenario. However, we will fully support if the government makes any policy related to our business."
Yasbeer	"We hope the government can pay more attention to culinary business under Jembatan Merah, especially providing facilities and access to the location. We hope that any policy related to SMSE are well disseminated so that we can be well-informed. We strongly suggest that the government visit us in Jayapura Municipality. As we are in this modern era, we hope that the government can teach how to use digital modern finance application which will ease our business."
Haven Beach Café	"All SMSE should have the funds."
Warung Noken	-

Policy Approach, Program, Strategy, and Recommendation

This part explains and analyses to what extent the approach, program, strategy and recommendation of the government in response to Covid-19 particularly to support SMSE

Covid-19 Budget Policy Approach

- 1) Budget policy for strengthening SMSE during Covid-19 can be observed from the Inspection Report (LHP) of Jayapura Municipality Government year 2020 (beginning year of pandemic in Papua and Jayapura Municipality). According to LHP of Jayapura Municipality, the item of Covid-19 recovery acceleration was on the post of Unpredicted Budget Realization by Social Department and Covid-19 Task Force of Jayapura Municipality. The data shows that the realization of the unprecedented budget in 2020 was Rp. 30.399.952.564, while the realization of the budget was Rp 28.896.832.064 or similar to 94.06%.
- 2) Besides the unpredicted budget, there was also grant for hotel and restaurant business actors for Rp. 7.314.685.000 which was realized only as much as Rp 3.078.448.925 or 42.09%.

- 3) The Grant for SMSE increased significantly 500% (see table 8). The data tells that the post of Budget for Small Scale Business which existed since 2019 which previously was Rp 500.000.000, rose significantly into 3.078.448.925.

Table 8. Grant for Small Scale Business in Jayapura Municipality

Budget Expenditure Account	2020 (Rp)	2019 (Rp)	% Increase/Decrease
Expenditure for Small Business Development	3.078.448.925	500.000.000	515.69

Source: Audited LKPD 2020

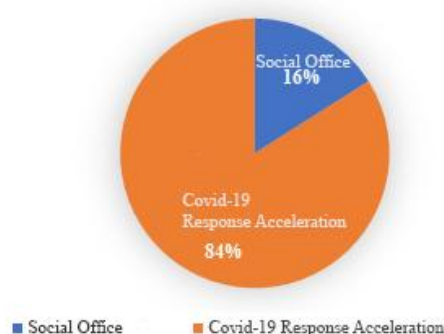


Figure 10. Percentage of (%) Realization of Unpredicted Budget

Policy Approach, Program, Strategy: Perspective of SMSE Business Actors

This part is the explanation and assessment from the SMSE business actors to the policy, program and strategy of the government during Covid-19 pandemic.

The first Covid-19 case in Papua was confirmed on March 22, 2020 (Matani et al, 2020); the same month when the first outbreak occurred in Jayapura. Afterward, Jayapura Municipality had become the area where Covid-19 spread at the highest number in Papua. This condition was the result of two factors: population congestion and people's discipline in obeying Covid-19 Protocol (these two most common factors of Covid-19 outbreak were stated by head of Jayapura Municipality Health Office, dr. Nyoman Sri Hartati to Kompas/Regional). In fact, on July 2020, the Covid-19 cases in Jayapura had reached 1000 cases (Kompas.id, July 2, 2020). These two causing factors had been the priority of Government when designing responsive Covid-19 policies ever since (Matani, 2020). The pandemic effect also hit other sectors and one of them was tourism SMSEs in Jayapura Municipality. This research found that three out of nine SMSEs experienced significant impact from the pandemic. This equals to 33% affected SMSEs located along Hamadi-Holtekamp. The workforce was not an exempt as there were five SMSEs that had reduced their workforce during Covid-19 which means that 55.5% of them were affected. From the visitor trend, it was found that six SMSEs were affected which is equal to 66.6%. The percentage of the affected SMSEs was

low likely because: (1) Tourism spot of Hamadi-Holtekamp was a new tourism area which was more attractive with the bridge "Jembatan Merah" as a connector to each tourism spot. (2) National Sport Week (PON) and Paralympic National (Peparnas) were held in October and November 2021. (3) Government regulation related to relaxation on Large-Scale Social Restriction LSSR which enabled people to have a vacation following the boredom during Covid-19. (4) SMSEs can get into business again but were obliged to apply the health protocol of Covid-19.

Regarding the government policy toward SMSEs, there was a budget allocated by the government encountering the pandemic by providing unpredicted budget, grant for hotel and restaurant business actors at Rp. 7.314.685.000, yet the realization was only Rp 3.078.448.925 or 42.09%. However, the grant allocation for SMSE also rose significantly reaching 500% (see table 9). This budget was already existed years before but increased essentially into 3.078.448.925. The fact is, though the grant and unpredicted budget were provided for the SMSEs in Jayapura Municipality, they could not be enjoyed by the SMSEs business actors so far.

The tourism business actors along the area of Hamadi-Holtekamp beach confirmed that the policy, program design and efforts to recover the SMSE business during the pandemic were not effective for them. What they knew were only common government policies facing the pandemic such as LSSR, new normal regulations and health protocol implementation in their business areas. On the other hand, a partial intervention was only given to led-government home business, though tourism SMSE is the sector which absorbed workforces at the most. To keep these business sustainable, government must do some strategic ways namely : (1) continually providing assistance for SMSE resistance during pandemic, (2) both government and business actors must collaborate to improve business innovation which in turn will elevate SMSEs' business capability; (3) maximizing the use of digital platform to expanse business in the future.

IV. CONCLUSIONS

The following are the conclusion of this research Of the 9 SMSEs income identification, only 3 of them encountered significant effect of Covid-19. This is equal to 33% of affected SMSEs along tourism site of Hamadi-Holtekamp. In addition, five of them experienced workforce reduction during Covid-19 pandemic. This means that 55.5% of them were affected by the pandemic. Meanwhile, concerning the visitor trend, six business or 66.6% were affected by the pandemic. In regard to Government policy toward SMSEs there were unpredicted budget as well as Grant budget for hotel and restaurant business actors at Rp. 7.314.685.000 where the realization was only Rp 3.078.448.925 or 42.09%. The government policies were not effective for SMSEs at Hamadi-Holtekamp tourism beach. The policies, program design and actions did not assist the them during the pandemic. Some strategic ways such (1) providing continual assistance for tourism SMSE to be more resistance during the pandemic;

(2) government and business owners need to collaborate to upgrade business innovation concerning SMSE business capability; (3) Encouraging to maximally use the digital platform to expand the future business.

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