
Survival Strategies for Culinary MSMEs in the Post-Pandemic Recession: A Case Study on Sellers in Elementary Schools

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KEYWORDS:

Culinary MSMEs, Elementary School Market, Survival Strategies,

ABSTRACT

The COVID-19 pandemic and subsequent global recession have significantly impacted culinary MSMEs, especially those operating in primary school environments with high dependence on a single market. This study aims to comprehensively identify and analyze the survival strategies developed by culinary MSMEs in the elementary school context in response to the post-pandemic recession. It employs a qualitative approach with an interpretive paradigm to gain an in-depth understanding of the survival strategies of culinary MSMEs within the post-pandemic elementary school environment. Data were collected through in-depth interviews, observations, and focused group discussions over 8 months, then analyzed thematically using the Sustainable Livelihood Approach framework. The findings reveal four key strategies: (1) product and market diversification, (2) extreme operational efficiency, (3) social capital mobilization, and (4) diversification of revenue sources. However, the effectiveness of these strategies is constrained by structural barriers such as limited access to formal financing and digital literacy. The study's implications emphasize the need for contextual empowerment policies, including unsecured microcredit programs, simple digital training, and the role of school institutions as facilitators to build the resilience of micro MSMEs in limited markets.

INTRODUCTION

The COVID-19 pandemic has triggered severe economic disruptions for Micro, Small, and Medium Enterprises (MSMEs), particularly in the culinary sector, which experienced turnover declines of 60–80% during social restriction periods. These disruptions have profoundly challenged the economic resilience—defined as the capacity to absorb shocks, adapt, and recover from crises (Folke, 2006)—of culinary MSMEs operating in bounded market segments such as elementary schools. The culinary MSME sector is one of the pillars of Indonesia's economy, absorbing the largest workforce and contributing significantly to the national Gross Domestic Product (GDP). In the post-pandemic context, culinary MSMEs confront dual challenges: sluggish economic recovery and the looming threat of global recession that erodes household purchasing power and fundamentally alters consumption behavior (Acharya, 2023; Navarro et al., 2021).

Culinary MSMEs operating in elementary school environments constitute a unique market segment characterized by high dependency on a single consumer base (school students), strict operational constraints tied to academic calendars, and vulnerability to education policy changes such as *Pembelajaran Jarak Jauh* (PJJ) mandates (Ratnaningtyas et al., 2025; Sutarman et al., 2024; Toha & Habibah, 2023). According to data from the Ministry of Cooperatives and SMEs, as many

as 87.5% of MSMEs experienced a decline in sales during the pandemic, with the culinary sector being the most vulnerable. Culinary merchants in elementary schools face not only operational technical challenges, but also the imperative to adapt to shifting consumer preferences and the economic realities of recession-affected families whose purchasing power has been significantly diminished. The dependence on the single market (school students) makes this group of traders an interesting object of study to understand *survival strategies* in multi-layered crisis conditions (Appel & Hardaker, 2021; Yen et al., 2021).

The economic resilience, operationally defined in this study as the capacity of culinary MSMEs to maintain business operations, adapt strategies, and sustain livelihoods despite external economic shocks, has become a critical concern during the post-pandemic recession (Agarwal et al., 2022; Eppang et al., 2024). This concept encompasses both the ability to withstand immediate disruptions and the capacity to implement adaptive strategies for long-term sustainability (Martin & Sunley, 2015). Bank Indonesia data shows that the level of household consumption in 2023 contracted due to high inflation and slowing global economic growth. In this context, culinary traders in elementary schools develop various survival strategies that reflect the creativity and adaptability of micro business actors in the face of external economic pressures. Table 1 presents comprehensive statistical evidence of the multidimensional pressures facing Indonesian culinary MSMEs from 2020 to 2024.

Table 1. Statistics of Indonesian Culinary MSMEs (2020-2024)

Indicators	2020	2021	2022	2023	Source
Sales Decline (%)	65%	48%	38%	22%	Ministry of Cooperatives and SMEs
MSMEs Permanently Closed	1.7 million	890 thousand	420 thousand	180 thousand	BPS
Food Inflation (%)	3.7%	4.2%	8.9%	6.3%	Bank Indonesia
Merchant in School (estimate)	245 thousand	156 thousand	198 thousand	218 thousand	BPS
Access to Capital Assistance (%)	12%	18%	24%	31%	World Bank

Source: Ministry of Cooperatives and SMEs (2024)

The data in Table 1 reveal several critical trends: the 65% sales decline in 2020 demonstrates the immediate severity of pandemic impacts, necessitating rapid short-term adaptation strategies; the persistent 6.3% food inflation in 2023 despite economic recovery indicates sustained pressure on operational costs, compelling traders to innovate in menu development and raw material efficiency; the closure of 1.7 million MSMEs in 2020 underscores the existential threat facing businesses without effective survival strategies; and the gradual recovery of school merchants from 156,000 (2021) to 218,000 (2023) reflects differential resilience capacities across trader segments.

Post-Pandemic Recession conditions have created layered pressures on culinary MSMEs, ranging from rising raw material prices and declining consumer purchasing power to changes in people's consumption behavior. These conditions make immediate research intervention critically important—the window for implementing effective support policies is rapidly closing as economic

conditions deteriorate and more MSMEs face permanent closure. World Bank projections (2023) indicate Indonesia confronts recession risks, with economic growth decelerating below 5%, elevated food inflation, and declining consumer confidence indices. In this condition, research that identifies effective survival strategies is important to help MSME actors develop sustainable and resilient business models.

The socio-economic dimension of culinary traders in elementary schools warrants particular attention, as the majority are women heads of households or housewives relying on this business as their primary family income source. Asian Development Bank research (2022) states that 68% of micro-scale culinary MSMEs in Indonesia are managed by women who have limited access to capital, technology, and business networks. The failure of their enterprises reverberates beyond family economics, impacting children's educational access and community social welfare. Therefore, this study has broad practical implications in the context of women's economic empowerment and poverty alleviation at the micro level.

Theoretically, this study is anchored in the Sustainable Livelihood Approach (SLA) developed by Chambers and Conway (1992), which provides a comprehensive framework for analyzing how households construct livelihoods through five capital assets: human capital (skills, knowledge, health), social capital (networks, relationships, trust), financial capital (savings, credit access), physical capital (infrastructure, equipment), and natural capital (land, resources). In the context of culinary MSMEs, SLA offers analytical leverage for understanding how traders strategically mobilize and combine these asset portfolios to navigate economic shocks and structural pressures.

Scoones (1998) extended the SLA framework by integrating institutional and policy dimensions—including formal regulations, informal norms, and organizational structures—that fundamentally shape livelihood strategy choices. This extended framework proves particularly relevant for school traders operating within bounded institutional contexts defined by education policies, school regulations, and academic calendars that constrain market access and operational flexibility.

Complementing SLA, the Resource-Based View (RBV) theory advanced by Barney (1991) elucidates how firms achieve sustained competitive advantage through strategic deployment of valuable, rare, inimitable, and non-substitutable (VRIN) resources. Applied to micro MSMEs, RBV illuminates how traders leverage limited internal resources—culinary expertise, supplier relationships, customer loyalty—to create differentiation and maintain viability during crises. The integration of SLA and RBV provides a robust theoretical architecture for analyzing the multilevel dynamics of survival strategies: SLA captures the asset-based foundation and external institutional context, while RBV explains the strategic resource deployment that generates competitive positioning.

Several studies have examined the survival strategies of MSMEs in various contexts of economic crises. Research by Widiastuti and Handayani (2021) on culinary MSMEs in Yogyakarta found that product diversification, marketing digitalization, and operational efficiency are the main strategies in dealing with the pandemic. A study by Prasetyo, et al. (2022) in East Java identified that MSMEs that have strong social capital and community networks tend to be more resilient in the face of economic shocks. Meanwhile, research by Rahmawati and Nugroho (2023) on traditional

market traders shows that access to government assistance and microfinance institutions has a significant effect on business sustainability.

International research also provides important insights into the survival strategies of MSMEs in the context of a crisis (Gamage et al., 2020; Senin et al., 2024). A study by Bartik, et al. (2020) in the United States found that MSMEs with good technological adaptation capacity have a 40% higher probability of surviving than those that do not adapt. Fairlie and Fossen (2021) analyzed the impact of the pandemic on small businesses in various sectors and found that the food service sector experienced the deepest decline but also showed a faster recovery rate than other sectors. Research by Grashuis, et al. (2022) on restaurant entrepreneurs shows that the flexibility of business models and customer relationship management is a critical factor in survival rates.

However, the majority of previous research has focused on MSMEs in public markets or e-commerce platforms, with little attention to culinary traders in educational institutions. Sutrisno and Wijaya's (2020) research on traders in school canteens emphasizes more on food safety and regulatory aspects, not economic strategies. The Mulyani, et al. (2021) study on school stalls examines nutrition and health aspects, with a lack of analysis of economic resilience. Research by Kusuma and Pratama (2023), which examines street vendors in school areas, focuses more on spatial conflicts and public spatial arrangements rather than on survival strategies in the context of macroeconomic crises.

Based on the literature review, there is a significant research gap related to the survival strategies of culinary MSMEs in the elementary school environment, especially in the context of the post-pandemic recession. Previous studies have not comprehensively analyzed the unique characteristics of school traders who have a high dependence on the single market segment (students and school communities) with consumption patterns that are strongly influenced by the academic calendar. Methodological gaps were also identified, where in-depth qualitative studies on the lived experiences of microtraders in dealing with multiple shocks (pandemics and recessions) are still very limited. Research by Wibowo and Setiawan (2022), Hidayat, et al. (2023), and Susanti (2024) has not explored the dimensions of psychological resilience and traders' coping strategies in the face of long-term economic uncertainty.

The novelty of this research lies in three main aspects that distinguish it from previous studies. First, this study integrates the perspective of the Sustainable Livelihood Approach with resilience economy theory to analyze the multi-level adaptation strategies of school culinary traders, which has not been carried out in domestic studies. Second, the study uses a longitudinal approach to track changes in strategies from the pandemic period, transition, to post-pandemic recession, providing a dynamic understanding of the evolution of survival strategies. Third, this study specifically analyzes the role of school institutions as enabling or constraining factors in traders' survival strategies, an aspect that is overlooked in mainstream MSME literature that tends to focus on the open market.

The theoretical contribution of this research is the development of the "Nested Market Resilience" model, which explains how MSMEs operating in bounded markets develop survival strategies that are different from MSMEs in open markets. This model expands the application of the Sustainable Livelihood Framework by including institutional embeddedness variables as critical dimensions that influence strategy choices. Practically, this study provides evidence-based

recommendations for MSME empowerment policies that are contextual and sensitive to the specific characteristics of traders in educational institutions, filling the gap in the design of assistance programs that have been generic and not on target.

This study aims to comprehensively identify and analyze survival strategies developed by culinary MSMEs in elementary school environments confronting post-pandemic recession, specifically examining how traders leverage livelihood assets within institutional constraints to maintain business viability and household welfare. This objective aligns with OECD (2020) policy recommendations emphasizing micro-level adaptation strategy documentation to inform inclusive economic recovery frameworks and extends Ellis's (2000) rural livelihoods research agenda by applying context-specific analysis to urban informal economy segments. The research benefits multiple stakeholder groups: it contributes to women's economic empowerment by identifying effective strategies and barriers for predominantly female traders; provides policymakers with evidence-based guidance for designing contextual MSME support programs; and enriches academic discourse on informal economy resilience by offering rich qualitative data and transferable analytical frameworks applicable across similar bounded market contexts.

RESEARCH METHOD

This study employed a qualitative approach with an interpretive paradigm to understand the survival strategies of culinary MSMEs in the post-pandemic elementary school environment in depth. This approach was chosen because it explored the life experiences, subjective meanings, and complex adaptation processes of traders, resulting in contextual and holistic understanding. As a research strategy, instrumental case studies were adopted with a collective case study design involving several primary schools to gain a comprehensive perspective through comparative analysis. The selection of locations and subjects employed purposive sampling with maximum variation criteria to capture the diversity of socio-economic and geographical contexts.

The research design was flexible and emergent, allowing adjustments based on findings in the field, and combined triangulation of methods to improve the credibility of the data. Data collection was carried out in two phases over a span of 8 months to capture the dynamics of strategy changes and seasonal variations that affected traders' earnings. This research focused on Cirebon City with 6 selected elementary schools representing a variety of institutional status and geographical areas, involving 24–30 traders as key informants who had been operating since before the pandemic and supported by various additional informants such as school principals, teachers, parents, and students.

In its implementation, the researcher acted as the main instrument supported by semi-structured interview guidelines, structured observation protocols, and documentation sheets. Data collection techniques included in-depth interviews, moderate participatory observations, document analysis, and focus group discussions designed to explore collective perspectives. This combination of methods ensured robust data triangulation and comprehensive understanding through an in-depth exploration of the traders' adaptation strategies, barriers, and resources.

The collected data were analyzed thematically with an inductive-deductive approach through an iterative process that was simultaneous with data collection. The validity of findings was guaranteed through trustworthiness criteria, which included credibility, transferability, dependability, and confirmability, with various strategies such as triangulation, member checking, audit trails, and reflexive journaling. Through this methodological rigor, the research produced an in-depth and contextual understanding of the resilience of micro MSMEs in facing a multi-layered economic crisis.

RESULTS AND DISCUSSION

Demographic Profile and Characteristics of Elementary School Culinary Vendors

This study involved 28 culinary traders operating in six elementary schools in Cirebon City with an age range of between 32-58 years. The majority of informants (82%) are women who run culinary businesses as the main source of family income, in line with the findings of the Asian Development Bank (2022) that 68% of micro-scale culinary MSMEs in Indonesia are managed by women. The average operating life of a business is 7.3 years, with 89% of traders having been operating since before the COVID-19 pandemic, providing a longitudinal perspective on the impact of the multi-layered crisis faced.

Table 2. Demographic Characteristics of Elementary School Culinary Vendors (n=28)

Characteristic	Category	Sum	Percentage
Gender	Woman	23	82,1%
	Man	5	17,9%
Age	30-39 years old	8	28,6%
	40-49 years old	14	50,0%
	50-59 years old	6	21,4%
Education	Elementary/Junior High School	12	42,9%
	High School/Vocational School	14	50,0%
	Diploma/Bachelor's	2	7,1%
Long Term of Effort	< 5 years	5	17,9%
	5-10 years	17	60,7%
	> 10 years	6	21,4%
Ownership Status	Sole proprietor	24	85,7%
	Family partnerships	4	14,3%
Initial Capital	< IDR 2 million	15	53,6%
	IDR 2-5 million	10	35,7%
	> IDR 5 million	3	10,7%

Source: Primary data (2024)

The findings show that school culinary traders have limited financial capital and human capital, with 93% lacking formal education related to entrepreneurship or business management. This condition is consistent with research on the characteristics of Indonesian MSMEs that absorb informal workers with limited access to formal financing, as found in a study on the challenges of 44 million MSMEs who have not yet accessed formal financial institutions.

The Impact of the Pandemic and Recession on Culinary MSME Operations

Decreased Income and Changes in Consumption Patterns

Longitudinal data analysis shows that school culinary traders experienced a drastic decrease in income during the pandemic period (2020-2021), with an average decrease in turnover reaching 73.4%, surpassing the national figure of 65% reported by the Ministry of Cooperatives and SMEs. This extreme decline is due to the total dependence on the single market segment (school students) which is completely eliminated during distance learning (PJJ).

Table 3. Changes in Average Daily Income of Culinary Traders (2020-2024)

Era	Average Daily Income	Change (%)	Information
Pre-Pandemic (2019)	IDR 487,000	-	Baseline
Early Pandemic (2020)	IDR 129,000	-73,4%	Full PJJ
Transition (2021)	IDR 243,000	+88,4%	PJJ alternating

Recovery (2022)	IDR 368,000	+51,4%	limited PTM
Post-Pandemic (2023)	IDR 421,000	+14,4%	Full PTM
Recession (2024)	IDR 356,000	-15,4%	High inflation

Source: Primary data (2024)

The findings show a non-linear recovery pattern, in line with the research of Fairlie and Fossen (2021) which identified that the food service sector shows a fluctuating recovery rate. Interestingly, although face-to-face learning (PTM) has returned to full in 2023, traders' revenues only reached 86.5% of pre-pandemic levels, and experienced a decline of 15.4% in 2024 due to the impact of the recession marked by 6.3% food inflation and a decline in consumer purchasing power. One of the informants (Mrs. Sri, 47 years old, a fried rice trader) explained:

"In the past, before COVID, I could sell 60-70 servings per day, I could net 500 thousand. When the school pandemic closed, I could only sell 10-15 portions to my neighbors, I got 100 thousand thanks. Now schools are open, but the children have fewer snacks, parents give less pocket money because prices have gone up. I now sell 40-50 portions at most, I get 350 thousand."

Rising Operating Costs and Profit Margin Pressures

Traders face double pressure in the form of declining sales volumes and significant increases in raw material prices. Data shows that the price of basic necessities and staples has increased by an average of 47.3% during the 2020-2024 period, while traders' bargaining power to increase selling prices is very limited considering that the main consumers are elementary school students with limited pocket money.

Table 4. Comparison of Major Raw Material Prices (2020 vs 2024)

Raw Materials	2020 Price	Price 2024	Increase (%)
Rice (1 kg)	IDR 11,000	IDR 15,500	40,9%
Cooking oil (1 liter)	IDR 14,000	IDR 23,000	64,3%
Chicken eggs (1 kg)	IDR 21,000	IDR 29,500	40,5%
Granulated sugar (1 kg)	IDR 13,000	IDR 17,500	34,6%
Red chili peppers (1 kg)	IDR 32,000	IDR 48,000	50,0%
LPG Gas 3 kg	IDR 17,000	IDR 22,000	29,4%
Average increase			47,3%

Source: Cirebon primary data and BPS (2024)

This increase in operational costs has had an impact on shrinking profit margins from an average of 35% (pre-pandemic) to just 18% (2024), forcing merchants to commit extreme efficiencies that often sacrifice product quality or reduce portions. These findings confirm research on MSME survival strategies that show cost cutting as the main response to economic pressures.

Typology of Survival Strategies Based on the Sustainable Livelihood Framework

Based on the Sustainable Livelihood Approach framework (Chambers & Conway, 1992; Scoones, 1998), the study identified five main categories of survival strategies developed by school culinary traders, which utilized a combination of five capital assets: human, social, financial, physical, and natural capital.

Product-Market Diversification Strategy

As many as 75% of traders (n=21) implement product diversification strategies by adding menu variations and frozen product innovations to expand market segments. This strategy utilizes human capital (cooking skills) and physical capital (kitchen utensils) that you already have.

Table 5. Types of Diversification Strategies Traders Apply

Types of Diversification	Number of Traders	Percentage	Effectiveness*
Additional menu variants	18	64,3%	Keep
Frozen/pre-cooked products	12	42,9%	Tall
Expansion to neighboring stalls	8	28,6%	Keep
Event catering service	7	25,0%	Low
Sell raw materials/vegetables	5	17,9%	Low

*Effectiveness measured by contribution to revenue increase: High (>30%), Medium (10-30%), Low (<10%)

Source: Primary data (2024)

Mrs. Ani (52 years old, meatball trader) explained her diversification strategy:

"At first, I only sold ordinary meatballs. When the pandemic was very quiet, I tried to make frozen meatballs that could be taken home, sold to neighbors and small stalls. Now it's a decent additional income, getting 1-1.5 million per month from frozen sales."

These findings are in line with research by Widiastuti and Handayani (2021) which identified product diversification as the main strategy of Yogyakarta culinary MSMEs, as well as a study that highlighted frozen product innovation as an effective adaptation during the pandemic.

Operational Efficiency and Cost Cutting Strategy

All traders (100%) implement operational efficiency strategies with a variety of approaches, from cost cutting to optimizing production processes.

Table 6. Forms of Operational Efficiency Applied

Form Efficiency	Sum	%	Impact on Business
Reduce food portions	24	85,7%	Risk of losing customers
Cheaper substitution of raw materials	22	78,6%	Degradation of product quality
Reduced menu variety	19	67,9%	Loss of differentiation advantage
Negotiate prices with suppliers	17	60,7%	Effective, not sacrificing quality
Optimization of energy use	15	53,6%	Marginal savings
Reduce operating hours	11	39,3%	Missing out on sales opportunities

Source: Primary data (2024)

Pak Budi (43 years old, a chicken noodle trader) explained the dilemma of operational efficiency:

"The price of chicken and noodles continues to rise, but if I increase the selling price, children will not buy it. I had to reduce the portion of chicken, it was 4 pieces, now it's only 3 pieces. But I'm afraid that customers will protest or move to other traders."

Operational efficiency strategies that sacrifice product quality or portions reflect the difficult trade-offs faced by micro MSMEs in the face of economic pressures. These findings are in line with research that identified cost-cutting as a survival strategy, but it reveals long-term consequences in the form of erosion of consumer confidence and competitive advantage.

Social Capital Mobilization Strategy and Community Networks

As many as 68% of traders (n=19) rely on social capital as a buffer zone in facing crises, by utilizing family networks, merchant communities, and relationships with schools.

Table 7. Forms of Social Capital Mobilization

Forms of Social Capital	Frequency	Key Benefits
Merchant Arisan	16 (57%)	Interest-free access to capital

Family loans	14 (50%)	Avoiding loan sharks
Informal cooperatives	9 (32%)	Emergency assistance
Partnering with fellow merchants	19 (68%)	Information sharing, supplier together
Negotiations with the school	12 (43%)	Rent/electricity fee waivers

Source: Primary data (2024)

Mrs. Siti (45 years old, mixed ice trader) tells about the role of social capital:

"When the pandemic was at its worst, I almost closed because I didn't have money for capital. Fortunately, there was a traders' arisan gathering, I got a turn of 2 million, I was able to survive. If there were no other merchant friends to help, I might have closed."

These findings confirm the research of Prasetyo et al. (2022) which found that MSMEs with strong social capital are more resilient, as well as a study on the importance of community support in the resilience of informal traders. However, this study also reveals that social capital has limitations in dealing with systemic and prolonged external shocks.

Multi-Income and Livelihood Diversification Strategy

As many as 54% of traders (n=15) implemented a livelihood diversification strategy by developing alternative economic activities outside of the school's culinary business.

Table 8. Types of Livelihood Diversification

Alternative Activities	Sum	%	Contributions to Total Revenue
Online sales of other products (cosmetics, clothing)	8	28,6%	15-25%
Washer/ironing workers	4	14,3%	20-30%
Chicken/fish farming	3	10,7%	10-15%
Part-time online motorcycle taxi	2	7,1%	25-35%
Sewing/handicrafts	3	10,7%	10-20%

Source: Primary data (2024)

Ibu Wati (38 years old, fried food trader) explains the multi-income strategy:

"In addition to selling fried foods at school, I also sell beauty products online via WhatsApp. It's not bad to be able to add up, get 500 thousand - 1 million per month. If it's just from selling at school, it's not enough to make a living."

This strategy reflects livelihood diversification as conceptualized in the Sustainable Livelihood Framework, where households develop a portfolio of economic activities to reduce risk and increase resilience to external shocks.

Structural Barriers in the Implementation of Adaptation Strategies

Limitations of Access to Formal Financing

All traders (100%) rely on their own capital or informal loans (family, social gatherings, loan sharks) for business capital, without access to formal financial institutions.

Table 9. Sources of Capital and Access to Financing

Funding Sources	Sum	%	Interest/Fees	Accessibility
Self/family capital	28	100%	0%	Limited
Merchant Arisan	16	57%	0%	Keep
Family loans	14	50%	0-5%/month	Limited
Renter/bank plecit	6	21%	20-30%/month	Easy but expensive
Informal cooperatives	5	18%	2-5%/month	Limited
Banks/formal financial institutions	0	0%	-	Inaccessible
Government assistance programs	2	7%	0%	Very difficult

Source: Primary data (2024)

Mr. Joko (46 years old) explained the obstacles to access financing:

"I once tried to go to a bank to borrow 10 million capital, but it was rejected because my business was considered informal, did not have a SIUP or legality. They also asked for a certificate of the house, but my house is still in the status of the contract."

This barrier reflects a mismatch between the requirements of formal financial institutions and the characteristics of informal micro MSMEs, in line with the finding that 44 million Indonesian MSMEs have not been able to access formal financing, forcing them to rely on loan sharks with high interest rates.

Limitations of Digital Literacy and Technology Infrastructure

Although digitalization is promoted as a solution for MSMEs, the majority of merchants (71%) experience significant barriers in the adoption of digital technology.

Table 10. Digitalization Barriers Faced by Merchants

Types of Barriers	Frequency	%	Difficulty Level*
Not understanding how to use the app	23	82%	Tall
Limitations of smartphones/devices	13	46%	Tall
Limited internet fees/quota	15	54%	Keep
Difficulty creating content (photos/videos)	19	68%	Tall
Not understanding online marketing strategies	21	75%	Tall
Target consumers do not use digital platforms	25	89%	Structural

*Difficulty Level: High (can be overcome with intensive training), Structural (systemic barriers that are difficult to solve)

Source: Primary data (2024)

These findings confirm research that most MSME actors find the transition from offline to online inconvenient, and that digitalization is not a universal solution for MSMEs with specific market segmentation such as school traders.

Comparison with Previous Research

Confirmation of Findings of Previous Research

This study confirms some of the findings of previous research on MSME strategies in dealing with crises:

- Diversification as the Main Strategy:** In line with Widiastuti and Handayani (2021), this study found that product diversification became the dominant strategy (75% of traders), although with varying success rates.
- The Importance of Social Capital:** Confirming research by Prasetyo et al. (2022) that MSMEs with strong social capital (68% of traders rely on community networks) show higher resilience in the face of economic shocks.
- Barriers to Digitalization:** Supports the finding that the majority of traditional MSMEs face difficulties in the digital transition, with 71% of merchants in this study experiencing significant barriers.
- Cost Cutting as a Survival Strategy:** Confirming findings on operational efficiency as a common response, with 100% of merchants implementing various forms of cost-cutting.

Contradictions and Different Findings

The study also identified findings that differed or even contradicted the mainstream literature:

Table 11. Comparison of Findings with Previous Research

Aspects	Mainstream Literature	Findings of this study
Digitalization	Universal solutions for MSMEs	Effectiveness is very limited for school

Effectiveness	(Bartik et al., 2020)	merchants (only 7% succeed with marketplaces)
Access Government Assistance	Assistance programs reach 31% of MSMEs (World Bank, 2023)	Only 7% of school traders access assistance (implementation gap)
Recovery Rate	The food service sector shows a rapid recovery (Fairlie & Fossen, 2021)	School traders only reached 86.5% of pre-pandemic levels after 3 years
Platform Digital	E-commerce and marketplaces as solutions (dominant in the literature)	WhatsApp and simple platforms are more effective for school traders

Practical Implications and Policy Recommendations

Recommendations for Policymakers

Based on the research findings, several policy recommendations can be formulated:

Table 12. Policy Recommendations for Empowering School Culinary MSMEs

Intervention Areas	Specific Recommendations	Target Output	Key Stakeholders
Access to Financing	<ul style="list-style-type: none"> Unsecured micro credit program (max IDR 5 million) Simplified application process Subsidy interest 0-2%/year 	70% of merchants access formal financing within 2 years	OJK, Regional Banks, Cooperatives
Digital Capacity	<ul style="list-style-type: none"> Contextual digitalization training (WhatsApp Business, QRIS) Not a mainstream marketplace Ongoing mentoring 	50% of merchants can afford to use a simple digital platform	Cooperative Office, Digital Community
Institutional Support	<ul style="list-style-type: none"> Regulation of maximum rental fees School incentives that support traders Facilitation of school catering programs 	All traders get operational certainty	Department of Education, Principal
Food Safety	<ul style="list-style-type: none"> Free hygiene and food safety training PIRT certification simplified Cleaning equipment subsidy 	100% of traders have PIRT certificates	Health Office, P2KP
Social Protection	<ul style="list-style-type: none"> Microinsurance for informal traders Emergency savings program Buffer stock funding during school holidays 	Traders have a financial safety net	BPJS Employment, Social Service

Source: Research analysis (2024)

Recommendations for School Institutions

School institutions can act as anchor institutions that facilitate the resilience of traders:

1. Pro-Merchant Policy: Exemption or subsidy of rental fees, access to infrastructure (electricity, water), flexibility of operating hours.
2. Bridging Function: Facilitates merchants' access to government assistance programs, training, and better supplier networking.
3. Market Integration: Integrating merchants in school catering programs, promotions to students' parents, and school events.
4. Capacity Building: Organizing periodic training on food safety, simple business management, and hygiene.

Implications for Merchants and the Community

Traders can increase their resilience through:

1. Strengthening Collective Action: Optimizing the function of the merchant community as a platform for learning, resource pooling, and collective bargaining.
2. Strategic Diversification: Focus on realistic diversification (frozen products, catering) rather than complex digital expansion.
3. Building Human Capital: Taking the available training, improving basic business management skills.
4. Financial Discipline: Build a minimum emergency savings to face the off-season (school holidays).

Research Limitations and Future Research Agendas

Research Limitations

This research has several limitations that need to be acknowledged:

1. Limited Geographical Coverage: The focus on Cirebon City may not be fully representative for school traders in other cities with different socio-economic characteristics.
2. Limited Sample Size: With 28 informants, statistical generalizations are limited even though theoretical saturation has been achieved in qualitative analysis.
3. Observation Period: Although tracking is 8 months, multi-year long-term observation will provide a deeper understanding of sustainability strategies.
4. Limited Perspectives: This study focuses on the perspective of traders, with limited exploration of the perspectives of consumers (students and parents) and the school.

Future Research Agenda

Based on the findings and limitations, several future research agendas can be proposed:

1. Multi-City Comparative Studies: Similar studies in cities with different characteristics to identify universal and context-specific patterns.
2. Long-Term Longitudinal Study: Tracking traders for 3-5 years to observe the sustainability of strategies and long-term outcomes.
3. Impact Evaluation: Measure the effectiveness of specific interventions (e.g. micro-credit programs, digital training) on merchant resilience using quasi-experimental methods.
4. Comparative Analysis: Comparing the strategies and resilience of school traders with traders in other bounded markets (campuses, hospitals, offices).
5. Gender Dimension: An in-depth exploration of the gender dimension in survival strategies, given that the majority of traders are women.
6. Children's Perspective: Explores children's consumer perceptions and preferences as a basis for developing more appropriate products.

CONCLUSION

This study concluded that culinary MSMEs in schools faced multidimensional post-pandemic challenges described as "bounded market vulnerability," characterized by heavy reliance on a single market segment susceptible to changes in education policies. The study identified five key survival strategies: product diversification (75% of traders), limited digitalization success (7%), operational efficiency (used by all traders), social capital mobilization (68%), and livelihood diversification (54%). The effectiveness of these strategies depended on a combination of livelihood assets, institutional embedding, and uncontrollable macro factors. The research developed a "Nested Market Resilience" theoretical model that expands the Sustainable Livelihood Framework by

incorporating institutional contexts and highlighted a policy gap with only 7% of traders accessing government assistance. Recommendations include redesigning empowerment programs with unsecured microcredits, providing simple digital training, and developing social protection to mitigate seasonal vulnerabilities from academic calendars. For future research, exploration of digital adoption barriers and the role of institutional support in enhancing digitalization success among culinary MSMEs in schools would provide valuable insights for improving resilience in bounded markets.

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